

ALASKA STATE SENATE MAJORITY



April 9, 2020

Hon. Secretary Steven Mnuchin
Department of the Treasury
1500 Pennsylvania Ave., NW
Washington, DC 20220

Re: Treasury Guidance on What the Governor of Alaska is **Not** Allowed to Use the \$1.25 Billion CARES Act Funds For

Dear Hon. Sec. Mnuchin:

Governors nationwide are getting substantial amounts of money across the country. We, the below signatories, are looking for Department of Treasury legal guidance as to what the money cannot be used for. What are the restrictions?

On April 7, 2020 Alaska Governor Dunleavy announced his state budget vetoes for Fiscal Year 2021.¹ The vetoes include, but are not limited to, the following examples:

1. \$12.5 million less for the University of Alaska;
2. All state support for municipal school bond debt reimbursement.²

Governor Dunleavy has claimed that federal CARES Act funds (\$1.25 billion and other sources) may help “fill the gap.”

We’ve read Section 5001(d) of the CARES Act (which provides the eligible purposes for which Coronavirus Relief Fund payments may be used).³ We understand that Governors (who have receipt authority) may make payments for programs that are:

1. Necessary expenditures incurred due to the COVID-19 public health emergency;
2. Were not accounted for in the budget most recently approved as of the date of enactment (March 27, 2020) of this section for the State or government; and (3)
3. Were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

¹ <https://www.alaskapublic.org/2020/04/07/dunleavy-vetoes-budget-items-with-plan-to-replace-majority-of-cuts-with-federal-funds/>.

² *Id.*

³ *See* Section 5001(d) of the CARES Act, p. 603.

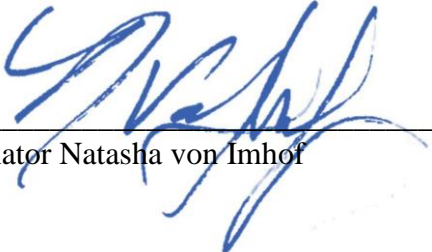
Having reviewed this language (and having reviewed the Public Health Service Act (which is found in 42 U.S.C.A §§254-256, and referenced as the “Application of Provision” section in Sec. 5001 in the CARES Act), we have questions as to what Governor Dunleavy can actually use the \$1.25 billion for.

Legitimate COVID-19 related funding concerns, subject to the provisions of the CARES Act, are expected. For example: Items that are directly COVID-19 related that were not considered in FY20 (either through the operating budget or its supplementals) are anticipated. But can the Governor claim to veto items in the FY21 budget, even if the funding is not directly related to COVID-19 health crisis (like school bond debt reimbursement or covering operational costs for the Alaska Marine Highway System)?

Your direction on this matter is appreciated.

Sincerely,


Senate President Cathy Giessel


Senator Natasha von Imhof

Cc:

US Senator Lisa Murkowski
US Senator Dan Sullivan
US Congressman Don Young