

OFFICE OF GOVERNOR BILL WALKER

FY2019 Budget Overview and 10-Year Plan

**Office of Management and Budget
December 15, 2017**

Safer Alaska

Public safety is a critical priority in this budget. If Alaskans don't feel safe in their communities, they won't live, work or invest in them. That's why the budget includes investments in public safety resources in the budget to tackle crime and address the opioid and drug trafficking epidemic. Public safety is a core function of government and needs to be swiftly addressed. That's why the fiscal year 2019 budget contains funding increases for public safety.

Since 2011, crime has been steadily increasing across Alaska. Crime statistics from 2016, the most recent year available, starkly highlight the gravity of the ongoing public safety problem. To address these trends, Governor Walker tasked the state's public safety agencies with evaluating the rise in crime and developing a Public Safety Action Plan. The plan focuses efforts on improving outcomes in the criminal justice system, identifying public safety resource needs, improving access to mental health and substance abuse treatment, and addressing the opioid and drug trafficking epidemic. With current budgets and staffing, the public safety agencies can only be reactive, not proactive. To combat the root causes of the rise in crime, the state must build-up its public safety resources and continue to enhance both federal and local public safety partnerships, especially in rural Alaska.

This budget funds the Public Safety Action Plan and other public safety initiatives with \$34 million in fiscal year 2019 to shore up critical public safety resources and build Alaska's substance abuse treatment capacity. Rural law enforcement is a priority in the plan, and this budget calls for \$3 million in funding for enhanced trooper and prosecutor presence in rural Alaska. Crime statistics are going up, and although everyone in the state is feeling it, trends noted by the Department of Law show that rural Alaska has been hit particularly hard at a time when the number of sworn officers per capita is at a ten-year low. Anchorage has also been hit hard, with a record number of homicides in 2017. That is why the budget also proposes adding two prosecutors to the Anchorage office.

Beyond its rural outreach initiatives, the Department of Public Safety is establishing a crime reporting unit that will streamline the crime reporting process, make better use of trooper resources, and serve as a data-sharing hub for law enforcement agencies across the state to enhance interagency communication and coordination. Better crime data and analytics capacity will lead to better outcomes across the criminal justice and public safety systems – helping law enforcement become more proactive in combatting crime.

Finally, the opioid epidemic requires acute intervention from both public health and public safety agencies. This budget continues to fund a four-year \$18 million grant program for expanding substance use disorder treatment capacity at the community level. This initiative aims to take another step in building out a comprehensive continuum of care for substance abuse treatment services, including outpatient services, intensive case management, residential treatment, medically-monitored sobering centers, Medication Assisted Treatment (MAT), withdrawal management (detoxification) services and recovery support. Additionally, a prosecutor has been added in Anchorage to lead and coordinate statewide drug prosecution efforts. Because of the urgency of the

opioid crisis, the new statewide prosecutor was established this year, which took resources away from other types of prosecutors. To continue these statewide drug prosecution efforts, a new position in the Anchorage area is funded in the fiscal year 2019 budget.

Public safety is a critical budget priority and will remain an area of investment in future years, particularly as the opioid epidemic spreads. The Public Safety Action Plan initiatives and other public safety funding will provide a solid foundation to building a safer and stronger Alaska.

Criminal Justice and Public Safety Spending Plan (\$ thousands)			
	FY2019	FY2020	FY20201
Department of Public Safety	\$3,650.6	\$2,500.0	\$2,500.0
Department of Law	\$1,163.2	\$500.0	\$500.0
Department of Corrections	\$10,447.6	\$8,000.0	\$8,000.0
Department of Health and Social Services	\$18,000.0*	\$10,000.0	\$5,000.0
	<i>*FY18 supplemental</i>		
Department of Administration	\$453.5	-	-

Health Care

The Walker-Mallott administration is aggressively pursuing strategies to reign in health care cost growth in the state budget while ensuring state employees and public assistance beneficiaries have appropriate access to quality care. Health care spending has been one of the largest and fastest growing areas in the state budget, and cost containment efforts continue to ensure that the rising costs of health care don't displace other spending priorities.

AlaskaCare Initiatives

The AlaskaCare employee plan realized significant savings in 2017 by modestly increasing employee premiums, adjusting plan benefits and pursuing greater provider discounts. State contributions to employee health plans will remain flat in calendar year 2018 because of these changes. Further cost saving measures are slated for the 2018 plan year, continuing downward pressure on employee health costs.

The AlaskaCare retiree plan will implement the Medicare Part-D Employer Group Waiver at the beginning of the 2019 plan year, which increases the Medicare subsidy to the retiree health plan for prescription drug coverage. This change is estimated to result in significant savings to not only the retiree health trust, but also to the state payment to PERS/TRS retirement accounts. Preliminary estimates indicate that these savings will amount to \$25.5 million in fiscal year 2019 and up to \$51 million in subsequent years.