

#L12 Replacement

**HELD**

32-GH2686\R.36  
Marx  
3/23/22

**AMENDMENT**

OFFERED IN THE HOUSE

BY REPRESENTATIVE THOMPSON

TO: Amendment R.3 to CSHB 281(FIN), Draft Version "R"

1 Page 1, lines 3 - 12, of the amendment:

2 Delete all material and insert:

3 ""(e) The operating budget appropriations made in sec. 1 of this Act include amounts  
4 to

5 (1) pay bonuses and other financial incentives to employees of the executive  
6 branch who are subject to the salary schedule in AS 39.27.011 or whose compensation is  
7 based on the salary schedule in AS 39.27.011 for the fiscal year ending June 30, 2023; and

8 (2) implement the payment of bonuses, financial incentives, and other  
9 monetary terms of the following agreements for the fiscal year ending June 30, 2023:

10 (A) "Letter of Agreement between the State of Alaska and Public  
11 Safety Employees Association representing the Public Safety Officers Bargaining  
12 Unit, State Trooper Hiring Bonus, 22-AA-008," dated August 4, 2021;

13 (B) "Letter of Agreement between the State of Alaska and Alaska  
14 Correctional Officers Association representing the Correctional Officer Bargaining  
15 Unit, Correctional Officer Hiring Bonus/Recruitment Incentive, 22-CO-007A  
16 (Amended)," dated September 14, 2021;

17 (C) "Letter of Agreement between the State of Alaska and the Alaska  
18 Public Employees Association / AFT representing the Supervisory Unit, Department  
19 of Health and Social Services, Alaska Psychiatric Institute Nurse III-IV; Hire  
20 Incentive, 22-SS-041," dated October 4, 2021;

21 (D) "Letter of Agreement between the State of Alaska and the Alaska  
22 Public Employees Association / AFT representing the Supervisory Unit, DOC Nurses  
23 III-IV and Psychiatric Nurses III; Retention Incentive, 22-SS-050," dated October 6,

1       2021;

2                   (E) "Letter of Agreement between the State of Alaska and the Alaska  
3       Public Employees Association / AFT representing the Supervisory Unit, DOC Nurse  
4       III-IV, Psychiatric Nurses III, Physician Assistant/Advanced Practice Registered  
5       Nurse II, 22-SS-044A (Amended)," dated January 21, 2022;

6                   (F) "Letter of Agreement between the State of Alaska and Alaska  
7       Public Employees Association/AFT representing the Supervisory Bargaining Unit,  
8       Adult Probation Officer Hiring Bonus, 22-SS-148," dated January 21, 2022;

9                   (G) "Letter of Agreement between the State of Alaska and Alaska  
10      State Employees Association representing the General Government Bargaining Unit,  
11      Adult Probation Officer Hiring Bonus, 22-GG-146," dated February 14, 2022."

12  
13   Page 105, line 26, following "CONTINGENCY.":

14       Insert "(a)"

15  
16   Page 105, following line 29:

17       Insert a new subsection to read:

18       "(b) The appropriations made in sec. 44(e)(1) of this Act are contingent on the  
19      passage by the Thirty-Second Alaska State Legislature in the Second Regular Session and  
20      enactment into law of a bill authorizing the payment of bonuses or other financial incentives  
21      to employees of the executive branch who are subject to the salary schedule in AS 39.27.011  
22      or whose compensation is based on the salary schedule in AS 39.27.011.'"

#L12

**Withdrawn/Replaced**

32-GH2686\R.3  
Marx  
3/16/22

**AMENDMENT**

OFFERED IN THE HOUSE

BY REPRESENTATIVE THOMPSON

TO: CSHB 281(FIN), Draft Version "R"

*Rep. Le Bon*

1 Page 102, following line 15:

2 Insert a new subsection to read:

3 "(e) Notwithstanding (a) - (d) of this section, the operating budget appropriations  
4 made in sec. 1 of this Act do not include amounts to

5 (1) pay a bonus or other financial incentive to an employee of the executive  
6 branch

7 (A) who is subject to the salary schedule in AS 39.27.011 or whose  
8 compensation is based on the salary schedule in AS 39.27.011; or

9 (B) who is a member of a bargaining unit; or

10 (2) implement the payment of a bonus or other financial incentive to a  
11 member of a bargaining unit under a collective bargaining agreement or other agreement  
12 entered into under AS 23.40.070 - 23.40.260."

**2022 SESSION OPERATING BUDGET AMENDMENT PROPOSAL**

**OFFERED IN:** The House Finance Committee

**TO:** HB 281

**OFFERED BY:** Rep. Thompson *Rep. Le Bon*

**FISCAL YEAR:** FY23

**DEPARTMENT:** Commerce  
**APPROPRIATION:** Executive Administration  
**ALLOCATION:** Commissioner's Office

**DELETE:** (\$300.0) General Fund 1004

**DELETE INTENT:** It is the intent of the legislature that the Department of Commerce, Community and Economic Development direct \$300,000 of unrestricted general funds to recruitment and retention efforts through sign-on and relocation bonuses for new hires or performance bonuses for current hires throughout the department.

**DEPARTMENT:** Family and Community Services  
**APPROPRIATION:** Children's Services  
**ALLOCATION:** Front Line Social Workers

**DELETE:** (\$3,480.1) [\$1,252.8 Fed 1002, \$2,227.3 Gen Fund 1004]

**DEPARTMENT:** Health  
**APPROPRIATION:** Public Health  
**ALLOCATION:** Nursing

**DELETE:** (\$520.0) General Fund 1004

**DELETE INTENT:** It is the intent of the legislature that the department direct \$520,000 UGF to recruitment and retention efforts in Public Health Nursing including a \$5,000 sign-on bonus and \$5,000 in relocation support for each of the vacant Public Health Nursing positions.

**DEPARTMENT:** Law  
**APPROPRIATION:** Criminal Division  
**ALLOCATION:** Criminal Justice Litigation  
**DELETE:** (\$1,700.0) General Fund 1004

**DEPARTMENT:** Law  
**APPROPRIATION:** Civil Division  
**ALLOCATION:** Deputy Attorney General's Office  
**DELETE:** (\$1,700.0) General Fund 1004

**EXPLANATION:** Remove funding for bonuses.

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-2450  
LAA.Legal@akleg.gov  
120 4th Street, Room 3

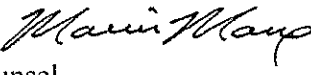
State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

March 16, 2022

**SUBJECT:** Bonuses to public employees in the executive branch  
(Work Order No. 32-LS1644)

**TO:** Representative Steve Thompson  
Attn: Tom Wright

**FROM:** Marie Marx   
Legislative Counsel

You have asked whether the state can award bonuses to employees in the executive branch.

### Background

The legislative finance division provided the following information regarding pay incentives and bonuses offered by various departments: the Department of Transportation and Public Facilities entered into a letter of agreement (LOA) with the Labors, Trades, and Crafts union to offer pay incentives to employees at specific locations. The Department of Transportation and Public Facilities is requesting funding for this in the supplemental budget. The Department of Health and Social Services and the Department of Corrections have entered into multiple LOAs that give retention bonuses to unionized employees using existing funding. The University of Alaska is working on a similar plan using federal funds through a reimbursable services agreement (RSA) with the Department of Education and Early Development. The Department of Administration, Division of Personnel and Labor Relations entered into an LOA with the Public Safety Employees Association (PSEA), representing the Public Safety Officers Bargaining Unit, to implement a bonus for bargaining unit members in the Trooper Recruit or State Trooper job class. The bonus will be paid through personal services vacancies and is currently in effect for those who accept an offer of employment as a State Trooper before June 30, 2022.

1. Bonuses initiated through an LOA (Letter of Agreement) between a department and a union. An LOA between a department and a bargaining unit to implement a bonus for bargaining unit members likely creates a new monetary term of an agreement entered into under AS 23.40.070 - 23.40.260 that is ineffective without an express legislative appropriation.

*a. Payment of bonuses creates a new monetary term.* AS 23.40.215(a) of the Public Employee Relations Act (PERA) provides: "The monetary terms of any

agreement entered into under AS 23.40.070 - 23.40.260 are subject to funding through legislative appropriation." AS 23.40.250(4) defines monetary terms of an agreement in part as "the changes in the terms and conditions of employment resulting from an agreement that . . . will require an appropriation for their implementation." AS 23.40.215(b) establishes the following process relating to the monetary terms of an agreement:

The Department of Administration shall submit the monetary terms of an agreement to the legislature within 10 legislative days after the agreement of the parties, if the legislature is in session, or within 10 legislative days after the convening of the next regular session. The complete monetary and nonmonetary terms of a tentative agreement shall be submitted to the legislature no later than the 60th day of the legislative session to receive legislative consideration during that calendar year. . . .

A department's payment of bonuses through an LOA is likely a "monetary term[]" of an agreement" as defined under AS 23.40.250(4). This is because payment of the bonuses would be a change "in the terms and conditions of employment resulting from an agreement" that "will require an appropriation for their implementation." Under AS 23.40.215(a), the monetary terms of any agreement entered into under AS 23.40.070 - 23.40.260 are subject to funding through legislative appropriation. Further, under art. IX, sec. 13 of the Alaska Constitution:

No money shall be withdrawn from the treasury except in accordance with appropriations made by law. No obligation for the payment of money shall be incurred except as authorized by law.

AS 37.05.170 also provides:

Payment may not be made and obligations may not be incurred against a fund unless the Department of Administration certifies that its records disclose that there is a sufficient unencumbered balance available in the fund and that an appropriation or expenditure authorization has been made for the purpose for which it is intended to incur the obligation.

*b. Payment of bonuses is ineffective without a specific legislative appropriation for the bonuses.* Even if a department draws money from other sources in its existing budget to pay bonuses, a court likely would find that payment of bonuses creates a new monetary term that is ineffective without a specific legislative appropriation for the bonuses. A department may take the position that it may shift money between allocations within an appropriation to pay for bonuses under AS 37.07.080(e). While the executive branch may not transfer money between appropriations, the executive branch is authorized to shift money between allocations within a single appropriation. The executive branch may not transfer money between appropriations. The Executive Budget Act, AS 37.07.080(e), provides in relevant part:

Transfers or changes between objects of expenditures or between allocations may be made by the head of an agency on approval of the office [of management and budget]. Transfers may not be made between appropriations . . . except as provided in an act making the transfers between appropriations.

For example, under this argument, the Department of Public Safety could use fiscal year (FY) 2022 funds appropriated to the department for "Alaska State Troopers" to pay bonuses to bargaining unit members in the Trooper Recruit or State Trooper job class in FY 2022. The amount appropriated to the Department of Public Safety for "Alaska State Troopers" contains multiple allocations, including allocations for "Training Academy Recruit Salary" and "Alaska State Trooper Detachments," both of which include "personal services" line items. Thus, the department, after receiving approval from the office of management and budget, may move funds from any allocation within the "Alaska State Troopers" appropriation and may take the position that they may use the money to pay bonuses to bargaining unit members in the Trooper Recruit or State Trooper job class.

However, this position is unlikely to prevail in a legal challenge because, as discussed below, payment of bonuses arising from an LOA is ineffective unless the Department of Administration submits the LOA to the legislature and the legislature specifically appropriates money for the bonuses. In *University of Alaska Classified Employees Association, APEA/AFT, AFL-CIO v. University of Alaska*, a CBA included negotiated pay increases but the legislature failed to take any action on the state's request for funding the increases.<sup>1</sup> The unions contended that when the legislature appropriated funds for the university's budget, "the university received unrestricted funds in several budget categories that it could properly have applied to pay the CBA's cost-of-living increases."<sup>2</sup> The unions argued that "absent a specific vote by the legislature refusing to fund these increases, they must be deemed to have been appropriated when the legislature approved the university's budget."<sup>3</sup> The Alaska Supreme Court rejected this argument, stating:

The Public Employment Relations Act (PERA) governs collective bargaining agreements between public employees and public employers in Alaska. Alaska Statute 23.40.215(a) specifically provides that "[t]he monetary terms of any agreement entered into under [PERA] are subject to funding through legislative appropriation." The plain language of this

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<sup>1</sup> 988 P.2d 105 (Alaska 1999).

<sup>2</sup> *Id.* at 107.

<sup>3</sup> *Id.*



provision suggests that the monetary terms of [a] CBA do not become effective unless and until the legislature *specifically* funds them.<sup>4</sup>

In support of its conclusion, the court cited *Public Safety Employees Association, Local 92 v. State*, a case in which the state agreed to pay union members statutorily mandated geographic-differential salary increases.<sup>5</sup> The CBA in that case provided, "For pay shortages exceeding \$400 above the normal base rate of pay, or shortages to the normal base rate of pay, and/or *geographic pay levels, not received within the five (5) days, there shall be a penalty of \$40 per day.*"<sup>6</sup> However, despite this penalty language, the state did not pay the geographic-differential salary increases. The state instead decided that before it implemented the increases, it would seek funding from the legislature when it next convened.<sup>7</sup> The CBA's deadline for payment passed without legislative funding of the increases, and an arbitrator penalized the state for late payment.<sup>8</sup> The arbitrator ruled that the state could have paid the salary increases by the CBA's deadline by drawing money from other sources in its existing budget.<sup>9</sup> The Alaska Supreme Court overruled the arbitrator's decision, "expressly disapproving the notion that a state agency can 'circumvent the requirement of legislative approval' by reallocating its existing resources."<sup>10</sup> The court explained:

The superficial appeal of this [position] is undercut by understanding its practical effect. Were the State either free or required to reallocate its present appropriation and resources in this manner, the appropriation power of the legislature would be frustrated.<sup>11</sup>

The court in *University of Alaska Classified Employees Association* then went on to find that, "PSEA thus directly conflicts with the unions' argument here that the [negotiated]

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<sup>4</sup> *Id.* at 107 - 08 (emphasis added) (citations omitted) (first and second alteration in original).

<sup>5</sup> 895 P.2d 980, 983 (Alaska 1995).

<sup>6</sup> *Id.* at 982 (emphasis in original).

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> *Id.* at 982 - 983.

<sup>10</sup> *Univ. of Alaska Classified Emps. Ass'n*, 988 P.2d at 108 (quoting *Pub. Safety Emps. Ass'n*, 895 P.2d at 986).

<sup>11</sup> *Univ. of Alaska Classified Emps. Ass'n*, 988 P.2d at 108.

salary increases, which the legislature never specifically funded, should nonetheless be deemed 'appropriated' because the university could have paid them out of its general budget."<sup>12</sup>

The legislature was aware of and responded to the Alaska Supreme Court's decisions in *University of Alaska Classified Employees Association* and *PSEA*. The definition of "monetary terms of an agreement" now includes a change "in the terms and conditions of employment resulting from an agreement" that addresses "employee compensation, leave benefits, or health insurance benefits, whether or not an appropriation is required for implementation."<sup>13</sup> This provision was enacted in ch. 15, SLA 2000 (SB 269 from the 21st Legislature). SB 269 was enacted directly in response to the Alaska Supreme Court's decision in *University of Alaska Classified Employees Association*. In explaining the purpose of SB 269, Senator Tim Kelly stated, "[t]he intent of the legislation is to make certain that, following the court decision [of *University of Alaska Classified Employees Association*], that the Legislature must fund new contracts."<sup>14</sup>

Following enactment of SB 269, an attorney general opinion raised several legal issues with the bill language.<sup>15</sup> The attorney general stated: "The amendment to AS 23.40.250(4) adds contract terms to the definition of monetary terms that it expressly anticipates may not require legislative funding. The only place in which 'monetary terms' appears in PERA, other than section 250, is in section 215. Thus, as a practical matter, only those contract terms that actually require funding are subject to AS 23.40.215." The opinion also raised an issue relating to "the scope of the legislature's power with respect to terms other than those requiring appropriation," stating that, "[the legislature] cannot act in an administrative capacity to approve or disapprove those provisions of contracts which do not require an appropriation to be implemented."<sup>16</sup> The attorney general opined that, to avoid an unconstitutional result, SB 269, "should not be read to change the essential function of the legislature in PERA, to determine whether to fund terms that require appropriations."<sup>17</sup>

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<sup>12</sup> *Id.* at 108 - 109.

<sup>13</sup> AS 23.40.250(4).

<sup>14</sup> Minutes of House Finance Committee, SB 269, testimony of Senator Tim Kelly (March 29, 2000).

<sup>15</sup> 2000 Inf. Op. Att'y Gen. (Apr. 7; 883-00-0013).

<sup>16</sup> *Id.* at \*2.

<sup>17</sup> *Id.* at \*3.

However, as discussed above, the payment of bonuses to members of a bargaining unit through an LOA likely creates a monetary term of an agreement entered into under AS 23.40.070 - 23.40.260 that is ineffective without a specific legislative appropriation for the bonuses. The Alaska Supreme Court "expressly [disapproved] the notion that a state agency can 'circumvent the requirement of legislative approval' by reallocating its existing resources."<sup>18</sup> If the executive branch or the University of Alaska was free to reallocate its existing resources to pay bonuses to its union employees, the "appropriation power of the legislature would be frustrated."<sup>19</sup>

Where the legislature has intended to pay bonuses to state employees, it has done so through either express language in the budget or through the background documents for an appropriation.<sup>20</sup> Nothing in the express language of past appropriations bills indicates that the legislature intended to fund the payment of bonuses through the LOAs at issue here relating to union employees.<sup>21</sup> According to the legislative finance division, nothing in the background documents for past appropriations bills indicate that the legislature has previously funded such bonuses. In fact, with regard to the LOA to implement a bonus for bargaining unit members in the Trooper Recruit or State Trooper job class, the Department of Public Safety expressly stated that the bonus will be paid through personal services vacancies.

In sum, if the legislature has not specifically appropriated money for bonuses, it is unlikely that a department and a bargaining unit may implement bonuses for bargaining

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<sup>18</sup> *Univ. of Alaska Classified Emps. Ass'n*, 988 P.2d at 108 (quoting *Pub. Safety Emps. Ass'n*, 895 P.2d at 986).

<sup>19</sup> *Univ. of Alaska Classified Emps. Ass'n v. Univ. of Alaska*, 988 P.2d at 108.

<sup>20</sup> See, e.g., sec. 11, ch. 53, SLA 2005 ("In addition to compensation authorized under AS 24.10.200 and 24.10.210, an employee of the legislature may be awarded and paid a bonus to reward extraordinary effort, competency, job performance, or uncompensated overtime. However, after January 1, 2005, the authority to award and pay a bonus under this section is terminated, and bonuses may not be awarded or paid after that date"); sec. 20, ch. 173, SLA 1988 ("The sum of \$100,700 is appropriated from the general fund to the Department of Military and Veterans' Affairs to pay for additional costs of the National Guard reenlistment bonus program for the fiscal year ending June 30, 1988"). See also, 2021 Legislature, Operating Budget, Transaction Detail - Conf Committee Structure, Alaska Permanent Fund Corporation (APFC), APFC Operations, which explained that the appropriation for APFC operations included money for an "Investment Staff Incentive Compensation Program."

<sup>21</sup> Section 20, ch. 173, SLA 1988 provided: "The sum of \$100,700 is appropriated from the general fund to the Department of Military and Veterans' Affairs to pay for additional costs of the National Guard reenlistment bonus program for the fiscal year ending June 30, 1988," but this is not relevant to the issues discussed in this memorandum.

unit members through an LOA, even if the department draws money from other sources in its existing budget to pay for the bonuses. Under the express language of AS 23.40.215 and 23.40.250(4), and the reasoning of the Alaska Supreme Court's decisions in *University of Alaska Classified Employees Association* and *PSEA*, it is likely a court would find that such LOAs for the payment of bonuses creates a new monetary term of an agreement entered into under AS 23.40.070 - 23.40.260 that is ineffective without a specific legislative appropriation for the bonuses. As a monetary term of an agreement, under AS 23.40.215(b), the Department of Administration is required to submit the LOA to the legislature so that the legislature may decide whether to fund the bonuses in an appropriation bill.

If the legislature wishes to allow a department and a bargaining unit to implement a bonus for bargaining unit members for FY 2023, the legislature should appropriate money in the FY 2023 operating budget for the bonuses and the budget documents supporting the appropriation should clearly document that the appropriation is for the bonuses. The budget should also include language similar to that typically used for CBAs.<sup>22</sup> For example, the language section of the budget could provide that, "the operating budget appropriations made in sec. 1 of this Act include amounts for bonuses for public employees of the executive branch and to implement the monetary terms for the fiscal year ending June 30, 2023, of the following letters of agreements" and then list out the specific LOAs that the legislature intends to fund in the budget. If the legislature wishes to provide funding for a prior fiscal year, the legislature may use similar language for a supplemental appropriation.

2. Bonuses initiated by the legislature for members of a bargaining unit. If the legislature unilaterally initiates bonuses to members of a bargaining unit outside the bargaining process, this action could be an unfair labor practice. The better practice would be to follow the typical CBA process and allow the executive branch and bargaining unit to bargain for bonuses. The legislature can then decide whether to specifically appropriate money for the bonuses.

Under AS 23.40.110(a), it is an unfair labor practice for a public employer or an agent of a public employer to "discriminate in regard to hire or tenure of employment or a term or condition of employment to encourage or discourage membership in an organization," or "refuse to bargain collectively in good faith with an organization that is the exclusive representative of employees in an appropriate unit . . . ." If the state unilaterally imposes on a bargaining unit a retention bonus or other salary increase for certain employees that is higher than the pay increase the state provides to other employees, the disparate treatment may "discriminate in regard to a term or condition of employment." However, it may be difficult for a complainant to prove that the discrimination would "encourage or

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<sup>22</sup> See, e.g. sec. 74(a), ch. 1 SSSLA 2021 (making an appropriation to implement the monetary terms of the PSEA CBA for FY 2022).

discourage membership" in an organization representing that bargaining unit, or that the employer intended it to have that effect.

The unilateral action by the employer might also be seen as an unfair labor practice by the state for refusing "to bargain collectively in good faith." Employee compensation is a mandatory subject of bargaining.<sup>23</sup> In addition to the prohibition against refusing to bargain in good faith under AS 23.40.110(a), the Alaska Labor Relations Board has interpreted AS 23.40.070 as also requiring the state to bargain collectively in good faith with organizations representing bargaining units.<sup>24</sup> Employee compensation is a "term and condition of employment," under AS 23.40.250(9). The legislature's unilateral payment of a bonus would circumvent the state's requirement to bargain collectively in good faith with organizations representing bargaining units.

3. Bonuses for non-unionized, exempt state employees. Substantive legislation may be necessary to provide bonuses to some nonunion employees but not others. The analysis below evaluates nonunion executive branch employees who are subject to the salary schedule in AS 39.27.011, as well as different groups of exempt executive branch employees who are not subject to the salary schedule.

a. Employees covered by AS 39.27.011. AS 39.27.011(a) establishes "the pay plan for classified and partially exempt employees in the executive branch of the state government who are not members of a collective bargaining unit established under the authority of AS 23.40.070 - 23.40.260 (Public Employment Relations Act) and for employees of the legislature under AS 24." AS 39.25.120(a) expressly provides that "[p]ositions in the partially exempt service are included in the position classification plan established under this chapter and are compensated according to the pay plan under AS 39.27.011." AS 39.27.011(k) provides:

Notwithstanding (a) - (j) of this section, the governor or a designee of the governor may, on a case-by-case basis, authorize for a partially exempt employee in the executive branch a higher pay than Step F. The authorization must be based on a determination that the action serves a critical governmental interest of the state, the employee possesses

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<sup>23</sup> AS 23.40.070(2); *State v. Pub. Safety Emps. Ass'n*, 93 P.3d 409, 417 (Alaska 2004) ("Alaska Statute 23.40.070(2) 'requir[es] public employers to negotiate with and enter into written agreements with employee organizations on matters of wages, hours, and other terms and conditions of employment.' These are the mandatory subjects of bargaining on which the parties must bargain in good faith, although they need not reach agreement.").

<sup>24</sup> *Alaska State Employees Association/AFSCME Local 52, AFL-CIO, Complainant, v. State of Alaska, Department of Administration, Division of Personnel/EEO, Respondent*, Labor Relations Agency, State of Alaska, Case No. 93-173-ULP, Decision and Order No. 158, 1993 WL 13633680, at \*11 (May 14, 1993).

exceptional qualifications, recruitment difficulties exist, or the action is necessary due to competitive salaries in the relevant labor market. A determination made under this subsection must be in writing.

AS 39.27.011(k) was enacted in sec. 14, ch. 47, SLA 2013, through a governor's bill (SB 95 from the 28th Legislature). In describing the purpose of this provision, then-Deputy Commissioner of the Department of Administration Curtis Thayer stated that partially exempt positions are subject to classification and pay plans, which limits flexibility.<sup>25</sup> He explained the state is often not competitive for top talent and needs some flexibility for mission critical positions, and that under what is now AS 39.27.011(k), the governor or designee may pay a partially exempt employee outside Step F of the pay scale under the circumstances and procedures outlined in AS 39.27.011(k).<sup>26</sup> In a hearing on the house companion bill (HB 195), Deputy Commissioner Thayer stated that under this provision, the department would attempt to attract people into state service for a particular position.<sup>27</sup> Only when a commissioner or director had a difficult time filling a position, would they go to the governor's office to ask for a variance, and the process to achieve the variance would be long and rigorous.<sup>28</sup> This legislative history shows that the governor and the legislature intended AS 39.27.011(k) to be the mechanism a department must use to compensate employees covered by AS 39.27.011 outside the pay plan, and that this provision was intended to only allow flexibility for partially exempt employees.

Other than the authorization allowed in AS 39.27.011(k), I have not identified any other authority allowing an agency to compensate employees covered by AS 39.27.011 outside the pay plan. Without authority to compensate employees outside the salary schedule in AS 39.27.011, a statutory change is likely required to provide an agency authority to expend an appropriation for nonunion employee bonuses for employees covered by AS 39.27.011.

The legislature may accomplish this through temporary or permanent legislation. For example, in sec. 11, ch. 53, SLA 2005, the legislature enacted a temporary law authorizing, for a specific period of time, bonuses for legislative employees "[i]n addition to compensation authorized under AS 24.10.200 and AS 24.10.210 . . . ." Those sections provide that legislative employees are to be compensated under the salary schedule in AS 39.27.011. Section 11, ch. 53, SLA 2005 expressly prohibited the payment of bonuses

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<sup>25</sup> Minutes of Senate Finance Committee, SB 95, testimony of Deputy Commissioner of the Department of Administration Curtis Thayer (April 8, 2013).

<sup>26</sup> *Id.*

<sup>27</sup> Minutes of Senate Finance Committee, HB 195, testimony of Deputy Commissioner of the Department of Administration Curtis Thayer (April 8, 2013).

<sup>28</sup> *Id.*

under the uncodified law after January 1, 2005. This prohibition was later codified in AS 24.10.220. The effect of sec. 11, ch. 53, SLA 2005 was to allow bonuses for legislative employees only for a specific period of time.

*b. Exempt executive branch employees.* Exempt executive branch employees are compensated in a variety of ways. For example, compensation for the governor, lieutenant governor, and principal department heads is established by the State Officers Compensation Commission (commission) under AS 39.23.<sup>29</sup> Because compensation is expressly set by the commission in statute, paying bonuses to exempt executive branch employees would likely require substantive legislation. Other exempt employees have compensation directly tied to the salary schedule in AS 39.27.011 and, as explained above, bonus payments for these employees would also likely require substantive legislation.<sup>30</sup> Finally, some exempt employees are compensated based on the policies of the executive branch agencies or corporations.<sup>31</sup> A statement in the operating budget that an appropriation is intended to fund bonuses for such employees, or a similar explanation in the background documents applicable to the appropriation,<sup>32</sup> is likely sufficient for the employing agencies to pay bonuses to these exempt employees. Furthermore, if these agencies or corporations adopted policies that provided for bonuses, the bonuses would likely be effective as long as the appropriation for the agency did not expressly preclude expenditure of the appropriation on bonuses.

Please let me know if I may be of further assistance.

MYM:lme  
22-129.lme

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<sup>29</sup> AS 39.20.010, 39.20.030, and 39.20.080.

<sup>30</sup> See, e.g., AS 39.20.080(b) (setting the salary for deputy department heads as a "step in range 28" of the salary schedule in AS 39.27.011).

<sup>31</sup> See, e.g. AS 39.25.110 (listing the fully exempt positions in state service, including employees of the Alaska Permanent Fund Corporation); AS 37.13.100 ("The [Alaska Permanent Fund Corporation] board may employ and determine the salary of an executive director. The executive director may, with the approval of the board, select and employ additional staff as necessary. . . . The executive director and the other employees of the board are in the exempt service under AS 39.25.").

<sup>32</sup> See e.g., 2021 Legislature, Operating Budget, Transaction Detail - Conf Committee Structure, Alaska Permanent Fund Corporation (APFC), APFC Operations, which explained that the appropriation for APFC operations included money for an "Investment Staff Incentive Compensation Program."

#L13

**ADOPTED**

32-GH2686\R.17

Marx

3/17/22

**AMENDMENT**

OFFERED IN THE HOUSE

BY REPRESENTATIVE WOOL

TO: CSHB 281(FIN), Draft Version "R"

- 1 Page 81, line 11:
- 2 Delete "\$50,000,000"
- 3 Insert "\$57,000,000"



# 2022 Session Operating Budget Proposal

**Offered In:** The House Finance Committee  
**To:** HB281/HB282  
**Offered By:** Representative Wool

**Agency:** Education & Early Dev  
**Appropriation:** K-12 Aid to School Districts  
**Allocation:** Additional Foundation Funding

## Transaction Details

**Title:** Additional Funding for School Districts  
**Section:** Language  
**Type:** Cntngt

## Line Items

Personal Services:	0.0
Travel:	0.0
Services:	0.0
Commodities:	0.0
Capital Outlay:	0.0
Grants:	0.0
Miscellaneous:	7,000.0
	<hr/> 7,000.0

## Positions

Permanent Full-Time:	0
Permanent Part-Time:	0
Temporary:	0

## Funding

1004 Gen Fund	7,000.0
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## Explanation

This amendment aligns funding with legislation referenced in the contingency section of HB 281.

#L14

**ADOPTED**

32-GH2686\R.28  
Marx  
3/19/22

**AMENDMENT**

OFFERED IN THE HOUSE

BY REPRESENTATIVE ORTIZ

TO: CSHB 281(FIN), Draft Version "R"

Page 88, line 16, following "GOVERNOR":

Insert "(a)"

Page 88, following line 19:

Insert new subsections to read:

"(b) If the 2023 fiscal year-to-date average price of Alaska North Slope crude oil exceeds \$70 a barrel on December 1, 2022, the amount of money corresponding to the 2023 fiscal year-to-date average price, rounded to the nearest dollar, as set out in the table in (c) of this section, estimated to be \$27,000,000, is appropriated from the general fund to the Office of the Governor for distribution to state agencies to offset increased fuel and utility costs for the fiscal year ending June 30, 2023.

(c) The following table shall be used in determining the amount of the appropriation made in (b) of this section:

2023 FISCAL YEAR-TO-DATE AVERAGE PRICE OF ALASKA NORTH SLOPE CRUDE OIL	AMOUNT
\$125 or more	\$27,000,000
124	26,500,000
123	26,000,000
122	25,500,000
121	25,000,000

1	120	24,500,000
2	119	24,000,000
3	118	23,500,000
4	117	23,000,000
5	116	22,500,000
6	115	22,000,000
7	114	21,500,000
8	113	21,000,000
9	112	20,500,000
10	111	20,000,000
11	110	19,500,000
12	109	19,000,000
13	108	18,500,000
14	107	18,000,000
15	106	17,500,000
16	105	17,000,000
17	104	16,500,000
18	103	16,000,000
19	102	15,500,000
20	101	15,000,000
21	100	14,500,000
22	99	14,000,000
23	98	13,500,000
24	97	13,000,000
25	96	12,500,000
26	95	12,000,000
27	94	11,500,000
28	93	11,000,000
29	92	10,500,000
30	91	10,000,000
31	90	9,500,000

1	89	9,000,000
2	88	8,500,000
3	87	8,000,000
4	86	7,500,000
5	85	7,000,000
6	84	6,500,000
7	83	6,000,000
8	82	5,500,000
9	81	5,000,000
10	80	4,500,000
11	79	4,000,000
12	78	3,500,000
13	77	3,000,000
14	76	2,500,000
15	75	2,000,000
16	74	1,500,000
17	73	1,000,000
18	72	500,000
19	71	0

(d) It is the intent of the legislature that a payment under (b) of this section be used to offset the effects of higher fuel and utility costs for the fiscal year ending June 30, 2023.

(e) The governor shall allocate amounts appropriated in (b) of this section as follows:

(1) to the Department of Transportation and Public Facilities, 65 percent of the total plus or minus 10 percent;

(2) to the University of Alaska, 15 percent of the total plus or minus three percent;

(3) to the Department of Family and Community Services and the Department of Corrections, not more than five percent each of the total amount appropriated;

(4) to any other state agency, not more than four percent of the total amount appropriated;

(5) the aggregate amount allocated may not exceed 100 percent of the

1 appropriation."

#L15

**WITHDRAWN**

32-GH2686\R.21  
Marx  
3/19/22

**AMENDMENT**

OFFERED IN THE HOUSE

BY REPRESENTATIVE JOSEPHSON

TO: CSHB 281(FIN), Draft Version "R"

1 Page 81, following line 14:

2 Insert new subsections to read:

3 "(e) The sum of \$100,000,000 is appropriated from the general fund to the  
4 Department of Education and Early Development to be distributed as grants to school districts  
5 according to the average daily membership for each district adjusted under  
6 AS 14.17.410(b)(1)(A) - (D) for the fiscal year ending June 30, 2023.

7 (f) The sum of \$150,000,000 is appropriated from the general fund to the Department  
8 of Education and Early Development to be distributed as grants to school districts according  
9 to the average daily membership for each district adjusted under AS 14.17.410(b)(1)(A) - (D)  
10 for the fiscal year ending June 30, 2024.

11 (g) The sum of \$200,000,000 is appropriated from the general fund to the Department  
12 of Education and Early Development to be distributed as grants to school districts according  
13 to the average daily membership for each district adjusted under AS 14.17.410(b)(1)(A) - (D)  
14 for the fiscal year ending June 30, 2025."

15

16 Reletter the following subsection accordingly.

17

18 Page 105, line 23:

19 Delete "secs. 19 and 23" in both places

20 Insert "secs. 19, 23, and 29(e) - (g)" in both places

21

22 Page 105, line 31:

23 Delete "Section 23 of this Act takes"

1           Insert "Sections 23 and 29(e) - (g) of this Act take"

# 2022 Session Operating Budget Proposal

**Offered In:** The House Finance Committee  
**To:** HB281/HB282  
**Offered By:** Representative Josephson

**Agency:** Education & Early Dev  
**Appropriation:** K-12 Aid to School Districts  
**Allocation:** Additional Foundation Funding

## Transaction Details

**Title:** FY22 Supplemental - Grants to School Districts  
**Section:** Language  
**Type:** MultiYr

## Line Items

Personal Services:	0.0
Travel:	0.0
Services:	0.0
Commodities:	0.0
Capital Outlay:	0.0
Grants:	450,000.0
Miscellaneous:	0.0
	<u>450,000.0</u>

## Positions

Permanent Full-Time:	0
Permanent Part-Time:	0
Temporary:	0

## Funding

1004 Gen Fund	450,000.0
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## Explanation

This amendment provides Alaska schools with the same resources as FY17 by fully offsetting the inflation rate since the BSA was last adjusted in FY17 and providing the equivalent level of funding for the next three fiscal years. This will allow schools to demonstrate the results they can achieve with stable funding.



# 2022 Session Operating Budget Proposal

This additional \$450 million of funding outside the formula is intended to be distributed as follows:

1. \$100 million in FY23
2. \$150 million in FY24
3. \$200 million in FY25

## NUMBER SECTION AMENDMENTS

**2022 Legislature - Operating Budget**  
**Transaction Detail - HCS1 Structure**  
 HFINSysAmnd Column

Numbers

**Agency: Department of Administration**

**BOTH HELD**

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
<b>Public Communications Services</b>												
<b>H DOA 1</b> - Additional funding for public broadcasting Offered by Representative Wool This is a 2-part amendment with another additional \$500.0 for Public Television.	Inc	500.0	0.0	0.0	500.0	0.0	0.0	0.0	0.0	0	0	0
Amend existing intent language in HB281 (p.3, line 24) to replace "allocate" with "prioritize")												
1004 Gen Fund (UGF) 500.0												
<b>H DOA 2</b> - Additional funding for public broadcasting Offered by Representative Wool This is a 2-part amendment with another additional \$500.0 for Public Radio.	Inc	500.0	0.0	0.0	500.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF) 500.0												
<b>* Appropriation Total *</b>		1,000.0	0.0	0.0	1,000.0	0.0	0.0	0.0	0.0	0	0	0
<b>** Agency Total **</b>		1,000.0	0.0	0.0	1,000.0	0.0	0.0	0.0	0.0	0	0	0

DOA-A

**HELD**

**2022 SESSION OPERATING BUDGET AMENDMENT PROPOSAL**

**OFFERED IN:** The House Finance Committee

**TO:** HB 281

**OFFERED BY:** Rep. Josephson

**FISCAL YEAR:** FY23

**DEPARTMENT:** Administration

**APPROPRIATION:** Legal and Advocacy Services

**ALLOCATION:** Public Defender Agency

**ADD:** \$ 1,381,500 UGF (1004), Personal Services – IncOTI

**ALLOCATION:** Office of Public Advocacy

**ADD:** \$ 968,400 UGF (1004), Personal Services – IncOTI

**EXPLANATION:**

The Public Defender Agency and the Office of Public Advocacy have serious recruitment and retention problems. Without a skilled and qualified workforce, these agencies that are essential to our criminal justice system have decreased ability to effectively serve Alaskans.

The additional funding will be used to provide retention bonuses to Public Defender Agency and Office of Public Advocacy staff who are employed on June 30<sup>th</sup> 2022, and continue to be employed on May 31<sup>st</sup> 2023. The bonuses should be allocated as follows:

- \$10,000 for attorney positions
- \$5,000 for associate attorneys, paralegals, investigators, and similar positions
- \$3,000 for law office assistants, public guardians, and general office personnel.

It is not the intent of the amendment to provide bonuses to the Public Defender, OPA Division Director, or nonpermanent positions.

**2022 Legislature - Operating Budget**  
**Transaction Detail - HCS1 Structure**  
 HFINSysAmnd Column

Numbers

Agency: Department of Commerce, Community and Economic Development

**FAILED**

**Executive Administration**

**H CED 1 - Delete Small Business Grants**

Offered by Representative Johnson

Delete small business grants for small business innovation research or small business technology transfer grantees. No impact on DCCED.

1004 Gen Fund (UGF) -250.0

**\* Appropriation Total \***

**\* \* Agency Total \* \***

Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Dec	-250.0	0.0	0.0	0.0	0.0	0.0	-250.0	0.0	0	0	0
<hr/>											
	-250.0	0.0	0.0	0.0	0.0	0.0	-250.0	0.0	0	0	0
	-250.0	0.0	0.0	0.0	0.0	0.0	-250.0	0.0	0	0	0

**2022 Legislature - Operating Budget  
Transaction Detail - HCS1 Structure  
HFINSysAmnd Column**

**Numbers**

**Agency: Department of Corrections**

**ADOPTED**

**Population Management**

**H DOC 1** - Four additional drug dogs to combat contraband

Offered by Representative Rasmussen

Adds authority for four (4) additional drug dogs to combat contraband at all the department's facilities. Drug dogs are used for module and cell searches; they attend and screen visitor events and are used for staff searches as needed.

Finding contraband greatly increases the safety of inmates and staff.

There are vacant CO positions within the department that can be reclassified as handler for these new dogs. If the department is able to secure the dogs in FY23, the department estimates additional annual maintenance costs of 47.5 per dog.

One time first year start-up costs include:

Initial Purchase Price

Initial Veterinary Costs

Initial Set-up, Crates, Gear, Fencing, etc.

Basic 6-week Training (increased OT - 2 COs full-time for 2 months)

Vehicle with K9 up-fitting/maintenance

1004 Gen Fund (UGF) 568.0

<b>* Appropriation Total *</b>	568.0	0.0	0.0	568.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<b>** Agency Total **</b>	568.0	0.0	0.0	568.0	0.0	0.0	0.0	0.0	0.0	0	0	0

**FAILED**

**REP WOOL      CONCEPTUAL AMENDMENT #1 TO  
HDOC1  
REDUCE TO 2 DOGS**

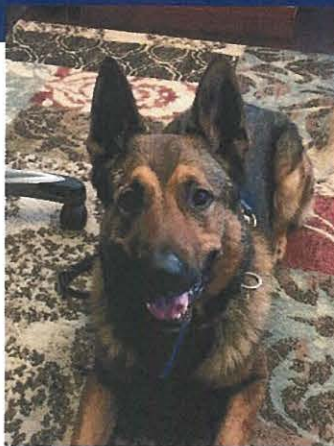
# 2022 Session Additional Backup

## Other reasons why additional dogs will benefit the agency:

- Being a Canine Officer may be a program/workplace incentive for CO's
- Reduce contraband (inmate and CO safety, inmate health, gang activity, potentially even reducing recidivism)
- The dogs can sniff out drugs and money
- The agency currently has two dogs and 12 prisons



## THANK YOU



**Koda**  
Nov 4, 2015 – Oct 23, 2021  
25,263.59g Heroin  
22,484.41g Methamphetamine  
16,434.48g Cocaine  
\$345,089.00 US Currency



**Trapper**  
Apr 14, 2019  
107.46g Heroin  
3660.7g Methamphetamine  
255.15g Cocaine



**Atlas**  
"K-9 in-training"  
Jul 27, 2020

**2022 Legislature - Operating Budget**  
**Transaction Detail - HCS1 Structure**  
 HFINSysAmnd Column

Numbers

**Agency: Department of Education and Early Development**

**FAILED**

**Education Support and Admin Services**

**H DOE 1** - Reverse increase in temporary  
 increment for Pre-Kindergarten Grants  
 (FY2023-FY2024)

Offered by Representative Carpenter  
 1004 Gen Fund (UGF) -2,500.0

**\* Appropriation Total \***

**\* \* Agency Total \* \***

Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Dec	-2,500.0	0.0	0.0	0.0	0.0	0.0	-2,500.0	0.0	0	0	0
	-2,500.0	0.0	0.0	0.0	0.0	0.0	-2,500.0	0.0	0	0	0
	-2,500.0	0.0	0.0	0.0	0.0	0.0	-2,500.0	0.0	0	0	0



**2022 Legislature - Operating Budget**  
**Transaction Detail - HCS1 Structure**  
**HFINSysAmd Column**

**Numbers**

**Agency: Department of Environmental Conservation**

**HELD**

**Environmental Health**

**H DEC 1** - Assume Primacy of Hazardous  
Waste Management Under Resource  
Conservation and Recovery Act, Subtitle C

Offered by Representatives: Rasmussen, LeBon

The Alaska Department of Environmental Conservation (DEC) will assume primacy to operate a Resource Conservation and Recovery Act (RCRA) Subtitle C program within its Environmental Health division as a section of the Solid Waste Management program. DEC already manages RCRA Subtitle D in Alaska. The Subtitle C program will include permitting of treatment, storage, and disposal facilities, inspections of facilities that generate hazardous waste, data collection and reporting, tracking hazardous waste generation in Alaska, compliance assistance, and corrective action management.

RCRA Subtitle C includes requirements related to hazardous waste management covering facilities that generate hazardous waste, transporters, treatment facilities, storage facilities, disposal facilities, and used oil handlers.

Alaskans will benefit from in-state management of this program as DEC staff will be able to provide a significantly greater level of technical and compliance assistance to facilities in the public and private sector that generate hazardous waste than is currently provided by the EPA. This assistance will better prevent the mishandling of hazardous waste thus protecting public health and Alaska's environment.

1004 Gen Fund (UGF) 830.0

**H DEC 2** - Dairy Program

FrndChg

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0.0

0

0

0

Offered by Representative Thompson

Replace statutory designated program receipts with general funds for the dairy program.

1004 Gen Fund (UGF) 15.0

1108 Stat Desig (Other) -15.0

**\* Appropriation Total \***

830.0

830.0

0.0

0.0

0.0

0.0

0.0

0.0

6

0

0

**Water**

**H DEC 3** - 404 Primacy

Inc

4,904.0

3,511.3

104.0

1,109.7

179.0

0.0

0.0

0.0

28

0

0

**2022 Legislature - Operating Budget  
Transaction Detail - HCS1 Structure  
HFINSysAmnd Column**

**Numbers**

**Agency: Department of Environmental Conservation**

**HELD**

**Water (continued)**

**H DEC 3 - 404 Primacy (continued)**

Offered by Representatives: Merrick, Rasmussen  
The Alaska Department of Environmental Conservation (DEC) will assume primacy of Section 404 of the Clean Water Act (CWA), which is the primary federal law governing pollution control and water quality of the Nation's waterways.

Section 404 of the CWA regulates the use of dredged or fill material into the waters and wetlands of the United States (WOTUS) and requires the U.S. Army Corps of Engineers (USACE) to issue a Section 404 permit before dredged and fill material may be discharged in WOTUS. 404 permit applicants in Alaska already must obtain a Section 401 water quality certification from DEC, which requires the Department to review the project, analyze its potential water quality impacts, and solicit public and agency comments. DEC assumption of the 404 program would provide a streamlined permitting procedure, greater certainty to the regulated community, conservation of resources of both the applicant and regulator, and greater control over the development of natural resources while complying with federal law.

1004 Gen Fund (UGF) 4,904.0

<b>* Appropriation Total *</b>	4,904.0	3,511.3	104.0	1,109.7	179.0	0.0	0.0	0.0	28	0	0
<b>* * Agency Total * *</b>	5,734.0	4,341.3	104.0	1,109.7	179.0	0.0	0.0	0.0	34	0	0

DFCS-A

**FAILED**

**2022 SESSION OPERATING BUDGET AMENDMENT PROPOSAL**

**OFFERED IN:** The House Finance Committee

**TO:** HB 281

**OFFERED BY:** Rep. Thompson *Rep. Le Bon*

**FISCAL YEAR:** FY23

**DEPARTMENT:** Family and Community Services

**DELETE CONDITIONAL LANGUAGE:** At the discretion of the Commissioner of the Department of Family and Community Services, up to \$10,000,000 may be transferred between all appropriations in the Department of Family and Community Services and the Department shall submit a report of transfers between appropriations that occurred during the fiscal year ending June 20, 2023, to the Legislative Finance Division by September 30, 2023.

**DEPARTMENT:** Health

**DELETE CONDITIONAL LANGUAGE:** At the discretion of the Commissioner of the Department of Health, up to \$10,000,000 may be transferred between all appropriations in the Department of Health, except that no transfer may be made from the Medicaid Services appropriation, and the Department shall submit a report of transfers between appropriations that occurred during the fiscal year ending June 20, 2023, to the Legislative Finance Division by September 30, 2023.

**EXPLANATION:** Remove cross-appropriation transfer authority for more transparent budgeting.


DFCS - B

**FAILED**

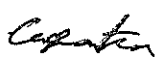
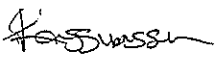
2022 SESSION OPERATING BUDGET AMENDMENT PROPOSAL

**OFFERED IN:** The House Finance Committee

**TO:** HB 281

**OFFERED BY:** Rep. LeBon, Rep Thompson, 

**FISCAL YEAR:** FY23

**DEPARTMENT:** Department of Family and Community Services

**APPROPRIATION:** Children's Services

**ALLOCATION:** Front Line Social Workers

**DELETE:** (\$912.0) [\$292.0 Fed 1002, \$620.0 UGF 1004], Personal Services, and (4) Temporary Positions

**ADD:** IncT (FY23-FY25) \$912.0 [\$292.0 Fed 1002, \$620.0 UGF 1004], Personal Services, and 4 Temporary Positions

**EXPLANATION:** This Amendment changes the proposed Increment for Front Line Social Workers – Frontline Supervision to a Temporary Increment, authorized from FY23 through FY25. The change maintains the 4 temporary positions for long-term non-permanent Protective Services Specialist IV positions, but ensures that the funding is time limited.

DoH-A

**ADOPTED**

**2022 SESSION OPERATING BUDGET AMENDMENT PROPOSAL**

**OFFERED IN:** The House Finance Committee

**TO:** HB 281 / HB 282

**OFFERED BY:** Rep. Josephson

**DEPARTMENT:** Health

**APPROPRIATION:** Departmental Support Services

**ALLOCATION:** Public Affairs  
**ADD:** \$131.7 I/A (1007) and 1 PFT, Personal Services

**ALLOCATION:** Administrative Support Services  
**ADD:** \$202.9 I/A (1007) and 2 PFTs, Personal Services

**ALLOCATION:** Administrative Support Services  
**ADD:** \$1,750 I/A (1007) *for chargeback model*  
Personal Services

**ALLOCATION:** Information Technology Services  
**ADD:** \$399.1 I/A (1007), \$1.2 CIP Receipts (1061),  
2 PFTs and 3 Temp Positions  
Personal Services

**DEPARTMENT:** Family and Community Services

**APPROPRIATION:** Departmental Support Services

**ALLOCATION:** Information Technology Services  
**ADD:** \$399.0 I/A (1007), 2 PFTs and 3 Temp Positions  
Personal Services

**ALLOCATION:** Commissioner's Office  
**ADD:** \$245.3 Fed (1002), \$367.9 GF Match (1003) and  
3 PFTs, Personal Services

**ALLOCATION:** Administrative Services  
**ADD:** \$68.6 Fed (1002), \$66.4 GF Match (1003), and  
\$55.0 I/A (1007), Personal Services

(continued)

**DEPARTMENT:** Family and Community Services  
**APPROPRIATION:** Departmental Support Services

**ALLOCATION:** Administrative Services  
**ADD:** \$156.3 Fed (1002) and \$234.4 GF Match (1003)  
Personal Services  
*Funding to support new Dept. Tech Officer in DOA  
and new Admin Services Director in OMB*

**DEPARTMENT:** Administration  
**APPROPRIATION:** Office of Information Technology

**ALLOCATION:** Alaska Division of Information Technology  
**ADD:** \$186.6 Info Services (1081) and 1 PFT  
Personal Services

**DEPARTMENT:** Governor  
**APPROPRIATION:** Office of Management and Budget (OMB)

**ALLOCATION:** OMB Administrative Services Directors  
**ADD:** \$204.1 Inter-agency Receipts (1007) and 1 PFT  
Various Line Items

**EXPLANATION:** This amendment funds items associated with the split of the Department of Health and Social Services (EO 121) into two new departments. These items were previously denied.

DOH-B

**WITHDRAWN**

**2022 SESSION OPERATING BUDGET AMENDMENT PROPOSAL**

**OFFERED IN:** The House Finance Committee

**TO:** HB 281 / HB 282

**OFFERED BY:** Rep. Carpenter

**DEPARTMENT:** Health  
**APPROPRIATION:** Departmental Support Services

**ALLOCATION:** Public Affairs  
**ADD:** \$131.7 I/A (1007) and 1 PFT, Personal Services

**ALLOCATION:** Administrative Support Services  
**ADD:** \$202.9 I/A (1007) and 2 PFTs, Personal Services

**ALLOCATION:** Administrative Support Services  
**ADD:** \$1,750 I/A (1007) *for chargeback model*  
Personal Services

**ALLOCATION:** Information Technology Services  
**ADD:** \$399.1 I/A (1007), \$1.2 CIP Receipts (1061),  
2 PFTs and 3 Temp Positions  
Personal Services

**DEPARTMENT:** Family and Community Services  
**APPROPRIATION:** Departmental Support Services

**ALLOCATION:** Information Technology Services  
**ADD:** \$399.0 I/A (1007), 2 PFTs and 3 Temp Positions  
Personal Services

**ALLOCATION:** Commissioner's Office  
**ADD:** \$245.3 Fed (1002), \$367.9 GF Match (1003) and  
3 PFTs, Personal Services

**ALLOCATION:** Administrative Services  
**ADD:** \$68.6 Fed (1002), \$66.4 GF Match (1003), and  
\$55.0 I/A (1007), Personal Services

(continued)

**DEPARTMENT:** Family and Community Services  
**APPROPRIATION:** Departmental Support Services

**ALLOCATION:** Administrative Services  
**ADD:** \$156.3 Fed (1002) and \$234.4 GF Match (1003)  
Personal Services  
*Funding to support new Dept. Tech Officer in DOA  
and new Admin Services Director in OMB*

**DEPARTMENT:** Administration  
**APPROPRIATION:** Office of Information Technology

**ALLOCATION:** Alaska Division of Information Technology  
**ADD:** \$186.6 Info Services (1081) and 1 PFT  
Personal Services

**DEPARTMENT:** Governor  
**APPROPRIATION:** Office of Management and Budget (OMB)

**ALLOCATION:** OMB Administrative Services Directors  
**ADD:** \$204.1 Inter-agency Receipts (1007) and 1 PFT  
Various Line Items

**EXPLANATION:** This amendment funds items associated with the split of the Department of Health and Social Services (EO 121) into two new departments. These items were previously denied.



**2022 Legislature - Operating Budget**  
**Transaction Detail - HCS1 Structure**  
**HFINSysAmnd Column**

Numbers

**Agency: Department of Health**

**ADOPTED**

**Departmental Support Services**

**H DOH 1** - Remove allocations for the study to develop evidence based recommendations for DHSS Reorganization

Offered by Representative Carpenter

This allocation was proposed in House Health and Social Services finance sub-committee for the study of the bifurcation of Health and Social Services.

The Governor's Emergency Order (EO) 121 was not blocked or disapproved and will take effect on July 1st, 2022. Because of the impending implementation of the bifurcation, these funds are no longer needed.

1004 Gen Fund (UGF) -500.0

**\* Appropriation Total \***

**\*\* Agency Total \*\***

Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Dec	-500.0	0.0	0.0	-500.0	0.0	0.0	0.0	0.0	0	0	0
<b>* Appropriation Total *</b>		-500.0	0.0	0.0	-500.0	0.0	0.0	0.0	0	0	0
<b>** Agency Total **</b>		-500.0	0.0	0.0	-500.0	0.0	0.0	0.0	0	0	0

DOH-C

**ADOPTED**

**2022 SESSION OPERATING BUDGET AMENDMENT PROPOSAL**

**OFFERED IN:** The House Finance Committee

**TO:** HB 281 / HB 282

**OFFERED BY:** Rep. Josephson

**DEPARTMENT:** Department of Health

**APPROPRIATION:** Medicaid Services

**ALLOCATION:** Medicaid Services

**ADD:** \$8,181,000 UGF (1004)

**Add Intent Language:**

It is the intent of the legislature that the Department provide supplemental payments equaling 15% of the standard Medicaid reimbursements for services of personal care assistants providing services under Medicaid, Medicaid waivers and the 1915(k)-state plan option between July 1, 2022, to June 30, 2023. Supplemental payments will only be available to providers that demonstrate to the department that they are using the supplemental payments to increase personal care assistant wages.

**Explanation:** These supplemental payments will improve workforce recruitment and retention in this essential sector of our healthcare system. The intent of this amendment may be achieved through a state plan amendment to the 1915 waiver program appendix K.

**2022 Legislature - Operating Budget**  
**Transaction Detail - HCS1 Structure**  
**HFINSysAmnd Column**

**Numbers**

**Agency: Department of Labor and Workforce Development**

**ADOPTED**

**Labor Standards and Safety**

**H DOL 1 - Delete Wage & Hour Investigator**  
**Position**

Offered by Representative Johnson

Delete full-time wage & hour investigator position.

1004 Gen Fund (UGF) -100.0

Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Dec	-100.0	-100.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
<b>* Appropriation Total *</b>		-100.0	-100.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
<b>* * Agency Total * *</b>		-100.0	-100.0	0.0	0.0	0.0	0.0	0.0	-1	0	0

**2022 Legislature - Operating Budget  
Transaction Detail - HCS1 Structure  
HFINSysAmnd Column**

**Numbers**

**Agency: Department of Law**

**HELD**

**Civil Division**

**H LAW 1 - Recruitment Funding**

Offered by Representative Johnson

Remove funding to support recruiting efforts.

1004 Gen Fund (UGF) -100.0

**\* Appropriation Total \***

**\* \* Agency Total \* \***

Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Dec	-100.0	-100.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<hr/>											
	-100.0	-100.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
	-100.0	-100.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

**2022 Legislature - Operating Budget  
Transaction Detail - HCS1 Structure  
HFINSysAmnd Column**

**Numbers**

**Agency: Department of Military and Veterans' Affairs**

**ADOPTED**

**Military and Veterans' Affairs**

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
<b>H MVA 1 - Restore Funding for Civil Air Patrol</b>	Inc	250.0	0.0	0.0	250.0	0.0	0.0	0.0	0.0	0	0	0

Offered by Representatives: LeBon, Thompson, Johnson, Rasmussen, Josephson  
In FY20, FY21 and FY22, the Legislature funded the Civil Air Patrol at \$250.0 UGF, which was a reduction from \$453.5 in FY18. The Governor vetoed all FY20, FY21 and FY22 funding. This amendment would restore the Legislature's support for the Civil Air Patrol.

The Civil Air Patrol (CAP) is a nonprofit, volunteer organization and the official auxiliary of the United States Air Force whose primary purpose is search and rescue operations.

When conducting search and rescue as an asset of the Air Force or other federal agencies, the costs for the CAP missions are paid by those agencies.

The state appropriation will pay for utilities and insurance at facilities where CAP aircraft are stored and fuel for nonemergency operations such as proficiency flights for pilots and crew.

The Civil Air Patrol locates emergency beacons and assists in dozens of search and rescue missions in Alaska each year. CAP aircrews from the Alaska Wing provided aerial support and transport platforms to the U.S. Coast Guard during the Covid pandemic.

The relatively small amount of state funding provided through this amendment will support a significant volunteer contribution to the safety of Alaskans.

1004 Gen Fund (UGF) 250.0

<b>* Appropriation Total *</b>		250.0	0.0	0.0	250.0	0.0	0.0	0.0	0.0	0	0	0
<b>** Agency Total **</b>		250.0	0.0	0.0	250.0	0.0	0.0	0.0	0.0	0	0	0

**2022 Legislature - Operating Budget**  
**Transaction Detail - HCS1 Structure**  
**HFINSysAmnd Column**

Numbers

**Agency: Department of Natural Resources**

**ADOPTED**

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
<b>Fire Suppression, Land &amp; Water Resources</b>												
H DNR 1 - Reverse 'Collect and Compile Data to Identify Potential Renewable Energy Projects'	Dec	-262.0	-230.0	-5.0	-15.0	-12.0	0.0	0.0	0.0	-2	0	0
Offered by Representatives: Thompson, Rasmussen												
HCS2 includes an increment from the Governor's amended FY23 budget to												
form a renewable energy program within DGGS, adding \$262.0 in UGF and two												
PFT positions. This decrement would reverse the increment, removing the												
funding and added positions.												
1004 Gen Fund (UGF)		-262.0										
<b>* Appropriation Total *</b>		-262.0	-230.0	-5.0	-15.0	-12.0	0.0	0.0	0.0	-2	0	0
<b>* * Agency Total * *</b>		-262.0	-230.0	-5.0	-15.0	-12.0	0.0	0.0	0.0	-2	0	0

DNR-A

**HELD**

**2022 SESSION OPERATING BUDGET AMENDMENT PROPOSAL**

**OFFERED IN:** The House Finance Committee

**TO:** HB 281

**OFFERED BY:** Rep. Rasmussen

**FISCAL YEAR:** FY23

**DEPARTMENT:** Natural Resources

**APPROPRIATION:** Parks & Outdoor Recreation

**ALLOCATION:** Parks Management & Access

**DELETE:** (\$5,602.3) Vehicle Rental Tax 1200

**ADD:** \$5,602.3 General Fund Program Receipts 1005

**ADD INTENT:** It is the intent of the legislature that the Alaska State Parks System increase user fees to offset reductions in Vehicle Rental Tax funding.

**EXPLANATION:** Vehicle Rental Tax funding is subject to the reverse sweep. By increasing user fees, this removes the uncertainty of whether funding would be available and enables the Park System to become more self-sufficient. If DNR isn't able to make up that GF/PR amount in time by raising fees, a supplemental request may be necessary.

**2022 Legislature - Operating Budget**  
**Transaction Detail - HCS1 Structure**  
**HFINSysAmnd Column**

Numbers

Agency: Department of Public Safety

**ADOPTED**

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
<b>Council on Domestic Violence and Sexual Assault</b>												
<b>H DPS 1 - Additional Costs related to utilities</b>	IncOTI	500.0	0.0	0.0	0.0	0.0	0.0	500.0	0.0	0	0	0

Offered by Representative Rasmussen

To allow the emergency programs and child advocacy centers to pay the additional costs related to utilities.

In Alaska there are 33 domestic violence, sexual assault, and child advocacy programs offering services to assist those escaping or healing from crimes that have been committed against them. These programs receive a majority of their funding through the Department of Public Safety (DPS), Council on Domestic Violence and Sexual Assault (CDVSA) grants line.

Each of these programs must maintain a building and/or space in their community for victims of these crimes that provides safety and security while providing much needed support by advocates.

In FY22, these programs found they were unable to attract qualified applicants to fill advocate positions necessary to have the 24/7 presence required to meet the needs of victims. In order to attract qualified staff, they increased their wages to be competitive in their communities. At the point they increased wages, they were competing with fast food and department stores at \$15 to \$17 per hour. Most programs increased to a minimum of \$20 an hour out of necessity to get staff.

This has left the programs without any extra in their budgets. They have cut out supplies, travel, and in some cases, have had to reduce what services they could provide in order to have a balanced budget.

Now they are finding that their utility costs will increase anywhere from 10% to 50% depending on what type of utilities are available in their communities.

The rising cost of oil is anticipated to increase the cost of utilities in these 33 organizations \$500,000 in FY23. The amount of \$500,000 is based upon calculations received from the programs on their total cost of utilities and their anticipated increases. Each community has anticipated a different percentage



**2022 Legislature - Operating Budget**  
**Transaction Detail - HCS1 Structure**  
 HFINSysAmnd Column

Numbers

**Agency: Department of Public Safety**

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
<b>Council on Domestic Violence and Sexual Assault (continued)</b>												
H DPS 1 - Additional Costs related to utilities												
(continued)												
of increase in their utilities depending on the type of utilities they use.												
A map of where programs are located is attached.												
1004 Gen Fund (UGF)		500.0										
<b>* Appropriation Total *</b>		500.0	0.0	0.0	0.0	0.0	0.0	500.0	0.0	0	0	0
<b>* * Agency Total * *</b>		500.0	0.0	0.0	0.0	0.0	0.0	500.0	0.0	0	0	0

# 2022 Session Additional Backup

## Location of Domestic Violence, Sexual Assault, and Child Advocacy Center



**2022 Legislature - Operating Budget**  
**Transaction Detail - HCS1 Structure**  
 HFINSysAmnd Column

Numbers

Agency: Department of Transportation and Public Facilities

**BOTH WITHDRAWN**

**Marine Highway System**

**H DOT 1 - Swap Federal Funding for UGF**  
 portion of CY22 funding level

Offered by Representative LeBon

The fund source in 23Gov was Fed Rcpts; HCS1 changed the fund source to UGF. This amendment changes the fund source back to Fed Rcpts to match 23Gov.

1002 Fed Rcpts (Fed) 59,382.0

1004 Gen Fund (UGF) -59,382.0

**H DOT 2 - Swap Alaska Marine Highway Fund**  
 Receipt Authority for Federal Receipt Authority

Offered by Representative LeBon

This fund source was Marine Hwy (DGF) in 23Gov; it was changed to Fed Rcpts in HCS1. This amendment proposes changing back to Marine Hwy (DGF) to match 23Gov.

1002 Fed Rcpts (Fed) -5,000.0

1076 Marine Hwy (DGF) 5,000.0

**\* Appropriation Total \***

**\*\* Agency Total \*\***

Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

**2022 Legislature - Operating Budget**  
**Transaction Detail - HCS1 Structure**  
 HFINSysAmnd Column

Numbers

**Agency: Legislature**

**ADOPTED**

**Legislative Council**

**H LEG 1 - Add Attorney and Reclass Two**  
**Positions**

Offered by Representative Foster  
 1004 Gen Fund (UGF) 178.0

**\* Appropriation Total \***

**\*\* Agency Total \*\***

**\* \* \* All Agencies Total \* \* \***

Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Inc	178.0	178.0	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
	178.0	178.0	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
	178.0	178.0	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
	4,518.0	4,089.3	99.0	2,412.7	167.0	0.0	-2,250.0	0.0	32	0	0