

**Department of Health and Social Services**  
**FY22 - Summary of Significant Budget Issues**  
(\$ thousands)

| Item | Appropriation / Allocation                                  | Description  | Governor Request   | Amount Enacted  | Comment   |
|------|---|--|--|---|---|
| 1    | Alaska Psychiatric Institute / Alaska Psychiatric Institute | Support Client Services at the Alaska Psychiatric Institute<br><br><b>Supplemental</b> | \$6,000.0<br>MHTReserve (DGF)  | \$6,000.0 GF/MH (UGF)   | <p>The Alaska Psychiatric Institute (API) has struggled to operate at full capacity over the last few years and routinely requests additional funding to their budget. This \$6 million FY21 supplemental and its companion FY22 base increase were originally requested by the Governor using a new fund source, the Mental Health Trust Reserve Fund (code 1268) as an alternative to unrestricted general funds. The legislature approved both increases using GF/MH. Recent budget increases to API include:</p> <p>FY19 Supplemental - \$7 million UGF<br/> FY20 Increment - \$4.7 million UGF, \$5.3 million SDPR<br/> FY20 Supplemental - \$6 million UGF<br/> FY21 Increment: \$2.5 million UGF, 5.1 million I/A, \$1.7 million SDPR.</p> <p>Additionally, DHSS utilized cross-appropriation transfer authority to supplement API's budget with \$8.3 million UGF (from multiple allocations) in FY20.</p> <p><b>Items 1 and 2 are related.</b></p>   |
| 2    | Alaska Psychiatric Institute / Alaska Psychiatric Institute | Replace Unrealizable I/A and SDPR with General Funds to Support Client Services        | <b>Net Zero</b><br><br>(\$2,000.0) I/A Rcpts (Other)<br>(\$4,000.0) Stat Desig (Other)<br>\$6,000.0 MHTReserve (DGF) | <b>Net Zero</b><br><br>(\$2,000.0) I/A Rcpts (Other)<br>\$6,000.0 GF/MH (UGF)<br>(\$4,000.0) Stat Desig (Other) | <p><b>Fiscal Analyst Comment:</b> The Governor requested a total of \$16.3 million (\$7.2 million operating, \$6 million operating supplemental, and \$3.1 million capital) using new fund code, 1268, intended to draw from Mental Health Trust Reserves and offset unrestricted general funds. \$4.3 million of the request was a direct replacement of Trust GF/MH recommendations, while the remaining \$12 million was a Governor's proposal for API (\$6 million in FY21 (<b>see item #1 above</b>) and \$6 million in FY22). The Trust opposed this on the grounds that it would violate the Trust statutes and settlement. Since 1994, the State has adhered to the following process whereby:</p> <ol style="list-style-type: none"> <li>1. The Trust approves an annual budget</li> <li>2. The Trust submits recommendations to the Governor; and</li> <li>3. The Governor may or may not include the recommendations in the budget request to the legislature.</li> </ol> <p>Part of the Governor's rationale was based on AS 37.14.041 (b), which states "If money in the mental health trust settlement income account is not needed to meet the necessary expenses of the state's integrated comprehensive mental</p> |

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| 2    | Alaska Psychiatric Institute / Alaska Psychiatric Institute         | Replace Unrealizable I/A and SDPR with General Funds to Support Client Services | <b>Net Zero</b><br>(\$2,000.0) I/A Rcpts (Other)<br>(\$4,000.0) Stat Desig (Other)<br>\$6,000.0 MHT Reserve (DGF) | <b>Net Zero</b><br>(\$2,000.0) I/A Rcpts (Other)<br>\$6,000.0 GF/MH (UGF)<br>(\$4,000.0) Stat Desig (Other) | <p>(continued)</p> <p>health program, the authority shall transfer the money to the unrestricted general fund for expenditure through legislative appropriation for other public purposes."</p> <p>The Trust's general policy is to maintain at least 400% of the previous year's spending as reserves. Under this methodology and using figures from the Trust's audited FY20 financials, there appeared to be at a minimum \$57 million in "excess" reserves. OMB's transaction note stated "To ensure these monies are expended to the benefit of the state's mental health program and not swept to the general fund, a portion of the reserves are being utilized to fund various mental health programs and Trust recommendations with the intent of drawing reserves down over a period of five years."</p> <p>The proposal drew attention to the fact that substantial inflation-proofing to the corpus had not occurred since 2005. After much discussion, the Trust notified the legislature that "up to" \$120,280,300 from Trust reserves would be permanently designated to the Alaska Mental Health Trust Fund (corpus) managed by the Alaska Permanent Fund Corporation. This move resulted with the legislature replacing all \$16.3 million of proposed MHT Reserve expenditures with unrestricted general funds (GF/MH fund code 1037).</p> <p><b>9/16/21 Update:</b> On 3/30/21, the Alaska Mental Health Trust's Board authorized the Chief Financial Officer to designate \$50,000,000 "as soon as practicable" and designate before the close of FY21 the amount necessary to achieve the total designation that will maintain a year-end FY21 budget reserve balance of at least 400 percent of the FY21 payout, or \$96,628,400.</p> <p><b>Items 1 and 2 are related.</b></p> |
| 3    | Behavioral Health / Behavioral Health Treatment and Recovery Grants | Reduce Authority for Sobering Centers Transitioning to Medicaid 1115 Waiver     | (\$200.0) GF/MH (UGF)   | (\$200.0) GF/MH (UGF)   | This reduction was denied by the legislature (but ultimately vetoed by the Governor) as it was not made clear whether the services provided by the impacted sobering centers would qualify for coverage under the Medicaid 1115 Waiver.   |

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| 4    | Behavioral Health / Behavioral Health Treatment and Recovery Grants | Replace GF/MH with Alcohol and Other Drug Abuse Treatment Funds                                     | n/a              | (\$500.0) GF/MH (UGF)   | <p>The Governor accepted the decrement and vetoed the increment of a legislative fund change that would have replaced \$500.0 GF/MH (UGF) with \$500.0 Alcohol and Other Drug Treatment and Prevention Funds (DGF) made available through a reduction in the Department of Revenue.</p> <p>In FY16, based on guidance from the Empowering Hope Steering Committee, the legislature funded a pregnancy test dispenser study and a statewide Fetal Alcohol Spectrum Disorder (FASD) prevention media campaign. The first approach was a one-time appropriation to the University of Alaska Anchorage to test the use of pregnancy test dispensers in bars as an FASD prevention strategy for reaching women at-risk of prenatal alcohol exposure.</p> <p>The second approach involved a \$500.0 appropriation to the Trust, subject to annual appropriation by the legislature, to develop and implement a prevention media campaign, support the work of a Health Policy Fellow at the University of Alaska to identify key policy issues to help facilitate FASD prevention and research activities related to FASD in Alaska. In FY17 the funding was changed from GF/MH to Alcohol and Other Drug Treatment and Prevention Funds while outreach and research continued.</p> <p>The legislature, with support from the Trust, decided the funds would better serve Alaskans experiencing a FASD if they were appropriated to the Department of Health and Social Services for grants to FASD programs and services. The Governor vetoed the \$500.0 appropriation to DHSS.</p> |
| 5    | Behavioral Health / Behavioral Health Treatment and Recovery Grants | Replace UGF with Marijuana Education and Treatment Funding (DGF)                                    | n/a              | <b>Net Zero</b><br><br>(\$2,000.0) Gen Fund (UGF)<br>\$2,000.0 MET Fund (DGF) | <p>In FY21 the Governor proposed replacing \$11.4 million UGF in Behavioral Health Treatment and Recovery Grants with Marijuana Education and Treatment Funding (DGF). The 2020 legislature approved \$6.3 million of the request due to sustainability concerns for that revenue source (25% of the excise tax on marijuana sales). Based on a carryforward balance and updated FY22 DOR revenue projections, the 2021 legislature approved this additional use of MET funds in order to offset UGF in FY22.</p>   |
| 6    | Behavioral Health / Behavioral Health Treatment and Recovery Grants | CC: One-Time Funding Increase of \$1.25 million for Behavioral Health Treatment and Recovery Grants | n/a              | n/a   | <p>The Governor vetoed additional one-time funding of \$1.25 million - \$1 million of MET funds (DGF) and \$250.0 of UGF (GF/MH).</p>   |

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| 7    | Children's Services / Front Line Social Workers | \$1,220.0 UGF for Case-Carrying PSS Retention Bonuses, 1 MH Clinician, Tuition Reimbursement & Other Retention Strategies | n/a              | n/a            | <p>The Governor vetoed additional funds intended to provide the Office of Children's Services (OCS) with more retention strategies that would have been allocated as follows:</p> <ol style="list-style-type: none"> <li>1. \$143.7, One Staff Mental Health Clinician</li> <li>2. \$466.0, Staff Bonuses for PSS Case-Carrying Positions</li> <li>3. \$610.3, Tuition Reimbursement and Other Retention Strategies.</li> </ol>  |
| 8    | Children's Services / Front Line Social Workers | Add \$3.4 million UGF to Support the Alaska Tribal Child Welfare Compact  | n/a              | n/a            | <p>The Governor vetoed \$3.4 million of UGF intended to augment funding for the Alaska Tribal Child Welfare Compact.</p> <p>In 2017, the State signed a landmark agreement with 18 Alaska Native tribes and tribal organizations (Tribal Co-Signers) - representing 161 tribes - to improve Alaska's child welfare system by negotiating which child welfare programs, functions, and supports the Tribal Co-Signers would assume on behalf of the State as well as the funding streams necessary to carry out the work. Currently, 16 Tribal Co-Signers receive service referrals from the State under the Alaska Tribal Child Welfare Compact (Compact).</p> <p>The goal of the Compact is to improve life outcomes of Alaska Native children in state custody by helping the Office of Children's Services (OCS) perform its function more efficiently at a lower cost and higher quality.</p> <p>The cost to implement the program has been absorbed by OCS as follows:</p> <p>FY18 - \$1.3 million<br/> FY19 - \$1.5 million<br/> FY20 - \$1.5 million<br/> FY21 - \$1.5 million (original projection was \$1.6 million)</p> <p>Funding is divided among the 16 Tribal Co-Signers to perform the following services on behalf of the State:</p> <ol style="list-style-type: none"> <li>1. Diligent Relative Searches (average 10 hours per family case)</li> <li>2. Ongoing Relative Searches (average 10 hours per family case)</li> <li>3. Family Contact (average 5 hours weekly per family case)</li> <li>4. Licensing Assists (average 2 hours monthly per provider); and</li> </ol> |

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| 8    | Children's Services / Front Line Social Workers | Add \$3.4 million UGF to Support the Alaska Tribal Child Welfare Compact  | n/a  | n/a  | <p>(continued)</p> <p>5. Safety Evaluations (2 hours per request).</p> <p>The Tribal Co-Signers have indicated in order to fully implement the agreement and negotiate the transfer of more child welfare services, a total of \$5 million is needed. This legislative appropriation, in addition to the \$1.6 million OCS has allocated for the Compact, was intended to provide that level of funding.</p> <p>Additionally, the following legislative intent was added:</p> <p><i>It is the intent of the legislature that \$3.4 million of general funds, in addition to the level of funding allocated in FY21, be used to support Alaska Native Tribes and Tribal Organizations participating in the Alaska Tribal Child Welfare Compact and the Office of Children's Services to provide the services outlined in the Compact.</i></p> <p><b>Fiscal Analyst Comment:</b> Although the legislature approved a one-time UGF increment, the intent was to continue support for the program and explore funding opportunities next session with engaged federal partners.</p> |
| 9    | Children's Services / Various                   | Reduce Circles of Support Funding and Utilize Block Grants, Title IVB I & II Grants to Serve Same Category of Clients | <b>Total: (\$1,101.1)</b><br>(\$528.2) Fed Rcpts (Fed)<br>(\$115.3) GF/Match (UGF)<br>(\$457.6) Gen Fund (UGF) | <b>Total: (\$1,101.1)</b><br>(\$528.2) Fed Rcpts (Fed)<br>(\$115.3) GF/Match (UGF)<br>(\$457.6) Gen Fund (UGF) | <p>The legislature approved half of the Governor's reductions to the Circles of Support program, however, the remaining funds were vetoed.</p> <p>This grant program provides services for families whose children are either unsafe or safe but at high risk of future maltreatment. In FY19, 39 percent of allocated grant funds remained unexpended. The federal Social Services Block Grant, Title IVB-I and Title IVB-II funds will be used instead to serve the same categories of clients.</p> <p>This reduction impacts seven grantees located in Anchorage, Mat-Su, Fairbanks, Juneau, Valdez, and Nome and is distributed through the following OCS allocations:</p> <p>Front Line Social Workers: (\$412.8) UGF,<br/> Family Preservation: (\$44.8) UGF and (\$528.2) Federal Receipts<br/> Foster Care Special Need: (\$115.3) UGF</p>  |

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| 10   | Juvenile Justice / Various                  | Eliminate Positions and Funding Associated with Various Juvenile Justice Programs Statewide | <b>Total: (\$986.6)</b><br>(\$960.9) Gen Fund (UGF)<br>(\$25.7) Stat Desig (Other)<br><b>(8) PFT Positions</b> | <b>Total: (\$986.6)</b><br>(\$960.9) Gen Fund (UGF)<br>(\$25.7) Stat Desig (Other)<br><b>(8) PFT Positions</b> | <p>The Governor submitted several reductions to Juvenile Justice with various justifications. The legislature accepted most of the decrements and what remained was vetoed by the Governor as follows:</p> <p><b><u>Governor's Reductions Accepted by the Legislature</u></b><br/> McLaughlin Youth Center: (\$310.7) UGF and (\$25.7) SDPR, 3 Juvenile Justice Officers in Anchorage / Step-Up Program<br/> Probation Services: (\$67.1) UGF, half-funding for 1 Program Coordinator, Fairbanks<br/> Probation Services: (\$259.1) UGF, 3 PFTs in Nome, Valdez, and Anchorage<br/> Probation Services: (\$50.0) UGF, Relocate Probation Offices into Community Lease</p> <p><b><u>Vetoed</u></b><br/> Probation Services: (\$118.6) UGF, 1 Social Services Associate in Dillingham<br/> Probation Services: (\$67.2) UGF, half-funding for 1 Program Coordinator, Fairbanks<br/> Youth Courts: (\$88.2) UGF.</p>       |
| 11   | Public Assistance / Adult Public Assistance | Maintain Benefit Payments to Adult Public Assistance<br><br><b>Supplemental</b>             | \$1,200.0 GF/ Match (UGF)  | \$1,200.0 GF/ Match (UGF)  | <p>In FY20, the Governor attempted to reduce Medicaid Maintenance of Effort (MOE, which requires a state to maintain a level of support as a condition of eligibility for federal funding) by reverting to a 1983 payment standard that would have reduced benefits. The \$7.5 million FY20 UGF reduction/veto had to subsequently be restored through a supplemental the following session after the Centers for Medicare and Medicaid (CMS) identified issues with the State's methodology. Additional FY20 costs of \$1.1 million UGF to track and correct the miscalculations were also incurred. Similarly for FY21, the \$7.5 million UGF was restored to the base budget and this supplemental represents additional FY21 costs of \$1.2 million UGF to maintain benefit payment levels. There is a related increment of \$2 million UGF to the FY22 base budget.</p> <p><b>Items 11 and 12 are related.</b></p> |
| 12   | Public Assistance / Adult Public Assistance | GA 117 Maintain Benefit Payments to Adult Public Assistance                                 | \$2,000.0 GF/ Match (UGF)  | \$2,000.0 GF/ Match (UGF)  | <p><b>Fiscal Analyst Comment:</b> Although the increments referenced in Items 11 and 12 occur in the Public Assistance appropriation, they support MOE for the Medicaid program, which is housed in its own appropriation.</p> <p><b>Items 11 and 12 are related.</b></p>   |

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| 13   | Public Assistance /<br>Public Assistance<br>Field Services | Delete Public Assistance Positions Due to Efficiencies                   | <b>Total: (\$7,010.2)</b><br><br>(\$3,577.3) Fed Rcpts (Fed)<br>(\$3,432.9) GF/Match (UGF)<br><b>(101) PFT Positions</b> | <b>Total: (\$6,115.9)</b><br><br>(\$2,683.0) Fed Rcpts (Fed)<br>(\$3,432.9) GF/Match (UGF)<br><b>(101) PFT Positions</b> | The legislature approved 50% of the position reduction and 75% of the funding reduction. The Governor then vetoed all remaining positions and UGF associated with the original decrement, however, did not veto the 25% (\$894.3) federal portion that remained. The Division of Public Assistance (DPA) is handling the deleted positions through attrition. As of August 18, 2021, 78 of the 101 deleted positions were vacant.   |
| 14   | Public Assistance /<br>Public Assistance<br>Field Services | Public Assistance Telecom, Supplies, and Postage Reduction               | <b>Total: (\$1,138.6)</b><br><br>(\$569.3) Fed Rcpts (Fed)<br>(\$569.3) GF/Match (UGF)                                   | <b>Total: (\$1,138.6)</b><br><br>(\$569.3) Fed Rcpts (Fed)<br>(\$569.3) GF/Match (UGF)                                   | Savings related to Electronic Document Management (EDM) and reduced utilization of desktop phones, paper, supplies, and postage are allocated as follows:<br><br>Telecom Savings: (\$65.1) Federal Receipts and (\$65.1) UGF<br>Supplies Reduction: (\$160.0) Federal Receipts and (\$160.0) UGF<br>Postage Reduction: (\$344.2) Federal Receipts and (\$344.2) UGF.  |
| 15   | Public Health /<br>Nursing                                 | Restore \$1.25 million of Recent UGF Reductions to Public Health Nursing | n/a  | \$1,250.0 GF/Match (UGF)   | Since FY15, Public Health Nursing (PHN) has experienced substantial UGF budget reductions - \$4.5 million, or 16% - in an effort to:<br><br>1. force PHN to find and implement operating efficiencies; and<br>2. encourage PHN to expand their partnership with Federally Qualified Health Centers for primary care.<br><br>PHN has primarily managed these budget reductions by holding unfunded positions vacant. The Department reports that impacts include:<br><br>1. closing public health centers;<br>2. decreased ability to manage infectious disease outbreaks;<br>3. slower response times;<br>4. reduced capacity to provide community outreach and direct patient care, and<br>5. increased staff burnout and turnover rates.<br><br>These impacts have hampered PHNs ability to effectively respond to the ongoing tuberculosis and sexually transmitted infection outbreaks. COVID-19 has complicated matters. Although an infusion of federal COVID relief funding has come to Alaska, most of these funds explicitly state they cannot be used for prior budgeted items; only overtime and non-permanent staff have been |

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| 15   | Public Health / Nursing            | Restore \$1.25 million of Recent UGF Reductions to Public Health Nursing | n/a                        | \$1,250.0 GF/ Match (UGF)  | (continued)<br>covered by CARES funds.<br><br>The legislature added \$1.25 million UGF to partially offset recent reductions. The Governor initially vetoed the increment, however, during the 3rd special session and "in light of new events" associated with the Delta variant, the Governor restored the veto and the legislature approved funding through Ch. 1, TSSLA 2021 (HB 3003).   |
| 16   | Public Health / Emergency Programs | ARPA CSLFRF Appropriation for Health and COVID-19 Response               | n/a                        | \$20,000.0 CSLFRF (Fed)    | The Governor requested carryforward of FY20 and FY21 receipts received through open-ended federal authority during the initial stages of COVID. Moving into FY22, the legislature chose to more closely track this authority by allowing the majority of funding received to carryforward into FY22, with the exception of Coronavirus Relief Funding received through the CARES Act. However, to provide some flexibility, this distinct \$20 million of FY22 federal authority is drawn from the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) through the American Rescue Plan Act which is less restrictive than some of the earlier COVID funding sources.<br><br>The following list includes federal legislation impacting DHSS in response to the COVID-19 pandemic:<br><br>1. Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 - March 2020<br>2. Families First Coronavirus Response Act - March 2020<br>3. Coronavirus Aid, Relief, and Economic Security Act (CARES)<br>4. Consolidated Appropriations Act, 2021 - Includes Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA)<br>5. American Rescue Plan Act (ARPA) of 2021.<br><br><b>Fiscal Analyst Comment:</b> Unless additional federal authority is appropriated in an upcoming special session, the Department will likely need to submit FY22 RPLs to request additional COVID related authority not included in Ch. 1, SSSLA 21 (HB 69) or Ch. 1, FSSLA 21 (HB 71). |
| 17   | Public Health / Epidemiology       | AIDS Drug Assistance Program   | \$895.0 Stat Desig (Other) | \$895.0 Stat Desig (Other) | The AIDS Drug Assistance Program (ADAP) provides FDA-approved HIV-related prescription drugs to underinsured and uninsured individuals living with HIV/AIDS who meet certain eligibility requirements. This grant will allow  |



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| 17   | Public Health / Epidemiology  | AIDS Drug Assistance Program  | \$895.0 Stat Desig (Other)   | \$895.0 Stat Desig (Other)                         | (continued)<br>more prescription drugs to be purchased and prescribed to eligible individuals.<br><br>The source of SDPR for this program is insurance reimbursement under the federal Health Resources and Services Administration AIDS Drug Assistance Program.  |
| 18   | Senior and Disabilities Services / General Relief/Temporary Assisted Living | Reduce Authority in General Relief/Temporary Assisted Living  | (\$164.9) Gen Fund (UGF)     | (\$164.9) Gen Fund (UGF)                           | This reduction was denied by the legislature but vetoed by the Governor. The department reports that the number of applicants utilizing assistance through the General Relief Assisted Living Home Program has decreased. Per the Alaska Administrative Code (7 AAC 47.465), applicants will receive funding as it becomes available.  |
| 19   | Departmental Support Services / Commissioner's Office                       | Add \$379.7 UGF, \$253.2 Federal Receipts, and 4 Positions to the Commissioner's Office               | n/a                          | n/a  | In response to the Governor's request (Executive Order 119, withdrawn March 11, 2021) to split the Department into two by creating a new Department of Family and Community Services, the legislature added resources to address a reported overwhelming amount of demands on the Commissioner's Office. Although the Governor requested this identical increment in FY21 and the legislature approved one of the four positions in FY21, the Governor vetoed all funding and positions associated with the FY22 increment.<br><br><b>Items 19 and 24 are related.</b>   |
| 20   | Medicaid Services / Medicaid Services                                       | Numbers Section Reduction Associated with (Denied) Language Section Reappropriation of FY21 UGF Lapse | (\$35,065.6) GF/ Match (UGF) | (\$35,065.6) GF/ Match (UGF)                       | The legislature approved half (\$17,565.6) of the Governor's requested numbers section reduction; the Governor then vetoed the remaining \$17.5 million UGF. In addition, the legislature denied the Governor's request for backstop language to provide a UGF cushion up to \$35 million of unspent FY21 Medicaid funding.<br><br><b>Fiscal Analyst Comment:</b> Medicaid lapsed an atypical amount of \$59.1 million UGF in FY20 due to the enhanced FMAP (56.2%) as well as COVID related underutilization. As of 8/16/21, the projected FY21 lapse was \$85 million but that figure will be updated once the FY21 reappropriation period is finalized. Additionally, the legislature continued open-ended federal receipt authority for Medicaid Services into FY22. |
| 21   | Medicaid Services / Medicaid Services                                       | Increase Draw from the Individual Developmental Disabilities Waiver Waitlist from 50 up to 70 in FY22 | n/a                          | <b>Total: \$1,890.0</b><br>\$945.0 Fed Rcpts (Fed) | In conjunction with legislative intent language that the Department increase its FY22 draw from the Intellectual and Developmental Disabilities waiver waitlist from 50 up to 70 individuals, funding to support additional participants was also approved.  |

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| 21   | Medicaid Services / Medicaid Services | Increase Draw from the Individual Developmental Disabilities Waiver Waitlist from 50 up to 70 in FY22 | n/a  | (continued)<br>\$945.0 GF/Match (UGF) | In conjunction with legislative intent language that the Department increase its FY22 draw from the Intellectual and Developmental Disabilities waiver waitlist from 50 up to 70 individuals, funding to support additional participants was also approved.   |
| 22   | Medicaid Services / Medicaid Services | Decrement the UGF amount expended on abortions in FY20  | n/a  | (\$163.8) Gen Fund (UGF)              | The legislature decreased Medicaid Services by \$163.8 UGF (the amount expended for medically necessary abortions in FY20).   |
| 23   | Various                               | \$7 million for Disproportionate Share Hospital Funding to Support Hospital-Based Mental Health Care  | n/a  | n/a                                   | <p>The Governor vetoed \$3,500.0 of Federal Receipts in Medicaid Services as well as \$3,500.0 of GF/MH matching funds in Behavioral Health/ Designated Evaluation &amp; Treatment.</p> <p>Federal law requires that state Medicaid programs make Disproportionate Share Hospital (DSH) payments to qualifying hospitals that serve a large number of Medicaid and uninsured individuals. Alaska's DSH funding supports the Alaska Psychiatric Institute (API), Designated Evaluation and Treatment beds in Juneau, Fairbanks and Mat-Su, and Psychiatric Single Point of Entry ER beds at Providence Anchorage, Central Peninsula, and Alaska Regional Hospital.</p>   |
| 24   | Various                               | Withdrawn Executive Order 119 - Reorganize DHSS into Two Departments                                  | <b>Total: \$3,107.1</b><br>\$2,108.7 UGF<br>\$541.9 Other<br>\$456.5 Fed Rcpts (Fed) | n/a                                   | <p>Although the Governor withdrew Executive Order 119 on March 11, 2021, an official letter requesting that the budget amendments be removed from consideration was never received by the legislature. These amounts represent the <i>net increase</i> of additional funding needed to support a second Departmental Support Services allocation in the Department of Family and Community Services (DFCS). Of the projected net increase, \$181.5 UGF and \$61.0 Federal Receipts would have been one-time costs.</p> <p>Existing funding of \$12,386.1 (\$4,703.8 UGF, \$5,453.2 Other, and \$2,229.1 Federal) would have been transferred in from DHSS to DFCS.</p> <p><b>Items 19 and 24 are related.</b></p> |
| 25   | Various                               | COVID Response - Multi-year Federal Funding   | n/a  | \$359,525.0<br>COVID Fed (Fed)        | <p>In addition to Coronavirus State and Local Fiscal Recovery Funds in item 16, the following federal COVID receipt authority was appropriated through the identified federal Acts:</p> <p><b>3rd Special Session HB 3003 - Various Federal Acts \$57,732.2</b><br/> CARES Act/Provider Relief Fund FY22, API &amp; Pioneer Homes: \$909.7</p>  |

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| Item | Appropriation / Allocation | Description                                 | Governor Request | Amount Enacted                 | Comment  |
|------|----------------------------|---|------------------|--------------------------------|--|
| 25   | Various                    | COVID Response - Multi-year Federal Funding | n/a              | \$359,525.0<br>COVID Fed (Fed) | (continued)<br>ARPA FY22-FY24, Emergency Programs/Confinement Facilities: \$1,600.0<br>ARPA FY22-FY25, Emergency Programs/Various: \$50,222.5<br>ARPA and CRRSAA FY22-FY24, SDS/Various: \$5,000.0<br><br><b>ARPA FY21-FY22: \$77,994.9</b><br>Child Care Block Grant: \$28,410.0<br>Child Care Stabilization Grant: \$45,453.0<br>Child Nutrition Pandemic EBT: \$768.4<br>Pandemic ATAP: \$3,363.5<br><br><b>ARPA FY21-FY24: \$94,351.4</b><br>Family Violence Prevention: \$291.0<br>LIHEAP: \$23,701.0<br>MH Treatment: \$3,038.0<br>SDS Grants: \$7,045.0<br>Special Supplemental for WIC: \$1,160.0<br>Sustance Abuse Block Grant: \$4,706.0<br>CDC COVID Testing: \$22,033.8<br>CDC COVID Vaccination Activities: \$32,376.6<br><br><b>CRRSAA FY21-FY22: \$67,616.5</b><br>CDC COVID Prevention & Testing: \$42,106.5<br>CDC COVID Vaccination Activities: \$6,610.1<br>Childcare Development Block Grant: \$18,899.9<br><br><b>Paycheck Protection Program FY21-FY22</b><br>Epidemiology & Lab Capacity: \$53,981.5<br><br><b>Families First Coronavirus Response Act FY21-FY22: \$1,620.9</b><br>Special Supplemental for WIC / Food: \$1,080.6<br>Special Supplemental for WIC / Nutrition & Admin: \$540.3<br><br><b>CARES Act FY21-FY22: \$6,227.6</b><br>AK Prescription Drug Monitoring: \$1,013.9<br>Epidemiology & Lab Capacity: \$2,410.4 |

**Department of Health and Social Services**  
**FY22 - Summary of Significant Budget Issues**  
**(\$ thousands)**

| Item | Appropriation / Allocation | Description   | Governor Request | Amount Enacted                 | Comment   |
|------|----------------------------|---|------------------|--------------------------------|---|
| 25   | Various                    | COVID Response - Multi-year Federal Funding           | n/a              | \$359,525.0<br>COVID Fed (Fed) | (continued)<br>John H. Chafee Foster Care Program: \$2,319.7<br>Education Training Voucher: \$337.2<br>Promoting Safe & Stable Families: \$146.4  |
| 26   | Various                    | SB 55, Ch. 9, SLA 2021 Employer Contributions to PERS | \$14,268.2 UGF   | \$14,268.2 UGF                 | SB 55 removes the 22% cap on payroll contributions to the Public Employee Retirement System (PERS) for the State of Alaska as a PERS employer. The budgetary impact of this legislation is reflected as a shift from the direct appropriation to PERS, which is typically funded with UGF, to agency payroll, where the cost can be spread across all fund sources. This shift results in a UGF increase to Agency Operations of \$72,871.7, and a UGF decrease to Statewide Items of \$95,794.5, for a net statewide UGF savings of \$22,922.8. Specifically, the UGF impact to the Department of Health and Social Services is \$14,268.2 spread across multiple allocations. |