

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Finance



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MEMORANDUM

DATE: December 7, 2021

TO: Legislative Budget and Audit Committee

FROM: Alexei Painter, Director

SUBJECT: Preparation for the December 15, 2021 LB&A Meeting

OMB submitted the following FY22 RPLs for consideration at the December 15, 2021 Legislative Budget and Audit Committee meeting. These RPLs, along with Legislative Finance comments, are posted on our website at <http://www.legfin.akleg.gov>.

RPL#	Agency	Allocation/Program	Amount	Fund Source
05-2022-0143	DEED	Additional Federal Authority for National Endowment for the Arts Funds	\$68,000	Federal Receipts (1002) Operating
08-2022-0188	DCCED	USDA Seafood Processors Pandemic Response and Safety Block Grant Program	\$30,694,746	Federal Relief (1265) Operating
12-2022-0105	DPS	Increase Federal Authority for Existing Grants	\$4,843,825	Federal Receipts (1002) Operating
12-2022-0104	DPS	Increase Federal Authority for Existing Grants	\$600,864	Federal Receipts (1002) Operating

If you have any questions that you want an agency to address at the meeting, please call us so we can help ensure the agency has a response prepared.

Department of Education and Early Development
Alaska State Council on the Arts
Alaska State Council on the Arts

Subject of RPL: Additional Federal Authority for National Endowment for the Arts Funds	ADN/RPL #: 05-2022-0143
Amount requested: \$68,000	Appropriation Authority: Sec 1 Ch 1 SSSLA 2021 pg 11 ln 12
Funding source: Federal Receipts (1002) FY2022 Operating	Statutory Authority: AS 44.27.050, AS 44.27.052

PURPOSE

FY2022 federal authorization is required to expend federal revenues.

This request addresses two federal awards from the National Endowment on the Arts to the Alaska State Council on the Arts (ASCA): 1) Coronavirus Aid, Relief, and Economic Security Act, or CARES Act funds, and 2) FY2020 National Endowment for the Arts (NEA) State Partnership Agreement for State Arts Agencies.

- 1) On August 27, 2020, ASCA received additional federal authority (RPL 05-2021-0075) to receive and distribute \$421,500 CARES Act funds and has \$35,665 remaining to obligate before June 30, 2022, per the NEA CARES Act Amendment to ASCA's federal award (ID #1856013-61-19). The funding will be dispersed as grants to community arts organizations that are still in recovery from the pandemic to sustain operations and allow for modification and adaptation of delivery of services. In addition, per the federal award intent, \$20,000 will be applied to Personal Services in FY2022 to support the agency's ongoing management of COVID-19 response and recovery funding and field support. These funds are intended to help save jobs in the arts sector and keep the doors open for organizations that add value to Alaska's economy and the creative life of our communities.
- 2) ASCA's FY2020 National Endowment for the Arts State Partnership Agreement funding was also granted an extension due to the Amendment of CARES Act Funds to June 30, 2022. As a result of staffing vacancies in FY2020 and FY2021, \$33,214 remains unobligated in the FY2020 State Partnership Agreement. This amount will be applied to grants, services, and travel and will allow ASCA to complete a new strategic plan in FY2022. Regular strategic planning is a requirement of the NEA State Arts Partnership Agreement and helps maintain healthy relationships with other (including private foundation) funders.

Additional federal authority for FY2022 will allow for ongoing operations and management of COVID-19 response funding and allows ASCA to disburse grants to arts and culture organizations that are still experiencing hardship due to loss of income, especially with the effects of the new Delta variant and continued reduced arts and culture participation that provides revenue for Alaska's arts and culture sector.

PREVIOUS LEGISLATIVE CONSIDERATION

On May 1, 2020, the Legislative Budget and Audit Committee approved RPL 05-2020-076 which provided \$421,500 federal authority for the same purpose but limited to FY2020. ASCA was unable to expend all the funds prior to June 30, 2020. Authority was sought and approved on August 27, 2020 for the continuation of CARES Act spending in FY2021 (RPL 05-2021-0075). A total of \$385,835 was spent in FY2021 and \$35,665 remains to be spent in FY2022.

ASCA's FY2020 and FY2021 NEA Partnership Awards have also been extended and these three fund sources combined with the FY2022 NEA Partnership Award exceed ASCA's federal authorization of \$822,300.00 in FY2022.

TIMING ISSUES

The CARES Act and NEA FY2020 Partnership Agreement funds are available for obligation through June 30, 2022. The NEA FY2021 Partnership Agreement funds are available for obligation through October 31, 2022. This extension was approved by the NEA on June 28, 2021. A signed award letter is available as documentation of the funding for all federal awards.

Approval is needed now to ensure ASCA has adequate time in the current fiscal year to expend CARES Act and NEA FY2020 Partnership Agreement funds by June 30, 2022.

Consequences of delay or disapproval will result in ASCA being unable to meet its mission to build capacity in the arts and culture sector as well as administer grants in a timely manner to arts organizations and artists who are still struggling financially due to the pandemic. If ASCA's strategic plan is delayed until FY2023, the current plan will be three years out of date and will affect ASCA's ability to pursue additional private and foundation funding.

This funding is aligned with the federal fiscal cycle and ASCA's obligation to report expenditures at the completion of grant cycles.

BUDGETARY ISSUES

These funds are cornerstone budget components of ASCA's annual operating budget. Conditions and terms of the NEA-ASCA State Arts Agency Partnership Agreement award support ASCA's mission and strategic plan.

The line-item distribution for \$68,000 in increased authority is:

Line Item	\$ budgeted to NEA CARES Act fund source	\$ budgeted to NEA FY2020 State Partnership fund source
Personal Services (1000)	\$20,000	
Travel (2000)		\$3,000
Services (3000)		\$25,000
Grants (7000)	\$15,665	\$4,335
TOTAL	\$35,665	\$32,335

ASCA has not yet spent these funds. These federal funds do not affect the general fund because CARES Act funds do not require a match, and the NEA FY2020 Partnership Agreement funds were matched through legislative appropriation in FY2020. These federal funds are not a replacement for the general funds.

The impact on staff positions affects ASCA's ability to hire a full-time grants administrator, the fifth of ASCA's five staff positions. This existing position is also the Alaska Native Program manager, responsible for overseeing the statutory Silver Hand program, a service which artists need to authenticate their artwork and generate income.

Continuing increases will not be requested for these fund sources in the next budget. Funds will be spent during the remainder of FY2022. There are no indirect cost recovery or fees for services or other considerations in addition to this request. There are no other funding sources to be considered in the request.

Legislative Fiscal Analyst Comment: There are no technical issues with this RPL.

To enable legislative tracking, Legislative Finance will assign federal COVID-19 fund code 1265 to the portion of the appropriations associated with COVID-19.

Department of Commerce, Community, and Economic Development
Community and Regional Affairs
Community and Regional Affairs

Subject of RPL: USDA Seafood Processors Pandemic Response and Safety Block Grant Program	ADN/RPL #: 08-2022-0188
Amount requested: \$30,694,746	Appropriation Authority: Sec 1 Ch 1 SSSLA 2021 Pg 4 Ln 28
Funding source: Federal Receipts (1265) Operating	Statutory Authority: AS 44.33

PURPOSE

The U.S. Department of Agriculture (USDA), Agricultural Marketing Service (AMS), through the Consolidated Appropriations Act of 2021, established a \$50 million grant program to defray expenses incurred by the seafood processing industry in preparing for, preventing exposure to, and responding to the COVID-19 pandemic. Costs must have been incurred between January 27, 2020 and December 31, 2021, and of the \$50 million for this program, \$30.7 million is allocated to Alaska.

Seafood processors operating in Alaska incurred substantial and unanticipated costs to protect communities, keep their workers safe, and to continue operations throughout the COVID-19 pandemic in 2020 and 2021. The industry has largely been omitted from COVID-19 relief programs to date. These companies have significant, documented, previously incurred expenses resulting from Federal, State, and local mandates that have thus far been borne almost solely by industry members.

The State's application for this program was developed cooperatively by The Department of Fish and Game (DFG) and the Department of Commerce, Community, and Economic Development (DCCED). The Program will provide pro-rated reimbursement of costs incurred by seafood processors and processing vessels, as defined by the USDA, for:

- Workplace Safety Measures: Workplace safety measures, including, but not limited to, personal protective equipment, sanitizer, hand washing stations, air filters, thermometers, cleaning supplies, or similar items.
- Market Pivots: Market pivots such as transition to virtual/online sales costs (online platform development and fees, online marketing, credit card processing fees), supplies, and new signage.
- Retrofitting Facilities: Retrofitting facilities for worker and consumer safety (retrofitting harvester vessels for onboard vessel processing to maximize open-air activities, plexiglass, walk up windows, heat lamps, fans, tents, propane, weights, tables, chairs).
- Transportation: Additional transportation costs incurred to maintain social distancing.

- Worker Housing: Additional worker housing costs incurred to maintain social distancing or to allow for quarantining of new or exposed employees.
- Medical: Unreimbursed costs associated with providing or enabling vaccinations, testing, or healthcare treatment of infected employees, including any paid leave.

PREVIOUS LEGISLATIVE CONSIDERATION

This project has not been previously considered by the legislature.

TIMING ISSUES

This funding was unanticipated, and the funding availability was not yet known during the last legislative session.

The USDA intends to make award announcements by December 31, 2021, and the award will be valid for beginning no earlier than January 1, 2022.

CCCED and DFG intend to begin accepting applications in March 2022. Delay in approval of this RPL would result in a later application period and delay distribution of funds to eligible processors. The seafood processing industry has struggled to qualify for both State and federal Covid-19 relief programs while incurring substantial (tens of millions) additional costs in order to comply with regulations regarding COVID-19 safety. Rapid distribution of this funding is in the best interest of the industry and the state.

BUDGETARY ISSUES

This funding aligns with the mission of the department to support Alaska's economy. This award does not require state match, and will be fully federally funded. The Division of Community and Regional Affairs will administer these grants.

The administrative costs for developing and administering a program under this block grant are allowable expenses under the terms. Information technology costs and staff time will be tracked and billed to the program.

Legislative Fiscal Analyst Comment: The department anticipates distributing all funds to grantees before the end of FY22.

More information regarding the Seafood Processors Pandemic Response and Safety Block Grant Program can be found at: <https://www.ams.usda.gov/services/grants/spors>.

**Department of Public Safety
Statewide Support
Laboratory Services**

Subject of RPL: Increase Federal Authority for Existing Grants	ADN/RPL #: 12-2022-0104
Amount requested: \$600,864	Appropriation Authority: Sec 1 Ch 1 SSSLA 2021 Pg 31 Ln 26
Funding source: Federal Receipts (1002) FY2022 Operating	Statutory Authority: AS 44.41.020 – Powers and duties of Department AS 44.41.035 – DNA Registration System

PURPOSE

Laboratory Services funds the Alaska Scientific Crime Detection Laboratory (ASCDL). The ASCDL expects an increase in existing federal grants beyond its current FY2022 authorization resulting in the need for an additional \$600,864 in federal authority to expend these additional federal funds.

This additional authority will enable the ASCDL to continue providing essential services in the projects of DNA capacity and backlog reduction, as well as the implementation of sexual assault kit tracking. There is no maintenance of effort or required match from the state for any of these federal funds. Following is a list of the grants within ASCDL:

Lab Grants	From	To	Amount remaining going into FY22
FFY20 Paul Coverdell Forensic Science Improvement Grants CFDA 16.742	10/1/2020	9/30/2022	264,698
FFY20 DNA Capacity Enhancement and Backlog Reduction CFDA 16.741	10/1/2020	9/30/2022	246,683
FY20 DNA Backlog Reduction Program DFDA 16.741 (SAFE-ITR)	10/1/2020	9/30/2023	985,383
Total Lab Grants			1,496,764
Existing FY22 Lab Federal Authority			895,900
Additional Authority Needed for FY2022			600,864

PREVIOUS LEGISLATIVE CONSIDERATION

This item has been included annually in the department's operating budget. The SSSLA 2021 appropriation reference is HB69 Sec. 1, Ch. 1, SSSLA 2021, Pg 31, Ln 26. The total federal authority requested for FY2022 is \$1,496,764. There is no state match requirement. There have been no previous RPLs for this activity.

TIMING ISSUES

Approval of this RPL will allow the department to receive this increased federal grant amount and immediately begin to provide essential services in the projects of DNA capacity and backlog reduction, as well as the implementation of a sexual assault kit tracking system.

BUDGETARY ISSUES

The amount of additional federal receipts available in FY2022 exceeds the amount of federal receipt authority appropriated to Laboratory Services.

Legislative Fiscal Analyst Comment: This funding will be used to purchase laboratory equipment as well as a sexual assault kit tracking system. The agency is purchasing STACS DNA which will interface with the existing Crime Lab system, and is currently used by the Federal Bureau of Investigation and over a dozen other US states. At this time, Laboratory Services is fully staffed with no vacant positions, and the agency is evaluating the need for additional positions. The agency does not plan to use this grant funding to send additional backlog kits to external laboratories.

**Department of Public Safety
Statewide Support
Criminal Justice Information Systems Program**

Subject of RPL: Increase Federal Authority for Existing Grants	ADN/RPL #: 12-2022-0105
Amount requested: \$4,843,825	Appropriation Authority: Sec 1 Ch 1 SSSLA 2021 Pg 31 Ln 20
Funding source: Federal Receipts (1002) Operating	Statutory Authority: AS 44.41.020 – Powers and duties of Department AS 12.63 – Sex Offender Registration AS18.65.050 – Central Information on Crime Evidence

PURPOSE

The Criminal Justice Information Systems Program (CJISP) expects an increase in existing federal grants beyond its current FY2022 authorization. This results in the need for an additional \$4,843,825 in federal authority to expend these additional federal funds.

This increase is primarily due to the approval of grant extensions for some of the federal multiyear grants from FY2021 that the CJISP was unable to execute due to the COVID-19 pandemic. The CJISP is also receiving additional grant receipts for the Sex Offender Registration and Notification Act (SORNA) grant. There is a 10% state match requirement that will be met by using existing unrestricted general funds.

This additional authority will enable the CJISP to continue providing essential services in the projects with the Alaska Court System on grants under the National Criminal History Improvement Program (NCHIP) and the National Instant Criminal Background Check System (NICS) Act Record Improvement Program (NARIP) for criminal records management. Following is a list of the current CJISP grants:

CJIS Grants	From	To	Amount remaining going into FY22	Program Title
FFY18 National Criminal History Improvement Program (NCHIP) CFDA 16.554	1/1/2019	12/31/2021	477,741	Alaska's Program to Improve the Completeness and Accuracy of Criminal History Records with Alaska Court System
FFY19 National Criminal History Improvement Program (NCHIP) CFDA 16.554	1/1/2020	12/31/2022	1,706,555	Alaska's Program to Improve the Completeness and Accuracy of Criminal History Records with Alaska Court System

FFY20 National Criminal History Improvement Program (NCHIP) CFDA 16.554	1/1/2021	12/31/2022	961,469	Alaska's Program to Improve the Completeness and Accuracy of Criminal History Records with Alaska Court System
FFY21 National Criminal History Improvement Program (NCHIP) CFDA 16.554	1/1/2022	12/31/2023	2,306,229	Alaska's Program to Improve the Completeness and Accuracy of Criminal History Records with Alaska Court System
FFY20 NICS Act Record Improvement Program (NARIP) CFDA 16.813	10/1/2020	12/31/2022	769,919	Alaska Records improvement Program with Alaska Court System.
FFY21 NICS Act Record Improvement Program (NARIP) CFDA 16.813	1/1/2022	12/31/2023	770,815	Alaska Records improvement Program with Alaska Court System.
FFY20 Solicited SORNA CFDA 16.738	8/1/2020	7/31/2022	36,065	FFY20 SORNA Reallocation Digitization of Sex Offender Registration Records
FFY21 Solicited SORNA CFDA 16.738	8/1/2021	7/31/2023	73,732	FFY21 SORNA Reallocation Digitization of Sex Offender Registration Records
Total CJIS Grants			7,102,525	
Existing FY22 CJIS Federal Authority			2,258,700	
Additional Authority Needed for FY2022			4,843,825	

PREVIOUS LEGISLATIVE CONSIDERATION

The SSSLA 2021 appropriation reference is HB69 Sec. 1, Ch. 1, SSSLA2021, Pg 31, Ln 20. The total federal authority for FY2022 is \$2,258,700. There is a 10% state match requirement that will be met by using existing unrestricted general funds. There have been no previous RPLs for this activity.

TIMING ISSUES

Approval of this RPL will allow the department to receive this increased federal grant amount and immediately begin to provide essential services in the projects with the Alaska Court System for criminal records management.

BUDGETARY ISSUES

The amount of additional federal receipts available in FY2022 exceeds the amount of federal receipt authority appropriated to Criminal Justice Information Systems Program.

Legislative Fiscal Analyst Comment: The agency will leverage existing UGF in the Criminal Justice Information Systems Program allocation to meet the 10% match requirement for NCHIP grants. Availability of these grant awards is expected to maintain or increase over time, and the funds are restricted for specific program functions. Approval of this RPL will also allow the agency to apply for a grant extension for the FFY18 NCHIP grant funds, which will otherwise be reverted if they are not fully expended by the end of the 2021 calendar year. More information on NCHIP is available at <https://bjs.ojp.gov/programs/national-criminal-history-improvement-program>.