



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Office of the Governor**

OFFICE OF MANAGEMENT AND BUDGET  
Lacey Sanders, Director

Court Plaza Building  
240 Main Street, Suite 801  
Juneau, Alaska 99811-0020  
Main: 907.465.4660  
Fax: 907.465.2090

February 10, 2025

The Honorable Andy Josephson  
Co-Chair, House Finance Committee  
Alaska State Capitol Room 505  
Juneau, AK 99801

The Honorable Calvin Schrage  
Co-Chair, House Finance Committee  
Alaska State Capitol Room 410  
Juneau, AK 99801

The Honorable Neal Foster  
Co-Chair, House Finance Committee  
Alaska State Capitol Room 511  
Juneau, AK 99801

Dear Co-Chairs Josephson, Schrage, and Foster,

Thank you for inviting the Office of Management and Budget (OMB) to present an overview of the Governor's FY2025 supplemental budget to the House Finance Committee on February 4, 2025. This letter completes the responses to questions and requests for follow-up information from this hearing. All of the dollar figures presented in this document are in thousands unless otherwise noted.

- 1. For the Department of Labor and Workforce Development's \$888.6 UGF supplemental request for *Expanding Alaska's Electrician & Plumber Workforce*, please provide a breakdown of this request and what costs would be moving forward beyond the supplemental.**

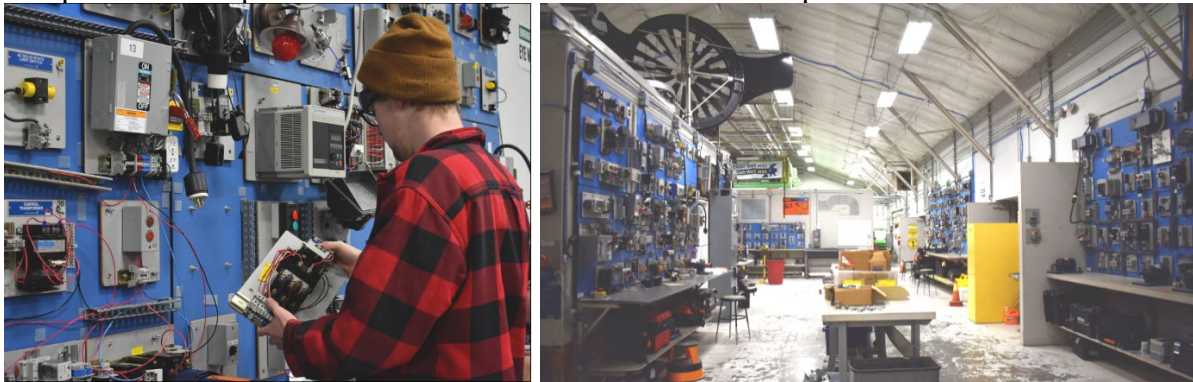
The Blueprint to Expand Alaska's Plumbing and Electrical Workforce aims to increase the instructional capacity at AVTEC in the Plumbing and Industrial Electrical (IE) programs. The Plumbing program can expand the number of available seats with the campus infrastructure currently in place. The IE program seeks to double student capacity from 15 to 30 available seats, as that program is full and has a modest wait list. The supplemental costs in FY2025 will be to support the growth of the IE physical lab space and student capacity, and a targeted advertising campaign to attract students for both programs.

AVTEC has one IE instructor, whose focus is to teach the current cohort of enrolled students. Due to procurement lead times and shipping speed to Seward, AVTEC will need to task this project to an adjunct instructor to order lab materials and begin installation in FY2025. The goal is to be ready to offer more IE seats by the start of the Fall 2025 term. The details of the one-time FY2025 Supplemental costs are as follows:

- 1000 Personal Services: \$91.2 UGF – this will provide for the adjunct instructor in FY2025 to purchase and oversee the expansion of IE instructional facilities (lab space) and curriculum materials. The current IE instructor does not have the capacity to teach existing classes and perform the physical expansion work. Each of the 15 training stations requires approximately 870 components to install.
- 3000 Services: \$109.9 UGF – estimated shipping costs to Seward for all materials. Images below should provide context on the size and complexity of these materials. A portion of this funding will also go towards the targeted advertising campaign.
- 4000 Commodities: \$659.8 UGF – Quoted costs for all curriculum materials required to expand the IE program.
- 5000 Capital Outlay: \$27.7 UGF – Funds for configuring the physical building area for the expanded lab space.

Once the build-out using supplemental funds is complete, moving forward the IE program will need an additional full-time instructor. There is an increment request included in the FY2026 Governor's budget of \$182.3 UGF for payroll and related position overhead costs.

The photos below provide a visual of what the current IE lab space in Seward looks like.



## **2. Clarification of response provided for the University of Alaska's \$65,000.0 request for increased intra-agency receipt authority.**

The Office of Management and Budget would like to clarify the University of Alaska, Fairbanks Campus, \$65,000.0 Other request for increased University of Alaska inter-agency receipt authority to accurately reflect budget authority (number 27 on the backup spreadsheet). The response provided on the record stated that the extra \$5,000.0 was it is a

buffer in case additional authority is needed. However, it is for increasing costs of utilities, maintenance, and ship operations. The breakdown of the \$65,000.0 is as follows:

*UAF R/V Sikuliaq, which became fully operational in FY16, records \$20.0 million in intra-agency receipt revenue annually.*

*In FY17, UA changed the accounting process for recording UA matching funds. This resulted in a significant improvement of accounting efficiency for this funding group; \$9.0 million in additional authority is needed to record activity for UA matching funds.*

*In FY20, the process used for utility recharge operations was converted to use standard intra-agency transfer (IAT) receipts which resulted in an increase of approximately \$23.0 million in IAT activity.*

*Cost and volume of recharge activity increase annually, resulting in the need for at least \$8.0 million in additional authority over historical levels.*

*The rapidly increasing costs of utilities, maintenance, and ship operations (following suit with recharge rate increases) have led to an increase of about \$5.0 in activity.*

Please contact my office if you have further questions.

Sincerely,



Lacey Sanders  
Director

cc: Alexei Painter, Director, Legislative Finance Division  
Jordan Shilling, Legislative Director, Office of the Governor