



# ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Finance

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## MEMORANDUM

**DATE:** January 25, 2023

**TO:** Senator Lyman Hoffman, Senate Finance Co-Chair  
Senator Donald Olson, Senate Finance Co-Chair  
Senator Bert Stedman, Senate Finance Co-Chair  
Representative Bryce Edgmon, House Finance Co-Chair  
Representative Neal Foster, House Finance Co-Chair  
Representative DeLena Johnson, House Finance Co-Chair  
Representative Benjamin Carpenter, Legislative Budget & Audit Chair

**FROM:** Alexei Painter   
Director of Legislative Finance Division

**SUBJECT:** Agency Responses to FY23 Legislative Intent Language

This memorandum restates FY23 legislative intent (*italics*) for each agency and provides agency responses to our request for status reports. Responses indicating non-compliance, partial compliance, and indeterminate compliance have been identified using bold font and yellow highlighting.

The Legislative Finance Division will submit a follow-up memo after the close of the fiscal year to determine compliance on the remaining items.

# FY2023 Legislative Intent Responses by Department

## DEPARTMENT OF ADMINISTRATION

### 1. **Public Communications Services / Public Broadcasting – Radio** Operating/Capital Budget (CCS HB 281(brf sup maj fld H))

#### **NON-COMPLIANCE DUE TO VETO**

*It is the intent of the legislature that the Department of Administration allocate funds for radio grants to rural stations whose broadcast coverage areas serve 20,000 people or less.*

Since the related funding was vetoed, the department is unable to comply with the intent of the legislature.

### 2. **Legal and Advocacy Services**

Operating/Capital Budget (CCS HB 281(brf sup maj fld H)) and Mental Health (CCS HB 282)

#### **NON-COMPLIANCE DUE TO VETO**

*It is the intent of the legislature that the Department of Administration use the additional funding included in this appropriation to provide retention bonuses to the Public Defender Agency and the Office of Public Advocacy staff who are employed on June 30, 2022, and who continue to be employed on May 31, 2023. It is the intent of the legislature that bonuses be allocated as follows: \$10,000 for attorney positions; \$5,000 for associate attorneys, paralegals, investigators, or similar positions; and \$3,000 for law office assistants, public guardians, and general office personnel. It is not the intent of the legislature to provide bonuses to the Public Defender, the Office of Public Advocacy Division Director, or nonpermanent positions.*

Since the related funding was vetoed, the department is unable to comply with the intent of the legislature.

## DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT

### **3. Community and Regional Affairs / Community and Regional Affairs** Operating/Capital Budget (CCS HB 281(brf sup maj fld H))

*It is the intent of the legislature that the Department of Commerce, Community and Economic Development submit a written report to the co-chairs of the Finance Committees and the Legislative Finance Division by December 20, 2022 that indicates:*

- (1) the amount each community in the state that participates in the National Flood Insurance Program has paid into the program since 1980, the amount that has been paid out of the program for claims, and the average premium for a home in a special flood hazard area;*
- (2) for the top five states that have received more in funds paid out than premiums paid into the National Flood Insurance Program since 1980, the amount paid into the program, the amount of claims paid out of the program, and the average premium for a home in a special flood hazard area; and*
- (3) the number of properties in each community in the state that has been added to a special flood hazard area through mapping efforts by the Federal Emergency Management Agency since 2010.*

The Division of Community and Regional Affairs is working with the Federal Emergency Management Agency (FEMA) to gather the information requested and will provide a written report to the legislature by December 20, 2022.

<b>Legislative Fiscal Analyst Comment:</b> The agency submitted the report on December 20, 2022.
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### **4. Corporations, Business and Professional Licensing / Corporations, Business and Professional Licensing** Operating/Capital Budget (CCS HB 281(brf sup maj fld H))

*It is the intent of the legislature that the Department of Commerce, Community and Economic Development, Division of Corporations, Business and Professional Licensing to develop a plan to stabilize and set fee structures; develop a new system for leveling the cost of appeals and investigations; and target fee relief for industries and occupations that are high need and have high cost of entry. The Department shall provide the plan to the Finance Co-Chairs and the Legislative Finance Division no later than December 20, 2022.*

The Division of Corporations, Business and Professional Licensing is working with the Office of Management and Budget to determine a plan for stabilizing and setting fee structures and will provide the plan to the Finance Co-Chairs and the Legislative Finance Division by December 20, 2022.

**Legislative Fiscal Analyst Comment:** The agency submitted the report on December 20, 2022.

**5. Insurance Operations / Insurance Operations**

Operating/Capital Budget (CCS HB 281(brf sup maj fld H))

*It is the intent of the legislature that the Department of Commerce, Community and Economic Development, Division of Insurance, pursue procurement of a Health Payment and Utilization Database for no greater than \$1,500,000. The Division may adopt regulations or utilize rule making to govern administration, reporting requirements, and data management to the extent that the authority is granted to the Division Director in existing statute. Nothing in this intent language is intended to broaden the Division's existing scope or authority. The Division shall provide a report to the legislature no later than December 20, 2022 outlining the projected operating and capital costs for procurement, maintenance, and administration.*

The Division of Insurance will provide a report on the status and projected costs of the Health Payment and Utilization Database to the legislature by December 20, 2022.

**Legislative Fiscal Analyst Comment:** The agency submitted the report on December 20, 2022.

## DEPARTMENT OF CORRECTIONS

### 6. Department of Corrections

Operating/Capital Budget (CCS HB 281(brf sup maj fld H)) and Mental Health (CCS HB 282)

#### **COMPLIANCE MAY BE DETERMINED AT A LATER DATE**

*It is the intent of the legislature that the Department of Corrections work with the Department of Health to devise a proposal before July 1, 2023, to establish an oversight body to oversee standards of care for health care services and behavioral health services provided to inmates.*

It is the intent of the Department of Corrections to work with the Department of Health on a proposal that provides oversight for the standard of care provided to inmates. The proposal will be provided on or before July 1, 2023.

<p><b>Legislative Fiscal Analyst Comment:</b> This intent asks the agency to provide a proposal before July 1, 2023. Compliance cannot be determined until that date.</p>
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## DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT

### 7. Alaska Commission on Postsecondary Education / WWAMI Medical Education Operating/Capital Budget (CCS HB 281(brf sup maj fld H))

*It is the intent of the legislature that the Department of Education and Early Development and the Alaska Commission on Postsecondary Education (ACPE) work to expand the number of seats for Alaska in the WWAMI program from 20 to 30, for implementation in FY24. Further, ACPE and the University of Alaska shall coordinate and plan for their separate and combined needs for the program expansion, and report to the Co-Chairs of Finance and the Legislative Finance Division by December 20, 2022, policy, program, and budget needs for implementation of this expansion.*

The Alaska Commission on Postsecondary Education (ACPE) has met with the University of Washington School of Medicine to discuss further steps needed to accomplish and implement the expansion of the number of seats for Alaska in the WWAMI program from 20 to 30. It was determined that additional resources are necessary to implement the expansion, including funding for continuation of the program in out years, increased personnel costs, and capital costs for additional classroom or lab space to accommodate additional students. ACPE will provide a report to the Co-Chairs of Finance and the Legislative Finance Division by December 20, 2022, on the policy, program, and budget needs for implementation of this expansion.

<p><b>Legislative Fiscal Analyst Comment:</b> ACPE provided a response on January 16, 2023, outlining the budget needs for implementation of this expansion.</p>
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### 8. Alaska Commission on Postsecondary Education / WWAMI Medical Education Operating/Capital Budget (CCS HB 281(brf sup maj fld H))

#### **COMPLIANCE MAY BE DETERMINED AT A LATER DATE**

*It is the intent of the legislature that the Department of Education and Early Development and the Alaska Commission on Postsecondary Education (ACPE) work with the University of Alaska and University of Washington School of Medicine to undertake a concerted effort to recruit students from Rural Alaska to apply to Alaska's medical school program. Because of the shortage of medical doctors in Rural Alaska it is imperative that more students from rural areas be admitted into medical school.*

The Alaska Commission on Postsecondary Education (ACPE) appreciates the legislature's recognition of the shortage of medical doctors in Rural Alaska and the need for students from rural areas to be admitted into medical school. ACPE is in contact with the University of Washington School of Medicine to discuss further steps needed to undertake a concerted effort to recruit students from Rural Alaska to apply to Alaska's medical school program.

**Legislative Fiscal Analyst Comment:** The response indicates that work is ongoing, so compliance can be determined at the end of the fiscal year based on the result of that work.

## DEPARTMENT OF ENVIRONMENTAL CONSERVATION

**9. Water / Water Quality, Infrastructure Support & Financing**  
Operating/Capital Budget (CCS HB 281(brf sup maj fld H))

### **COMPLIANCE MAY BE DETERMINED AT A LATER DATE**

*It is the Intent of the Legislature that \$1 million is appropriated for the purpose of the Department of Environmental Conservation to complete a feasibility study on the assumption of primacy of section 404 of the Clean Water Act. The report will be submitted to the four co-chairs of the Finance Committees and Division of Legislative Finance by February 1, 2023.*

The Division of Water has hired a Program Manager to serve as the lead of this project and has a contract in place to assist in the effort. Employees of the division's permit section will also support this project. A Reimbursable Service Agreement with the Department of Law is in place for a contract with outside counsel as well as the annual Reimbursable Service Agreement with the Department of Law for attorney activity specific to the 404 Feasibility Study. An additional Reimbursable Service Agreement will be executed with the Department of Natural Resources to collaborate with one of their staff, a former Department of Environmental Conservation employee with extensive knowledge of this topic. The requested report will be submitted by February 1, 2023.

<p><b>Legislative Fiscal Analyst Comment:</b> This intent asks the agency to provide a report before February 1, 2023. Compliance cannot be determined until that date.</p>
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## DEPARTMENT OF FAMILY AND COMMUNITY SERVICES

### **10. Children's Services / Tribal Child Welfare Compact** Operating/Capital Budget (CCS HB 281(brf sup maj fld H))

*It is the intent of the legislature that \$1.9 million UGF, in addition to the \$3.1 million UGF requested by the Governor in FY23, be distributed to the Alaska Native Tribes and Tribal Organizations participating in the Alaska Tribal Child Welfare Compact so that they may provide the services outlined in the Compact.*

The Office of Children's Services is following the intent of the legislature to distribute \$1.9 million UGF, in addition to the \$3.1 million UGF requested by the Governor in FY2023, to Alaska Native Tribes and Tribal Organizations participating in the Alaska Tribal Child Welfare Compact.

## DEPARTMENT OF FISH AND GAME

### **11. Wildlife Conservation** / Wildlife Conservation

Operating/Capital Budget (CCS HB 281(brf sup maj fld H))

*It is the intent of the legislature that \$1,250,000 of Fish and Game funds be used to address the backlog of wildlife management surveys and assessments. The agency should prioritize basic wildlife management functions to provide maximum sustainable yield of wildlife resources and enhance food security for Alaskans.*

As of October 2022, 12 surveys were completed during the period from April 22, 2022, to present. Several of the identified surveys are still within survey windows (8 surveys), and five are listed as expected completion primarily due to survey timing in the upcoming winter of 2023. The division does expect to be substantially compliant with the intent of the legislature.

## OFFICE OF THE GOVERNOR

### 12. Office of Management and Budget

Operating/Capital Budget (CCS HB 281(brf sup maj fld H))

*It is the intent of the legislature that the Office of Management and Budget submit a report to the Legislative Finance Division on January 17, 2023, that describes and justifies all transfers to and from the personal services line by executive branch agencies during the first half of the fiscal year ending June 30, 2023, and submit a report to the legislative finance division on October 1, 2023, that describes and justifies all transfers to and from the personal services line by executive branch agencies during the second half of the fiscal year ending June 30, 2023.*

The Office of Management and Budget is working to comply with this intent language and will provide reports by the requested due dates.

**Legislative Fiscal Analyst Comment:** The report was submitted on the due date as a spreadsheet. This spreadsheet is available from the Legislative Finance Division upon request.

### 13. Office of Management and Budget

Operating/Capital Budget (CCS HB 281(brf sup maj fld H))

#### **NON-COMPLIANCE DUE TO VETO**

**Sec.73.(d)** *It is the intent of the legislature that a payment under (b) of this section be used to offset the effects of higher fuel and utility costs for the fiscal year ending June 30, 2023.*

The funding under section 73(b) was vetoed, therefore OMB is unable to comply with the intent of the legislature.

## DEPARTMENT OF HEALTH

### **14. Public Health / Nursing**

Operating/Capital Budget (CCS HB 281(brf sup maj fld H))

*It is the intent of the legislature that the department direct \$520,000 UGF to recruitment and retention efforts in Public Health Nursing including a \$5,000 sign-on bonus and \$5,000 in relocation support for each of the vacant Public Health Nursing positions.*

The Division of Public Health will follow the intent of the legislature and use additional funding to recruit and retain Public Health Nursing staff.

### **15. Senior and Disabilities Services**

Operating/Capital Budget (CCS HB 281(brf sup maj fld H))

*It is the intent of the legislature that the department develop a five-year plan, in collaboration with stakeholders, to eradicate the waitlist for the Intellectual and Developmental Disabilities waiver and to prevent waitlists for other Home and Community Based Waivers, and submit the plan to the Co-Chairs of the Finance Committees and the Legislative Finance Division by December 20, 2022.*

Through support from the Alaska Mental Health Trust Authority, the department has engaged the services of a contractor, HCBS Strategies, for assistance in developing the plan and collaborating with stakeholders as described. The department intends to submit the plan to the co-chairs of the Finance Committees and the Legislative Finance Division by December 20, 2022.

<p><b>Legislative Fiscal Analyst Comment:</b> The report was submitted on the due date as a spreadsheet. This spreadsheet is available from the Legislative Finance Division upon request.</p>
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### **16. Senior and Disabilities Services / Senior and Disabilities Community Based Grants**

Operating/Capital Budget (CCS HB 281(brf sup maj fld H)) and Mental Health (CCS HB 282)

#### **NON-COMPLIANCE DUE TO VETO**

*It is the intent of the legislature that the department distribute \$586,000 UGF, in addition to the FY22 level of grant funding for the Centers for Independent Living, to the Centers for Independent Living. It is furthermore the intent of the legislature that \$912,200, be distributed to SDS Community Based Grant recipients that provide services to Alaska seniors, in addition to their FY22 level of grant funding.*

The department is unable to comply with the intent of the legislature due to the veto of these funds.

**17. Senior and Disabilities Services / General Relief/Temporary Assisted Living**  
Operating/Capital Budget (CCS HB 281(brf sup maj fld H)) and Mental Health (CCS HB 282)

*It is the intent of the legislature that the department increase the daily rate for General Relief/Temporary Assisted Living from \$70 to \$104.30 to reflect Alaska's inflation rate (according to the Bureau of Labor Statistics' Consumer Price Index for Urban Alaska) since the rate was last set on July 1, 2002.*

The department has increased daily rates for General Relief/Temporary Assisted Living to \$104.30.

**18. Departmental Support Services / Commissioner's Office**  
Operating/Capital Budget (CCS HB 281(brf sup maj fld H))

**COMPLIANCE MAY BE DETERMINED AT A LATER DATE**

*It is the intent of the legislature that Medicaid and AlaskaCare, along with Trustees and Retirees, convert claims data to a common layout and provide that data to the Department of Commerce, Community, and Economic Development.*

The department is working to comply with this intent language.

**19. Medicaid Services**  
Operating/Capital Budget (CCS HB 281(brf sup maj fld H))

**COMPLIANCE MAY BE DETERMINED AT A LATER DATE**

*It is the intent of the legislature that the department submit the Medicaid Unrestricted General Fund Obligation Report for FY22 and the first half of FY23 to the co-chairs of the Finance Committees and the Legislative Finance Division by January 31st, 2023 and subsequently update the report as requested by the legislature.*

The department intends to comply and submit the Medicaid Unrestricted General Fund Obligation Report for FY2022 and the first half of FY2023 on January 31, 2023.

**20. Medicaid Services**  
Operating/Capital Budget (CCS HB 281(brf sup maj fld H)) and Mental Health (CCS HB 282)

*It is the intent of the legislature that the department draw a minimum of 70 new individuals from the Intellectual and Developmental Disabilities waiver waitlist in FY23 to receive services. The department shall submit a waiver amendment, if necessary, to the Centers for Medicare and Medicaid to ensure costs for this increased draw will be matched with federal dollars.*

The department anticipates no challenge in meeting the intent of this language.

In its renewal of the Intellectual and Developmental Disabilities waiver for another five-year waiver cycle, the department proposed amending the language in the waiver's Appendix C, Selection of Entrants for the Waiver regarding drawing from the waitlist, to read (the newly proposed language is in italics):

*“SDS routinely selects 50 individuals as new entrants each waiver year and will also select an additional number of entrants if the unduplicated count falls below the maximum due to attrition.”*

The Centers for Medicare and Medicaid Services has approved the maximum annual unduplicated count for this waiver as 2,120.

In mid-June of 2021, CMS approved this language for the waiver period 7/1/21-6/30/26. With that approval, the department has the authority to draw an additional 20 new recipients from the waitlist in FY2023, and thus can implement the legislative intent language without amending the IDD waiver.

## **21. Medicaid Services / Medicaid Services**

Operating/Capital Budget (CCS HB 281(brf sup maj fld H)) and Mental Health (CCS HB 282)

*It is the intent of the legislature that the employer entities receiving the increased reimbursement rate for providing services under the Home and Community Based Service Waivers, Personal Care Assistant State Plan, Community First Choice, and the Long Term Services and Supports, Targeted Case Management programs provide a 10% increase to employee wages.*

The department communicated the legislature's intent that this increased rate be used to provide a 10% increase to employee wages to the employer entities receiving these funds.

## DEPARTMENT OF LAW

### **22. Department of Law**

Operating/Capital Budget (CCS HB 281(brf sup maj fld H))

*It is the intent of the legislature that no funds shall be expended for any activity related to Torres v. Texas Department of Public Safety.*

The Department of Law has not expended any funds for the purpose outlined in the intent language.

### **23. Department of Law**

Operating/Capital Budget (CCS HB 281(brf sup maj fld H))

*Sec. 69.(c) It is the intent of the legislature that funds from the appropriations made in (a) and (b) of this section may not be used for any action that may erode existing federal or state subsistence rights.*

The Department of Law has not expended any funds for the purpose outlined in the intent language.

## DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS

### **24. Military and Veterans' Affairs / Homeland Security and Emergency Management** Operating/Capital Budget (CCS HB 281(brf sup maj fld H))

*It is the intent of the legislature that any expenditure of funds taken after the end of the close of the second session of the Thirty-Second Alaska Legislature in response to the declarations of a disaster emergency related to the flooding on the Y-K Delta, the 2022 Lowell Point Landslide in the City of Seward, and the Galena Fire Hall roof collapse issued by the governor on May 13, 2022, are approved and ratified.*

This intent language has enabled Military and Veterans' Affairs to obtain legislative concurrence on those three disasters.



## DEPARTMENT OF NATURAL RESOURCES

### 25. Fire Suppression, Land & Water Resources / Fire Suppression Preparedness Operating/Capital Budget (CCS HB 281(brf sup maj fld H))

*It is the intent of the legislature that the Department of Natural Resources, Division of Forestry provide budget estimates for wildland fire costs for the preceding fire season to the Office of Management & Budget and the Legislative Finance Division between December 20 and the start of the regular legislative session. The purpose of these budget estimates is to assist the executive and legislative branch with advance notice of large supplemental budget requests prior to the beginning of each session.*

The estimate provided to OMB and Legislative Finance will include expenditures to close out fire season 2022 and projected costs for the start of fire season 2023, **both fall within FY2023.**

#### **Fire Cost Summary Highlights:**

- The information that we have received from the federal (and non-federal Northwest Compact agencies), shows that we will need **an additional \$7.5 million to close out Calendar Year 2022.**
- The Division of Forestry & Fire Protection (DOF) notices variance between the estimates received from cooperative partners and the Integrated Fire Management system (used by the division) estimates due to staffing shortages. Dispatchers were imported from the Lower 48 to assist. However, these employees are not familiar with the dispatch program that DOF uses. Having dispatchers that are not familiar with Alaska nor the system has caused a significant variance.
- DOF anticipates requesting **\$7.5 million in Unrestricted General Fund Declaration to close out CY2022, and another \$7.5 million in Unrestricted General Fund Declaration for projected expenditures between April to June 2023,** based on a 5- year average. In total, a **\$15 million declaration** will be requested in FY2023.

**Legislative Fiscal Analyst Comment:** The Division of Forestry and Fire Protection (DOF) provided wildland fire cost estimates to Legislative Finance Division on January 18, 2023. The estimates include costs to close out fire season 2022 and projected costs for the start of fire season 2023, both of which fall within fiscal year 2023. This allows DOF to obtain projected fire cost estimates through the cross-billing process, from all cooperating agencies.

The anticipated \$15 million request above is in addition to a \$50 million disaster declaration made by the Governor, which will also need to be funded in the FY23 supplemental.

## DEPARTMENT OF PUBLIC SAFETY

### **26. Department of Public Safety**

Operating/Capital Budget (CCS HB 281(brf sup maj fld H)) and Mental Health (CCS HB 282)

*It is the intent of the legislature that the Department of Public Safety prioritize the deployment of law enforcement resources to non-urbanized areas that lack organized governments.*

State Trooper allocation decisions are based on various factors, including the number of authorized and filled trooper positions, the geographic location and population of the community, the level of calls for service, and the availability of other law enforcement in the community.

DPS provides law enforcement and public safety services through a hub-and-spoke model with troopers strategically posted in hub communities that have the infrastructure (i.e., office space and housing) to support a full-time presence and that have transportation links to outlying communities. In addition, DPS has implemented a service delivery model in several remote locations where troopers work a modified shift schedule of two weeks on/two weeks off to provide on-site coverage in areas that had historically had none.

DPS is committed to bolstering public safety services in rural Alaska and continues to prioritize placing State Troopers in rural areas of the state. Nevertheless, DPS is obligated to provide law enforcement response and public safety service within its jurisdiction and must continue to have the discretion to place troopers where they are most needed to meet existing operational demands.

### **27. Department of Public Safety**

Operating/Capital Budget (CCS HB 281(brf sup maj fld H)) and Mental Health (CCS HB 282)

*It is the intent of the legislature that the Department of Public Safety work with the Department of Homeland Security, Department of Military and Veterans Affairs, and other agencies on issues concerning potential disasters, conflicts, and community preparedness. It is also the intent of the legislature that the Department of Public Safety, in cooperation with other agencies, conduct a situational assessment to review and make recommendations including, but not limited to, emergency supplies, including water, heat, medical needs, food, shelter, communications, and actively participate within each region for community emergency preparedness and readiness through facilitating citizen corps councils.*

DPS works in close partnership with the Department of Military and Veterans Affairs (DMVA) Division of Homeland Security and Emergency Management (DHS&EM) on issues concerning potential disasters, conflicts, and community preparedness. One example is the annual “River Watch” program that includes partnerships between DPS, DHS&EM, and the National Weather

Service to provide aerial reconnaissance of the Kuskokwim and Yukon Rivers and their drainages to watch for potential spring flooding in the region.

DPS is also a strategic partner in DHS&EM's State Emergency Operations Center (SEOC). In the event of natural disaster or other emergency situations, our agencies work in partnership with other state and federal agencies to provide a statewide, coordinated response to impacted communities to protect life, stabilize incidents, and protect property and the environment. Examples include the November 30, 2018 earthquake response, the COVID-19 pandemic response, and the more recent Aleutians and West Coast storm response.

DHS&EM is tasked with statewide disaster planning and preparedness, is responsible to prepare and maintain a state emergency plan (AS 26.23040), and may develop a response corps of volunteers (AS 26.23.045). DPS will continue to work with DHS&EM, following their lead in support of these efforts.

## **28. Alaska State Troopers**

Operating/Capital Budget (CCS HB 281(brf sup maj fld H)) and Mental Health (CCS HB 282)

### **COMPLIANCE MAY BE DETERMINED AT A LATER DATE**

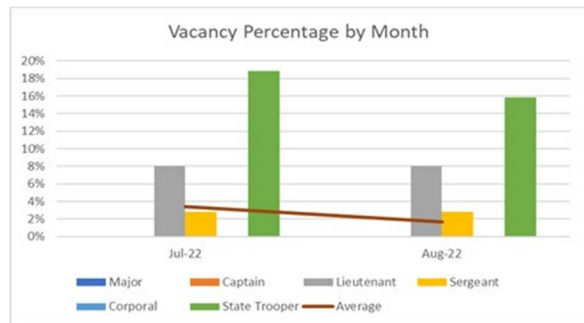
*It is the intent of the legislature that the Department of Public Safety increase efforts to fill vacant positions within the Alaska State Troopers appropriation and reduce overtime in order to better manage within the authorized budget. The Department should provide two reports to the Co-Chairs of Finance and the Legislative Finance Division, the first no later than December 20, 2022, and the second no later than July 1, 2023, that detail monthly hiring and attrition, as well as premium and overtime costs by category, a comparison of actual outlays to budgeted amounts, a graph showing actual overtime outlays versus budgeted for the past 5 fiscal years, and a description of any contributing factors to the overtime amounts and actions taken to address those factors from the start of the fiscal year to the month preceding the due date of the report.*

The department will provide the reports by the due dates, as requested. Attracting and retaining State Troopers, Court Services Officers, and critical support staff to effectively carry out the public safety mission continues to be a top priority. DPS is continuing to see interest from prospective applicants as a result of targeted recruitment events and advertising, and implementation of a financial hiring incentive for State Troopers.

As has been previously reported, reducing overtime costs remains a challenge given the reactive and often unpredictable nature of law enforcement work. DPS recognizes the importance of reducing overtime not only from a budgetary standpoint but from an employee wellness perspective in reducing stress, burnout, and compassion fatigue.

State Trooper vacancy data for FY2023 is as follows:

Position Titles	Budgeted Positions	Vacant Position Count by Month		YTD Average
		Jul-22	Aug-22	
Major	3	0	0	0
Captain	9	0	0	0
Lieutenant	25	2	2	2
Sergeant	71	2	2	2
Corporal	5	0	0	0
State Trooper	297	56	47	52
<b>Total</b>	<b>410</b>	<b>60</b>	<b>51</b>	<b>56</b>



**Legislative Fiscal Analyst Comment:** The Department of Public Safety submitted a report detailing monthly hiring and attrition as well as premium pay and overtime costs for the first half of FY23. The report reflects a reduction in overtime as State Trooper positions are added and filled. Intent specifies that a second report is due to the legislature on July 1, 2023; the agency plans to submit this report by the specified date.

## 29. Alaska State Troopers

Operating/Capital Budget (CCS HB 281(brf sup maj fld H)) and Mental Health (CCS HB 282)

*It is the intent of the legislature that no funds shall be moved outside of the personal services line of any allocation within the Alaska State Troopers appropriation.*

DPS makes concerted efforts to ensure that expenditures align with budgeted line items to avoid the need for transfers out of the personal services line.

**Legislative Fiscal Analyst Comment:** While the Legislative Finance Division (LFD) receives the FY23 Management Plan in December 2022 along with the Governor's FY24 budget request, FY23 finals and actuals are typically not shared until December of the following year. Even then, the finals and actuals reports only detail total sums, and do not show all transactions that occur between Management Plan and the end of the fiscal year. These reports reflect instances where totals for a line item are reduced/increased, but actual transactions detailing where funding was transferred to or from are not currently transmitted to LFD.

### **30. Village Public Safety Officer Program**

Operating/Capital Budget (CCS HB 281(brf sup maj fld H))

*It is the intent of the legislature that the Department of Public Safety work in conjunction with each Village Public Safety Officer (VPSO) program grantee's leadership to improve program recruitment and retention, to provide greater spending flexibility, and to identify regional training opportunities. The Department should refine the standards of VPSOs to expand upon eligibility and better define essential functions and other responsibilities that distinguish varying support of village public safety needs. The Department shall work with grantees to utilize grant funds and/or contributions from tribal governments, local governments, and regional Native Corporations to support hiring and retention incentives.*

DPS and VPSO Program grantees have worked cooperatively to revive and improve the VPSO Program with greater flexibility to serve more communities. The passage of SB 81 (Ch 16 SLA 22) provided needed statutory change on eligibility and training. DPS has implemented many of those changes and is continuing to work to implement others that directly address challenges to retention and recruitment.

The fundamental purposes of VPSOs now include in statute:

- Fire prevention and suppression;
- Emergency medical services;
- Search and rescue;
- Pretrial, probation, and parole;
- Conducting investigations;
- Enforcing criminal laws; and
- Providing local public safety training.

Support for facilities and equipment is essential to achieve and maintain our VPSO presence in rural Alaska villages. There is now clarity in law that grant funds can be more flexibly used to support VPSOs beyond hiring, training, and retention. That purpose has been expressed in the grant agreements.

Additional VPSOs can now more readily be assigned to a village and to support assignments in communities where other law enforcement may already exist. As a result, officer safety and work/life balance will be better achieved, directly addressing recruitment and retention. We have three villages being served by multiple VPSOs and at least two more villages exploring that potential. For example, Savoonga, one of our largest and most remote villages, is served by three VPSOs considering its offshore isolation.

Traveling or roving VPSOs are allowed to serve villages that lack the infrastructure to support permanent positions. This allows us to cast the program more broadly while infrastructure is improved in villages over time.

VPSO wages have improved. A salary study completed in FY21 showed that VPSO salaries had fallen behind the average compensation rates of other rural public safety salaries. In FY22, DPS adopted a 3year incremental \$7.00/hour salary increase which the legislature accelerated in FY23 with additional funding. The entry-level VPSO salary today is now \$33.79/hour, a 28.9 percent increase from 2018, and competitive with other like positions. These efforts help grantees become competitive employers in rural Alaska, a big piece of improved recruitment. Additionally, communities and regions offer other incentives, such as providing housing and/or heating at no or reduced costs to VPSOs. Grantees are considering other financial incentives.

With \$2.9 million in capital funding, we have begun to make investments in needed facilities and equipment. This funding is allocated directly to the grantees to spend on the priorities that specifically informed the legislative request. These housing, office, and equipment projects directly address needs that have been significant drivers for VPSOs to leave communities.

### **Other and Continuing Changes:**

The Department is reforming basic training to meet the basic certification standards of VPSOs, consistent with the requirements established in SB81.

We are close to a final academy of approximately 11 weeks duration. We hope to nest the VPSO academy in the first 11 weeks of each Alaska Law Enforcement Training (ALET) Academy, nearly trimming by 60 percent the current training and providing two trainings each year.

We have accelerated hiring by using the private industry to help us with improved advertising, messaging, and outreach. For example, the 'Heart of a VPSO' campaign reached audiences across the state in rural and urban markets. The campaign resulted in a 53 percent increase in VPSO applicants from FY21 to FY22 and a remarkable increase in traffic to the recruitment website, from about 6,200 visits in FY21 to over 16,000 in FY22.

We have allowed more flexibility by giving grantees options from which to choose when addressing the varying needs in villages. Those that wish can continue to have VPSOs trained to municipal police officer standards at the ALET Academy in Sitka. This does not redefine their duties and responsibilities as VPSOs or change their certification, it allows for higher law enforcement focus and training in regions or villages that require it and where no other resources adequately fill that need.

Progress is being made. In January 2022, 46 VPSOs were employed. Today, there are 65 funded VPSOs, and 63 are employed. We expect the last two vacancies to be filled in the coming weeks.

## DEPARTMENT OF REVENUE

### **31. Taxation and Treasury / Treasury Division**

Operating/Capital Budget (CCS HB 281(brf sup maj fld H))

*It is the intent of the legislature that the Department of Revenue, Treasury Division calculate (1) the fees paid by Alaska Retirement Management Board's invested assets for cash management, and (2) the cost of providing cash management to Alaska Retirement Management Board's invested assets. The calculations shall be made for fiscal year 2009 through fiscal year 2023. The Department shall provide the calculations to the Finance Co-Chairs and the Legislative Finance Division no later than December 20, 2022.*

The Treasury Division is currently compiling the requested information and will provide them to the Finance Co-Chairs and the Legislative Finance Division by December 20, 2022.

<p><b>Legislative Fiscal Analyst Comment:</b> The Treasury Division provided the requested information on December 15, 2022.</p>
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## DEPARTMENT OF TRANSPORTATION

### 32. Highways, Aviation and Facilities

Operating/Capital Budget (CCS HB 281(brf sup maj fld H))

*It is the intent of the legislature that DOT&PF create and implement a method to solicit input from and consult with local municipalities, community organizations, Metropolitan Planning Organizations, Regional Transportation Planning Organizations and service areas on the creation and revision of the prioritized list of state-maintained roads and highways for snow plowing, and to coordinate these efforts, where appropriate, with local governments and service areas. This plan shall be developed and submitted to the Finance Committee Co-Chairs and Legislative Finance Division by December 20th, 2022.*

The Department of Transportation and Public Facilities developed and deployed a survey for Designation of Road Priority Criteria targeted to local municipalities, community organization, Metropolitan Planning Organizations, Regional Transportation Planning Organizations, and service areas. The department intends to open up the survey to the public with general solicitation for comment as well. The survey will produce feedback that will be used for the plan submitted December 20<sup>th</sup>, 2022.

**Legislative Fiscal Analyst Comment:** The Department submitted a plan on December 20<sup>th</sup>, 2022, that included feedback from the survey. A copy of the survey was also provided. The Department provided a link to the online survey that has since been deactivated. Legislative Finance has removed that deactivated link from the agency's response.

### 33. Marine Highway System

Operating/Capital Budget (CCS HB 281(brf sup maj fld H))

*It is the intent of the Legislature that the Department of Transportation and Public Facilities and the Alaska Marine Highway System, in order to decrease General Fund expenditures, make all efforts to spend the federal funding provided by the Infrastructure Investment & Jobs Act (P.L. 117-58) prior to using General Funds.*

The Department of Transport and Public Facilities is taking the steps needed to spend federal funds prior to using general funds by applying for Infrastructure Investment and Jobs Act funding: <https://dot.alaska.gov/amhob/strategy.shtml>.

**Legislative Fiscal Analyst Comment:** This response shows an effort to obtain federal funding. A final determination cannot be made until after the end of calendar year 2023.