

SENATE FINANCE COMMITTEE  
March 26, 2024  
9:08 a.m.

[9:08:09 AM](#)

CALL TO ORDER

Co-Chair Stedman called the Senate Finance Committee meeting to order at 9:08 a.m.

MEMBERS PRESENT

Senator Lyman Hoffman, Co-Chair  
Senator Bert Stedman, Co-Chair  
Senator Click Bishop  
Senator Jesse Kiehl  
Senator Kelly Merrick  
Senator David Wilson

MEMBERS ABSENT

Senator Donny Olson, Co-Chair

ALSO PRESENT

Shareen Crosby, Infrastructure Investment Coordinator, Office of Infrastructure.

PRESENT VIA TELECONFERENCE

Katie Conway, Energy Program Manager, Denali Commission, Anchorage.

SUMMARY

^FEDERAL INFRASTRUCTURE FUNDING UPDATE

[9:10:20 AM](#)

KATIE CONWAY, ENERGY PROGRAM MANAGER, DENALI COMMISSION, ANCHORAGE (via teleconference), discussed the presentation, "FY24 Non-Federal Match Funding Opportunity" (copy on file). She pointed to slide 3, "Mission: to promote economic development with a focus on critical infrastructure and workforce training in rural Alaska.":

- Energy
- Health Facilities
- Transportation
- Village Infrastructure Protection
- Sanitation and Solid Waste
- Workforce and Economic Development
- Broadband
- Housing
- Community Facilities

Ms. Conway highlighted slide 4, "\$5M of SOA UGF in FY24 became Denali Commission's FY24 Non-Federal Match Funding Opportunity":

- 34 Statements of Interest received
- 23 Applications invited after passing the threshold review
- 15 projects recommended for funding
- \$4,998,203 committed

Ms. Conway addressed slide 5, "Statements of Interest":

- SOI submittal included fillable PDF with request for basic information and limited complexity
- SOIs reviewed for eligibility before invited to submit full applications
- Eligibility criteria included primary funder, non-federal match requirement, applicant organization, and project type

Ms. Conway pointed to slide 6, "Full Applications":

- Complexity minimized with fillable PDF for project details, financial and project team information, and a budget/funding table
- 70 percent applications received were for Dept. of Energy project match
- \$10,355,263 requested

Ms. Conway discussed slide 7, "Application selection process":

1. Individual evaluations of each application
2. Team evaluations (3 people/application)

3. Internal staff recommendations memo to Interim Co-Chair
4. Recommendations shared with and feedback received from Commissioners
5. Selection finalized

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Ms. Conway looked at slide 7, "Denali Commission FY24 Non-Federal Match Funding Opportunity Selected Applications."

Ms. Conway addressed slide 8.

Ms. Conway pointed to slide 9, "\$5,000,000 of FY24 SOA UGF via the Commission's FY24 Non-Federal Match funding opportunity leveraged":

- \$60,377,230 of federal grant funding
- \$7,165,241 of other match funding

Ms. Conway looked at slide 11, "Key Takeaways":

1. This is a unique funding environment with an unprecedentedly high level of funding available for communities/tribes.
2. That available funding requires an equally overwhelmingly high non-federal match by the applicant.
3. To ensure Alaska's communities/tribes leave as little on the table as possible there's a significant need for additional non-federal match.
4. The oversubscription to the Denali Commission's FY24 Non-Federal Match FOA is on par with what we've seen with infrastructure funding opportunities the past two years, and we anticipate the same for our FY24 Unified Funding Opportunity, which closes April 12.

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Co-Chair Stedman queried the recommended Denali Commission absorbed amount for FY 25.

Ms. Conway replied that she could not give an answer, and wanted to wait to hear from the interim executive director.

Co-Chair Stedman requested a reply on the subject within the upcoming week.

Ms. Conway agreed.

Senator Wilson queried the deadline for projects.

Ms. Conway replied responded that the period of performance for each grant are different.

Co-Chair Stedman wanted a detail of each of the fifteen project timelines.

Ms. Conway agreed to provide that information.

[9:21:04 AM](#)

AT EASE

[9:21:12 AM](#)

RECONVENED

[9:21:42 AM](#)

SHAREEN CROSBY, INFRASTRUCTURE INVESTMENT COORDINATOR, OFFICE OF INFRASTRUCTURE, discussed the presentation, "Presentation to Senate Finance Committee Alaska State Legislature Tuesday, March 26, 2024" (copy on file). She pointed to slide 2, "Overview of Infrastructure Investment and Jobs Act (IIJA)":

Enacted November 15, 2021

\$1.2 Trillion

FY 23-27 Funds started arriving to State in FY 23, will continue for 5 fiscal years

FY 32 Full deployment of funds, with potential extensions

- 65 percent Increased Formula Funding to existing programs
- surface transportation, airport improvements, rural, energy, housing
- 30 percent Discretionary Grants - Focus of Office of Infrastructure
- 5 percent Loans

Ms. Crosby addressed slide 3, "Overview of Infrastructure Investment and Jobs Act (IIJA)":

30 percent Discretionary Grants - Focus of Office of Infrastructure

- Only a small portion of discretionary grants come through the State of Alaska
- Entities eligible for different programs: states, local governments, tribes, Alaska Native Corporations, non-profits, school districts and universities, housing authorities, utilities and energy co-ops, water and wastewater districts, transit agencies, agricultural businesses and co-ops, metropolitan planning organizations, food councils, economic development councils, and for-profits
- Many, if not most, programs require 20-50 percent cost share or matching funds

Co-Chair Stedman queried the size and scope of the office.

Ms. Conway replied that she was a team of one with administrative support.

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Co-Chair Stedman wondered whether that size was common across the country.

Ms. Conway replied that she had attended two National Governor's Association Infrastructure Coordinator Meetings, and many states had the position added to an existing person's portfolio. She felt that an additional person in the office was needed to support the efforts.

Co-Chair Stedman recalled that four or five people were previously in the office, and some other states had many people due to the size and scope of the endeavor in each state.

Ms. Conway replied that each state had a different format and size of their offices.

Ms. Conway pointed to slide 4, "Overview of Infrastructure Investment and Jobs Act (IIJA)":

Enacted August 9, 2022

The portion of bill that is infrastructure-related is primarily "Government created; business led" (i.e. tax credits). There are some programs for government entities.

As of March 1, 2024, Alaska has received \$98 million for:

- High-Efficiency Energy Home Rebates and Energy Efficiency Contractor Training
- Climate Pollution Planning
- Air Monitoring
- Coastal Climate Resilience Planning
- Forestry-Related Programs

Ms. Conway addressed slide 5, "Overview of CHIPS and Science Act (CHIPS)":

Enacted August 9, 2022

Semiconductor Manufacturing Incentives

As of March 1, 2024, Alaska has received no funds from this legislation.

While in DC in September 2023, I asked the Economic Development Administration (EDA) about permitting obstacles for Alaska's critical minerals needed for semiconductors, primarily germanium.

[9:30:54 AM](#)

Co-Chair Stedman wondered whether there were permitting issues.

Ms. Crosby replied that there was incentivizing of semiconductor manufacturing, which required critical minerals. Alaska had 38 of the top 40 critical minerals needed for renewable energy. She said, however, that the federal agencies would not give permits to get those minerals in Alaska.

Co-Chair Stedman wondered whether other states had mining permitting issues.

Ms. Crosby replied in the affirmative.

Senator Kiehl wondered whether there were any provisions in CHIPS that had to do with producing or permitting for the minerals.

Ms. Crosby replied in the negative.

Senator Kiehl surmised that the issue was not about specifically declining Alaska, but rather that Congress did not "touch our piece of the chain."

Ms. Crosby agreed.

Ms. Crosby discussed slide 6, "Governor's Infrastructure Priorities":

- Lower the Cost of Energy
- Provide Access to Jobs, Resources and Critical Minerals, Recreation
- Affordable Housing
- Food Security
- Childcare

[9:34:49 AM](#)

Co-Chair Hoffman wondered whether there were any applications to address any of the priorities.

Ms. Crosby replied in the affirmative, and stated that she would address some in the presentation.

Co-Chair Hoffman shared that he knew about the \$25 million for assisting first time home buyers. He remarked that there was initially an effort on new homes. He wondered whether those projects were available under the Infrastructure Investment and Jobs Act (IIJA).

Ms. Crosby replied that the projects were not available under IIJA, but agreed to provide further information about the grants related to housing.

Co-Chair Hoffman stressed that the first time home buyers hoped could use funds to use for a new home.

Ms. Crosby restated that IIJA did not directly address that issue.

Co-Chair Hoffman wondered whether the funds could be used to build new homes.

Ms. Crosby replied that she had not seen any programs that would provide funds or grants for new homes.

Co-Chair Hoffman felt that the funds should not matter as related to down payments versus new homes.

Co-Chair Stedman remarked that his area did not have housing available for the jobs.

Co-Chair Hoffman stressed that there were so many housing shortages in the state.

[9:43:06 AM](#)

Ms. Crosby addressed slide 7, "Alaska's IIJA Funds To Date \$5.9 Billion":

- Alaska ranks 1 in per capita IIJA funds\*
- "Alaska is set to receive about \$6,700 in funding per capita. The next-largest per capita funding allocation is about \$4,400 for Wyoming, followed by Montana and Vermont at approximately \$3,500 each." U.S. News and World Report, November 19, 2021
- Alaska entities have been awarded +30 percent of the discretionary grants applied for  
\*Sen. Lisa Murkowski, November 15, 2023

Ms. Crosby pointed to slide 8, "Alaska's IIJA Funds To Date by Funding Type."

Ms. Crosby addressed slide 9, "Alaska's IIJA Funds To Date by Sector."

[9:47:16 AM](#)

Co-Chair Stedman queried the handling of the information flow.

Ms. Crosby replied that she released a weekly email.

Co-Chair Stedman wondered how to sign up for the email.

Ms. Crosby replied that one could email her to receive the information.

Co-Chair Stedman wondered whether the information was available on a website or whether a request was required for access.

Ms. Crosby replied that there will soon be a link on the governor's website to the Office of Infrastructure.

Co-Chair Stedman surmised that soon the public could see the funds.

Ms. Crosby agreed.

[9:50:04 AM](#)

Ms. Crosby looked at slide 10, "Alaska's IIJA Funds To Date by Recipient Type."

Ms. Crosby discussed slide 11, "Alaska Infrastructure Partners."

Ms. Crosby pointed to slide 12, "Office of Infrastructure":

- Understand Governor's Infrastructure Priorities
- Good Understanding of Alaska's Infrastructure Needs, Challenges and Stakeholders
- Track and Communicate Funding - Available Discretionary Grants and Awards
  - Weekly Email to +600 state-wide and federal infrastructure stakeholders
- Connect and Support State, Tribal, Community and Infrastructure Partners
- Maximize Funds
  - Work with Congressional Delegation and Federal Agencies
  - Comprehensive Infrastructure Map Launching April 2024!
  - Project Bundling
  - Tackle Challenges
- Workforce Development

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Co-Chair Stedman queried who could apply for the grants.

Ms. Crosby replied that people could get grants written through the Alaska Municipal League.

Ms. Crosby addressed slide 13, "Alaska's Key IIJA Awards":

- 1,849 Alaska projects identified for funding
- \$81.2 million - USDOT Rebuilding American Infrastructure with Sustainability and Equity (RAISE) and Rural Surface Transportation Grant Program
- \$803 million - EPA grants for clean and safe water

- \$6.3 million - USDOT Low- and No-Emission Bus Program for transit buses
- \$31.5 million - DOE National Electric Vehicle Infrastructure (expect \$52 million)
- \$424.6 million - DOE for clean energy, energy efficiency, and power grid
- \$243.1 million - Airport modernization, safety and efficiencies
- \$326.2 million - Ports and Harbors, USDOT Port Infrastructure Development Program and MARAD
- \$488.6 million - Infrastructure resilience projects, including \$281.5 from Army Corp of Engineers
- \$52.6 million - Orphaned oil and gas well capping and reclaiming abandoned mines

[10:01:50 AM](#)

Ms. Crosby looked at slide 14, "Alaska Project Spotlights":

- Port of Nome - US Army Corp of Engineers \$250 million for upgrades and expansion
- Alaska Railroad - USDOT INFRA \$25.2 million for bridge replacements
- Kake School - EPA \$2 million for contaminate clean up at former site
- Alaska Marine Highway Ferry System - Federal Transit Admin \$286 million for service to remote areas, new docks and terminals, reduce emissions
- Newtok and Napakiak - Dept. of Interior \$50 million for relocation

[10:02:56 AM](#)

Co-Chair Stedman asked about the timeline for the Kake School repair.

Ms. Crosby agreed to provide that information.

Senator Bishop wondered whether the five-year spend down referred to the entire list, or a specific process.

Ms. Crosby replied that it was for five fiscal years.

Senator Bishop stressed that there was a challenge about capacity for grant writers.

Ms. Crosby replied that it was a small group of people who were facing fatigue.

[10:06:01 AM](#)

Ms. Crosby discussed slide 15, "Key IIJA Discretionary Grants Available

- EPA Climate Pollution Reduction - April 1, 2024; Tribal set-aside May 1, 2024
- Denali Commission - April 12, 2024
- MARAD Port Infrastructure Development Program - April 30, 2024
- DOE Tribal Clean Energy - May 30, 2024
- FHWA Bridge Investment - August 1, 2024
- DOI Water SMART - September 30, 2024
- EPA Community Change - November 21, 2024; \$150 million for tribes; more for local governments
- USDOT Multimodal Project Discretionary (MEGA INFRA RURAL) - Reopening
- EDA Reopen - Reopening
- NOAA Climate Resilience - Reopening
- Currently 6 grants for workforce development - reentry, apprenticeships, farming

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Senator Wilson asked whether there was a cap on the bridge investment over the higher amount.

Ms. Crosby replied that she had not heard of a cap.

Ms. Crosby pointed to slide 16, "Challenges with IIJA Discretionary Grants":

- Spending is directed by federal agencies, not Alaska
- Complicated Application Process
- Permitting
- Cost Share
- Build America, Buy America Act
- Operations and Maintenance

Ms. Crosby addressed slide 17, "Office of Infrastructure Looking Forward":

- Continued Collaboration
- Comprehensive Infrastructure Map Launching April 2024!

- Planning, Budgeting
- Project Bundling
- Economies of Scale
- Maximizing Limited Workforce

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Senator Merrick was frustrated about the permitting obstacles on page 5.

#

ADJOURNMENT

[10:16:09 AM](#)

The meeting was adjourned at 10:16 a.m.