

Items of Significant Interest:

University of Alaska – Veto \$130,253,100

- This line item veto impacts primarily the Anchorage and Fairbanks universities. Funding for all of the community campuses, including University of Alaska Southeast, remains intact.
- The reduced funding equates to approximately \$11,000 UGF/student, which is about 44% higher than the national average.

Medicaid – Veto \$50,000,000

- The Department of Health and Social Services is working with nationally renowned consultants and the federal government to reform Alaska's Medicaid program. These programs grew when the fiscal picture allowed growth. The current fiscal reality compels us to reduce the budget and work with federal counterparts to identify innovative reform options.
- Cost saving measures can be achieved in the Medicaid program through creativity, program reform, and focusing on fraud.

Earnings Reserve Transfer to Corpus – Veto \$5,579,800,000

- This transfer jeopardizes the fund and the future of the Permanent Fund Dividend program. A transfer at a reduced level of \$4 billion retains the legislatures intent to protect the earnings reserve from spending.

POMV Transfer – Veto \$1,000,000,000

- As enacted the POMV transfer provides significantly more revenue than is required for state services. This veto action avoids drawing too much money from the earnings reserve.

Senior Benefits – Veto \$20,786,100 (FY2020) and \$800,000 (FY2019 Supplemental)

- This action eliminates the Senior Benefit Program
- With the state facing the challenge of aligning current state revenues with state expenditures, this program is being eliminated to contain costs and reduce dependence of individuals on state funds.

School Bond Debt Reimbursement – Veto 50% reduction to reimbursements Total: \$48,910,250

- This action reduces School Debt Reimbursement by 50%.
 - New debt issuances are currently in moratorium and voters and boroughs are aware that this reimbursement is subject to appropriation.
 - The Anchorage School District will see the largest impact at \$20,500,000 and the Mat-Su Borough School District will see the second largest impact at \$9,200,000
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Items of Interest:

Alaska Marine Highway System - Funded at the level passed by the legislature: \$46,000,000 UGF

- The Dunleavy administration has accepted the funding level passed by the legislature.
- Funding will allow AMHS to provide some level of service to most communities during the fall/winter/spring of FY2020

Public Broadcasting – Veto \$2,036,600 for Radio, \$633,300 for TV, and \$46,700 for the Commission

- With access to grants, federal funding, or other innovative sources of funding, we believe the Alaska Public Broadcasting, Inc., will continue to provide services to Alaskans and will prioritize its services so it reaches the Alaskan communities that most need news and information

Village Public Safety Office Program – Veto \$3,000,000 (FY2020)

- Unfortunately, the high point in the number of VPSOs employed occurred in FY 2012 when the number of VPSOs peaked at 100, but has since steadily declined each year
- The Governor and Department remain committed to supporting this program and providing safety and security for the people of rural Alaska

Ocean Rangers – Veto \$3,409,100

- There are many permittees for air emissions and wastewater discharge across Alaska, but the cruise ships are the only permittees to have around-the-clock observation for compliance
- After repeal of the Ocean Ranger program, permitting and compliance staff will still monitor cruise ships for compliance with state wastewater and air quality permits and regulations through records reviews, inspections in port, opacity monitoring, and vessel tracking

Education Funding – Veto the FY2021 “Forward Funding of Education”

- Per the Attorney General’s recent opinion, this is an unconstitutional inclusion on behalf of the legislation and therefore not a valid appropriation

Positions Reductions – 62 Full Time, 2 Part Time, and 4 Non-Perm

- Through a variety of veto actions, 68 state positions have been reduced, including vacant funded positions, totaling \$11.9 million in reduced payroll costs across all fund sources.

Travel Reductions - \$3,443,100 all funds

- State agency travel budgets, not covered under the exemptions of public safety, health, and disaster management, were reduced 50% in the Governor’s FY2020 budget
- Veto action removes legislative increases to state travel
- Agencies will rely on technology and management efficiencies to reduce the amount of state employee travel.