

STATE OF ALASKA

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET

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February 18, 2010

The Honorable Kevin Meyer
Chairman
Legislative Budget and Audit Committee
State Capitol, Room 101
Juneau, AK 99801-1182

Dear Chairman Meyer:

I am submitting the following Legislative Revised Programs (RPLs) for consideration at the February 25, 2010 meeting of Legislative Budget and Audit Committee.

RPL#	Agency	Program
25-0-7558	Department of Transportation and Public Facilities	Homeland Security Grants \$195,965 ARRA funds - Capital
25-0-7564	Department of Transportation and Public Facilities	Federal Contingency Projects \$500,000 ARRA funds - Capital
45-0-1139	University of Alaska	Combined Request for ARRA Funding \$4,630,790 ARRA funds - Capital

If you have questions regarding a specific RPL please call or email the agency contact. Thank you for your consideration of this request.

Sincerely,



Karen J. Rehfeld
Director

Enclosures

cc: David Teal, Legislative Finance

Department of Transportation and Public Facilities

Subject of RPL: : Federal Contingency Projects	ADN/RPL #: 25-0-7564
Amount Requested: \$500,000	Appropriation Authority: Sec. 1, Ch. 15, SLA 2009, Page 22, Lines 23-24
Funding Source: Federal Stimulus: ARRA 2009 - Capital	Statutory Authority: AS 19.05.030 and 44.42.020

The Department of Transportation and Public Facilities (DOT&PF) requests \$500,000 in ARRA 2009 federal funding for the purpose of contingency during the closing days of ARRA 2009 transportation funding process.

PURPOSE

To avoid the outcome of losing funds, the department is requesting a small amount of contingency authority to reuse any ARRA funds made available by the de-obligation process. This contingency authority would allow any released funds to be used as a partial source of funds for any eligible federal-aid project that can meet the time and eligibility restrictions. Since we do not know at this time the timing, amount of any de-obligations, nor do we know the exact schedule of any regular federal aid projects, the surest means to lock these funds up is to request contingency authority.

BACKGROUND

The one year deadline for obligating ARRA transportation funds is March 2, 2010. DOT&PF has met this deadline, as of February 5 and has "obligated" 100% of all transportation ARRA funds. A total of \$265 million of ARRA funds was allocated to 51 separate projects (31 highway, 8 aviation and 12 transit). However, this is not the end of the funding process as some ARRA funds may need to be reallocated under the following rules.

After March 2, 2010, any de-obligated ARRA funds must be re-obligated to another project within 60 days of de-obligation. Further, the funds must be used on a project that meets the eligibility of the specific class of funds de-obligated. (ARRA funds for highways and bridges come in four categories, including Anchorage Metropolitan Area Transportation Solutions, transportation enhancements, less than 5,000 population and a generic State category.)

The two likely reasons for de-obligation are either:

1. Low bids under the initial estimate. In such cases, once the contract is awarded, the department must de-obligate any funds made surplus by the successful bidder being under the department's estimate.
2. De-obligations upon project closeout. Once a project is completed, the final costs are identified and unneeded funding is released (de-obligated) from the project.

De-obligations from these two sources are likely to be relatively small (from a few thousand dollars, to perhaps a few hundred thousand dollars). The amounts involved will likely not be sufficient to fully fund a separate project. Rather, the surplus funding must be applied to an eligible regular federal-aid project which is proceeding to the obligation step in the same time frame that the de-obligated ARRA funds must be used.

Adding the step of individual authorization to use these released ARRA funds in such tight time windows will likely result in the loss of funds to another state. After 60 days, the de-obligated funds will be swept by U.S. DOT and reallocated to states that are ready to accept such funds.

PREVIOUS LEGISLATIVE CONSIDERATION

Sec. 1, Ch. 15, SLA 2009, Page 22, Lines 23-24, Federal Contingency Projects - \$25,000,000.

TIMING ISSUES

After March 2, 2010, any de-obligated ARRA funds must be re-obligated to another project within 60 days of de-obligation.

BUDGETARY ISSUES

After September 30, 2010, any de-obligated funds not put to another project will be swept and thereafter no further de-obligations will return to the state of origin.

Agency Contact: Laura Baker, Administrative Services Director, 465-3911

OMB Approved: 

Date: February 18, 2010

Department of Transportation and Public Facilities

Subject of RPL: Homeland Security Grants	ADN/RPL #: 25-0-7558
Amount Requested: \$195,965	Appropriation Authority: Sec. 1, Ch. 3, FSSLA 2005, Page 69, Lines 7 - 8
Funding Source: Federal Stimulus: ARRA 2009 - Capital	Statutory Authority: AS 19.05.030 and 44.42.020

PURPOSE

The Department of Transportation and Public Facilities (DOT&PF), Alaska Marine Highway System (AMHS), is requesting authority to receive and expend federal grant 2009-PU-R1-0210, in the amount of \$195,965 from the Department of Homeland Security FEMA, American Recovery and Reinvestment Act Port Security Grant Program (ARRA PSGP).

Funding from this grant will be used to purchase and install new security cameras for the closed circuit television system aboard the M/V Aurora. These new cameras will have pan-tilt-zoom controllability and can be directed to cover areas of security interest or concern, especially at restricted access points such as the vessel's car deck. This capability will allow monitoring of suspicious activity and provide the opportunity to detect, confront and deter potential threats to security, thus allowing DOT&PF to fulfill its mission to provide for the safe movement of people and goods and the delivery of state services.

PREVIOUS LEGISLATIVE CONSIDERATION

Sec. 1, Ch. 3, FSSLA 2005, Page 69, Lines 7 - 8, Homeland Security Grants - \$4,000,000. The AMHS is requesting \$195,965 in Federal Stimulus ARRA PSGP 2009 funds to replace regular federal funds. The DOT&PF will administratively restrict and lapse the \$195,965 in regular federal receipt authority.

TIMING ISSUES

Federal stimulus receipt authority was not previously requested because ARRA PSGP funding was not anticipated. The AMHS received notification of the grant award in a letter dated September 29, 2009. The Grant Award document was signed October 7, 2009. A copy of the award documents, narrative and budget detail for this project are attached.

The grant period is September 1, 2009 to August 31, 2012. Work will involve installing new camera and video equipment and new cable throughout the vessel. This type of work is best performed without passengers, leaving a limited period each year to

complete the work when the vessel is scheduled for its annual overhaul. This fiscal year the M/V Aurora is scheduled for its annual overhaul from April 16, 2010 through May 31, 2010. The AMHS anticipates having a contract awarded for the purchase and installation of the new security cameras to meet the M/V Aurora's scheduled spring overhaul.

BUDGETARY ISSUES

This grant is 100% federal ARRA PSGP funds and requires no state match.

No stimulus funds will be diverted from other Alaska projects.

The AMHS is requesting approval to spend additional stimulus funds received through a competitive grant process. Federal stimulus funds will be expended between FY10 and FY12. There have been no expenditures to date.

There are no current or anticipated future budget impacts for participating in the ARRA PSGP.

Agency Contact: Laura Baker, Administrative Services Director, 465-8974

OMB Approved: 

Date: February 18, 2010

University of Alaska

Subject of RPL Combined request for ARRA Funding	ADN/RPL #: 45-0-1139
Amount Requested: \$4,630,790	Appropriation Authority: Sec. 4, Ch. 17, SLA 2009, Page 9, Lines 12-16
Funding Source: Federal Stimulus: ARRA 2009 – Capital	Statutory Authority: AS 14.40.40

PURPOSE

The requested federal stimulus receipt authority will allow the University of Alaska to accept the following awards:

DOE: Validation of Innovative Exploration Techniques Pilgrim Hot Springs, Alaska in the amount of \$4,616,879 for the period 01/29/2010 through 01/31/2012, award DE-EE0002846.

USGS: The Mobility Assignment: Characterization of Volcanic Deposits During Recent Alaskan Eruptions in the amount of \$13,911 for the period 01/01/2010 through 9/30/2011, award 10ARRAV047.

PREVIOUS LEGISLATIVE CONSIDERATION

The projects were not previously considered. They are new multi-year federal awards received after January 14, 2010 and have not been requested as part of the University's budget.

TIMING ISSUES

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009, which authorized short-term federal spending, designed to stimulate the American economy. Federal stimulus receipt authority was not included in the FY10 budget because ARRA funding was not available for application until February 17, 2009.

BUDGETARY ISSUES

This project is directly aligned with the University of Alaska's long term plans and missions for the University of Alaska Fairbanks: "The University of Alaska Fairbanks, the nation's northernmost Land, Sea and Space Grant University and international research center, advances and disseminates knowledge through teaching, research and public service with an emphasis on Alaska, the circumpolar North and their diverse peoples. UAF – America's Arctic University – promotes academic excellence, student success and lifelong learning".

No State General Funds will be used, nor is any match required. The federal stimulus funds will be expended during the period FY10 through FY12. This request adds an additional \$4,630,790 to the University's existing federal economic stimulus authority for competitive, discretionary, and incentive grants capital project appropriation contained within Sec. 4, Ch. 17, SLA 2009.

A copy of the award documents and budgets for these projects are attached.

Agency Contact: Michelle Rizk, (907) 450-8187

OMB Approved: 

Date: February 18, 2010