



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

State of Alaska

State and Local Fiscal Recovery Funds Recovery Plan and Performance Report

July 2022

State of Alaska
2022 Recovery Plan Performance Report

Table of Contents

General Overview..... 2

- Executive Summary - Use of Funds 2
- Promoting Equitable Outcomes..... 5
- Community Engagement..... 5
- Labor Practices & Use of Evidence 6

Performance Report & Project Inventory 6

- Project 062222601 Public Health COVID-19 Response Costs 6
- Project 12ARPAC00 Domestic Violence & Sexual Assault Victim Services Grants..... 7
- Project 110321069 FY22 Yukon River Salmon Food Security Project..... 8
- Project 3FSEP23YKN FY23 Yukon River Salmon Food Security Project..... 9
- Project 088411269 Grants to Electric Utilities for Delinquent Accounts 9
- Project 088391269 Tourism & Other Businesses COVID Relief 10
- Project 088381269 Non-Profits to Offset Revenue Loss..... 10
- Project 088391269 Local Governments to Offset Revenue Loss..... 10
- Project 04CPV1269 Replace Lost FY21 Community Commercial Vessel Taxes 11
- Project 04CPV1269-FY22 Replace Lost FY22 Community Commercial Vessel Taxes..... 11
- Project 04FBT1269 Replace Lost Community Fisheries Business Taxes 12
- Project 1271MULTI Government Services - Revenue Loss Replacement..... 12

GENERAL OVERVIEW

Executive Summary - Uses of Funds

The State of Alaska has appropriated both its first and second tranches of Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) to address State priorities in response to the Coronavirus (COVID-19) pandemic and its negative economic and social impacts. Provided below is a summary table of the appropriations as of June 30, 2022.

State of Alaska's Full CSLFRF Award (both tranches)	\$ 1,011,788,220
Funding Received in First & Second Tranches	\$ 1,011,788,220

Category	Project ID	Appropriation/Project	Appropriations
Public Health	062222601	Public Health COVID-19 Response Costs	\$ 40,000,000
Public Health	12ARPAC00	Domestic Violence & Sexual Assault Victim Services	\$ 8,000,000
Economic Impacts	110321069	FY22 Yukon River Salmon Food Security Project	\$ 175,629
Economic Impacts	3FSEP23YKN	FY23 Yukon River Salmon Food Security Project	\$ 500,000
Economic Impacts	088411269	Grants to Electric Utilities for Delinquent Accounts	\$ 7,000,000
Economic Impacts	088391269	Tourism and Other Businesses COVID Relief	\$ 90,000,000
Economic Impacts	088381269	Non-Profits COVID Relief	\$ 20,000,000
Economic Impacts	088401269	Local Governments to Offset Revenue Loss	\$ 50,000,000
Economic Impacts	04CPV1269	Replace Lost FY21 Community Commercial Vessel Taxes	\$ 21,230,720
Economic Impacts	04CPV1269	Replace Lost FY22 Community Commercial Vessel Taxes	\$ 19,463,845
Economic Impacts	04FBT1269	Replace Lost Community Fisheries Business Taxes	\$ 4,944,505
Revenue Loss	1271MULTI	Government Services - Revenue Loss Replacement	\$ 750,470,681
Appropriated Total			\$ 1,011,785,380
Remaining Balance			\$ 2,840
Appropriated as Percentage of Received			100.0%

To support a strong and equitable recovery from the COVID-19 pandemic and economic downturn, the State of Alaska has focused its efforts on addressing the most time sensitive needs within Alaska and those impacting some of our most vulnerable populations and disadvantaged communities.

Public Health (EC 1):

The State of Alaska has committed \$40 million to address the state's most critical public health needs that are not covered by other available funding sources. This funding is necessary to ensure adequate COVID-19 mitigation, preparedness, response efforts. The State of Alaska originally appropriated \$20 million towards these efforts, but it was necessary to increase this appropriation to \$40 million to address the ongoing Public Health needs of the pandemic. With multiple other response fund sources set to expire over the coming months (FEMA included) and the number of COVID infections rising again, the Alaska Division of Public Health anticipates an increased demand on this CSLFRF appropriation. This funding will be used to support activities such as data modernization, additional COVID-19 testing and sequencing supplies, further community support to reopen large events around the state, a mobile integrated health project with EMS around the state, and CNA and LPN workforce development projects.

The State also committed \$8 million to ensure continued services for victims of domestic violence and sexual assault (DVSA). COVID-19 spread rapidly around the globe, resulting in unprecedented physical, mental, social, and economic impacts. One social and public health implication of COVID-19 is seen in the impacts relating to domestic violence. Crisis situations, especially those involving social isolation, only exacerbate the conditions that are known to be risk factors of domestic violence. Early reports have documented alarming rates of increased domestic violence around the world.

Alaska DVSA victim service providers have experienced significant costs related to implementing the public health mandates necessary to keep people that rely on their services safe and healthy. A survey of Alaska's DVSA victim services providers highlighted the fact that a majority of shelters are having to reduce their capacity to provide safe social distancing and use alternative housing to provide safe and healthy support for victims at a higher cost. It is critical there is adequate capacity to provide the needed services, as well as for individuals to feel safe to seek these services. This funding commitment continues to prioritize Governor Dunleavy's number one policy initiative since taking office in December of 2018; ensuring the safety and protection of all Alaskans.

Negative Economic Impacts (EC 2):

Tourism losses are another major focus of the State's CSLFRF investments; the combined negative economic impact from the canceled and reduced cruise ship seasons in 2020 and 2021 totals \$6 billion, with 2,180 businesses at direct risk – many of which are small family-owned businesses. Governor Dunleavy pledged to take the necessary steps to help Alaskans by putting forth an aggressive aid package to keep these businesses viable through to the 2022 tourism season. The State appropriated \$90 million of its CSLFRF funding for these efforts.

The local governments in Alaska most impacted by tourism revenue loss were not adequately addressed by federal fiscal recovery funding formulas that were population-based. Many local governments were also negatively impacted by lost fisheries revenue due to COVID-19. Therefore, the State appropriated over \$95 million for programs to provide additional support to these communities and ensure they could continue to provide essential government services across the state.

The State also appropriated \$7.7 million of its CSLFRF funding to provide assistance to households negatively impacted by COVID-19 through a program to cover delinquent electric utility accounts and targeted food security projects. Due to historically low king and chum salmon returns along Alaska's Yukon River, residents were unable to participate in subsistence or commercial fishing activities in 2021, which exacerbated the ongoing food supply chain issues resulting from COVID-19. The State coordinated with community Tribal councils to distribute frozen salmon for communities in the Kusilvak Census Area and Yukon–Koyukuk Census Area determined by Qualified Census Tract (QTC) status as disproportionately impacted communities.



The Dunleavy Administration, including Lt. Governor Meyer, and Tanana Chiefs Conference, are pictured at Fairbanks International Airport as salmon are distributed to Interior Alaska communities along the Yukon River

Strong partnerships and collaboration between local businesses, tribal and village leaders, seafood processors, and shipping companies all played an integral role in the success of this project in FY2022. In addition to the State's purchases, Governor Dunleavy's administration led efforts securing donations of 33,000 pounds of salmon for the people of the Yukon region. With all efforts totaling more than 70,000 pounds of salmon distributed to 3,284 households. The State will be looking for similar partnerships to address this need again in FY2023 as fish returns remain at historic lows and COVID-19 supply chain difficulties continue.

The State is also partnering with electric utility providers to ensure continued services to impacted households. The negative economic impacts of COVID-19 resulted in unpaid utility bills that remain in arrears. To address this negative economic impact and ensure services continue to Alaska households, funding was provided to electric utility companies to cover the accounts still in arrears. The State has served 3,418 households through this program to date.

Revenue Replacement (EC 6):

The State of Alaska experienced a significant loss in State revenues during the first year of the pandemic. In State fiscal year 2019 (FY2019), the last full fiscal year before the pandemic, the State generated \$3.7 billion in general revenue. The average growth rate for State revenue from FY2016 through FY2019 was 12.2%. This growth rate applied to the FY2019 revenue level results in a projected "counterfactual" revenue if COVID-19 had not occurred of \$4.4 billion in calendar year 2020 (CY2020). The State's actual revenue in CY2020 was \$2.7 billion resulting

in an estimated revenue loss due to COVID of \$1.7 billion. This exceeds the State's CSLFRF allocation of \$1 billion.

The State appropriated \$750 million of its CSLFRF allocation to offset this revenue loss and support the provision of government services. Government services supported by these appropriations include but are not limited to public advocacy, public defenders, Corrections, Troopers, the Alaska Court System, Alaska Pioneer Homes Payment Assistance, Juvenile Justice, and the Senior Benefits Payment Program. None of the State's revenue replacement funding was used for non-federal cost-share or matching requirements for other federal programs.

Promoting Equitable Outcomes

The State's programs focused on some of Alaska's most vulnerable individuals such as DVSA victims, households that could not keep up with their electricity payments, and residents of disproportionately impacted communities facing food crises. These efforts resulted in maintained electrical services to over 3,400 households and over 70,000 pounds of salmon distributed to 3,284 households. The State partnered with Tanana Chiefs Conference (TCC), Association of Village Council Presidents (AVCP), and the Coastal Villages Regional Fund (CVRF) to assist in identifying communities not achieving their subsistence goals and to inform the indigenous communities they serve about available services from the FY22 Yukon River Salmon Food Security Project. These partnerships are necessary to ensure equitable service historically underserved, marginalized, or adversely affected groups and individuals in these disproportionately impacted communities.

The State's Electric Utility program was applied universally to all identified delinquent accounts and kept the administrative burden of the program including tracking, reporting, and validating delinquent accounts between the State and the utility, which ensured benefits to households and individuals who may have otherwise been unintentionally disparately impacted.

Community Engagement

The Dunleavy Administration and Alaska State Legislature both received a significant amount of community input on how best to use the State's CSLFRF funding. This input helped inform the State's final appropriations. Input ranged from letters to public testimony during hearings. On Friday April 9, 2021, Governor Mike Dunleavy directed Lieutenant Governor Kevin Meyer to travel through the State to listen to community and business groups to gauge their needs and report their findings to the legislature. The Lt. Governor conducted in person and zoom meetings. Those meetings ranged across Alaska from its urban centers to some of its most remote communities.

The Dunleavy Administration also created two taskforces to address food insecurity in Alaska by Administrative Order: the Alaska Bycatch Review Task Force (ABRT) and the Alaska Food Security and Independence Task Force (AFSIT). The ABRT is investigating the role of bycatch in salmon stock reductions impacting the Yukon River and surrounding areas and provides

multiple ways for public and industry comment and questions. The AFSIT is investigating ways to improve food security on a broader scale for all Alaskans.

Labor Practices & Use of Evidence

The State of Alaska did not appropriate any of its CSLFRF funding towards infrastructure projects or capital expenditures that require strong labor practices. The State's assistance programs do not require evidence-based interventions and/or program evaluations.

PERFORMANCE REPORT & PROJECT INVENTORY

Project Expenditure Category: 1.7 Other COVID-19 Public Health Expenses

Project 062222601: Public Health COVID-19 Response Costs

Funding Amount: \$40,000,000

Project Overview:

- Address the state's most critical public health needs that are not covered by other available funding sources
- This funding is necessary to ensure adequate COVID-19 mitigation, preparedness, response efforts
- The State of Alaska originally appropriated \$20 million towards these efforts, but it was necessary to increase this appropriation to \$40 million to address the ongoing Public Health needs of the pandemic
- With multiple other response fund sources set to expire over the coming months (FEMA included) and the number of COVID infections rising again, the Alaska Division of Public Health anticipates an increased demand on this CSLFRF appropriation
- This funding supports COVID-19 testing contract, testing materials and sequencing supplies that are beyond CDC federal funding levels
- This funding supports communications to public about COVID-19 testing, vaccination and other resources; data modernization efforts related to enhanced data analytics for dashboards for public facing websites, improved data collections systems and electronic health records
- This funding supports Alaska Division of Public Health staff time to support a COVID-19 call line and occasional non-permanent staff in Public Health Nursing, Public Health Laboratories and Epidemiology
- This funding provides community Public Health support including the mobile integrated health project, safer large event planning, and projects related to recruitment and retention of CNA and LPN staff for nursing homes and hospitals
- This funding supports Public Health administrative expenses such as supplies, postage, zoom account to support communications with the public
- This funding will be used to support activities such as data modernization, additional COVID-19 testing and sequencing supplies, further community support to reopen large events around the state, a mobile integrated health project with EMS around the state, and CNA and LPN workforce development projects

Performance Information:

- The CNA training program awarded 11 grants to facilities/training programs that served 188 individuals who completed the training
- To date 67 individuals have passed the CNA certification exam and 116 are needing to complete or retake the exam
- Other performance measures for this project are still under development.

Project Expenditure Category: 1.14 Other Public Health Services

Project 12ARPAC00: Domestic Violence & Sexual Assault Victim Services Grants

Funding Amount: \$8,000,000

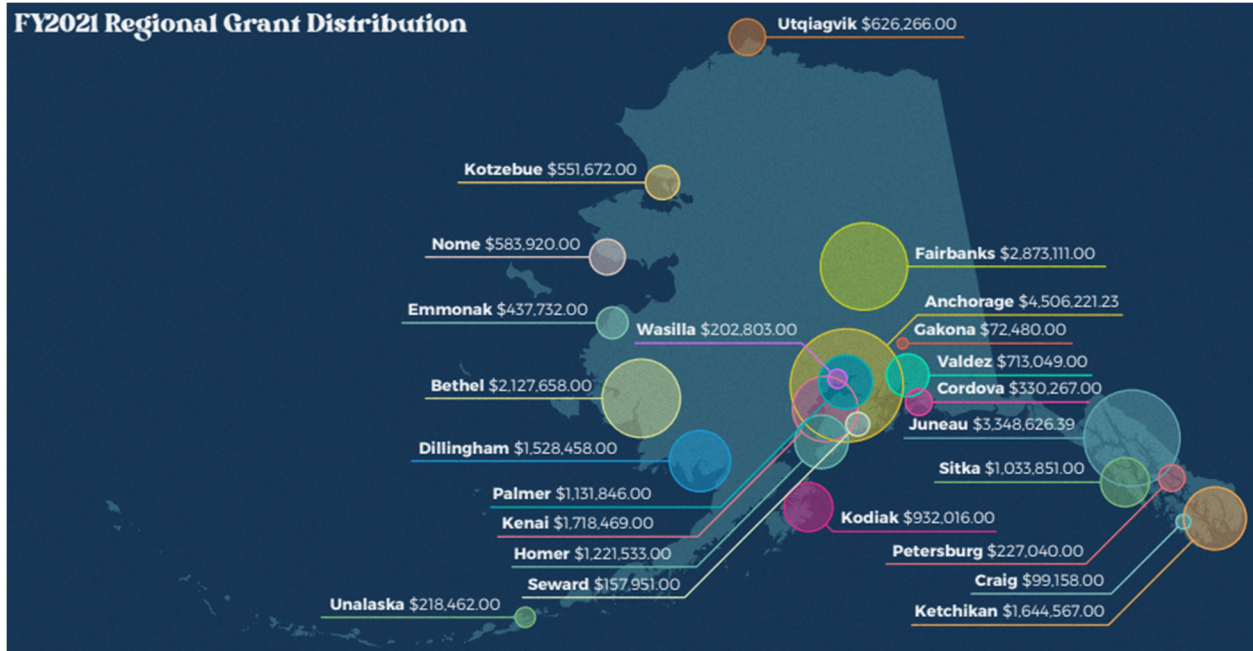
Project Overview:

- This funding supports grants to community partners providing Victim/Enhanced Services
- Victim/Enhanced Services are critical emergency and safety programs that intervene in life-or-death situations
- Shelter services make-up 30% of victim services provided
- Other services provided include individual advocacy, individual counseling, and crisis intervention
- A survey of service providers revealed
 - A majority of shelters are having to reduce their capacity to provide safe social distancing and use alternative housing to provide safe and healthy support for victims at a higher cost
 - Shelter costs increased due to social distancing and mitigation factors requiring more expensive overflow beds in rented apartments and hotel rooms
 - Many service providers have increased their provision of services via distance
 - The use of telehealth/telephonic services has increased from 24% to 65%
 - However, some individuals do not feel comfortable seeking services unless they can be provided in person
 - “30% of clients enrolled in services decided to postpone continuing services until they can be seen in person”
- These grants are administered by the Alaska Council for Domestic Violence and Sexual Assault (CDVSA)
- A key priority for CDVSA is the oversight, monitoring, and commitment to its fiduciary responsibilities as it relates to managing state and federal public funding
- <https://dps.alaska.gov/CDVSA/Home>

Performance Information:

- These funds are entrusted to CDVSA and its staff to ensure they are spent and awarded to sub-grantees in a transparent, efficient, and effective way
- 2021 Victim Services Overview Data
 - There are 26 Victim Services community sub-grantees, and 18 Enhanced Services community sub-grantees
 - These sub-grantees served 7,530 unique men, women, and children

- 40% Alaska Native; 75% Female; 11% Children/Youth
 - These sub-grantees provided 74,632 shelter nights
 - With these additional funds, programs serving victims of domestic and sexual assault have been able to keep their doors open 24-7 to meet the emergency and safety needs of victims and survivors in a COVID safe environment



Project Expenditure Category: 2.1 Household Assistance: Food Programs

Project 110321069: FY22 Yukon River Salmon Food Security Project

Funding Amount: \$175,628.73

Project Overview:

- Address the state’s most critical food security needs in communities disproportionately impacted by COVID-19 food supply chain disruptions due to other food supply concerns such as poor subsistence fish runs
- This project was designed to address food security issues driven by COVID-19 economic impacts and focusing on disproportionately impacted communities
- To date the project has focused on the Yukon River communities that were impacted by poor salmon fisheries subsistence in addition to ongoing food supply issues resulting from COVID-19.
- Food security assistance was provided by purchasing frozen salmon for communities and distributed by native community tribal councils to reach the maximum number of those in need
- Targeted communities for aid were selected in the Kusilvak Census Area and Yukon–Koyukuk Census Area
- Community eligibility was determined by Qualified Census Tract (QTC) status and “disproportionately impacted community” status
- Disproportionately impacted communities were identified by low to moderate median income thresholds and protected class status as outlined in the Interim Final Rule (released May 2021) and the Final Rule (released January 2022)

Performance Information:

- This program resulted in over 70,000 pounds of donated salmon being distributed to 3,284 households
- Every household in the 40 communities served by this project are a historically marginalized race (indigenous Alaskans) and/or fall below 60 percent of the Area Median Gross Income (AMGI) or have a poverty rate of 25 percent or more
- The State partnered with Tanana Chiefs Conference, Association of Village Council Presidents, Coastal Villages Regional Fund, and the Fish for Families program to gauge community needs and success of distributing to all households identified for the project
 - surveys of households and discussions with community representatives found that the need is greater than the quantity supplied this in FY22, and four mid-river communities did not receive full quantities of salmon intended under this project
 - these communities will be among the first communities for salmon donations in FY23

Project 3FSEP23YKN: FY23 Yukon River Salmon Food Security Project

Funding Amount: \$500,000.00

Project Overview:

- This project will mirror the one above
- Poor salmon runs and COVID-19 related food supply chain concerns continue, and food assistance will be necessary again in FY23

Performance Information:

- Performance data will be provided in the State's next Recovery Plan, July 2023

Project Expenditure Category: 2.2 Household Assistance: Rent, Mortgage, and Utility Aid

Project 088411269: Grants to Electric Utilities for Delinquent Accounts

Funding Amount: \$7,000,000

Project Overview:

- The State is partnering with electric utility providers to ensure continued service to impacted households
- The negative economic impacts of COVID-19 often resulted in unpaid utility bills that remain in arrears
- To address this negative economic impact and ensure service continues to Alaska households, funding was provided to electric utility companies to cover the accounts still in arrears

Performance Information:

- This program has served 3,418 households to date
- The measure of success for this program will be that no utility rate increase requests will be needed in 2022 or 2023 because of COVID-19 related delinquent payments
 - This performance data will be provided in the State's next Recovery Plan, July 2023

Project Expenditure Category: 1.8 COVID-19 Assistance to Small Businesses

Project 088391269: Tourism & Other Businesses COVID Relief

Funding Amount: \$90,000,000

Project Overview:

- This program was established to ensure small businesses impacted by revenue loss during the pandemic could remain viable
- Businesses were required to provide documentation (e.g. federal tax return) and description of their revenue loss and how it was a direct result of the manner in which COVID-19 impacted the economy related to their business
- The State has partnered with the Juneau Economic Development Council for the administration of this program

Performance Information:

- This program has provided grants to 386 small businesses across Alaska to date
- The measure of success for this program will be businesses receiving grants that are still in operation in calendar year 2023
 - This performance data will be provided in the State's next Recovery Plan, July 2023

Project Expenditure Category: 2.10 Aid to Nonprofit Organizations

Project 088381269: Non-Profits to Offset Revenue Loss

Funding Amount: \$20,000,000

Project Overview:

- This program was established to ensure that nonprofits could continue to provide services to Alaskans
- Grants under this program may be issued to eligible nonprofits for responding to the public health emergency or its negative impacts or to address reductions in revenue as a result of COVID-19 pandemic by offsetting their revenue losses
- The State has partnered with the Alaska Community Foundation for the administration of this program

Performance Information:

- This program has provided grants to 193 nonprofits across Alaska to date
- The measure of success for this program will be participation of grant recipients in a December 2022 grant report
 - This performance data will be provided in the State's next Recovery Plan, July 2023

Project Expenditure Category: 2.37 Economic Impact Assistance: Other

Project 088391269: Local Governments to Offset Revenue Loss

Funding Amount: \$50,000,000

Project Overview:

- Funds for local governments with significant revenue loss
- The local governments will expend the funds for the provisions of governmental services

Performance Information:

- This program has provided grants to 38 communities across Alaska

- The measure of success for this program will be communities receiving grants that are able to maintain services in calendar year 2022
 - This performance data will be provided in the State's next Recovery Plan, July 2023

Project 04CPV1269: Replace Lost FY21 Community Commercial Vessel Taxes

Funding Amount: \$21,230,720

Project Overview:

- The amount of this appropriation is an estimate intended to make up for the loss of the Commercial Vessel Passenger (CPV) tax revenue shared with port of call communities for both fiscal years 2021 and 2022 (FY21 & FY22).
- The language is written so that the amount shared with local governments for each of these years is the same as what was shared for calendar year 2019, less any tax revenues collected. The FY21 tax collections are based on collections in calendar year 2020.
- Since there were no major cruise ship sailings in Alaska in 2020, there were no tax monies collected.
- The amount of funds that will be distributed in FY22 depend on tax revenues collected during calendar year 2021. There was a partial cruise ship season in 2021, details behind this appropriation are still in development.

Performance Information:

- This program has provided grants to 18 communities across Alaska
- With this funding, these communities have been able to sustain government services or invest in necessary water and sewer infrastructure.

Project 04CPV1269-FY22: Replace Lost FY22 Community Commercial Vessel Taxes

Funding Amount: \$19,463,845

Project Overview:

- The amount of this appropriation is an estimate intended to make up for the loss of the Commercial Vessel Passenger (CPV) tax revenue shared with port of call communities for both fiscal years 2021 and 2022 (FY21 & FY22).
- The language is written so that the amount shared with local governments for each of these years is the same as what was shared for calendar year 2019, less any tax revenues collected. The FY21 tax collections are based on collections in calendar year 2020.
- Since there were no major cruise ship sailings in Alaska in 2020, there were no tax monies collected.
- The amount of funds that will be distributed in FY22 depend on tax revenues collected during calendar year 2021. There was a partial cruise ship season in 2021, details behind this appropriation are still in development.

Performance Information:

- This program has provided grants to 18 communities across Alaska
- With this funding these communities can sustain government services

Project 04FBT1269: Replace Lost Community Fisheries Business Taxes

Funding Amount: \$4,944,504.62

Project Overview:

- The amount of this appropriation is an estimate intended to make up for the loss in FY21 of the Fisheries Business tax revenue shared with communities where fishery resources were processed.
- The language is written so that the amount shared with local governments is the same as what was shared for fiscal year 2019, less any tax revenues collected.

Performance Information:

- This program has provided grants to 37 communities across Alaska
- With this funding these communities can sustain government services

Project Expenditure Category: 6.1 Provision of Government Services

Project 1271MULTI: Government Services - Revenue Loss Replacement

Funding Amount: \$750,470,681.27

Project Overview:

- This funding supports the State's general government services that would traditionally be supported with the State's unrestricted general funds to offset losses experienced because of COVID-19.
- The government services supported by these appropriations include but are not limited to public advocacy, public defenders, Corrections, Troopers, the Alaska Court System, Alaska Pioneer Homes Payment Assistance, Juvenile Justice, and the Senior Benefits Payment Program.