

## FY22 HOUSE COMMITTEE SUBSTITUTE (CS1) SUMMARY

- Governor’s budget introduced as CS0 on March 9<sup>th</sup>, 2021. The following are highlights and change made to the Governor’s budget.
- The following summary is split up into two categories below: the “Traditional Operating Budget” and “American Rescue Plan Act (ARPA) Budget”.
- Subcommittee closeout April 6<sup>th</sup>, 2021.

### TRADITIONAL OPERATING BUDGET SUMMARY

ADMINISTRATION	<ul style="list-style-type: none"> <li>• House accepted Governor’s Human Resource &amp; Procurement consolidation.</li> <li>• Increase funding for Public Broadcasting for \$3.3 million.</li> </ul>
COMMERCE	<ul style="list-style-type: none"> <li>• By request of the Governor...moved economic development team positions from Commerce to the Governor’s office.</li> <li>• Alaska Legal Services: Maintain of \$450K.</li> <li>• Kuskokwim Ice Road Grant: Add \$370k UGF.</li> </ul>
CORRECTIONS	<ul style="list-style-type: none"> <li>• Denied \$4.3 million UGF request to replace restorative justice lost funds.</li> <li>• Denied structure change of putting Electronic Monitoring and Community Residential Centers into Population management</li> <li>• CRC Contracts: Intent language that DOC renegotiate contracts with Community Residential Centers to flat rate contracts.</li> </ul>
EDUCATION	<ul style="list-style-type: none"> <li>• Early and forwarded funded education in a separate bill.</li> <li>• Accepted Governor’s request to delete 10 student loan positions.</li> <li>• Pre-K: Add \$5 million UGF.</li> <li>• SLED: \$635.9 DGF increment to the Statewide Library Electronic Doorway (SLED) and Alaska Library Catalog (ALC) using higher education funds.</li> <li>• State System of Support: Governor wanted deletes 1 PFT position. House retains \$109.2 using DGF.</li> </ul>
ENVIRONMENTAL CONSERVATION	<ul style="list-style-type: none"> <li>• Continue to use the Commercial Passenger Vessel fund to pay for shellfish testing.</li> </ul>

FISH & GAME	<ul style="list-style-type: none"> <li>• No House changes</li> </ul>
GOVERNOR	<ul style="list-style-type: none"> <li>• Governor’s Proposals Accepted By House: <ul style="list-style-type: none"> <li>○ Moved economic development positions over from Commerce.</li> <li>○ Added \$690K UGF for Elections (ranked choice)</li> </ul> </li> <li>• Single Audit Costs: Intent language that OMB review single audit costs, amounts billed to the federal government, and reimbursements.</li> </ul>
HEALTH	<ul style="list-style-type: none"> <li>• Nurses: Partially restored nurse funding by adding \$1.2 million UGF.</li> <li>• Social Worker Bonus: Added \$1.2 million UGF</li> <li>• Tribal compact: Added \$3.4 million DGF</li> <li>• Mental Health Reserves: Reversed all Mental Health Trust Reserves to GF Mental Health Fund Source. Governor used \$16 million.</li> <li>• Medicaid FY21 Carryforward: Did not carry forward lapsing Medicaid of \$35 Million for UGF cut replacement. House reappropriated lapsing funds to school bond debt and REAA.</li> </ul>
JUDICIARY	<ul style="list-style-type: none"> <li>• Therapeutic Courts: Accepted Governor’s add \$480k.</li> </ul>
LABOR	<ul style="list-style-type: none"> <li>• No recommendations.</li> </ul>
LAW	<ul style="list-style-type: none"> <li>• Eliminated \$267k UGF for the Chief of Staff position</li> <li>• Janus v ASCME: In FY21 the Governor vetoed the new line with \$20k. CS1 reinstates the structure &amp; funds in FY22.</li> </ul>
LEGISLATURE	<ul style="list-style-type: none"> <li>• Legislative Audit: Increment of \$1 million UGF.</li> </ul>
MILITARY & VETERAN’S AFFAIRS	<ul style="list-style-type: none"> <li>• The department identified various savings (i.e. eliminated vacant positions) all of which the subcommittee accepted.</li> </ul>
NATURAL RESOURCES	<ul style="list-style-type: none"> <li>• Conservation Positions: Recommendation that the Alaska Conservation Corps positions be filled only if enough fees are collected. Adds 6 positions that should not require UGF.</li> <li>• Data Collections Proposal: Intent of the legislature that DNR submit a proposal to collect geophysical data, develop fee</li> </ul>

	<p>schedules for raw data, and to provide free access to visual representations of the data.</p>
PUBLIC SAFETY	<ul style="list-style-type: none"> <li>• Denied capital outlay for troopers \$1.4 million UGF.</li> <li>• Denied full funding vacant State Trooper positions \$1.4 million UGF.</li> <li>• Plan Review Bureau: Intent language that they appropriate resources to ensure review time of building plans be kept under 30 days.</li> <li>• Rural Public Safety: Intent language that DPS prioritize law enforcement to non-urbanized areas.</li> <li>• Personal Services: Intent language that no funds be moved out of the personal services line of the troopers.</li> <li>• Trooper Positions: Intent language that DPS fills vacant positions and reduce overtime.</li> </ul>
REVENUE	<ul style="list-style-type: none"> <li>• Tax Auditors: Add two auditors \$210k DGF.</li> <li>• Incentive Compensation: Limit the size of bonuses at the Permanent Fund Corp to a fixed amount per individual.</li> </ul>
TRANSPORTATION	<ul style="list-style-type: none"> <li>• Approximately \$53.2 million fund source changes with CSSRA funding to replace AMHS funds and UGF. Provides a fund source for forward funding. (See language section below.)</li> </ul>
UNIVERSITY	<ul style="list-style-type: none"> <li>• Governor’s Decrement: Accept the Governor’s \$20 decrement.</li> <li>• Lost Revenue Relief: Add \$15.7 million for lost revenue relief. Net decrease to the University budget equals \$4.3 million.</li> </ul>
LANGUAGE SECTION	<ul style="list-style-type: none"> <li>• PFD: Addressed in a separate bill or through the budget amendment process.</li> <li>• Removed the reappropriation for fire suppression preparedness. This will be an item in the Capital Budget.</li> <li>• 18-Month forward funding of the Alaska Marine Highway Fund using CRSSA FTA and FHWA funds.</li> <li>• CRSSA and ARP Federal Transit funds are directed to communities for the purpose of maintaining transit systems.</li> <li>• \$6.0 million of CRSSA funds added to the Inter-Island Ferry.</li> </ul>

	<ul style="list-style-type: none"> <li>• Added \$950,000 to cover the costs to elections for implementing the new redistricting plan.</li> <li>• School Bond debt: 100% is funded at \$83.5 million. Of that a total of \$30.8 comes from out of the School Fund. These are paid for using Medicaid lapsing \$52.7 million UGF.</li> <li>• REAA Fund: Capitalized at 100% at \$34.2 million. These are paid for using Medicaid lapsing funds. For both school bond debt and REAA...since reappropriated funds are used the CS contains UGF backstop language in case the funds are not available.</li> <li>• Community Assistance Fund: Added \$21.3 million in FY21 and \$17 million in FY22 to bring the fund back to its fully capitalized level of \$90 million.</li> <li>• Oil Tax Credits: Kept the Governor’s \$60 million using AIDEA reserves. Governor later submitted an amendment to fund this at the full statutory amount of \$114 million UGF.</li> <li>• Redistricting Board: Add \$1 million to the \$2.5 million FY21-22 appropriation and extend thru FY23.</li> </ul>
Supplemental	<ul style="list-style-type: none"> <li>• Comprehensive review to be done referencing a separate document.</li> </ul>

**AMERICAN RESCUE PLAN ACT (ARPA) BUDGET**

- Approximate total = \$1.9 billion. Of this amount a total of \$1 billion has flexible spending conditions.
- In HB181 the Governor appropriates \$1 billion using a multi-year appropriation between FY21-FY24. The House spends 70% in FY21-FY22 and sets aside 30% for FY23.
- The totals below are greater when you add in the non-flexible ARPA funds.

TITLE	FY21 – FY24 70% (millions)
DPS Grant for Domestic Violence & Sexual Assault (VOCA)	\$6.0
UGF Replacement: <ul style="list-style-type: none"> <li>• FY21: \$235.0 Swap UGF expenditures with ARPA fed funds (earmarked for capital)</li> <li>• FY22: \$83.0 Swap UGF expenditures with ARPA fed funds</li> </ul>	\$410.0

<ul style="list-style-type: none"> <li>• FY22: \$91.5 Swap UGF Debt Service with ARPA fed funds (GO bonds, correctional facilities including Goose Creek and Anchorage)</li> </ul>	
<p>Community Relief:</p> <ul style="list-style-type: none"> <li>• \$80.0 Grants to Local Governments to Off-Set Lost Revenue</li> <li>• \$2.1 Shared Fisheries (Fish Landing Tax)</li> <li>• \$42.4 Commercial Vessel Passenger (Cruise Ship Head) Tax <ul style="list-style-type: none"> <li>○ FY21: \$21.2</li> <li>○ Fy22: \$21.2</li> </ul> </li> </ul>	\$124.5
<p>Tourism Relief:</p> <ul style="list-style-type: none"> <li>• \$20.0 Tourism Promotion Funding to ARDOR's</li> <li>• \$10.0 Alaska Travel Industry Association</li> </ul>	\$30.0
Grants to Small Businesses to Off-Set Lost Revenue	\$30.0
Grants to Non-Profits to Off-Set Lost Revenue	\$30.0
<p>Capital</p> <ul style="list-style-type: none"> <li>• \$75 million ARPA funds</li> <li>• *Another \$235 million is already listed above as UGF off-set</li> </ul>	*\$310.0