

FY2019 Supplemental Requests -- Released January 28, 2019

CAPITAL

Item	Agency	Summary of Request	UGF	DGF	Other	FED	Total	Bill Reference	FY19 Justification
1	DCCED	National Petroleum Reserve - Alaska Impact Grant Program Additional Distribution (Language)	-	-	-	13,371.5	13,371.5	p. 13, line 12	A supplemental appropriation is required for additional FY2019 National Petroleum Reserve-Alaska (NPRA) receipts due to both statutory direction to pursue a supplemental appropriation and statutory lapse requirements for NPRA revenue received in excess of appropriations. AS 37.05.530(d) directs the department to pursue a supplemental appropriation if impact is greater than anticipated. For FY2019, an initial appropriation was made totaling \$11.6 million; however, revenue received through 8/31/18 to fund FY2019 projects totaled \$24.9 million. The supplemental request is for the difference between revenues received and the initial appropriation. If funds are not appropriated as a supplemental appropriation, the unappropriated revenue will lapse on 6/30/19 according to AS 37.05.530(g), and would no longer be available to fund impact projects.
2	DOC	MH: Renovation and Relocation of the Women's Integrated Mental Health Unit at Hiland Mountain Correctional Facility	2,540.0	-	1,145.0	-	3,685.0	p. 6, line 9	The Alaska Mental Health Trust is reticent to commit their funds without the Department receiving State funding. Additionally, the Department is seeing impacts as a result of the reduced capacity at the Alaska Psychiatric Institute and therefore this project is a high priority for completion this year. This project will greatly enhance the Department's ability to address the needs of inmates and better prepare them for healthy return to society.
3	DEC	Statewide Per- and Polyfluoroalkyl Substances (PFAS) Identification of Sites and Related Costs	-	9,425.0			9,425.0	p. 6, line 15	Additional information forthcoming.
4	DMVA	Transfer Termed Projects Unobligated Balances back to the General Fund - Estimated to be \$817.2 (Language)	(817.2)	-	-	-	(817.2)	p. 10, line 17	These projects have termed and the funds can be returned to the general fund.
5	DNR	Upgrade and Repair of Critical Volcano Monitoring Instruments	-	-	-	4,250.0	4,250.0	p. 6, line 21	<p>This project is federally funded to replace the data transmission equipment on Alaska’s monitored volcanoes. The existing equipment uses analogue, radio technology to transmit the volcano monitoring data to Anchorage. The radio frequencies used have been re-assigned and will no longer be available for this use. The equipment is being replaced over the next three years in a systematic manner, and the USGS has awarded these funds for the logistical aspects of that conversion.</p> <p>The majority of the funds will be used to transport equipment and people out to the remote locations to do the work. Helicopter and ship support, fuel, and people consume the vast majority of the spending. The work is broken out by area - the volcano monitoring equipment will be replaced according to the following plan:</p> <p>Year 1 (FY2019): 62 ship days; 88 helicopter days; (Adak area, Alaska Peninsula, Katmai, Unimak) Spend \$1,951,296</p> <p>Year 2 (FY2020): 59 ship days; 84 helicopter days; (western Aleutians, Okmok, Katmai, Cook Inlet) Spend \$1,630,996</p> <p>Year 3 (FY2021): 25 ship days; 60 helicopter days; (various networks including western Aleutians) Spend \$1,164,296</p>
6	DPS	Reappropriation of Capital Projects to Maintenance/Renovation of Rural Trooper Housing - Estimated to be \$1,059.0 (Language)	-	-	-	-	-	p. 6, line 26	This will enable the department to begin the procurement process now so that contracts can be in place and logistical planning and scheduling is ready for work to commence early in the upcoming summer construction season.
7	DPS	Consolidate Multiple Capital Appropriations for Public Safety Equipment Replacement - Net Zero (Language)	-	-	-	-	-	p. 6, line 26	This consolidation of existing law enforcement equipment appropriations results from discussions last year with Legislative Finance. This reappropriation is not urgent and could be dealt with in another appropriation bill.

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8	DOT&PF	Alaska Marine Highway System Vessel Overhaul, Annual Certification and Shoreside Facilities Rehabilitation	-	1,400.0			1,400.0	P. 7, line 6	<p>Supplemental funding is required in FY2019 for overhaul costs related to the ferries Aurora, LeConte, Columbia, and Kennicott. Work will be complete this fiscal year. The Kennicott overhaul is currently in process.</p> <p>These four vessels had unplanned repairs which were discovered while the vessels were in their annual overhauls. Additional repairs are necessary to meet United States Coast Guard requirements, enabling the vessels to operate again this year. The supplemental covers the additional discovery items and allows funding for the overhaul of the Tustumena to meet the Certificate of Inspection requirements beginning in February.</p> <p>Most vessel overhauls are occurring now, or have occurred in the past few months. With the amount of work completed and what still needs completion this year, current funding balances are expected to be fully expended, leaving AMHS short \$1.4 million for necessary FY2019 work.</p>
9	DOT&PF	Klondike - Industrial Use Highway Funding	-	-	787.0	-	787.0	p. 7, line 9	<p>Supplemental funding has been requested to ensure funding is available for the Spring and Summer of 2019 road maintenance and repair activities. The road maintenance and repair season in Alaska is short, so delays to when repairs can start significantly impacts the department's abilities to complete projects on schedule.</p> <p>This appropriation will allow the DOT&amp;PF to make use of Industrial Use Highway funds collected over the last 15 years. Proposed uses include: chip seal activities; pot hole patching; grading; guardrail repairs and replacement; highway markers; delineators or raised pavement markings; and snow condition index markers.</p>
Total Capital			1,722.8	10,825.0	1,932.0	17,621.5	32,101.3		

OPERATING

Item	Agency	Title	UGF	DGF	Other	FED	Total	Bill reference	FY19 Justification
10	DOA	Extension of a Lapse Date: Labor Contract Negotiations and Arbitration Support from FY2019 to FY2022 (Language)	-	-	-	-	-	p. 10, line 1	This multi-year operating appropriation is set to term in FY2019. This extension request is included as a FY2019 supplemental as the current-year effective date is required to avoid lapsing the appropriation at the end of FY2019. There is an unobligated balance of \$440.8 UGF as of 1/29/2019.
11	DOA	Centralized Office of Information Technology - Information Services Fund Alignment with Anticipate Expenditures	-	-	15,000.0	-	15,000.0	p. 2, line 10	<p>Additional Information Services Fund (ISF) authority is necessary to properly budget personal services and contract expenses that were centralized in the Office of Information Technology (OIT) during FY2018. During FY2018, approximately 140 staff were transferred into OIT. In addition, OIT also began consolidating contracts that benefited all agencies into the organization. Both the personal services and the contractual costs were previously paid in each agency. These costs are now being incurred in OIT. In FY2019, OIT established a statewide rate that distributes the costs to each agency for these centralized information technology services. This authorization allows OIT to bring all, new centralized costs on budget.</p> <p>The ISF (AS 44.21.045) is a duplicated fund source. Agencies maintain their funding as services are centralized and pay into the ISF based on the rate determined for the level of services provided.</p>
12	DEED	Repeal FY2019 State Aid to School Districts - One-Time Funding Appropriated Outside the Formula (Language)	(20,000.0)	-	-	-	(20,000.0)	p. 13, line 18	This is FY19 funding that has not been distributed.
13	DEED	School Broadband Access Grant Reduction		(1,175.3)	-	-	(1,175.3)	p. 2, line 16	These funds would laspe to the general fund at the end of the fiscal year.
14	DF&G	Information Technology Systems Upgrade and Maintenance	-	-	276.0	-	276.0	p. 2, line 22	This cost is for the current fiscal year and due to Office of Information of Technology (OIT) for IT services. OIT has been centralizing the State of Alaska IT services to deliver the lowest costs for commodity services across state agencies. During this centralization process OIT identified that Fish and Game was underfunded in prior years. While this in an increase cost to Fish and Game, this is due to the department being underfunded in the past and will allow the department to fully pay for current operating costs in the current fiscal year.

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Item	Agency	Summary of Request	UGF	DGF	Other	FED	Total	Bill Reference	FY19 Justification
15	DH&SS	Medicaid Federal Funding - Implementation of Tribal Health Community Aid/Behavioral Health Aid Program (Language)	-	-	-	75,000.0	75,000.0	p. 10, line 12	The additional \$75,000.0 Federal authority requested is needed to accept federal reimbursement for newly approved Medicaid eligible services for Behavioral Health and Tribal Health Community Aides. These services were recently approved in a State Plan Amendment and begin in FY2019.
16	DH&SS	Medicaid Funding - FY2018 Medicaid Claims Paid in FY2019	15,000.0	-	-	-	15,000.0	p. 2, line 27	DHSS was unable to make the last Medicaid claims payments (\$37,845.8 GF) to providers for FY2018 and instead had to pay those Medicaid claims in FY2019. Additionally, the implementation of two new approved 1915 waivers (\$5,020.0) and CMS' change to add coverage of Autism services (\$3,250.0), which all begin in FY 2019, will increase anticipated GF need in Medicaid. Under SB74 DHSS already made reductions in GF to offset the increases in Medicaid anticipated for the 1915 (c) and (k) waivers.  Total anticipated need -     \$46,115.8 Offset by MCO* <u>(31,000.0)</u> Net need                    \$15,115.8  Supplemental Request rounded to \$15,000.0 *Managed Care Organization
17	DPS	Funding for Salary Adjustments due to Classification Action for State Troopers to Retain and Recruit	3,612.0	-	-	-	3,612.0	p. 3, line 4	The trooper salary adjustments are FY2019 costs - the one-range classification increase for Alaska State Troopers took effect on September 1, 2018.
18	DPS	Align the Village Public Safety Officer Program Funding (Based on Anticipated Lapse)	(3,000.0)	-	-	-	(3,000.0)	p. 3, line 19	These funds are not being utilized and would lapse to the general fund at the end of the fiscal year.
19	DPS	Training Academy Receipt Authority to Fully Collect Revenue from Municipalities	-	150.0			150.0	p. 3, line 22	These are receipts for FY19 that are needed for costs in FY19.
20	DOR	Align Fund Sources for the Management of Funds to Reflect Allocation Plans	(148.2)	-	148.2	-	-	p. 3, line 27	This aligns the funding to reflect the allocation plans for FY19.
21	DOT&PF	Projected Motor Fuel Tax Revenue Shortfall - Estimated to be \$884.9 (Language)	884.9	(884.9)	-	-	-	p. 12, line 14	Central Region Highways & Aviation (\$245.5, UGF) Northern Region Highways & Aviation (\$473.5, UGF) Southcoast Region Highways and Aviation (\$165.0, UGF)  This request seeks to replace aviation and motor fuel tax receipts with general funds if the fuel receipts fall short of the amounts appropriated in sec 1, ch. 17, SLA 201. Fuel tax revenues from the Department of Revenue on 1/24/19 indicate an overall shortfall of funds is expected. In order for regional Highways and Aviation components to continue to operate in FY2019, a fund source swap is requested to backfill fuel tax authority with general funds.  Based on both aviation and motor fuel tax projections from the Department of Revenue on 01/24/2019, an overall shortfall of funds is expected.  Aviation Fuel Tax (fund 1239) estimated projections are \$4,746.3. DOT&PF FY2019 Supplemental need is \$4,775.8. Shortfall expected is \$(32.8). This is split between:  Central Region Highways and Aviation: \$(10.3) Northern Region Highways and Aviation: \$(16.8) Southcoast Region Highways and Aviation: \$(5.7)  Motor Fuel Tax (fund 1249) estimated projections are \$36,141.0. DOT&PF FY2019 Supplemental need is \$36,993.1. Shortfall expected is \$(852.1). This is split between:  Central Region Highways and Aviation: \$(235.2) Northern Region Highways and Aviation: \$(456.7) Southcoast Region Highways and Aviation: \$(160.2)

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22	DOT&PF	Whittier Tunnel Project Loan Payoff	-	-	390.3	-	390.3	p. 3, line 32	Authority will allow full payment of a loan for the Whittier Tunnel project. Revenue is available due to prior year carry-forward of excess Whittier Tunnel Toll Receipts. The additional authority allows the principle and interest balances to be paid in full saving an estimated \$6,712.00 in FY2019 and \$6,630.00 in FY2020. Payment will be made to the Alaska Transportation Infrastructure Bank repayment fund 3229, a sub fund of the general fund.
23	Debt	Updated Estimate for School Debt Reimbursement (Language)	(2,000.0)				(2,000.0)	p. 12, line 19	No communities will be receiving less than 100% of their FY2019 entitlement under the School Debt Reimbursement program. There are a number of factors that contributed to there being \$2,000.0 available to return in FY2019. The FY2019 anticipated debt amount was determined in October 2017, this was before the department knew what the subsidy sequestration reduction would be (which was known in August 2018). In addition, new bond sales that hit in FY2019 were lower than anticipated, and various proration calculations were either missing or needed to be adjusted. The attached document shows what the anticipated debt amount was versus the 100% entitlement amount, as well as comments explaining any differences.
24	Retirement	Updated Amount for the Elected Public Officers Retirement System Benefits (Language)	65.5	-	-	-	65.5	p. 13, line 8	<p>The Elected Public Officers Retirement System (EPORS) is a closed retirement system. Only those who were State Legislators, the Governor, and the Lt. Governor on October 14, 1976, are plan participates. Retirees’ benefits are affected by changes in the benefits of their last position held at retirement and by increases in cost of living adjustments (COLA). There is a constitutional protection provision against decreasing any EPORS retirement benefits.</p> <p>The review of benefits paid to the participant’s last held position are generally performed twice per year. The latest review resulted in an increase to benefits paid to several participants. The EPORS also has one active participant eligible for retirement. The participant would be appointed on the first of the month following termination of employment. These two issues have created the potential that the current EPORS authorization will not be sufficient to cover benefits paid in FY2019.</p>
25	Fund Transfer	Transfer Balance Large Passenger Vessel Gaming and Gambling Tax Account to AK Capital Income Fund (Previously transferred to the AMHS Fund) - Estimated to be \$10.1 million (Language)	-	-	-	-	-	p. 12, line 31	Funding will be deposited into the Alaska capital income fund for deferred maintenance needs of state facilities. The Alaska Marine Highway System fund is sufficient to satisfy the cash flow needs of the Alaska Marine Highway System without the additional deposit in FY2019.
26	Fund Transfer	Transfer \$3 million from AMHS Fund to Information Services Fund (Language)	-	-	-	-	-	p. 13, line 4	<p>The balance of the Alaska Marine Highway System fund is sufficient to satisfy the cashflow needs of the Alaska Marine Highway System without additional deposit in FY2019.</p> <p>The Office of Information Technology (OIT) operates through a cost allocation model by billing state agencies for the cost of maintaining the States technology infrastructure. Under the prior decentralized model, most departments funded replacement of obsolete server hardware through capital appropriations. Depreciation of server hardware assets are more appropriately budgeted as an operating expense and have been included in the OIT rates. However, these expenditures were not previously included in agency budgets. There are many pieces of hardware that are out of warranty with no support remaining from the vendor due to the age of the hardware. As OIT transfers in the hardware, they will need funding to replace items that are out of warranty or are without support. These funds will allow OIT to make those purchases. Capitalizing the information services fund allows OIT to phase in these assets and this cost over the next year.</p>
27	Fund Cap	Alaska Gasline Development Corporation - Transfer \$5 million back to the General Fund (Language)	(5,000.0)	-	-	-	(5,000.0)	p. 10, line 9	These funds will not be spent in FY19.
Total Operating			(10,585.8)	(1,910.2)	15,814.5	75,000.0	78,318.5		
Total Supplemental (Excluding Disaster)			(8,863.0)	8,914.8	17,746.5	92,621.5	110,419.8		

DISASTER SUPPLEMENTAL

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Item	Agency	Summary of Request	UGF	DGF	Other	FED	Total	Bill Reference	FY19 Justification
28	DNR	Fire Suppression Activity (Language)	7,900.0	-	-	-	7,900.0		This supplement provides funding for spring 2019 by increasing the budget by \$7,900.0, a number based on the 10-year average of spring costs not including the highest and lowest fiscal years. This will bring the total of UGF for FY2019 up to \$13,141.0. This increase will eliminate the need for an emergency declaration if the spring of 2019 is a low fire year season such as in FY2012 & FY2018 when less than \$14 M was spent in UGF for fire activities. With this supplemental, staff could stay focused on their primary support function in the spring rather than working on an emergency declaration.
29	DOT&PF	Earthquake Response, Repair and Rebuild for State Facilities (Language)	1,000.0	-	-	-	1,000.0	p. 1, line 5	<p>This funding has been requested as supplemental funding to ensure it is available to the DOT&amp;PF for the Spring and Summer 2019 facility rebuild and repair activities. If the DOT&amp;PF had to wait for the funding to become available in July of 2019, it would delay these repair activities by additional months. The facility maintenance and repair season in Alaska is short, so delays to when repairs can start significantly impact the department’s abilities to complete projects on schedule. These funds would cover costs for state facility repairs outside of insurance coverage.</p> <p>In addition, the DOT&amp;PF had to utilize FY2019 operating budget funds to initiate emergency repair activities quickly to reduce the amount of interruption and to ensure the safety of staff and the public in public facilities. The operating funds utilized were budgeted for other purposes which will suffer if this supplemental is not authorized prior to July 2019.</p>
30	DOT&PF	Earthquake Response, Repair and Rebuild Multi-Year FY19-FY20 - \$65 million estimate with \$6.5 million match requirement - FHWA (Language)	6,500.0	-	-	65,000.0	71,500.0	p. 1, line 9	<p>This funding has been requested as supplemental funding to ensure it is available to the DOT&amp;PF for the Spring and Summer 2019 maintenance and repair activities. If the DOT&amp;PF had to wait for the funding to become available in July of 2019, it would delay these road repair activities by additional months. The maintenance and repair season in Alaska is short, so delays to when repairs can start significantly impacts the department’s abilities to complete projects on schedule.</p> <p>In addition, the DOT&amp;PF had to utilize FY2019 operating budget funds to initiate emergency repair activities quickly to reduce the amount of interruption and to ensure the safety of roads for the traveling public. The operating funds utilized were budgeted for other purposes which will suffer if this supplemental is not authorized prior to July 2019.</p>
31	Fund Cap	Capitalization of the Disaster Relief Fund (Language)	21,901.7	-	-	37,002.3	58,904.0	p. 2, line 5	Ensuring funding is available in the event a disaster occurs, giving the state the ability to respond when needed.
TOTAL			37,301.7	-	-	102,002.3	139,304.0		

SUPPLEMENTAL GRAND TOTAL	28,438.7	8,914.8	17,746.5	194,623.8	249,723.8
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