



THE STATE
of ALASKA
GOVERNOR MIKE DUNLEAVY

Office of the Governor

OFFICE OF MANAGEMENT AND BUDGET
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March 20, 2020

The Honorable Natasha von Imhof
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 516
Juneau, AK 99801-1182

The Honorable Bert Stedman
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 518
Juneau, AK 99801-1182

The Honorable Jennifer Johnston
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol, Room 511
Juneau, AK 99801-1182

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

Re: FY2021 Operating Budget Amendments HB 205/SB 152

Dear Finance Committee Co-Chairs,

Enclosed, please find supplemental operating budget amendments related to Federal and State economic relief efforts to combat the impacts of COVID-19. These amendments serve as the financing plan required under AS 26.23.025(a).

The full scope and nature of addressing the health and economic impacts of the COVID-19 pandemic are not known at this time. Flexibility to respond to the emergent nature of this crisis is required to ensure impacts are adequately mitigated. These amendments directly fund existing State programs to ensure they have the resources to match anticipated demand.

Specific responses in this plan include amendments:

- to allow the Department of Labor and Workforce Development to receive additional Federal funding to cover increased Unemployment Insurance and Workforce Services demand;
- to provide the Department of Health and Social Services EOC funding to provide economic relief to individuals and workers, health systems, and businesses impacted by COVID-19;
- to allow the Alaska Commission on Postsecondary Education to defer student loan payments;
- to allow the Department of Education and Early Development to facilitate distance learning and provide student meals;
- to allow receipt of Federal COVID-19 economic and health response funding to all State agencies;
- to provide economic relief to all Alaskans through the payment of a Permanent Fund Dividend in April;
- to allow the Department of Commerce, Community, and Economic Development to make low cost loans to Alaska businesses; and

- to allow State agencies to transfer authority across appropriations so unused resources in one program can be allocated to emergent needs.

Additionally, a deposit is being directed into the Disaster Relief Fund (DRF) to allow for the Emergency Operations Center (EOC) to distribute to State programs, response organizations, and other entities capable of acting where the specific need is not yet known. Within that allocations will include, but not be limited to:

- funds to underwrite emergency healthcare facilities;
- temporary increases in state and public health workforce;
- retrofit of state offices for the public health;
- and municipal relief from decreased tax revenues.

Thank you for your consideration of these budget amendments.

Sincerely,



Neil Steininger
Director

Enclosures

cc: Pat Pitney, Director, Legislative Finance Division
Suzanne Cunningham, Director, Governor's Legislative Office