

- Before I begin, I'd like to turn the committee's attention to the attachments provided.
 - These are all posted on BASIS and available to the public.
- A little bit about the process – very collaborative process
 - Since session started, we have held meetings with:
 - The 3rd floor
 - Office of Management & Budget
 - The Departments
 - The Agencies
 - The Court System
 - The University
 - With the assistance and expertise of Legislative Finance Division
 - Proved the data, information, and history.
 - Help find answers to all our questions.
- This budget prioritizes statewide needs over district-specific projects.
- In recognition of the current fiscal situation – this is the Smallest UGF budget in 5 years – since 2020 (COVID session)
- We are concentrating this budget on:
 - essential infrastructure investments
 - public safety upgrades
 - statewide deferred maintenance needs

1. MATCH
 2. PROJECTS
 3. DM
 4. FUNDING
 MATCHES

- **MATCH**

- Quick definition: match is state dollars that leverages federal dollars.
- Capture all the federal funding we can: **\$2.5 billion using roughly \$155m**

UGF

- DOT: Roads, Highways, Bridges, Airports, Ferries, Disaster Response
- DEC: Village Safe Water Funding – basic sanitation needs in rural AK
- Alaska Energy Authority programs
- AHFC programs
- National Guard Armories renovations statewide (7 sites)
- Sprinkled around in other state Departments:
 - Health
 - Environmental Conservation
 - Fish & Game
 - Natural Resources
 - University

- **PROJECTS**

- Denied all individual CAPSIS requests **\$3.2 billion**
- Denied 16 projects requested by the administration. **-\$49m**
- Of the 27 projects approved, we reduced their size & scope by **-\$10.4m**
- Total cost of projects added after match is: **\$88.8m**

- Notable projects are:

- Dixon Diversion

→ Expansion of Broadway Lake
to increase capacity

- AEA to get the FERC license for the project.
- AEA & the Railbelt utilities are in partnership.

- AHFC

- Rental Assistance for victims displaced b/c of DV.
- Senior Housing
- Supplemental Housing

- Several IT (information technology) projects out in the departments -

allow government to operate efficiently. Hardware, software, networks.

- DOA
- LAW – uses a reappropriation
- Labor & Workforce Dev.
- Dept. of Revenue

- Dalton Highway Maintenance

- AMHS vessel maintenance & overhaul

- \$26m of DGF Marine Highway Fund (Farebox revenue)
- Dept. of Public Safety is the biggest winner:
 - Fund equipment purchase -body armor
 - Fund aircraft & vessel maintenance & repair
 - Fund a new Evidence Building at the Fairbanks Post
- Renewable Energy Fund - first 6 projects (regionally balanced)
 - Pelican
 - Naknek
 - Skagway
 - Kwethluk
 - Quinhagak
 - Nenana
- The Judiciary
 - Court Security Upgrades
- Fish & Game
 - Statewide Salmon studies for up-to-date information to sustainably manage the fish runs.
- As I stated previously there are 27 projects added to the budget totaling \$89m
 - \$46m in UGF -19 projects
 - \$34m in DGF – 5 projects
 - \$9m in OTHER - 3 projects

- Harbor Matching Grant

- Eliason Harbor in Sitka
- Aurora Harbor in Juneau
- Statter Harbor in Auke Bay

- **DEFERRED MAINTENANCE**

- This issue will not go away by ignoring it.
- It's a state liability that we need to get serious about or we will deal with the negative consequences, such as increased costs & safety hazards.
- **Current DM Package is \$36m**
 - Major Maintenance Fund (K-12) **\$19m**
 - University **\$5m**
 - Mt. Edgecumbe **\$1.4m**
 - Judiciary **\$750,000**
 - Statewide (Gov's office) **\$10m**

- Explain funding mechanisms we used for this budget.
 - Reappropriations
 - This budget reappropriates **old UGF** from two sources
 - Old & stalled projects at DOT \$47.1m
 - Section 13 of the bill. Page 44.
 - Old match – highway and aviation. \$20.9m
 - **\$68m** UGF displaced.
 - Increased the AIDEA dividend to the statutory cap.
 - AS 44.88.088 states that the AIDEA dividend must be between 25% and 50% of the net income.
 - The AIDEA board authorized a \$20m dividend this year. That is 30% of their net income.
 - 50% of the net income: \$12.5m
 - These actions displaced \$80m of UGF
- Mr. Chairman, I'll close by stating that this budget has:
 - \$161.6m UGF – **\$119.8m less than** the Governor's submitted budget.
 - Denied \$49m in Administration requests.
 - Of the approved projects we reduced by \$10m.
 - Displaced \$80m in UGF with the reappropriations and AIDEA
 - Total capital spend is \$2,903.0
- Standing by for questions.