

Department of Commerce, Community and Economic Development

FY22 - Summary of Significant Budget Issues

(\$ thousands)

Item	Appropriation / Allocation	Description	Governor Request	Amount Enacted	Comment
1	Banking and Securities / Banking and Securities	Add Receipt Authority for Financial Registration Examiner	\$101.0 GF/Prgm (DGF)	\$101.0 GF/Prgm (DGF)	This increase in receipt authority will fund a position that was previously funded from a variety of savings from long-term vacancies in the Division of Banking and Securities. These savings are no longer available as the division has been fully staffed for some time.
2	Community and Regional Affairs / Community and Regional Affairs	MH Trust: Holistic Defense - Bethel - Alaska Legal Services Corporation (FY22-FY23)	\$180.0 MHTReserve (DGF) IncT	n/a	<p>The Governor initially proposed using the Mental Health Trust Reserve (MHT Reserve) for this purpose, whereas the Mental Health Trust Authority recommended using General Fund / Mental Health (GF/MH). The legislature approved the Trust's recommendation, which was subsequently vetoed with justification stating that the Trust should support the expenses necessary for activities and programs they recommend for the state's integrated comprehensive mental health program.</p> <p>These funds would have allowed the Alaska Legal Services Corporation, along with the Public Defender Agency, to administer the Holistic Defense model in Bethel, Nome, and Kotzebue and expand the project to Anchorage in FY22.</p>
3	Community and Regional Affairs / Community and Regional Affairs	Grant to Alaska Legal Services Corporation Vetoed by the Governor	(\$450.0) Gen Fund (UGF)	(\$450.0) Gen Fund (UGF)	<p>The legislature denied the Governor's request to eliminate the \$450.0 UGF grant to the Alaska Legal Services Corporation (ALSC) and instead reduced the grant amount by \$50.0 so that ALSC would receive \$400.0. The Governor vetoed the \$400.0 grant to ALSC.</p> <p>Since FY19, ALSC has also received funding from the Civil Legal Services fund (Ch. 89 SLA2018 (HB 106)). For FY22, the amount appropriated from that fund to ALSC is \$311.6 and is reflected in the language section of the operating bill.</p>
4	Community and Regional Affairs / Community and Regional Affairs	Reduce Funding and Hold Local Government Specialist III Position Vacant (08-5107)	(\$90.6) Gen Fund (UGF)	(\$90.6) Gen Fund (UGF)	The Division of Community and Regional Affairs proposed to keep a Local Government Specialist III position available but reduce its UGF funding with plans to identify other savings within the division. One of those cost-saving measures would be to implement virtual training options for communities to reduce travel costs and other efficiencies to fund the position.
5	Community and Regional Affairs / Community and Regional Affairs	Extend COVID-19 Community Grants Through FY22	Net Zero	Net Zero	<p>Coronavirus Aid, Relief, and Economic Security (CARES) Act</p> <p>This appropriation extends authority through FY22 for Community Direct RPLs (08-2020-0260 through 08-2020-0382) approved by the Legislative</p>

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5	Community and Regional Affairs / Community and Regional Affairs	Extend COVID-19 Community Grants Through FY22	Net Zero	Net Zero	(continued) Budget and Audit committee on May 11, 2020 and ratified by the full legislature on May 20, 2020. Some of the impacted communities have not been able to fully obligate their allocation in FY21 and this extension provides additional flexibility to address impacts of the COVID-19 pandemic. Fiscal Analyst Comment: This is COVID-19 Federal funding, which Legislative Finance Division is tracking using fund code 1265.
6	Community and Regional Affairs / Community and Regional Affairs	Named Recipient Grant for the Native Village of Napaimute for Kuskokwim Ice Road	n/a	\$185.0 Gen Fund (UGF)	The legislature originally added grant funding totaling \$370.0 for maintenance of the Kuskokwim Ice Road, which was initially under the Department of Transportation and Public Facilities. The Governor vetoed half of the funding.
7	Community and Regional Affairs / Community and Regional Affairs	ARPA CSLFRF Allocation - Coronavirus Local Pass-Thru Funding (FY21-FY24)	\$185,395.7 COVID Fed (Fed) MultiYr	\$185,395.7 COVID Fed (Fed) MultiYr	American Rescue Plan Act (ARPA) This multi-year funding is for Alaska communities defined as "nonentitlement local governments and counties" within the Act that will pass through the department to communities as grants based on the allocation methodology established in the Act and clarified by Treasury.
8	Community and Regional Affairs / Community and Regional Affairs	Named Recipient Grant to Tanana Chiefs Conference Sobering Center	n/a	\$350.0 Gen Fund (UGF) IncOTI	The legislature added one-time grant funding to the Tanana Chiefs Conference Sobering Center in Fairbanks to assist in providing temporary, safe shelter for intoxicated individuals, and offer basic medical screening and close monitoring of clients.
9	Corporations, Business and Professional Licensing / Corporations, Business and Professional Licensing	Increase Authority for Prescription Drug Monitoring Program Software and Positions	\$680.0 I/A Rcpts (Other)	\$680.0 I/A Rcpts (Other)	This increase in authority allows the Division of Corporations, Business and Professional Licensing (CBPL) to receive a portion of the funding that was awarded to the Department of Health and Social Services (DHSS) by the U.S. Bureau of Justice Assistance and SAMHSA for the Prescription Drug Monitoring Program (PDMP). PDMP is an electronic database administered by CBPL that tracks controlled substance prescriptions in the state. The program was implemented FY17 with passage of Ch. 25, SLA 2016 (SB 74). Funding will be received by CBPL through a Reimbursable Services Agreement with DHSS.

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10	Corporations, Business and Professional Licensing / Corporations, Business and Professional Licensing	Offset Revenue Deficits in Professional Licensing Programs as a Result of SB241 Fee Increase Suspension Supplemental	\$411.7 Gen Fund (UGF)	\$411.7 Gen Fund (UGF)	This supplemental offsets licensing program deficits as a result of a provision in SB 241 (Ch. 10, SLA 2020) halting the increase of professional licensing fees for professions licensed by the Division of Corporations, Business, and Professional Licensing (CBPL) during the COVID-19 public health emergency declaration. AS 08.01.065 requires that the Department set fees at a level so the total amount of fees collected approximately equals the regulatory costs of the licensure program. This supplemental will allow licensing programs that are projected to be in a deficit at the end of FY21 and FY22, to not acquire increased licensing fees. The programs supported by this supplemental request are Dental, Dispensing Opticians, Euthanasia Services, Guardians/Conservators, Marital and Family Therapy, Massage Therapists, Nursing Home Administrators, and Optometry.
11	Corporations, Business and Professional Licensing / Corporations, Business and Professional Licensing	SB 21, Ch. X, SLA 2021 License Mobile Intensive Care Paramedics Fiscal Note	Net Zero	\$261.9 Rcpt Svcs (DGF) 2 PFT Positions	SB 21 moves the registration and licensing of Mobile Intensive Care Paramedics (MICP) to the Department of Health and Social Services (DHSS), providing a clearer pathway for Emergency Medical Technicians (EMTs) to become MICPs, as EMTs are already licensed by DHSS. It also creates a pathway for a one-year temporary license for military spouses and active duty personnel to be issued within 30-days of the submission of a complete application to the department in all programs within the Division of Corporations, Business and Professional Licensing.
12	Economic Development / Economic Development	Transfer Alaska Development Team Staff to the Office of the Governor for Statewide Economic Development	(\$239.2) Gen Fund (UGF) (2) PFT Positions	(\$239.2) Gen Fund (UGF) (2) PFT Positions	This request transfers the Alaska Development Team positions within the Economic Development allocation and their associated funding to the Office of the Governor. -Full-time Business Development Officer (08-1274), range 27, located in Anchorage -Full-time Development Manager (08-T007), range 28, located in Anchorage One non-permanent Development Assistant position and the Division Director will remain in the Economic Development appropriation.

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13	Economic Development / Economic Development	Delete Vacant Development Associate (08-T172)	(\$96.6) Gen Fund (UGF) (1) TMP Position	(\$96.6) Gen Fund (UGF) (1) TMP Position	This reduction deletes a vacant full-time temporary exempt Development Associate (08-T172) position and its associated funding.
14	Alaska Gasline Development Corporation / Alaska Gasline Development Corporation	Delete Vacant Positions No Longer Needed (04-703X, 04-708X, 04-7011X)	(\$350.0) AGDC-LNG (Other) (3) PFT Positions	(\$350.0) AGDC-LNG (Other) (3) PFT Positions	This reduction deletes three positions (04-703X, 04-708X, 04-7011X) and associated budget authority as they are not anticipated to be needed in the near term. In FY2022, focus will be transitioning from sole ownership to a venture structure lead by private industry, therefore, these positions are not critical.
15	Alaska Energy Authority / Alaska Energy Authority Power Cost Equalization	Sec 57(d), HB 69 Restore Power Cost Equalization and Endowment Funding for FY2022	\$32,355.0 PCE Endow (DGF)	\$32,355.0 PCE Endow (DGF)	<p>Grant funding for Power Cost Equalization (PCE) program was increased by \$2.5 million, from \$29.9 million to \$32.4 million, based on historical averages and increased fuel prices projected in the Department of Revenue's Spring 2020 Revenue Forecast.</p> <p><u>PCE Grants History:</u> FY17: \$26.4 million FY18: \$26.2 million FY19: \$28.7 million FY20: \$29.6 million FY21: \$32.0 million (estimate)</p> <p>This funding represents a projection of costs; language in the operating budget bill appropriates, from the PCE Endowment Fund, the amount necessary to pay for the PCE program under the statutory formula (AS 42.45.085). The language appropriation can accommodate, as necessary, to the estimated amount.</p> <p>Program costs are impacted by the "PCE floor" calculated by the Regulatory Commission of Alaska. The program was created to equalize power cost per kilowatt-hour (kWh) statewide at a cost close or equal to the mean of the cost per kWh in Anchorage, Fairbanks, and Juneau.</p>

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15	Alaska Energy Authority / Alaska Energy Authority Power Cost Equalization	Sec 57(d), HB 69 Restore Power Cost Equalization and Endowment Funding for FY2022	\$32,355.0 PCE Endow (DGF)	\$32,355.0 PCE Endow (DGF)	(continued) Fiscal Analyst Comment: As of this publication of the 2021 Conference Committee Books, the reverse sweep has not been approved by the legislature. Despite this funding appearing in the budget, the PCE program is not yet funded.
16	Alaska Seafood Marketing Institute / Alaska Seafood Marketing Institute	Increase Federal Grant Authorization for Future Awards	\$1,100.0 Fed Rcpts (Fed)	\$1,100.0 Fed Rcpts (Fed)	The Alaska Seafood Marketing Institute (ASMI) has submitted two pre-proposals for federal grants pending award in the Fall of 2021 to supplement the seafood marketing assessment. This increase in authority will allow ASMI to accept those grants.
17	Alaska Seafood Marketing Institute / Alaska Seafood Marketing Institute	CSLFRF Trade Promotion Funding	n/a	\$7,000.0 CSLFRF (Fed)	American Rescue Plan Act (ARPA) The legislature originally added \$10 million of this funding for trade promotion of Alaska's seafood products. The Governor vetoed \$3 million of this appropriation.
18	Various	SB 55, Ch. 9, SLA 2021 Employer Contributions to PERS	\$1,535.5 UGF	\$1,535.5 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 Commerce, Community and Economic Development is \$1,535.5 spread across multiple allocations.
19	Various	Grant Administration for ARP Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) Capital Appropriations	n/a	n/a	The legislature appropriated capital grants to respond to COVID-19 impacts from federal American Rescue Plan (ARP) Coronavirus State and Local Fiscal Recovery Funds (CSLFRF). The Governor's proposed CSLFRF appropriations were included in HB 181/SB 128. Capital appropriations, staff and other operating costs may be required to administer these grants. Additional information on these appropriations can be found in Division of Legislative Finance capital reports. The FY21 supplemental capital appropriations totaling \$167 million from federal CSLFRF are: 1. Grants to Non-Profits to Offset Revenue Loss Due to COVID-19 - \$20

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19	Various	Grant Administration for ARP Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) Capital Appropriations	n/a	n/a	(continued) million 2. Grants to Tourism and Other Businesses to Offset Revenue Loss or to Respond to Covid-19 - \$90 million 3. Grants to Local Governments with Significant Revenue Loss Due to COVID-19 - \$50 million 4. Grants to Electric Utilities to Address Delinquent Payments Due to COVID-19 - \$7 million.