**Vetoes of State Funding - Items of Interest:**

Due to the COVID-19 pandemic and associated emergency orders the following items will be funded through the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act so state funding has been vetoed.

- Community Assistance – Veto $1,268,500 DGF (FY2021) and $30,000,000 UGF Supplemental Deposit
- Regional Educational Attendance Area – Total: $36,739,000 UGF
- School Bond Debt Reimbursement – Total: $100,154,200 UGF/DGF
- Anchorage Response Grant – Total: $2,700,000 UGF
- One-Time Education Funding Outside of the Formula – Total: $30,000,000 UGF
- One-Time AHFC Homeless Grant – Total: $5,000,000 UGF
- Non-Mandatory Municipal Debt Reimbursement – Total: 2,354,400 UGF

**Medicaid – Veto $31,000,000 (FY2020 Supplemental, UGF/Federal)**
- DHSS is on track to meet Medicaid projections and does not need additional money.
- Alaska will be provided additional federal match through the federal Families First Coronavirus Response Act

**Earnings Reserve Transfer to Corpus – Veto $1,055,600,000**
- In FY2020, the Legislature transferred $4 billion to the principal of the Permanent Fund with the intent it would cover inflation proofing for four years. Excess transfers of authority from the earnings reserve to the corpus of the Permanent Fund reduces the state’s liquidity and the ability to pay permanent fund dividends per statutory obligation, and the ability to respond to future revenue shortfalls.

**Alaska Marine Highway System – Veto $15,548,300 UGF and DGF**
- The remaining level of funding is a net increase from FY2020 and will provide an increased level of service for coastal communities.
- Capital budget funding will ensure that necessary Aurora steel work is completed to reduce service gaps in the System.
- The results of the reshaping study are due this fall and will inform the future of the system.

**Ocean Rangers – Veto $3,426,000 Other**
- 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 by retaining $2,000,000 for ambient water testing.

**Alaska Permanent Fund Corporation – Veto $2,763,500 Other**
- In the current economic and fiscal environment performance bonuses for state employees should not be considered at this time.
University of Alaska – Veto $12,500,000 UGF
- The agreed upon compact, between the administration and the university, provides adequate funding for university operations. The university will receive additional support through the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Pre-Kindergarten Grants – Total: $4,300,000 UGF
- $11.5m remains in the budget for Pre-K and Early Learning programs. $6.8m for Headstart, $2m for Pre-K, $1.2m for Early Childhood, $0.5m for Parents as Teachers, and $0.3m for Best Beginnings.
- Given the current economic and fiscal environment, this new program has been vetoed.

Public Broadcasting – Veto $2,036,600 UGF for Radio, $633,300 UGF for TV
- With access to grants, federal funding, and other innovative sources of funding, Alaska Public Broadcasting will continue to provide services to Alaskans and will prioritize its services to reach the Alaska communities that most need news and information.

Travel Reductions – Veto $1,097,700 all funds
- This veto action removes legislative increases to State travel.
- Agencies will rely on technology and management efficiencies to reduce the amount of State travel in light of the COVID-19 situation.

Increased State Funding in the Following Areas has been Retained to Address Critical State Needs:

Programs and Services Related to the COVID-19 Emergency ($99,091,100 UGF, $116,591,100 total)
- Public Health Emergency Programs for COVID-19 response
  - HB234 - $15,000,000 UGF, Open ended Federal Authority
  - HB206 - $4,091,100 UGF, $9,000,000 Federal
  - HB205 - $75,000,000 UGF
- Grants to Coastal Communities – $8,500,000 Other funds
- Medicaid – Federal Authority
- Labor and Workforce Development, Workforce Services– Federal Authority
- Labor and Workforce Development, Unemployment – Federal Authority

Other Items Funded
- Disaster Relief Fund Deposit – $5,000,000 UGF
- Fire Risk Reduction Funding – $5,000,000 UGF
- Redistricting Funding - $2,500,000 UGF
- Economic Development Funding - $546,600 UGF
- Rural Power Systems Upgrades - $5,000,000 UGF
- Additional support for the Village Public Safety Office Program - $3,000,000 UGF
- Additional Authority to hire Trooper Positions and for Equipment - $10,864,300 UGF
- Funding for Sexual Assault Response Team (SART) Exams - $200,000 UGF
- Alaska Psychiatric Institute Operating Costs to Achieve Full Capacity - $9,366,400 UGF and Other