

Department of Transportation and Public Facilities
Significant Transactions
(\$ thousands)

Item	Appropriation / Allocation	Description	Governor Request	Amount Enacted	Comment
1	Administration and Support / Commissioner's Office	Federal Highway Administration Grant To Inter-Island Ferry Authority (FY22-FY23)	n/a	n/a	
2	Administration and Support / Commissioner's Office	Sec 64(m), HB 69 Federal Highway Administration Grant To Inter-Island Ferry Authority (FY22-FY23)	\$6,000.0 FHWA CRRSA (Fed) MultiYr	\$6,000.0 FHWA CRRSA (Fed) MultiYr	Due to revenue loss and associated expenses caused by COVID-19 the Inter-Island Ferry Authority requires additional financial support to continue operations. The Authority has traditionally received a yearly grant from the State totaling \$250.0 in UGF administered by Commerce and Community and Economic Development and located in the capital budget. This new multi-year operating grant is in addition to that amount and uses eligible Federal COVID-19 funding.
3	Administration and Support / Commissioner's Office	CRRSAA and ARPA Federal Transit Administration Grants (FY22-FY23)	n/a	n/a	
4	Administration and Support / Commissioner's Office	Sec 64(l), HB 69 CRRSAA and ARPA Federal Transit Administration Grants (FY22-FY23)	Total: \$10,525.4 \$2,739.1 COVID Fed (Fed) \$7,786.3 FTA CRRSAA (Fed) MultiYr	Total: \$10,525.4 \$2,739.1 COVID Fed (Fed) \$7,786.3 FTA CRRSAA (Fed) MultiYr	Federal Transit Administration (FTA) funding from the Coronavirus Response and Relief Supplemental Appropriation Act (CRRSSA) and FTA funding from the American Rescue Plan Act (ARPA) are to be distributed as grants to implement and maintain coordinated public transportation throughout the state. This is in addition to the annual \$10 million in FTA grants administered by the Department and located in the capital budget.
5	Administration and Support / Various	Replace Marine Highway Receipt Authority with One-Time FHWA CRRSAA Grant Funding	n/a	Net Zero (\$1,945.1) Marine Hwy (DGF) \$1,945.1 FHWA CRRSA (Fed)	The legislature changed all of the Alaska Marine Highway System (AMHS) receipt authority in the Department to utilize available COVID-19 federal funding sources. A total \$1.9 million of AMHS fund usage is for services provided outside of the AMHS appropriation and is spread across multiple appropriations and allocations. This federal receipt authority will be unrealizable in future fiscal years once federal funding expires. Fund source changes took place in the following non-AMHS allocations: Commissioners Office: \$257.5 Contracting and Appeals: \$11.1 Statewide Administrative Services: \$709.9 Information Systems and Services: \$192.0 Statewide Procurement: \$367.3 Southcoast Region Support Services: \$45.6

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5	Administration and Support / Various	Replace Marine Highway Receipt Authority with One-Time FHWA CRRSAA Grant Funding	n/a	Net Zero (\$1,945.1) Marine Hwy (DGF) \$1,945.1 FHWA CRRSA (Fed)	(continued) Design, Engineering and Construction: \$316.7 Southcoast Region Facilities: \$45.0 Fiscal Analyst Comment: Changing all of the AMHS receipt authority to federal funding sources in the Department's budget will allow any revenue generated by the system to recapitalize the fund, which was projected to have a negative balance in FY21 prior to supplemental appropriations. Revenue in FY19, prior to COVID-19 effects on ridership, was around \$50.8 million.
6	Administration and Support / Statewide Administrative Services	Federal Relief Funding Accounting Management	\$343.7 COVID Fed (Fed) 3 TMP Positions IncOTI	\$343.7 COVID Fed (Fed) 3 TMP Positions IncOTI	This one-time increment adds three long-term non-permanent (LTNP) positions to perform the professional financial management work related to the influx of federal relief funding. The three additional accounting positions along with one current LTNP position will perform the professional financial management work and will serve as the Department's point of contact for accounting and reporting issues related to federal relief funding awards. Positions to be added: Accounting Technician III, LTNP, range 16, Juneau Accounting Technician III, LTNP, range 16, Juneau Accountant III, LTNP, range 18, Juneau The funding will also be used for an existing Accountant III, non-permanent, range 18, Juneau, established in May 2020 to provide financial management assistance for CARES Act funding.
7	Highways, Aviation and Facilities / Various	One-time Use of FAA CARES Act Federal Funding to Cover Aviation Fuel Tax Shortfall	Net Zero \$276.4 Fed Rcpts (Fed) (\$276.4) AvFuel Tax (Other)	Net Zero \$276.4 Fed Rcpts (Fed) (\$276.4) AvFuel Tax (Other)	Revenue from aviation fuel tax was substantially reduced by COVID-19. This funding is used to help operate the State's rural airports. The State of Alaska Rural Airport System was allocated approximately \$49 million under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Funds provided under the Grant Agreement must only be used for the reimbursement of an airport's operational and maintenance expenses. This federal receipt authority will be unrealizable once the CARES Act funding expires. The fund source change took place in the following allocations: Central Highways & Aviation: \$86.5 Fed/ (\$86.5) Aviation Fuel Tax

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7	Highways, Aviation and Facilities / Various	One-time Use of FAA CARES Act Federal Funding to Cover Aviation Fuel Tax Shortfall	Net Zero \$276.4 Fed Rcpts (Fed) (\$276.4) AvFuel Tax (Other)	Net Zero \$276.4 Fed Rcpts (Fed) (\$276.4) AvFuel Tax (Other)	(continued) Northern Highways & Aviation: \$141.5 Fed/ (\$141.5) Aviation Fuel Tax Southcoast Highways & Aviation: \$48.4 Fed/ (\$48.4) Aviation Fuel Tax
8	Highways, Aviation and Facilities / Various	One-time Fund Source Swap to Address Projected Motor Fuel Tax Shortfall	Net Zero \$502.8 Gen Fund (UGF) (\$502.8) Motor Fuel (DGF)	Net Zero \$502.8 Gen Fund (UGF) (\$502.8) Motor Fuel (DGF)	The projected motor fuel tax revenue shortfall is based on pre-COVID revenue projections and the Department of Revenue's assumption that revenues will return to pre-COVID levels by FY22. This fund source change takes place in the following allocations: Central Highways & Aviation: \$138.8 UGF/ (\$138.8) Motor Fuel Tax Northern Highways & Aviation: \$269.5 UGF / (\$269.5) Motor Fuel Tax Southcoast Highways & Aviation: \$94.5 UGF/ (\$94.5) Motor Fuel Tax Fiscal Analyst Comment: The Department's revenue from motor fuel tax dropped by over \$2.6 million between FY19 and FY20, which only included a few months of COVID-19 related decreases from March to June. While a portion of this fund source change may be reversible in the future, it is unknown if motor fuel tax receipts will return to pre-COVID levels given the downward trend in motor fuel tax receipts due to increased fuel efficiency in vehicles, increases in hybrid and electric vehicle ownership, and a reduction in driving overall. Even with this reduction there is still a \$1.2 million shortfall between what is being appropriated to the Department and what the Department of Revenue last projected the motor fuel tax will generate in FY22.
9	Highways, Aviation and Facilities / Central Region Highways and Aviation	Maintenance and Operations Funding For Reopening of Silvertip Maintenance Station	\$620.0 FHWA CRRSA (Fed)	\$620.0 FHWA CRRSA (Fed)	The Coronavirus Response and Relief Supplemental Appropriations Act relief funds are available through September 30, 2024 for preventative maintenance, routine maintenance, operations, and personnel costs. The legislature approved the use of these funds to reopen the Silvertip maintenance station on the Seward Highway which was closed in 2019. Reopening this station will produce improved service level conditions, safety, efficiency in winter maintenance service delivery, and response time to adverse weather events.
10	Highways, Aviation and Facilities / Various	Maintenance and Operations Funding for Rural Airport Paint Striping	\$2,302.3 COVID Fed (Fed)	\$2,302.3 COVID Fed (Fed)	The Department of Transportation and Public Facilities (DOT&PF) previously performed striping at paved airports utilizing available capital funds from the annual Airport Improvement Program (AIP) Surface Maintenance program. Under this program, the Department was previously eligible to perform striping

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10	Highways, Aviation and Facilities / Various	Maintenance and Operations Funding for Rural Airport Paint Striping	\$2,302.3 COVID Fed (Fed)	\$2,302.3 COVID Fed (Fed)	<p>(continued)</p> <p>activities at one-year and three-year intervals depending upon the airport.</p> <p>The Federal Aviation Administration (FAA) has now changed the frequency of eligibility for striping for all paved airports to three years. The frequency creates a challenge, due to significant snow removal activities during the winter season, Part 139 airports need to be restriped annually to ensure compliance with FAA Part 139 certificates and avoid Letters of Correction from the FAA.</p> <p>This increased federal authority will allow for the use of CARES Act grants to perform paint striping at rural airports.</p> <p>This fund source change takes place in the following allocations: Central Highways & Aviation: \$500.0 Northern Highways & Aviation: \$226.3 Southcoast Highways & Aviation: \$1,576.0</p>
11	Highways, Aviation and Facilities / Various	One-Time Fund Source Swap to Utilize FAA CRRSAA Funding and Displace Unrestricted General Fund	Net Zero (\$12,009.9) Gen Fund (UGF) \$12,009.9 COVID Fed (Fed)	Net Zero (\$12,009.9) Gen Fund (UGF) \$12,009.9 COVID Fed (Fed)	<p>This one-time fund source swap UGF (1004) to federal receipt authority (1265) allows the utilization of Federal Aviation Administration Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA) revenue for Rural Airports. These FAA Grants are for a four-year period and are specific to individual airports. They are specifically for operating expenditures. In order to maintain these levels of service past FY26 the federal receipt authority will need to be replaced with another fund source after the expiration of Federal COVID relief.</p> <p>This fund source change takes place in the following allocations: Central Highways & Aviation: \$3,607.9 Northern Highways & Aviation: \$5,247.4 Southcoast Highways & Aviation: \$3,154.6</p> <p>Items 9 and 14 are related.</p>

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12	Highways, Aviation and Facilities / Various	One-Time Fund Source Change to Utilize Federal Highway Administration CRRSAA Funding and Displace UGF	Net Zero (\$17,756.4) Gen Fund (UGF) \$17,756.4 FHWA CRRSA (Fed)	Net Zero (\$17,756.4) Gen Fund (UGF) \$17,756.4 FHWA CRRSA (Fed)	This change in fund source maintains existing levels of service. To maintain these levels of service in future fiscal years the federal receipt authority will need to be replaced once Federal COVID relief expires. This fund source change takes place in the following allocations: Central Highways & Aviation: \$5,406.8 Northern Highways & Aviation: \$10,492.2 Southcoast Highways & Aviation: \$1,857.4
13	Highways, Aviation and Facilities / Northern Region Highways and Aviation	Fund Source Change for Dalton District Shift Change - Two Week On/ Two Week Off	Net Zero (\$1,298.6) Gen Fund (UGF) \$1,298.6 FHWA CRRSA (Fed)	Net Zero (\$1,298.6) Gen Fund (UGF) \$1,298.6 FHWA CRRSA (Fed)	The Dalton District has historically worked a one week on, one week off schedule (1x1). During the pandemic, DOT&PF shifted the Dalton District schedule to a two weeks on, two weeks off (2x2) rotation in order to help reduce the spread of the virus through reduced travel exposures. Additional funding through the CARES Act was provided to support the increased cost of this schedule through June 30, 2021. After evaluating the operational impacts of the 2x2 schedule rotation, Northern Region has found a benefit to service delivery, crew morale and safety, and industry relationships. This will require a fund source change in future fiscal years in order to maintain service levels once federal Covid funding expires.
14	Highways, Aviation and Facilities / Northern Region Highways and Aviation	Maintenance and Operations Funding for Reopening of Chitina and Birch Lake Maintenance Stations	\$794.6 FHWA CRRSA (Fed) IncOTI	\$794.6 FHWA CRRSA (Fed) IncOTI	The Coronavirus Response and Relief Supplemental Appropriations Act relief funds are available through September 30, 2024 for preventative maintenance, routine maintenance, operations, and personnel costs. The legislature approved the use of these funds to reopen the Chitna and Birchlake maintenance stations which were closed in 2016. Reopening these stations will produce improved service level conditions, safety, efficiency in winter maintenance service delivery, and response time to adverse weather events. This appropriation is for one year only. Any remaining CRRSAA funding can be used in future fiscal years through the September 30, 2024 deadline set by the Federal government.
15	Highways, Aviation and Facilities / Northern Region Highways and Aviation	Reopen Central Maintenance Station	n/a	n/a	The Legislature approved a \$1,190.0 UGF increment to reopen the Central Maintenance Station along with an additional \$1 million UGF for one-time equipment purchases. The Governor vetoed the full \$2,190.0. Central Maintenance Station was closed in 2016. Funding for the station was last vetoed in the FY16 budget.

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16	Highways, Aviation and Facilities / Southcoast Region Highways and Aviation	Multi-Year (FY22-FY23) FAA CRRSAA Grant to the City of Ketchikan for Operational Costs at the Ketchikan Airport	n/a	\$1,539.4 COVID Fed (Fed) MultiYr	<p>The City of Ketchikan provides operational service at the State owned Ketchikan Airport by agreement with the Department of Transportation and Public Facilities. The CRRSAA FAA Rural Airport Grant for the Ketchikan Airport will be passed directly to the City of Ketchikan as the operator of that rural airport.</p> <p>Items 9 and 14 are related.</p>
17	Marine Highway System / Various	Marine Highway Restructuring	n/a	n/a	<p>There has been considerable uncertainty around the Alaska Marine Highway System (AMHS) budget over the last several fiscal years. Unexpected mechanical issues and budget reductions have made scheduling difficult and led to reduced sailing and an increase in cancellations. Additionally the use of the Alaska Marine Highway fund to cover a larger portion of operations cost has depleted the fund's balance to near zero by the end of FY21. Faced with these challenges the legislature took a number of substantial changes to how the AMHS is funded in FY22 listed below:</p> <p>1. Moved the appropriation to the language section of the bill. In order to make the structural changes to the AMHS appropriation it was necessary to move it to the language section of the bill where it could be more prescriptive.</p> <p>2. Created multi-year appropriation to move to calendar year budgeting: By splitting funding across two fiscal years AMHS can now be funded on a calendar year rather than fiscal year. This has a number of benefits. The Marine Highway releases schedules that are created using estimated service levels based on known funding levels. This change allows AMHS to release schedules earlier in the year without having to wait for budget certainly in late June as their budget passes the legislative process. Recent analysis done by the Department indicates that there is a measurable positive correlation between earlier schedule release and increase in AMHS revenue. When coupled with the first six months of forward funding this also allows more advanced planning for vessel overhaul and staffing. The legislature can continue to fund full calendar years going forward by using this multi-year funding structure.</p> <p>The Legislature appropriated \$68.1 million (six months of AMHS funding) which covered costs through December of 2021 (the first half of Fiscal Year</p>

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17	Marine Highway System / Various	Marine Highway Restructuring	n/a	n/a	<p>(continued)</p> <p>2022). This is reflected in the budget as its own appropriation separate from the \$119m multi-year FY22-FY23 12 months of AMHS funding that begins January 2022 and ends December 2022. The Legislature, by doing two separate appropriations with different start dates, ensured that AMHS did not have all 18 months of funding upfront, and made it clear what level of yearly funding they were providing.</p> <p>3. Increased AMHS funding from the Governor's requested amount: The legislature approved an AMHS funding amount of \$127 million annually across all fund sources. This was split into multiple appropriations with the first six months of FY22 equaling \$63.5 million, and \$127 million (available in FY22 and FY23) to cover the 2022 calendar year. The Governor subsequently vetoed \$8.5m for a net amount of \$119 million annually, but only for the FY22-FY23 multi-year. This \$119 million annual amount is a budget increase of \$16.9 million above the Governor's proposed annual level. The Governor did not veto any of the additional funding for the first half of FY22. This means that the first six months of FY22 will have a higher yearly funding level than the following calendar year appropriation.</p> <p>4. Capitalize the AMHS fund: The AMHS fund is the location that AMHS accumulates self generated revenue. The legislature changed all AMHS receipt authority in the Department's FY22 budget to federal fund sources. This allows AMHS to accumulate and retain revenue generated by the system in the AMHS fund for the full 18 months appropriated. Revenue in FY19 (prior to COVID-19 effects on ridership) was \$50.8 million.</p> <p>5. Federal COVID funding offsetting state UGF costs: On December 27, 2020, Congress approved the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) relief package which included \$110.9 million in funding through the Federal Highway Administration (FHWA) and another \$55.7 million in Federal Transportation Administration (FTA) funding that were eligible for use on the AMHS. The legislature appropriated \$48 million of FTA and \$64.8 million FHWA funding to AMHS</p>

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17	Marine Highway System / Various	Marine Highway Restructuring	n/a	n/a	<p>(continued) to offset all AMHS fund receipts and six months of Unrestricted General Fund in its operating budget. The legislature fully expended the available FTA funding (see items 2) and almost all of the FHWA funding (see items 1, 3, 7, 10 and 11). There is a remaining FHWA balance of \$2.7 million which can be spent over the next four years.</p> <p>6. Vessel Overhaul funding swap The legislature used another \$15 million of FHWA funding on AMHS vessel overhaul in the capital budget. This is an annual appropriation in the capital budget which averages around \$15 million per year.</p> <p>7. Supplemental appropriation to cover the AMHS fund shortfall: The legislature has appropriated the maximum amount of receipt authority available from the fund. COVID-19 had a negative effect on revenue going into the fund. In order to bring the AMHS fund back into solvency the legislature reappropriated \$5.5 million into the fund to cover FY21 costs that exceeded the available fund balance. This is reflected as a fund capitalization in the bill.</p>
18	Various	SB 55, Ch. 9, SLA 2021 Employer Contributions to PERS	\$11,281.5 Gen Fund (UGF)	\$11,281.5 Gen Fund (UGF)	<p>SB 55 removes the 22% cap on payroll contributions to the Public Employee Retirement System (PERS) for the State of Alaska as a PERS employer. The budgetary impact of this legislation is reflected as a shift from the direct appropriation to PERS, which is typically funded with UGF, to agency payroll, where the cost can be spread across all fund sources. This shift results in a UGF increase to Agency Operations of \$72,871.7, and a UGF decrease to Statewide Items of \$95,794.5, for a net statewide UGF savings of \$22,922.8. Specifically, the UGF impact to the Department of Transportation and Public Facilities is \$11,281.5 spread across multiple allocations.</p>