

# HOUSE BILL 2001 – FY2020 VETOED ITEMS

## PRESS BRIEFING – ITEMS OF INTEREST



### **Department of Administration**

#### **Public Broadcasting – (\$2,716,600)**

- Public broadcasting plays an important role in Alaska, especially in our rural communities that have limited or no access to other forms of media. While current funding levels for public broadcasting from the State can no longer be sustained, rural satellite services will not go away in FY2020.
- This reduction of public broadcasting grants for radio and television stations will not impact emergency broadcasting systems. Grant agreements and contract funds for satellite services will also continue. The satellite provides the best means for transmitting emergency alerts across rural Alaska.
- 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 Alaskan communities that need news and information the most.

### **Department of Environmental Conservation (DEC)**

#### **Ocean Ranger Program – (\$3,426,000)**

- This veto will not affect the Ocean Ranger Program during the May-September 2019 cruise ship season, as these operations were funded by previously collected FY 2019 Ocean Ranger fees.
- Over the course of 11 years, only six violations have been attributed to onboard Ocean Rangers compared to the 238 violations attributable to cruise ship self-monitoring and reporting, which is the same system used for all other industries and communities that have wastewater discharge permits.
- DEC is actively exploring potential administrative and statutory options aimed at improving the State's current cruise ship monitoring policies.

### **Department of Health and Social Services (DHSS)**

#### **Medicaid – (\$50,000,000)**

- The Alaska Department of Health and Social Services (DHSS) is looking at all available options to ensure eligible Alaskans can access the Medicaid program, and ensure the program is running as efficiently and sustainably as possible.
- DHSS has been evaluating strategies within existing program adjustment options which include evaluation of services and utilization, program eligibility, rate adjustments and administrative simplification, as well as exploring flexibility for new program designs with our Federal partners.

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The Federal government is showing great interest in partnering with the State, as is evidenced through the recent approval of Alaska's 1115 Substance Use Disorder waiver, and DHSS anticipates the relationships formed through this process will be helpful as the department brings forward strategies to address the program's new budget requirements.

- Throughout this process, DHSS will continue to prioritize access to Medicaid services for eligible Alaskans.
- To further support the Medicaid program, DHSS is also proactively working on other initiatives, such as implementing an Electronic Visit Verification System and an Eligibility and Assets Verification System. These are a few of the tools previously granted by the legislature that will aid the department in improving sustainability of the program by reducing costs and correcting misinformation within the billing process.

### **Behavioral Health Treatment and Recovery Grants – (\$6,100,000)**

- Since 2015, overall funding for behavioral health treatment and recovery has increased by ~\$58 million due to changes in Medicaid and providers having improved access to Medicaid funding.
- Under the Dunleavy Administration, DHSS will continue pursuing the Section 1115 Behavioral Health Waiver. This waiver from the federal government seeks to bring clients into the system earlier in order to reduce the downstream costs of services. This will allow Medicaid to pay for some services that can currently only be funded through grants.
- This reduction only applies to state-funded grants.
- In the long run, these changes will reduce providers' reliance on State general grant funds while still enabling DHSS to improve Alaska's behavioral health system and ensure access to people in need.

### **Adult Public Assistance – (\$7,471,200)**

- Payments are not being eliminated but are being reduced, which will begin on January 1.
- Reductions align with federal flexibilities to realign payments.
- Recipients with reduced benefits may qualify for Supplemental Nutrition Assistance Program (SNAP) benefits, or an increase in SNAP benefits, an increase in assisted living home standard, or other public assistance based on reduced income.
- Approximately 1,288 recipients in assisted living homes will realize an increase in monthly benefits as a result of this change.

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### **Nome Youth Detention and Treatment Facility – (\$2,000,000)**

- The Division of Juvenile Justice will eliminate Youth Detention and Treatment in the Nome Youth Facility and 16 full-time and two part-time positions.
- The facility has historically been underutilized with youth detained a total of 64 times in FY2018.
- Youth currently receiving secure treatment services at the Nome Youth Facility will be reclassified and relocated to another secure treatment facility in Fairbanks, Anchorage, Bethel, or Juneau.
- Probation services will continue for youth in the Nome area.

### **Medicaid coverage for adult enhanced dental services – (\$27,004,500)**

- Beginning October 1, adult Medicaid recipients will be eligible for limited dental benefits covering emergency dental services.
- Dental work involving crowns and dentures that began prior to July 1, but has not been completed, will be covered until complete.
- After October 1, Medicaid beneficiaries in need of routine dental services are eligible for low-cost or free dental services provided through federally qualified health centers and community health centers located in several communities throughout the state.
- Alaska is one of only 17 states that provides extensive dental services, while an additional 22 states provide limited and emergency dental services only.

## **Department of Public Safety (DPS)**

### **Village Public Safety Officer (VPSO) Program – (\$3,000,000)**

- The Dunleavy Administration is committed to providing public safety in every community and is working collaboratively with DPS and stakeholders to determine the most effective and responsive way to address public safety needs across Alaska.
- This reduction does not change the function or outcomes of the program, it simply aligns the budget with prior year actual spending. This reduction is based on the amount of money the VPSO program has left unspent for the last several years due to ongoing vacancies.
- Additional federal dollars are beginning to flow to the State as part of U.S. Attorney General William P. Barr's commitment to provide emergency funding to specifically address public safety in rural Alaska.

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- DPS was recently awarded \$6 million through the Emergency Federal Law Enforcement Assistance grant program to address the critical public safety infrastructure needs in rural Alaska.
- Funds from this grant will assist communities with basic infrastructure needs, such as office space and holding cells, that are essential to recruiting and retaining public safety positions in rural communities.
- Additionally, a total of nearly \$5 million was recently awarded to 20 Alaska Native tribes and villages through the Community Oriented Policing Services (COPS) Office Tribal Resources Grant Program to hire, equip, and train VPSOs, Village Police Officers, and Tribal Police Officers.

### **One-Time Transfer of Funding from the VPSO Program to be Reversed in FY2021 – (\$250,000)**

- Governor Dunleavy is committed to public safety and addressing sexual assault and domestic violence in Alaska, as seen with the restoration of funds to Alaska Legal Services to address this area of concern.
- This veto eliminates a one-time transfer of funding from the VPSO Program intended to study sexual assault and domestic violence in rural Alaska.
- This funding is duplicative of ongoing efforts by other entities, such as the Alaska Criminal Justice Commission / Victim Services Working Group; the Alaska Native Women's Resource Center's / Missing and Murdered Indigenous Women; and other non-profit victim service entities.

### **Department of Transportation and Public Facilities (DOT&PF)**

#### **Cost of Rural Airport Maintenance – (\$46,900)**

- This reduces funding for rural airport maintenance. The DOT&PF is working to transfer ownership and management of airports to other entities, such as local governments, and reclassify certain airports to better align with their maintenance needs.
- DOT&PF has established criteria to determine the purpose and need of each airport, including population served, alternate transportation modes available, education and healthcare access, and Federal grant obligations.

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### **Alaska Marine Highway System (AMHS) – (\$5,000,000)**

- This was a Legislative addition but is premature until the Department and their consultant finalize the review of the AMHS.
- DOT&PF's efforts to reshape AMHS is currently under development. The consultant's final AMHS report is due to the department by October 15, 2019.

### **Fund Capitalization**

#### **Capitalize Community Assistance Fund – (\$30,000,000)**

- This eliminates an unnecessary capitalization of the Community Assistance Fund and does not impact the \$30 million distribution in FY20; these payments have been distributed.