



City and Borough of Juneau
 City & Borough Manager's Office
 155 South Seward Street
 Juneau, Alaska 99801
 Telephone: 586-5240 | Facsimile: 586-5385

DATE: July 8, 2019
 TO: Maria Gladziszewski, Chair, Assembly Committee of the Whole
 FROM: Mila Cosgrove, Deputy City Manager
 RE: Potential Impact of Governor's Vetoes

Direct Impacts in FY20:

The following vetoes will have a direct impact on CBJ finances in FY20.

Veto	Fiscal Impact	Response Strategy
50% veto on School Bond Debt reimbursement	\$3,700,000	Short Term: recommend Protected Budget Reserve with a plan to increase mil rate to pay back the fund. Should look at remaining debt obligations in considering overall plan.
Medicaid Cuts - BRH	\$1,500,000	BRH may need to raise service fees to cover loss of funding.
Medicaid Cuts – CCFR	Undetermined	Medicaid is 30% of ambulance revenues. Reductions will likely result in needing additional general fund support.
OWL/Live homework help - Library	\$10,000	Program would likely have to be cut.
State Travel cuts	Undetermined	Airport: reduced state travel will impact AIP (annual entitlement dollars) and Passenger Facility Charges (PFC).
Local Emergency Planning Council	\$16,000	The LEPC coordinates local and regional emergency preparedness.
Total Direct Impact	\$5,226,000+	

Immediate Indirect Impacts:

The following vetoes have the potential to impact the community through job losses, economic contraction and/or reduction or elimination of services. The financial impact on CBJ is harder to predict but could result in lower sales and property tax revenues as well as increased grant requests to CBJ to provide baseline services.

Veto	Anticipated Impacts
41% cut to the University of Alaska UAA, UAF and Statewide operations	While funding for UAS remained intact, the Juneau campus is home to UAF and UAA faculty and Statewide employees. Loss of jobs will impact the economy. Loss of statewide educational

	opportunities will impact workforce readiness and ability to recruit and retain workforce from out of state.
Cuts to Homelessness and Housing services	Three key programs were cut - Homeless Assistance Program (HAP), Human Services Community Matching Grants (HSCMG), and Community Initiative Matching Grant Program (CIMBP). Glory Hall is reporting that 25% of their operating funds come from the areas that have been vetoed. They are looking at service cuts to accommodate. Other providers will likely follow suit. Total impact to community is \$913,918. See Table A below for more detail.
Senior Benefits	There are 321 senior citizens in Juneau that qualify for this program.
Early Childhood Education (See Table B)	Up to 100 children may lose early learning support, an estimated 10 jobs, plus 600 children with less literacy support. This will further adversely impact the existing childcare capacity issue in Juneau. We are still trying to verify if there will be a \$150,000 reduction to JSD for the Kinder Ready program.
Behavioral Health Treatment and Recovery Grants	The following are local Juneau organizations that receive these grant funds: <ul style="list-style-type: none"> • Gastineau Human Services • Hope Community Resources • Juneau Alliance for Mental Health, Inc. (JAHMI Health and Wellness) • Juneau Youth Services, Inc. • Rainforest Recovery Center • Southeast Alaska Regional Health Consortium With the proposed reduction in Medicaid funding, the housing and homelessness cuts and the 5% overall reduction of behavioral health rates, it is likely there will be significant adverse impact on local providers and the clientele they serve.
Cuts to Public Broadcasting – Radio and T.V.	Total extent of impact unknown at this time, has potential to adversely impact legislative coverage through gavel to gavel.
DEC Air Quality Monitoring	Cuts to the DEC Air Quality program could compromise CBJ's ability to administer the Mendenhall Valley Air Quality Monitoring program. DEC maintains the air quality sensor that our program uses to determine when to call an Air Emergency. Without DEC's monitoring station, we won't be able to manage the program. But since the descriptions of the cuts are general, it's hard to tell what the proposed cuts will mean for the program
Staffing for Public Defender Agency	Veto of increment for Public Defender Agency leaving current staffing in place.
Eliminate Law Office Assistant	This position was proposed to assist with the backlog of work on the DA's office. Continued triage and backlog of cases is anticipated.
Alaska Legal Services	Reduces funding for legal services to low income and other vulnerable individuals.
Eliminate State Council on the Arts	Program elimination will reduce arts programming in Juneau.

Repeal Ocean Rangers Program	Reduces environmental monitoring on cruise ships.
Civil Air Patrol	Will reduce response readiness in the community.
State Recorders Office in Juneau Closing	May need Ordinance revisions to Title 49

FY21 Impacts:

The following vetoes should be monitored to understand the impact on the community.

Veto	Anticipated Impacts
Capitalize Community Assistance Fund	Will not impact FY20 funding but may impact FY21 funding.
K12 Education	No immediate impact, may cause difficulties for school district in FY21 funding.

Table A

Program	BHAP	HSCMG/CIMGP	AHFC Match	Total
Alaska Coalition on Housing and Homelessness			\$133,711	\$133,711
AWARE		\$50,000	\$18,919	\$68,919
Gastineau Human Services, Glory Hall, AWARE, Alaska Housing Development Corporation, St. Vincent DePaul	\$636,450			\$636,450
Juneau Cooperative Christian Ministry		\$50,000		\$50,000
St. Vincent De Paul SRA			\$24,838	\$24,838
Totals				\$913,918

Table B

Notes from Joy Lyon at AEYC

Head Start:

Based on statewide projections, Southeast Alaska could potentially lose 3 classrooms, 50 children, and 9 jobs. Tlingit and Haida serves 10 communities in Southeast, so it is unknown yet which communities would see reduced services.

PreK:

1.2 million cut. There is some question about whether the upcoming year will still be paid to 9 grantees including Juneau for a final year. Bridget Weiss would be the best person to know about Juneau School District impacts, but potentially 2 Kinder Ready classrooms, 30 children, 4-5 jobs. The local CBJ investment will really help buffer the impacts this year.

Parents As Teachers:

\$474,700 cut eliminates all state funding for the program. For Juneau that is a reduction of \$90,000 for home visiting support for 35 children, 1.5 jobs. AEYC will continue to offer reduced services through the STEPS grant with Association of Alaska School Boards, and an Alaska Children's Trust grant.

Best Beginnings:

AEYC receives an annual matching grant to serve nearly 1200 Juneau children on the Imagination Library. We will need to raise an additional \$15,000 per year to continue enrollments, at \$25 per child per year for this all volunteer run program. Or we would need to reduce enrollment to 600 Juneau children (7,200 fewer books delivered per year).

Child Care Assistance and thread Alaska services are primarily federal pass through funds. Since there was a federal funding increase last year, the State Child Care Program Office has proposed increases in child care assistance rates and increased parent eligibility that will hopefully be implemented by October. Parents will then be better able to afford the cost of licensed child care. Many, if not most, states supplement the federal child care assistance funds to increase services, but Alaska only contributes the minimum match to draw down the funds. In spite of the federal increase, AEYC still received a 5% reduction of thread funds this year, and we eliminated a half time position for the child care assistance program.