



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Office of the Governor

OFFICE OF MANAGEMENT AND BUDGET
Neil Steininger, Director

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August 31, 2021

The Honorable Bert Stedman
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 518
Juneau, AK 99801-1182

The Honorable Click Bishop
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 516
Juneau, AK 99801-1182

Re: Funds Available in the Statutory Budget Reserve

Dear Senate Finance Committee Co-Chairs,

Several questions were asked during the Senate Finance Committee hearing on August 30, 2021 regarding the status of the Statutory Budget Reserve (SBR) as it relates to the provisions of Alaska Constitution Article IX, Section 17(d), known as the sweep.

Based on the attached directive issued by Governor Dunleavy and memo by Attorney General Taylor dated August 25, 2021, the Office of Management and Budget (OMB) has released the appropriations for expenditure made from the statutory budget reserve fund (SBR) in Chapter 1 SSSLA 21. The August 25th memos addressed how OMB should interpret valid commitments against fund balances otherwise subject to the sweep. It did not address which funds are subject to the sweep and did not direct OMB and the Division of Finance to change the historical practice of including the SBR in the execution of the sweep.

HB3003 currently includes appropriations from the SBR; however, these appropriations were not valid commitments as of midnight June 30, 2021 and there is not a sufficient balance in the SBR to execute those appropriations should they be enacted into law.

Sincerely,

A handwritten signature in dark ink, appearing to read "Neil Steininger".

Neil Steininger
Director

cc: Alexei Painter, Director, Legislative Finance Division
Miles Baker, Director, Governor's Legislative Office
Hans Zigmund, Director, Division of Finance