



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Revenue
ADMINISTRATIVE SERVICES DIVISION

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February 7, 2022

The Honorable Neal Foster
Co-Chair, House Finance Committee
State Capitol, Room 505
Juneau, Alaska 99801-1182

The Honorable Kelly Merrick
Co-Chair, House Finance Committee
State Capitol, Room 511
Juneau, Alaska 99801-1182

RE: SAVINGS ACCOUNTS, BUDGET RESERVES AND INVESTMENT FUNDS

Chairs Foster and Merrick, and House Finance committee members, below are responses to questions posed by the committee at the January 31, 2022, House Finance committee meeting:

1. Can you explain more about the federal infrastructure program and how the funds would be received and deposited by the State?

Unlike the prior federal stimulus bills – CARES, CRRSA and ARPA – that were designed to get relief funding moving quickly to the state, this is a long-term federal reauthorization bill. We are not expecting to receive any “tranches” of unrestricted direct aid being transferred to the state. As is normally the case with federal program spending, the state will receive contract authority to spend general fund dollars in advance, for which we will be reimbursed from the federal government.

2. What is the formula for draws from the Higher Education Fund and what funds have been spent in the past?

Seven percent of the prior year-end market value of the fund is available for appropriation to the grant account (one-third of the amount available) and to the scholarship account (two-thirds of the amount available). Appropriations from the fund for the current and past five fiscal years are outlined on the next page.

Expenditures from the Higher Education Fund (\$Thousands)						
Expenditure Item	2017	2018	2019	2020	2021	2022
Library Operations	\$2,717.30	\$2,717.3	\$2,581.4	\$1,487.5	\$-	\$-
Live Homework Help	\$138.20	\$138.2	\$138.2	\$138.2	\$138.2	\$138.2
Commission on Postsecondary Education Administration	\$5,832.80	\$5,957.8	\$5,957.8	\$5,924.6	\$5,924.6	\$6,356.1
WWAMI Medical Education	\$2,964.80	\$3,014.8	\$3,096.4	\$3,173.7	\$3,224.5	\$3,258.0
Alaska Performance Scholarship Awards	\$11,500.0	\$11,750.00	\$11,750.00	\$11,750.00	\$11,750.00	\$11,750.00
Treasury Division	\$0.00	\$0.00	\$0.0	\$0.0	\$0.0	\$316.4
State Retirement Payments	\$89,825.5	29,000.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenditures from Higher Education Fund	\$112,978.60	\$52,578.10	\$23,523.80	\$22,474.00	\$21,037.30	\$21,818.70

3. How are qualifications for disbursements from the Higher Education Fund completed?

Information about Scholarship and Grant eligibility can be found on the Commission on Postsecondary Education website at the below links:

- <https://acpe.alaska.gov/FINANCIAL-AID/AK-Performance-Scholarship>
- <https://acpe.alaska.gov/FINANCIAL-AID/AK-Education-Grant>

4. Has the Higher Education Fund been swept in any prior year?

We have conferred with the Division of Finance on the history of the Higher Education Fund as it relates to the constitutional sweep provision. Prior to the FY2019 Annual Comprehensive Financial Report (ACFR), the fund was not swept or reverse swept. During the FY2019 ACFR process, the Division of Legislative Audit indicated that it would be considered a sweepable fund moving forward, stating in an email response that, "We did more research on our end as well and did not identify any donations going into the fund. Therefore, we will include \$347,096,463 as sweepable..."

Thank you,



Eric DeMoulin

Administrative Services Director

CC: Akis Gialopsos, Legislative Director
 Lucinda Mahoney, Commissioner
 Brian Fechter, Deputy Commissioner
 Genevieve Wojtusik, Legislative Liaison
 Pam Leary, Division Director
 Brian Tyler, Office of Management and Budget