



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,
and Economic Development

ALCOHOL AND MARIJUANA CONTROL OFFICE

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Thursday, May 8, 2025

The Honorable Representative Andy Josephson
Co-Chair, House Finance Committee
Alaska State Capitol, Room 505
Juneau, Alaska 99801

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

The Honorable Representative Calvin Schrage
Co-Chair, House Finance Committee
Alaska State Capitol, Room 410
Juneau, Alaska 99801

Dear Co-Chairs Josephson, Foster, and Schrage,

During the May 7, 2025 House Finance Committee hearing regarding SB 80, Extend Boards, Representative Allard asked for clarification on the operating expenditure for \$19.1 current appropriation with the fund source 1004 General Fund listed on the fiscal note with control code fXdJj.

The \$19.1 general fund appropriation for the Marijuana Control Board is related to the impacts of chapter 9, SLA 2021 (SB55 Employer Contribution to PERS). This legislation changed the employer contribution rate for the Public Employees' Retirement System (PERS) from a set 22 percent to a variable rate calculated by actuaries and approved by the Alaska Retirement Management Board. The variable rate is higher than the prior 22 percent rate and targets past liability in the retirement system. When the legislation was adopted, general fund appropriations were made to licensing programs to ensure that the State of Alaska's past retirement contribution liabilities were not paid by current program licensees. Through the original appropriation and adjustments in subsequent budgets that correspond to the actuarially-adjusted rate, the Alcohol and Marijuana Control Office has a total general fund appropriation in the FY2026 budget of \$38.3. This amount is equally split between the alcohol and marijuana licensing programs.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin Richard".

Kevin Richard
Director

cc: Lizzie Kubitz, Legislative Liaison, DCCED
Jordan Shilling, Director, Governor's Legislative Office