

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Finance




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MEMORANDUM

DATE: January 14, 2022

TO: Legislative Budget and Audit Committee

FROM: Alexei Painter, Director 

SUBJECT: Preparation for the January 17, 2022 LB&A Meeting

OMB submitted the following FY22 RPLs for consideration at the January 17, 2022 Legislative Budget and Audit Committee meeting. These RPLs, along with Legislative Finance comments, are posted on our website at <http://www.legfin.akleg.gov>.

RPL#	Agency	Allocation/Program	Amount	Fund Source
10-2022-5091	DNR	Statutory Designated Program Receipts for Salmon Viewing Deck Replacement	\$200,000	Statutory Designated Program Receipts (1108) Operating
45-2022-1046	UOA	University of Alaska University Affiliated Research Center	\$60,000,000	Federal Receipts (1002) Operating

If you have any questions that you want an agency to address at the meeting, please call us so we can help ensure the agency has a response prepared.

**Department of Natural Resources
Parks and Outdoor Recreation
Parks Management & Access**

Subject of RPL: Additional SDPR for Salmon Viewing Deck Replacement	ADN/RPL #: 10-2022-5091
Amount requested: \$200,000	Appropriation Authority: Sec 1 Ch 1 SLA 2021 Pg 28 Ln 21
Funding source: Statutory Designated Program Receipts (1108) FY 2022 Operating	Statutory Authority: 41.21.020 – Duties and powers of Department

PURPOSE

Unanticipated Statutory Designated Program Receipts (SDPR) provided by Friends of Eagle River Nature Center are available to the Division of Parks and Outdoor Recreation for the completion of improvements to the salmon viewing deck at the Eagle River Nature Center within Chugach State Park. The state-owned structure has outlived its serviceable life and needs to be repaired and upgraded. A portion of the deck was damaged during the 2018 earthquake and the Federal Emergency Management Agency (FEMA) approved funding to repair the earthquake damage and make improvements to the impacted section only. The Friends of Eagle River Nature Center, a private non-profit group, has secured private monies to fund improvements to the remaining sections of the structure.

PREVIOUS LEGISLATIVE CONSIDERATION

There are no prior legislative requests for this specific project and there has been no Revised Program Legislative (RPL) submitted prior to this one.

TIMING ISSUES

The FEMA-funded portion is currently being advanced with construction scheduled for Spring 2022. The funding is available now from the Friends of Eagle River Nature Center to address the entire structure, and it is logical to perform both aspects of the construction project at the same time. This will maximize efficiencies and minimize disruptions to users.

Additionally, the project site consists of wetlands which require frozen ground conditions for construction equipment access. The approval is needed expeditiously if the Spring 2022 timeline for construction is to be met. If not, the project will be delayed until Spring 2023 when the ground is again sufficiently frozen to support construction equipment.

BUDGETARY ISSUES

This one-time funding will support the division's efforts to consistently manage its deferred maintenance backlog and its statutory obligations to foster safe and quality outdoor recreation opportunities. The funds are anticipated to be fully expended by June 30, 2022.

Legislative Fiscal Analyst Comment: While the RPL expands existing authority in the operating budget, this RPL fits the criteria for a capital item and is therefore not suitable for the operating budget. The definition of capital projects under AS 37.07.120(4)

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LFD Contact: Conor Bell, Fiscal Analyst, (907) 465-5411

includes construction and structural improvements costing over \$25,000 with an expected lifespan exceeding one year.

**University of Alaska
University of Alaska Fairbanks
Fairbanks Campus**

Subject of RPL: University of Alaska University Affiliated Research Center	ADN/RPL #: 45-2022-1046
Amount requested: \$60,000,000	Appropriation Authority: Sec 1 Ch 1 SSSLA 2021 Pg 38 Ln 18
Funding source: Federal Receipts (1002) Operating	Statutory Authority: AS 14.40.40

PURPOSE

Unanticipated federal revenue to the University of Alaska Fairbanks (UAF) Campus requires an additional \$60 million in federal receipt authority. This will increase total federal authority from \$88.8 million to \$148.8 million. The additional authority will enable UAF to record the additional federal revenue and federal expenditures in FY2022.

UAF's Geophysical Institute (GI) is seeing substantial activity in a newly established University Affiliated Research Center (UARC). UARC provides the necessary structure for U.S. Government agencies to quickly issue sole-source contracts (task orders) that fall under GI's core mission of geophysical detection of nuclear proliferation. In Spring 2021 UARC's Department of Defense federal contractual agreement increased the funding ceiling necessitating an adjustment of federal receipt expenditure authority.

PREVIOUS LEGISLATIVE CONSIDERATION

This is a new request for FY2022 and was not considered by the Finance Committee during previous legislative sessions.

TIMING ISSUES

The impact to UAF's FY2022 budget was not known in time to be considered during the 2021 legislative session.

BUDGETARY ISSUES

UA FY2023 operating budget includes a \$50 million federal authority increase. This request assumes UA will return to a single appropriation in FY2023 thus allowing excess federal budget authority, estimated at \$10 million, to be reallocated among all UA allocations.

Legislative Fiscal Analyst Comment: There are no technical issues with this RPL.

FY21 federal receipts collected by the Fairbanks Campus totaled \$107.3 million (excluding \$9.5 million in COVID federal funding).