

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE Division of Legislative Finance



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MEMORANDUM

DATE: October 14, 2016
TO: Legislative Budget and Audit Committee
FROM: David Teal, Director
SUBJECT: Preparation for the October 17, 2016 LB&A Meeting

OMB submitted the following FY17 RPLs for consideration at the October 17, 2016 Legislative Budget and Audit Committee meeting. These RPLs, along with Legislative Finance comments, are posted on our web site at <http://www.legfin.akleg.gov>.

RPL#	Agency	Subject	Amount	Fund Source
06-7-0283 Operating	Health and Social Services	Behavioral Health Substance Abuse Grants	\$3,000,000	Federal Receipts (1002)
10-7-5000 Operating	Natural Resources	Forest Inventory and Analysis	\$1,147,500	Federal Receipts (1002) Multi-Year (FY17-FY19) request modified to FY17 only.
12-7-3004 Operating	Public Safety	Council on Domestic Violence and Sexual Assault Grants	\$1,000,000	Federal Receipts (1002)

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 Health and Social Services
Division of Behavioral Health
Behavioral Health Treatment and Recovery Grants**

Subject of RPL: Medication Assisted Treatment SAMHSA Grants	ADN/RPL #: 06-7-0283
Amount requested: \$ 3,000,000	Appropriation Authority: Sec1 Ch3 4SSLA 2016 pg19 ln31
Funding source: \$ 3,000,000 Federal Receipts(1002), Operating	Statutory Authority: AS 44.29.020(7), AS 47.30

PURPOSE

The Department of Health and Social Services, Division of Behavioral Health, requests \$3,000.0 in federal authorization. The additional authorization will be used to receive new funding from Substance Abuse and Mental Health Services Administration (SAMHSA) for the Prevention and Treatment of Opioid Addiction; SAMHSA Partnership for Success (PFS) grant; and increased awards for existing grants from the Substance Abuse Prevention and Treatment (SABG) and Community Mental Health Services (MHBG) block grant.

PREVIOUS LEGISLATIVE CONSIDERATION

This request is for an increase in the federal authorization for receipt of new funds being awarded by the Substance Abuse and Mental Health Services Administration (SAMHSA).

TIMING ISSUES

The division receives block grant funds for Substance Abuse Prevention and Treatment Block Grant (SABG) and Community Mental Health Services Block Grant (MHBG). Through additional initiatives the division applied for and was awarded additional funding for opioid initiatives. Application for the funding was submitted after the SFY2017 budget submission. The notification of award (NoA) was announced to states in April.

BUDGETARY ISSUES

The Division of Behavioral Health's goal is to protect and improve the quality of life for people who are impacted by mental disorders or illnesses. The increase of federal authority is necessary to ensure funding of these efforts.

Grantees are awarded not to exceed amounts for a fiscal year, unspent awards are subsequently returned to the state at the end of the fiscal year. These returned grant funds contribute to the history of lapsed federal authority in this division in prior fiscal years. However, in order to issue new grants for SAMHSA opioid initiatives the division requires sufficient federal authority to obligate the maximum possible award.

Currently the division has awarded grants totaling \$9,155.5 in federal authority. Existing federal authority in the division is insufficient to cover all active grants while maximizing the federal allocation of personal services and other operating costs.

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LFD Contact: Amanda Ryder, 907-465-5411

The division is in receipt of two new awards for the opioid initiative totaling \$2,000.0, \$300.0 for SABG, \$150.0 for MHBG, and \$550.0 for the Partnership for Success Grant.

The additional awards will be used to fund grants in the Behavioral Health Treatment and Recovery Grants and Behavioral Health Prevention and Early Intervention Grants Components and for administrative costs in the Behavioral Health Administrative Component.

The division has a total federal authorization of \$12,658.2. This increase in federal authorization is needed for grant payments to process and for existing staff to begin working on the opioid initiatives through direct services and contracts. The department will be able to claim additional indirect costs for receipt of this funding. Additional general fund obligations are not associated with receipt of these funds.

The Division of Behavioral Health does not project to have excess federal receipt authority for FY2017. An increment for federal authorization is being considered in the FY2018 Governors Budget. Funds are awarded in two year grant cycle possibility for future funding is contingent upon ongoing national initiatives.

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

During the 2016 session, the Department received a \$6 million UGF supplemental appropriation for FY16-FY19, to combat Substance Use Disorders (Sec 9, CH1, 4SSSLA 2016 (HB257)). The LB&A Committee may wish to ask if the expenditures of this federal funding will be similar to the expenditures of \$6 million UGF appropriation.

**Department of Natural Resources
Fire Suppression, Land & Water Resources
Forest Management & Development**

Subject of RPL: Forest Inventory and Analysis	ADN/RPL #: 10-7-5000
Amount requested: \$ 1,147,500	Appropriation Authority: Sec 1 Ch 3 SLA 2016 Pg 31 Ln 18
Funding source: \$ 1,147,500 Federal Receipts (1002) Multi-Year Operating (FY17-FY19)	Statutory Authority: AS 41.17.055

PURPOSE

The Department of Natural Resources, Division of Forestry requests an increase of \$1,147,500 in federal authority in the capital budget. The purpose of this project is to conduct Forest Inventory Analysis (FIA) in interior Alaska’s boreal forest ecosystems in collaboration with the United States Forest Service (USFS), and NASA scientists and personnel with expertise in implementing large-area forest inventories.

Legislative Fiscal Analyst Comment: The increase in authorization is an operating item, not capital as stated in the Department’s request. A multi-year operating RPL is not customary – the purpose of the RPL process is to address short-term deficits in receipt authority, not to address future budgets. Since this is the first part of a larger project, it would be more appropriate to approve the funding for FY17 only. DNR can bring the full project before the legislature in the FY18 budget process. The department expects to expend most of the requested amount in FY17.

Collaboration between the partners will produce improved methods for measuring boreal forests, including ground breaking work with NASA – Goddard Space Flight Center to deploy and demonstrate the use of a new remote sensing tool called GLite. The project’s methods will have application to all forested areas in Alaska and will provide the USFS research ability to more effectively achieve its mission to fully implement the FIA program in all 50 states.

Interior Alaska is the last geographic location in the nation that doesn’t have a fully implemented FIA program, essentially the nation’s forest census. The program can trace its origins to the McSweeney - McNary Forest Research Act of 1928 (P.L. 70-466). This law initiated the first inventories starting in 1930’s and we are finally adding the last major location.

Through this project we will collect and analyze FIA data in the Tanana Valley watershed (an area the size of Arkansas) in order to evaluate forested conditions. The Tanana Valley is the focal point of the Pacific Northwest FIA’s current field efforts in the interior. Previously this area was the focus of the 2014 Tanana Valley Pilot and will continue to be the main area of FIA interest from 2016-2018. The forests of the Tanana Valley are also an area of key interest to multiple stakeholders in Interior Alaska and is home to the Tanana Valley State Forest (1.8 million acres) which is actively managed to provide a sustainable timber supply to the forest products sector; producing both revenue and jobs for Alaska.

The benefits to the state will accrue over time as the initial forest inventory grid is established and then re-measured over a ten-year cycle. The information will help inform policy formulation, particularly related to wildland fire, as well as operational decisions concerning sustainable management and harvest of forest resources. The data will enable the assessment of ecological

change over time (changes in species distributions, carbon flux from fire, soil and forest health conditions, etc.) across this vast region.

The USFS and State have a mutual benefit and interest in this effort, as this project will further develop the techniques and methods needed to efficiently establish FIA filed plots in remote regions of Alaska. This ground-collected data will be used in combination with airborne and satellite remote sensing information to complete assessments of environmental conditions across the region.

As the State is not familiar with the multitude of complexities with implementing an inventory of this nature, the USFS will work together with the Department of Natural Resources, Division of Forestry (DOF) to implement this inventory, with a goal of handing off the majority of the work to DOF by 2018.

We anticipate a three year phased strategy, completing 100-150 plots in 2016, approximately 250 plots in 2017, and 350-400 plots in 2018. At the completion of this transition, we anticipate that DOF will be able to function independently and will continue to install the inventory grid over the rest of Interior Alaska. The USFS will still be a key partner and will participate in various ways, including providing funding, quality control of data and inventory process, and in other ways that both parties find mutually agreeable.

PREVIOUS LEGISLATIVE CONSIDERATION

This project was not established when the finance committees were in session, nor did was the grant in place while preparing the FY2017 budget request. There is a previous grant for Forest Inventory and Analysis for \$149,000 which was received from the USFS in FY2016.

There is currently no intent language in the appropriate bill for FY2017, and there have not been any previous RPLs for this project.

TIMING ISSUES

A Joint Venture Agreement (JVA) with the USFS, Pacific Northwest Research Station was signed on May 13, 2016 and is attached. The funding was dependent on an increase in the Federal FY2016 budget line item for FIA at the national level and then allocations to the various research stations, including the Pacific Northwest Research Station that is our partner for this project. The final allocations and green light for this project was not certain until this spring.

The funds are imminent, the May 13, 2016 signed agreement documents federal funds of \$1,147,505. The funds will lapse on December 31, 2018.

The work has been scheduled to start during calendar year 2016 and the federal authorization is needed for the State of Alaska to stay on schedule with field work that begins this season including joint training and work with the USFS.

The USFS desires to obligate funding before their wildland fire season begins in earnest, which could result in funds being taken for wildland fire suppression expenses, which has occurred across program areas in the USFS the past three fiscal years. This funding was recently secured with the aid of the Alaska congressional delegation and is an increase to the national base program, thus annual funding will be made available via the normal federal fiscal year cycle.

If the funding is delayed or disapproved, the work will not be initiated on time and the data will not be available for continued planning and scheduling with the USFS. In addition, funding may be diverted for other purposes (wildland fire costs) and be lost for this year.

BUDGETARY ISSUES

This funding fits into long-term plans, mission and measures for the DOF to sustainably manage Alaska's forest resources. This project will provide important baseline data across all land ownership and will provide key information on wildland fire cycles and impacts, soil and permafrost dynamics, and forest health and resiliency at a time of great environmental change, especially for the boreal forest.

The project also provides an opportunity to attract and hire new entry level forestry staff and will assist in rebuilding a recruitment pipeline for the DOF. This project is a bright spot in an otherwise difficult fiscal climate that has resulted in severe reductions to the forest management component of the DOF over the past three years (37% GF).

The line item distribution of the proposed expenditures:

Personal Services	\$298,610
Travel	\$618,000
Services	\$ 30,200
Commodities	\$149,961
<u>Indirect</u>	<u>\$ 50,734</u>
Total	\$1,147,500

This grant is eligible for use for two to three years through the USFS. Annual JVAs will be established each federal fiscal year., There is a 20 percent match requirement and we have been able to address this by in-kind contributions for use of our helibase and aviation staff time for helicopter procurement and flight following through our dispatch centers via our Fire Program. There is no hard dollar match anticipated for this program. We are negotiating with the USFS to lower the match requirement or modify line items in the budget that require a match for future JVA agreements.

This grant does not afford the possibility of replacing general fund dollars. The match requirement is being met by utilizing services the Fire Program already provide as a routine part of our wildland fire program and we have assigned a value to the portion they are providing the FIA project.

This grant will provide funding for four positions located in Fairbanks. One existing position PCN 10-9493 will be funded, as well as approximately 4 long-term and short term non-permanent positions.

We do not have any excess receipt authority for this federal grant. These funds will be used in FY2017 through approximately FY2019.

As the DOF phases into the full effort over the next three years, there will be a need for increased federal authority. The anticipated annual project need will be \$2.5 to 3 million.

Legislative Fiscal Analyst Recommendation: Approve the full amount of the RPL as a single-year item. The multi-year reference has been crossed out to reflect LFD concerns regarding multi-year operating RPLs.

**Department of Public Safety
Council on Domestic Violence and Sexual Assault**

Subject of RPL: Council on Domestic Violence and Sexual Assault	ADN/RPL #: 12-7-3004
Amount requested: \$ 1,000,000	Appropriation Authority: Sec1 Ch3 4SSLA 2016 Pg 34 Ln 21
Funding source: \$1,000,000 Federal Receipts (1002) Operating	Statutory Authority: AS 18.66.010-.060

PURPOSE

The Department of Public Safety, Council on Domestic Violence and Sexual Assault (CDVSA), requests additional federal receipt authority to coordinate, administer, and monitor funds to programs that provide safety and services for Alaskans affected by domestic violence, sexual assault, and other violent crimes.

To ensure continued funding for this statewide priority of stopping the cycle of domestic violence and funding prevention and adequate victim services, CDVSA requires additional federal receipt authority in FY2017 budget.

Following is a list of federal grants that have increased from previous years, and total approximately \$1,000,000:

1. The U.S. Department of Justice, Office on Violence Against Women, Services-Training- Officers-Prosecutors grant award is approximately \$800,000-\$850,000. This is an increase of approximately \$100,000 over the amount received in previous years.
2. The U.S. Department of Justice, Office of Justice Programs, Victims of Crime Act grant award is approximately \$4.9 million to be spent over a period of four years. This increase applies to FFY 15 and 16 awards. CDVSA anticipates recognizing between \$1.5 and \$2 million each year, which is an increase of \$600,000.
3. CDVSA has also received a new training and technical assistance grant from the U.S. Department of Justice, Office of Justice Programs, Office of Victims of Crime. The amount will be between \$100-150,000 annually.
4. The U.S. Department of Health & Human Services, Family Violence Prevention Services Act grant increased to approximately \$800,000 from \$650-700,000 annually, for an increase of \$150,000.
5. The remaining estimated receipts of \$910,900 from other federal grant awards are not anticipated to change substantially.

	Current Budget	Anticipated Receipts	This Request
Services Training Officers Prosecutors Grant	\$750.0	\$850.0	\$100.0
Victims of Crime Act Grant – Victim Assistance	\$1,400.0	\$2,000.0	\$600.0
Office of Victims of Crime Grant – Training & Technical Assistance	\$0.0	\$150.0	\$150.0
Family Violence Prevention Services Act	\$650.0	\$800.0	\$150.0
Other Federal Grants	\$910.9	\$910.9	\$0.0
Total	3,710.9	4,710.9	1,000.0

PREVIOUS LEGISLATIVE CONSIDERATION

The Department of Public Safety, Council on Domestic Violence and Sexual Assault, has not previously requested additional federal receipt authority to be utilized to administer federal funds to programs that provide services to Alaskans impacted by domestic violence and sexual assault in Alaska.

TIMING ISSUES

There has been an increase in federal grant award funding received by CDVSA and they currently lack federal receipt authority to receive the entire increase in federal grants awarded. The increased federal receipt authority will allow CDVSA to accomplish coordinating, administering and monitoring funds to programs that would not otherwise be possible.

CDVSA received their annual Victims of Crime formula grant which unexpectedly increased from \$1.4 million to \$4.9 million to be spent over a period of four years. The department was not aware of this increase in time to include it in the FY2017 budget request. If this request is not approved, CDVSA will have insufficient federal receipt authority to utilize all available federal funds.

BUDGETARY ISSUES

The increased federal receipt authority will allow for additional grant funds to be provided to programs that fit into CDVSA's mission of providing a system of statewide crisis intervention, perpetrator accountability, and prevention services to Alaskans victimized or impacted by domestic violence and sexual assault.

The FY2017 budget for CDVSA is \$16,607.2, of which \$3,710.9 is funded with federal receipts. With the projected increases and new awards of approximately \$1,000.0, CDVSA anticipates total collections of up to \$4,710.9. The \$1,000.0 increase is being requested now to ensure all potential available federal funds can be received.

No general funds will be used and no additional match is required for this work. Continuing federal receipt authority will be requested in the next budget and will be utilized during each state fiscal year.

No new positions are required to fulfill the grant objectives.

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

During the 2016 session, CDVSA received \$1 million DGF (Recidivism Reduction Funding, SB91, Ch. 36, SLA 2016); \$800.0 for statewide prevention services and \$200.0 for research evaluation and materials for rural areas. The grants included in this RPL are for different purposes than SB91 funding, specifically for training and services to victims of violent crimes. According to CDVSA, there will not be funding overlap if this request is approved. A corresponding request for \$1 million in federal authority is anticipated for FY18.

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LFD Contact: Kelly Cunningham, 465-3821