



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Office of the Governor

OFFICE OF MANAGEMENT AND BUDGET
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February 2, 2023

The Honorable DeLena Johnson
Co-Chair, House Finance Committee
Alaska State Capitol Room 505
Juneau, AK 99801

The Honorable Bryce Edgmon
Co-Chair, House Finance Committee
Alaska State Capitol Room 410
Juneau, AK 99801

The Honorable Neal Foster
Co-Chair, House Finance Committee
Alaska State Capitol Room 511
Juneau, AK 99801

Dear Co-Chairs Johnson, Edgmon, and Foster,

Thank you for inviting the Office of Management and Budget to present an overview of the Governor's FY2024 operating budget to the House Finance Committee on January 25, 2023. Responses to questions and requests for follow-up information from the committee hearing are included below.

1. Representative Hannan asked what the vacancy rate for DHSS would have been had the department not been bifurcated.

Provided below is a table that shows the December 2022 combined vacancy rate of the Department of Health (DOH) and the Department of Family and Community Services (DFCS) would have been 19.4%, which is the average between each agency's individual vacancy rate. The vacancy slide (slide 7) provided the committee contained errors. Attachment 1 is a corrected table.

	Total Budgeted Positions	Total Filled Positions	Vacancy %
DOH	1,520	1,224	19.5%
DFCS	1,925	1,553	19.3%
Total	3,445	2,777	19.4%

2. Representative Galvin asked about plans to address the issue of high vacancy.

There are five key initiatives the Department of Administration is actively working to address this matter:

1. Increase the use of internships to build pathways towards permanent employment.

2. Updating and expanding job class minimum qualifications. The department believes doing so may increase applicant pools.
3. Increasing recruitment and retention initiatives. This process will involve creating Letters of Agreement (LOA) templates that can be more readily administered.
4. Returning recruitment services back to departments for a better focused approach.
5. Contracting out certain work for vital state programs.

3. Representative Edgmon asked how much of the \$31.3 million in salary adjustments went to the Department of Public Safety.

Attachment 2 provides a summary of all salary adjustments by department.

4. Representative Galvin inquired about the specific intent of the \$5 million to the Department of Commerce, Community, and Economic Development (DCCED) for marketing.

Attachment 3 provides the capital project writeup for the DCCED Statewide Marketing and Economic Development Initiative.

5. Representative Tomaszewski asked about the specific intent of the University of Alaska Anchorage (UAA) WWAMI capital funding.

Attachment 4 provides the capital project writeup for the UAA Health Workforce Diversity Expansion Project Phase 2 (WWAMI).

6. Representative Ortiz asked how much unrestricted general funds (UGF) is included in the Alaska Marine Highway System (AMHS) budget for FY2024.

There is \$60.4 million UGF in the FY2024 Governor's budget for AMHS.

7. Representative Hannan asked how the Department of Law decides what appropriation should fund certain litigations. In specific, was the recent Juneau parcel of land within CBJ boundaries that is native allotment by transfer's litigation funded with Statehood Defense funding?

The current multi-year operating funding for Statehood Defense is utilized by the Department of Law to supplement efforts to ensure the department can address federal actions affecting Alaskans and assert Alaska's ownership rights and public rights to access. Attachment 5 provides a list of current litigation being funded by the multi-year operating Statehood Defense funding. Statehood Defense funding was not utilized in the litigation referenced by Representative Hannan.

The Department of Law has encumbered and expended \$2.5 million of the multi-year appropriations received for Statehood Defense, however, with the attached list of cases outstanding the Department of Law has obligated the full \$6.5 million through FY2025.

8. Representative Galvin asked if the Department of Education and Early Development (DEED) collects information from school districts regarding their vacancy rates.

The department has received some information from districts regarding vacancies. Please see Attachment 6. These data are only a snapshot in time, and likely have changed since reporting was completed last October.

9. Representative Stapp asked for a report of Medicaid recipients by type (CHIP, expansion, etc.).

Attachment 7 provides information on Medicaid claims and enrollment by type.

As mentioned previously, the vacancy rates by department presented on slide 7 of the presentation contained errors. A corrected table is provided in attachment 1.

Sincerely,



Neil Steininger
Director

cc: Laura Stidolph, Legislative Director, Office of the Governor
Alexei Painter, Director, Legislative Finance Division