



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community,
and Economic Development

DIVISION OF ADMINISTRATIVE SERVICES

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March 15, 2021

The Honorable Bryce Edgmon
Chair, Finance Subcommittee for
Department of Commerce, Community, and Economic Development
State Capitol, Room 410
Juneau, AK 99801

Dear Representative Edgmon,

Thank you for the opportunity to present the Governor's FY2022 Budget proposal to the House Finance Subcommittee for the Department of Commerce, Community, and Economic Development on March 2, 2021 and March 4, 2021. Please find follow up items from the hearings below.

Provide additional information on how or whether the Alcoholic Beverage Control (ABC) Board and the Marijuana Control Board (MCB) are incorporating changes made in response to the COVID-19 pandemic into future permanent regulatory changes.

Under the Covid-19 emergency order, the MCB and ABC board each adopted emergency regulations that expanded business operations to allow for activities such as curbside and home delivery, amend licensed premises to allow for social distancing, and approved operation plan changes. The most substantive emergency regulations adopted by the ABC board would require statutory changes to make permanent. The marijuana industry has fewer statutory restrictions, and the MCB chair has requested that a regulatory file be opened to consider whether regulatory changes made during the emergency should be considered for permanent adoption.

Provide the position titles and additional information for position deletions in the Alaska Gasline Development Corporation (AGDC).

The three positions proposed for deletion in the FY2022 Governor submission are:

PCN 04-703X	Senior Vice President for Program Development
PCN 04-708X	Manager, Information Technology/Information Systems
PCN 04-711X	Executive Assistant

Over the past year, AGDC has narrowed their objectives and are focusing on advancing the Alaska LNG Project and working with private sector entities on taking over leadership of the project. This focus means that AGDC's work functions have changed and some positions that are no longer necessary. Transition of the project to private sector leadership allows AGDC to reduce operating costs including right-sizing the number of employees, using contract expertise as needed, and reducing the amount of office space. AGDC is using highly-skilled Alaska-based contractors to augment their small workforce and maintain the maximum value of the State's investment in the project, while minimizing AGDC expenditures.

Provide funding history for the Alaska Legal Services Corporation grants.

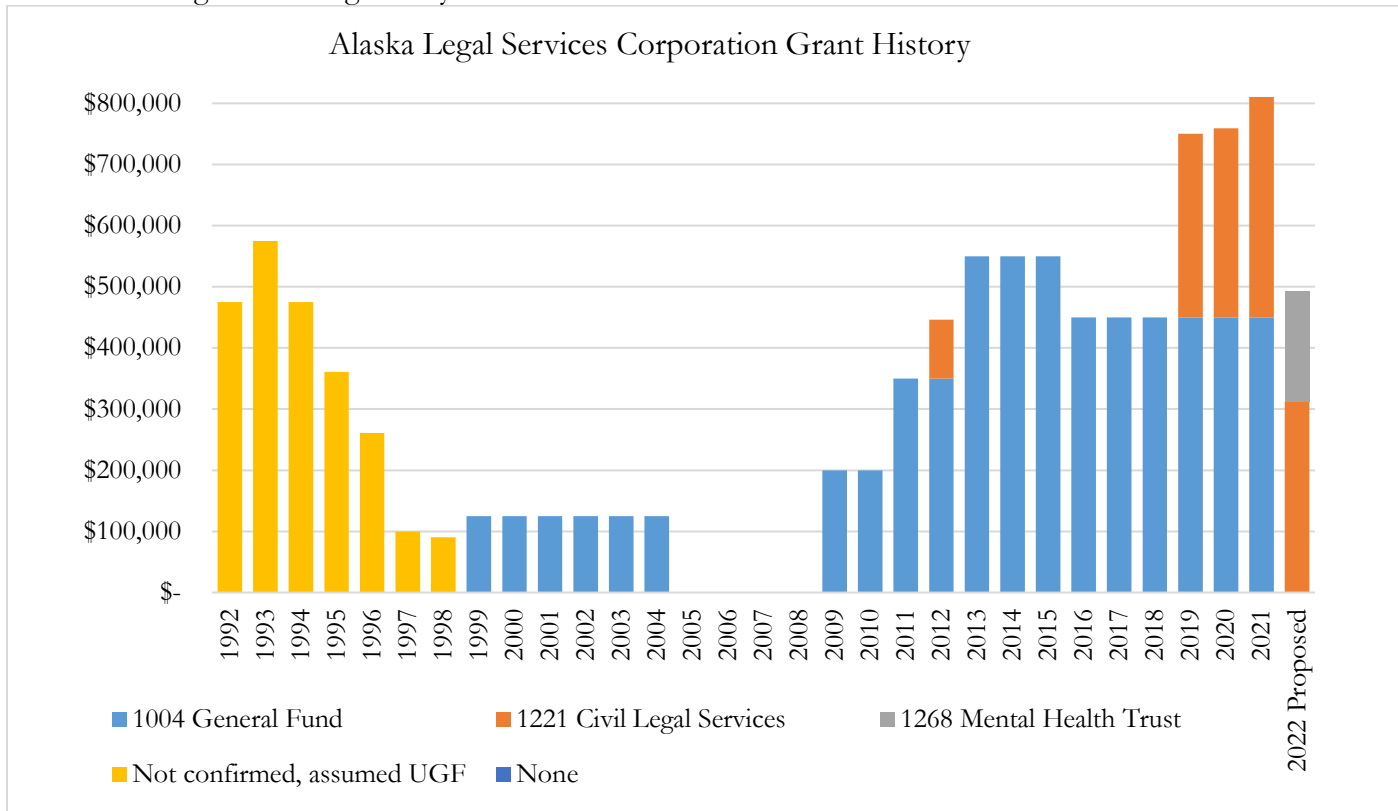
The Alaska Legal Services Corporation (ALSC) has been funded via grants in the Community and Regional Affairs budget since at least 1992. Annual appropriation amounts have varied over time, including no distributions from FY2005 to FY2008. The ALSC has received an unrestricted general fund (UGF) subsidy as a grant since FY2009. The UGF grant reached a high of \$550.0 from FY2013-FY2016 and has been set at \$450.0 since FY2016. Additionally, starting in FY2019 with the passage of HB106 in SLA2018, ALSC has received an additional grant from the Civil Legal Services fund that has ranged from \$300.3 to \$360.3. As a result, total funding for ALSC from the operating budget reached a high of \$810.3 in FY2021.

In the FY2022 Governor's budget, the following changes to the ALSC grants are proposed:

- Remove \$450.0 UGF grant
- Adjust annual Civil Legal Services Fund amount from \$360.3 to \$311.6, based on court filing fee collections
- Add a grant of \$180.0 for Bethel Holistic Defense authorized by the Alaska Mental Health Trust Authority

This reduction of unrestricted general funds recognizes that the funding from the Civil Legal Services Fund is a more appropriate funding source for this grant. The proposed FY2022 changes result in a net reduction in ALSC funding of \$318.8 from FY2021, but also represents a \$41.6 increase from FY2018.

A table detailing the funding history is included below.

*Provide copies of the Legislative Revised Programs (RPLs) that are requested for extension in the operating budget, as well as a financial update on expenditures and encumbrances.*


The Governor's operating budget amendments released February 16, 2021, included the following language item to extend certain RPLs:

The revised program legislative (RPL) packages for the Department of Commerce approved at the May 11, 2020, Legislative Budget and Audit meeting, approved and ratified under Sec. 1(a) – (c) and Secs. 2-3, ch. 32, SLA 2020 including RPLs 08-2020-0260 through 08-2020-0382 are amended and appropriated through the fiscal year ending June 30, 2022.

This language extends the 123 RPLs for Community Direct Costs, which provided direct financial distributions to communities. The RPLs submitted to the Legislative Budget and Audit committee and listed in this language are identical except for the community named in each RPL. A copy of the first listed RPL, 08-2020-0260, is attached, as well as the requested financial update for all communities. These RPLs were ratified by the 31st legislature in HB313, which is also attached.

Please let me know if any further questions or concerns arise.

Best regards,



Micaela Fowler

Administrative Services Director

Attachments

RPL 08-2020-0260

HB313

Community CARES Grants financial update

cc: The Honorable Julie Anderson, Commissioner, Department of Commerce, Community, and Economic Development
Sabrina Javier, Fiscal Analyst, Legislative Finance Division
Kyle Scherrer, Budget Analyst, Office of Management and Budget
Hannah Lager, Division Operations Manager, Department of Commerce, Community, and Economic Development
Glenn Hoskinson, Special Assistant, Department of Commerce, Community, and Economic Development