

State of Alaska

Office of Management and Budget

Supplemental Budget SB54
Senate Finance Committee
April 18, 2023

Neil Steinger, Director



FY2023 Supplemental Budget Overview

FY2023 Supplemental Budget	Unrestricted General Fund (UGF)	Designated General Fund (DGF)	Other Funds	Federal Funds	Total Funds
SB54 Operating*	91,164.6	2,210.4	15,043.2	133,589.1	242,007.3
February 14th Operating* Amends	7,590.0	18,416.3	192.9	-18,389.9	7,809.3
March 22nd Operating Amends	3,717.3	0.0	0.0	0.0	3,717.3
Operating* Subtotal	102,471.9	20,626.7	15,236.1	115,199.2	253,533.9
SB54 Capital	10,826.8	30,000.0	36,816.5	70,253.7	147,897.0
February 14th Capital Amends	0.0	0.0	2,671.2	-59,664.1	-56,992.9
March 22nd Capital Amends	0.0	0.0	9,070.7	0.0	9,070.7
Capital Subtotal	10,826.8	30,000.0	48,558.4	10,589.6	99,974.8
TOTAL	113,298.7	50,626.7	63,794.5	125,788.8	99,974.8

*Ignores duplicate items that passed in the Fast-track Supplemental bill.

- Average price of oil of \$87.38 needed April through June to balance FY2023

Operating Supps Department Summary

Department	UGF	DGF	Other	Fed	Total
Administration	543.9	447.3	1,084.1	-	2,075.3
Commerce	363.1	-	-	-	363.1
Corrections	18,930.9	276.4	-	2,100.0	21,307.3
Education	163.8	-	192.9	151.4	508.1
Environmental Conservation	2,800.0	175.0	-	-	2,975.0
Family & Community Services	-	700.0	-	-	700.0
Fish & Game	1,023.0	-	-	-	1,023.0
Health	-	-	-	-	-
Labor & Workforce Development	791.4	(570.0)	-	-	221.4
Military & Veterans' Affairs	(208.3)	-	90.3	2,900.0	2,782.0
Natural Resources	58,096.6	199.7	-	-	58,296.3
Public Safety	8,020.8	904.2	-	-	8,925.0
Revenue	186.8	-	1,357.6	127,809.0	129,353.4
Transportation & Public Facilities	719.0	18,426.3	12,511.2	(17,761.2)	13,895.3
University of Alaska	6,460.9	-	-	-	6,460.9
Legislature	862.7	67.8	-	-	930.5
Judgements & Settlements	3,717.3	-	-	-	3,717.3
OPERATING SUPP TOTAL	102,471.9	20,626.7	15,236.1	115,199.2	253,533.9

Capital Supps Department Summary

Department	UGF	DGF	Other	Fed	Total
Administration	-	-	-	150.0	150.0
Commerce	800.0	-	-	15,618.5	16,418.5
Corrections	8,288.0	-	1,212.0	-	9,500.0
Family & Community Services	-	-	-	-	-
Fish & Game	-	-	35,604.5	-	35,604.5
Office of the Governor	-	-	-	-	-
Health	-	-	-	-	-
Military & Veterans' Affairs	-	-	-	-	-
Natural Resources	-	-	-	5,000.0	5,000.0
Revenue	-	-	-	-	-
Transportation & Public Facilities	1,738.8	-	11,741.9	19,821.1	33,301.8
University of Alaska	-	30,000.0	-	(30,000.0)	-
CAPITAL SUPPLEMENTAL TOTAL	10,826.8	30,000.0	48,558.4	10,589.6	99,974.8

Senate Finance Question Responses

Senator Wilson asked about FY2022 Fire Suppression/Preparedness activity and why there appears to be a lapse.

There appears to be a UGF lapse in FY2022 Fire Suppression Activity, due to the \$15 million in ARPA revenue replacement supplemental funding that was able to be utilized.

Senator Bishop asked how much of the FY2023 fire suppression supplemental is remaining for fires.

The supplemental submitted January 31st, was insufficient to cover spring fires. The supplemental budget amendments submitted February 14th, include the last \$1.2 million needed to cover fires from Summer and Fall of 2022, as well as an additional \$6.8 million for anticipated Spring 2023 fire activity.

Senate Finance Question Responses

Senator Hoffman asked about the Department of Correction’s plan for managing situations where a correctional facility is over capacity.

The Department of Corrections has recently taken proactive measures to ensure that correctional facilities do not remain overcrowded. Capacity levels are checked daily and as numbers rise at intake facilities, the Classification Unit, Central Transportation Unit, Facility Superintendents, and Institutional Probation Officers work together to develop a plan to move offenders to remain below capacity.

Senator Hoffman asked about the Department of Correction’s plan for managing situations where a correctional facility is over capacity.

The Department of Corrections is using emergency contract workers to cover various work such as food services, maintenance, medical, mental health and education/programs where needed. The department is also using on-call non-permanent positions for medical, mental health, and administrative vacancies. These efforts provide coverage while recruiting for permanent classified positions.

Senate Finance Question Responses

Senator Stedman asked for more information related to the increased utility costs within the Department of Fish and Game as it relates to fuel needs for hatcheries.

- Hatchery utility costs have risen over the past two years due to the volatility in fuel oil and natural gas prices in the Fairbanks markets. For example, rates increased at the Ruth Burnett Sport Fish Hatchery (RBSFH) for natural gas, fuel oil and electricity 4.8%, 142.4% and 50% respectively, between FY2020 and FY2022. For perspective, in FY2022, annual consumption rates were 207,495 CCF of natural gas, 34,700 gallons of fuel oil, and 1,485,840 KWH of electricity—this is substantial consumption, so even small increases in utility rates can have a large impact on cost let alone what has occurred.
- In comparison, William Jack Hernandez Sport Fish Hatchery (WJHSFH) operates on electricity and natural gas. Prices have been stable in the Anchorage market. The FY2023 allocation for utilities to this facility of \$880K reflects a \$50K reduction from the FY2022 level of \$931K to assist in covering the RBHSFH FY2023 increase.
- Legislative authority appropriated to the new Anchorage and Fairbanks Hatcheries RDU in FY2023 is slightly less than the FY2022 level without any allowance to account for the higher utility/fuel costs.
- Efforts are underway with the Department of Transportation and Public Facilities (DOT&PF) to conduct energy audits that hope to improve efficiencies at these facilities and translate into cost saving.

Senate Finance Question Responses

Senator Kiehl asked about the methodology behind deciding which parks to re-open, and whether or not there's a prioritized list.

The Division of Parks and Outdoor Recreation (DPOR) does not maintain a list or methodology to reopen parks because they are open to the public unless there is a reason to close. When situations arise that necessitate a temporary closure of a state park unit, DPOR works quickly to remedy and address those issues to reopen public access to outdoor recreation opportunities.

A park unit may have a gate closed during the winter months due to management decisions or budget limitations. Gates are closed to many campgrounds in the wintertime across the state due to lack of ability to plow and staff the unit. Many of these areas are converted into wintertime recreational opportunities including groomed ski trails. The division also maintains management control and the ability to limit specific recreational uses within each.

Senate Finance Question Responses

Senator Olson asked for additional details regarding the Advanced Air Mobility project.

The Advanced Air Mobility (AAM) Infrastructure study will result in a report that will inform Alaska's build out of NextGen technology to improve aviation safety and reliability. The study will include an inventory of all existing state, public, federal, and military infrastructure assets and a gap analysis that highlights needs for the full implementation of AAM.

Alaska is the most dangerous place to fly according to the FAA. The AAM is going to look at the current infrastructure and lack of infrastructure needed to keep our airspace safe. This study will highlight what we do have, what we don't have and some potential solutions. There's a lot of opportunities in front of Alaska to capture federal funding that can be utilized to improve the safety of Alaska's airspace. This study is exploring solutions that fit within current federal funding streams but will also highlight the needs that fall outside of current or conventional funding.

Senate Finance Question Responses

Senator Hoffman requested confirmation regarding whether or not there are shortages for ice roads that need to be addressed.

Northern Region (NR) has \$250.0 in their budget for ice roads. They received an increment of \$50.0 in FY2013 for the ice road to Kiana (TORA with Northwest Arctic Borough (NWAB)) and \$200.0 in FY2023 (Tanana, Rampart, and NWAB). To the best of NR's knowledge there are no additional needs or identified shortages for ice roads.

In Alaska's Statewide Transportation Improvement Program (STIP), there is \$2 million in federal funding for Ice Roads and Seasonal Roads Maintenance Program. The Department of Transportation established a Safe Ice Roads for Alaska (SIRA) Program for communities to competitively access funding for ice roads. This funding has been awarded to communities and the Native Village of Napaimute received just under \$500.0 for over 200 miles.