



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Office of the Governor

OFFICE OF MANAGEMENT AND BUDGET
Lacey Sanders, Director

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February 9, 2024

The Honorable DeLena Johnson
Co-Chair, House Finance Committee
Alaska State Capitol Room 518
Juneau, AK 99801

The Honorable Neal Foster
Co-Chair, House Finance Committee
Alaska State Capitol Room 511
Juneau, AK 99801

The Honorable Bryce Edgmon
Co-Chair, House Finance Committee
Alaska State Capitol Room 505
Juneau, AK 99801

Dear Co-Chairs Johnson, Foster, and Edgmon,

Thank you for inviting the Office of Management and Budget (OMB) to present an overview of the Governor's FY2025 operating and capital budget to the House Finance Committee on January 22, 2024. Responses to questions and requests for follow-up information from the committee hearing are included below. All of the dollar figures presented in this document are in thousands unless otherwise noted.

1. What is the minimum balance for the Constitutional Budget Reserve (CBR) Fund?

There is no statutorily or constitutionally required minimum balance of the CBR. The CBR is a savings account meant to cover projected expenditures of the State when there is a deficit in projected revenues. For the purposes of managing daily cashflow, a minimum balance of \$400 million to \$500 million is necessary to prevent adverse operational impacts.

2. Provide a summary of all Department of Health (DOH) budget increases.

Please see the following document for a breakdown of the DOH's change records in the FY2025 Governor's Budget.

- *Attachment 1 – DOH FY2025 Gov Change Records by Trans Type.pdf.*

3. Provide clarification on if there was an appropriation in FY2024 for snow removal.

Below is a summary of the Department of Transportation and Public Facilities' (DOT&PF) appropriations specific to snow removal in the FY2024 operating and capital budgets. Additionally, the department utilizes various funding sources and appropriations to respond to winter snow events based on funding levels from year-to-year.

FY2024 Enacted Operating Budget

DOT&PF / International Airports / Anchorage Airport Field and Equipment Maintenance

- \$450.0 (1027 IntAirport Other) – This increment consists of \$300.0 for Anchorage International Airport parking lot snow removal, as well as an additional \$150.0 for snow removal for the roads in and around Anchorage International Airport.

FY2024 Enacted Capital Budget (Whole \$)

DOT&PF / Airport Improvement Program

- \$1,081,781 (1002 Fed Rcpts) – Chignik Airport Snow Removal Equipment Building Rehabilitation
- \$3,990,000 (1002 Fed Rcpts) – False Pass Airport Snow Removal Equipment Building
- \$7,060,000 (1002 Fed Rcpts) – King Salmon Airport Snow Removal Equipment Building
- \$343,750 (1002 Fed Rcpts) – Mountain Village Snow Removal Equipment Building Replacement
- \$4,253,230 (1002 Fed Rcpts) – Seward Snow Removal Equipment Building and Sand Storage Building
- \$18,672,188 (1002 Fed Rcpts) – Statewide Various Airports Snow Removal, ADA, and Safety Equipment Acquisition
- \$14,859,187 (1002 Fed Rcpts) – Valdez Snow Removal Equipment Building and Deicing Buildings Replacement

4. Please provide a summary of the Alaska Housing Finance Corporation (AHFC) homeless assistance programs.

The Alaska Housing Finance Corporation (AHFC) provides homeless assistance through their Basic Homeless Assistance and the Beneficiary and Special Needs Housing programs.

The Homeless Assistance Program provides community/agency grants that provide shelter for those experiencing homelessness, provide assistance to households transitioning from homelessness to permanent housing, and help develop community strategies and programs to reduce homelessness. The Beneficiary and Special Needs Housing program provides grants to nonprofit service providers to increase housing opportunities targeting Mental Health Trust beneficiaries and other special needs populations.

Additionally, Federal funds from AHFC's COVID-19 relief has allowed them to stand up a Stabilization & Recovery program to offer rental assistance and support services for homeless Alaskans who are sleeping outside, in shelter, or survivors of domestic violence, human trafficking or are refugees. A weekly dashboard is published here: <https://www.ahfc.us/newsroom/alaska-housing-stabilization->

[recovery-weekly-program-update](#). As of Friday, February 2, 2024, 2,851 individuals were served, and approximately a third of all participants are younger than 18.

Please see the attached document for a breakdown of funding in FY2023 for these programs.

- *Attachment 2 – Funded HAP and SNHG Projects.pdf.*

5. Is the Carbon Capture and Sequestration Project contingent upon passage of the Carbon Capture, Utilization, and Storage Act bill, House Bill (HB) 50?

No, passing HB 50 does not jeopardize the grant award the University of Alaska Fairbanks (UAF) received for the Alaska Railbelt Carbon Capture and Sequestration Project. To accept the \$11.1 million award, UAF does require the \$2.2 million State match funding, currently included in the capital budget. Please see the attached document for more information about this capital budget request.

- *Attachment 3 - FY2025 Capital Project 65319 – UAF AK Railbelt Carbon Capture & Sequestration Project.pdf.*

6. What is the University of Alaska Fairbanks' Achieve Research 1 Status project?

Please see the attached document for more information about this project.

- *Attachment 4 - FY2025 Capital Project 64794 – UAF Achieve Research 1 Status.pdf.*

Sincerely,

Lacey Sanders

Lacey Sanders
Director

cc: Alexei Painter, Director, Legislative Finance Division
Laura Stidolph, Legislative Director, Office of the Governor