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MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 90-158AM

A RESOLUTION OF THE ASSEMBLY OF THE MATANUSKA-SUSITNA BOROUGH REQUESTING THE STATE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES TO CONTINUE FUNDING AND MAINTENANCE OF STATE CATEGORY III ROADS.

WHEREAS, the State of Alaska Department of Transportation has proposed eliminating the funding for maintenance and capital improvements for Category III state roads; and

WHEREAS, good roads are one of the highest priorities of the Borough; and

WHEREAS, these roads serve all residents of Alaska and the State of Alaska has always maintained and improved these roads; and

WHEREAS, the safety of the driving public will be greatly reduced if the Department of Transportation and Public Facilities eliminates the maintenance and improvements of Category III roads; and

WHEREAS, State revenues are adequate to maintain and improve state roads; and

WHEREAS, the Matanuska-Susitna Borough lacks the administrative capacity, equipment, manpower and monetary resources to upgrade, construct and maintain Category III state roads; and

WHEREAS, it is the responsibility of the State of Alaska to provide basic services for public safety; and

WHEREAS, the Local Road Service Area Advisory Board passed and approved Resolution Serial No. 90-011 recommending the Borough Assembly request the Commissioner of the Department of Transportation and Public Facilities, the Governor and the Legislature to continue funding maintenance and capital improvements of Category III state roads and recommending the Borough Assembly not take any responsibility for Category III state roads.

NOW THEREFORE, BE IT RESOLVED by the Assembly of the Matanuska-Susitna Borough that the Commissioner of the Department of Transportation and Public Facilities, the Governor and the Legislature continue the funding for the maintenance and capital improvements of Category III state roads.

Adopted by the Assembly of the Matanuska-Susitna Borough this 18th day of
December, 1990.

Dorothy A. Jones
Dorothy A. Jones, Borough Mayor

ATTEST:

Linda A. Dahl
Linda A. Dahl, Borough Clerk

(SEAL)



Official Business

Alaska State Legislature

P.O. Box V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: Senator Curt Menard, Chairman
Senate Transportation Committee

FROM: Senator Jay Kerttula

SUBJ: Senate Bill 41 --
Supplemental for Class 3 roads,
rural airports and marine
transportation

DATE: January 29, 1991

A handwritten signature in black ink, appearing to read "Jay", positioned to the right of the subject line.

I would appreciate your scheduling Senate Bill 41, providing a supplemental appropriation to the Department of Transportation for maintenance of class 3 roads, rural airports and marine transportation. These funds would reinstate Governor Cowper's vetoes in these areas. Unless these funds are appropriated, it appears that maintenance of class 3 roads and rural airports will stop in early spring. It is possible that other road maintenance activities may also be impacted. Marine transportation service will also be severely impacted by mid spring.

For your information, I have attached a resolution from the Matanuska-Susitna Borough requesting continuation of maintenance for class 3 roads.

I appreciate your consideration of this request.

JK:kh

MEMORANDUM

State of Alaska

Department of Transportation & Public Facilities
Office of the Commissioner

TO: Johanna Munsen
Rep. Curt Menard


DATE: February 8, 1990

THRU:

FILE NO:

TELEPHONE NO: 465-3900

FAX NUMBER: 586-8365

FROM: Katy McHugh 

SUBJECT: Senate Bill 41

These are the department's FY 91 supplemental request numbers. Sorry for the mixup, but these are the final numbers. They have been submitted to OMB, and OMB has okayed our releasing them to you. These figures should still be considered to be draft, until the OMB approves them for inclusion in the Governor's supplemental request. They probably need to be sent to Kerttula's office, as well as to the House Finance Committee, as someone will have to introduce a Finance CS to amend the numbers.

Thanks for your help and support with this. I'm enjoying working with you!

MEMORANDUM

State of Alaska

Department of Transportation and Public Facilities

TO: Cheryl Frasca, Director
Division of Budget Review
Office of Management and Budget

DATE: February 8, 1991

FILE NO.:

TELEPHONE NO: 465-3900

FROM: 
Frank G. Turpin
Commissioner

SUBJECT: FY91 Supplemental

The Department of Transportation and Public Facilities has identified several areas which will require supplementals in FY91. The attached schedule identifies the items comprising our total request for \$19,821,400 (\$19,456,300 general funds, \$82,800 International Airport Revenue Funds and \$282,300 Highway Working Capital Funds).

There are four areas in our request which affect multiple budget units. The first is to reinstate the amounts vetoed from our Maintenance and Operations (M&O) and Alaska Marine Highway System (AMHS) budgets. This is a total of \$5,108,100 in M&O (not including legislative additions that were vetoed), and \$2,800,000 in AMHS. The department is proceeding with normal FY91 operations in the areas of rural airport maintenance and Category III road maintenance as well as with scheduled AMHS vessel service based on the direction that funding would be forthcoming to provide these services affected by the vetoes. These items were identified in our preliminary supplemental memo.

Second, there is a shortfall in funding available for fuel and associated utility costs (\$3,823,900). The crisis in the Middle East and the resultant escalated oil prices are affecting those components which must purchase fuel for vehicle and vessel operations as well as for heating and related utility costs. AMHS projects that at current prices this will cause a \$1,918,300 shortfall in their vessels budget. There is an estimated need for \$1,849,400 in supplemental funding for fuel in our M&O components as well as \$65,200 (IARF) for the Anchorage International Airport. The M&O portion of this request includes fuel for the State Equipment Fleet (SEF) components. Normally, these units are funded from the Highway Working Capital Fund, however, these supplementals are requested as general funds since the SEF rates charged for FY91 did not include a factor to collect sufficient HWCF revenues to cover the increased fuel costs.

The third general area is due to increased security requirements because of the threat of terrorism associated with the Middle East conflict. The Federal Aviation Administration (FAA) has mandated tighter security requirements at all certificated airports. Although there are different areas where increased costs have been felt, the most significant are those associated with providing a Law Enforcement Officer at the airport prior to and during the operation of the air carrier. This has created a need for a supplemental of \$658,800 in our regional M&O Highways and Aviation components. At numerous locations the department has requested waivers from FAA and depending on the extent to which these waivers are granted, the amount required may change. This amount does not include any increased costs at the International

Airports. As detailed in their attached memo, they have sufficient funding within their budgets that can be reallocated to cover the increased security costs through March 31, 1991. If the heightened security requirements continue past this time, we will have to amend our request to include some additional International Airport Revenue Fund authorization.

The fourth general category of supplemental funding needed is for severe winter weather and the resultant increased maintenance costs. Every M&O BRU, with the exception of Southcentral District, has had additional costs associated with extreme weather, for a department total of \$2,131,900.

A total of \$658,000 is requested for clean-up of the Healy Canyon Rock Slide within the Interior District. Of this amount, \$438,000 has already been expended to remove slide material and place rip-rap along the eroded section. It is anticipated that an additional \$220,000 will be needed to clean-up spring thaw slides associated with this area. A long term solution is being reviewed and planned. The permanent changes would be programmed as a federal reconstruction project.

The remaining M&O requests include Bethel District Airport Lighting repairs - \$114,000, Deadhorse Airport Repairs - \$200,000, Janitorial Contract Increases - \$20,300, and Central Region State Equipment Fleet Preventative Maintenance - \$282,300 (HWCF).

In addition, AMHS has identified several other areas of increased costs that result in the need for supplementals. These include the increased Per Diem costs for vessel employees (\$303,000), the shortfall in Public Employees Retirement System and other benefit funding (\$921,000), the costs of operating the Tustumena for an additional month since it will be returned to service from overhaul a month earlier than planned (\$342,900), and funds to operate the M/V Malaspina for five additional weeks (\$675,000). The M/V Malaspina service addition, as well as the AMHS service veto add-back, are revenue positive additions as indicated on the attached memo from AMHS. However, because of the need for the maximum possible amount of revenue received during FY91 to be available in the AMHS fund to provide base funding for the FY92 AMHS budget, it is requested that all AMHS supplementals be provided as general funds. In addition to the FY91 costs identified above, AMHS will need \$165,400 to replace funds utilized to pay FY90 bills.

Southeast Region will also require a supplemental of \$275,000 to pay the final judgement condemnation for property on Telephone Hill.

A supplemental of \$1,300,000 is requested to provide sufficient cash to complete projects currently programmed from the "1978 Transportation Facilities Construction Fund". Quite some time ago reimbursements for federal highway or aviation projects charged through this fund were deposited in other funds, most likely other bond funds. The age of this bond issue makes it very impractical if not impossible to go back and accurately reconstruct these transactions. John Lucas and staff of the Division of Audit and Management have reviewed this and other bond issues in conjunction with my staff and they agree that there was excess cash in other bond issues. During the review on the 1980 bond issue, \$20,000,000 of excess cash was identified and moved to the bond redemption fund. Because of the concerns with the use of bond

funds, it is recommended that this appropriation be made from the general fund instead of from the excess cash in another issue.

The department has also identified \$32,800 worth of miscellaneous claims for unpaid bills from FY87-FY89 (\$17,600 IARF and \$15,200 GF).

Memos and spreadsheets which delineate the requests by component and provide the requested accounting and projection information are attached.

The final subject I want to bring to your attention at this time, while not truly a supplemental, would be an amendment to the FY91 operating budget appropriation bill. In FY90, the department's M&O Highways and Aviation components received an extended lapse date of August 31 on their operating funds. It was our understanding that the same would be true of the FY91 operating budget, but somehow this intent language was inadvertently omitted from the final budget bill. All indications during legislative review of the department budget were that this would again be available to the department in FY91 to enable M&O to accomplish their summer maintenance program in a reasonable matter. I propose that the extended lapse language be added to the FY91 appropriation.

Thank you for your consideration of these requests.

Attachments

cc: W. Keith Gerken, Deputy Commissioner, Operations
Ron B. Lind, Director, Plans, Programs and Budget
D. Randy Simmons, Deputy Commissioner, Management and Finance
Henry Springer, Deputy Commissioner
Regional/System Directors

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES FY91 SUPPLEMENTAL REQUEST (\$ shown in thousands)

REQUEST	HEADQUARTERS	CENTRAL	INTERIOR	WESTERN	SOUTHCENTRAL	SOUTHEAST	INT'L AIRPORTS	MARINE HWYS	TOTAL
Veto Restoration		\$2,968.3	\$1,248.1	\$385.7	\$173.4	\$332.6		\$2,800.0	\$7,908.1
Fuel Cost Increases		\$476.6	\$582.4	\$60.8	\$430.3	\$299.3	\$65.2 *	\$1,918.3	\$3,832.9
Airport Security Increases		\$350.0	\$97.0	\$116.2	\$55.0	\$40.6			\$658.8
Snow & Ice/Winter Storm Damage		\$92.1	\$859.6	\$550.0	\$0.0	\$630.2			\$2,131.9
Miscellaneous Claims	\$32.8 *								\$32.8
1978 Transportation Facilities Construction Fund	\$1,300.0								\$1,300.0
Miscellaneous Regional Requests									
CENTRAL REGION									
SEF Preventive Maintenance		\$282.3 **							\$282.3
Bethel District Airport Lighting		\$114.0							\$114.0
INTERIOR DISTRICT									
Healy Canyon Rock Slide			\$658.0						\$658.0
Deadhorse Airport Repairs			\$200.0						\$200.0
Janitorial Contract Increases			\$20.3						\$20.3
SOUTHEAST REGION									
Southeast Final Judgement Condemnation						\$275.0			\$275.0
MARINE HIGHWAYS									
PERS/Benefit Increases								\$921.0	\$921.0
M/V Tustumena Service								\$342.9	\$342.9
Per Diem Increase								\$303.0	\$303.0
M/V Malaspina Service								\$675.0	\$675.0
FY90 Bills Charged to FY91								\$165.4	\$165.4
TOTAL	\$1,332.8 *	\$4,283.3 **	\$3,665.4	\$1,112.7	\$658.7	\$1,577.7	\$65.2 *	\$7,125.6	\$19,821.4 *

*IARF \$82.8 of the Total Request (\$17.6 of Miscellaneous Claims + \$65.2 for Fuel Increase)

**HWCF \$282.3

DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES
 MISCELLANEOUS CLAIMS SUPPLEMENTAL REQUEST
 FY91

02/06/91

FISCAL YEAR	APPROPRIATION	VENDOR	AMOUNT
1987	INT HWYS & AV	ST. VILLAGE ENERGY SYST.	288.28
1988	SE VESSELS	BARGREEN ELLINGSON	118.94
1988	INT HWYS & AV	ST. VILLAGE ENERGY SYST.	186.51
1988	KDK EMER HELIP	KODIAK ISLAND BOROUGH	1,309.10
1989	INT HWYS & AV	ST. VILLAGE ENERGY SYST.	436.21
1989	INT HWYS & AV	BEAVER VILLAGE ELEC. UTIL	2,102.00
1989	CE HWYS & AV	IDAHO NORLAND CORP	2,295.00
1989	CE ENGR MGMT	DEPARTMENT OF LAW	4,558.20
1989	STWD LEASING	DEPARTMENT OF LAW	731.40
1989	DIR. AIAS	DEPARTMENT OF LAW	198.11
1989	AIA ADMIN	DEPARTMENT OF LAW	17,410.00
1989	PILOT STATION	DEPARTMENT OF LAW	203.30
1989	SE SHORES	HAINES LIGHT & POWER	300.00
1989	SE SHORES	YUKON OFFICE	107.11
1989	SE VESSELS	FRYER-KNOWLES	500.00
1989	SE VESSELS	YUKON OFFICE	36.50
1989	SE VESSELS	AK. AIRLINES	735.62
1989	SE VESSELS	STAR RENTALS	218.54
1989	SE VESSELS	DONALDSON & KIEL	453.64
1989	SW VESSELS	ALASKA CLEANERS	362.90
1989	SW VESSELS	FOOD SVCS AMERICA	214.77
TOTAL			32,766.13

MEMORANDUM

State of Alaska

Office of the Governor
Division of Audit and Management Services
465-3588

November 5, 1990

TO: D. Randy Simmons, Deputy Commissioner
Department of Transportation and
Public Facilities

FROM:  John L. Lucas, Director

SUBJECT: 1978 Transportation Facilities Construction Fund

Recently our office completed a review of both the 1978 Transportation Facilities and 1980 Highway and Ferry Construction Bond Funds. We elected to only issue a report on the 1980 fund and defer any closeout or transfer of funds on the 1978 fund until additional projects could be reconciled.

The 1978 fund indicated that there were substantial unexpended amounts available in several authorizations. However, a detailed review of the revenue estimates and the remaining cash available in the fund indicated a substantial shortfall would occur. Because of the potential shortfall, it was agreed that the remaining balances in all authorizations will be restricted and that future expenditures will be limited to ongoing projects.

These limitations will still create a shortfall in the fund of approximately \$1.5 million and result in restricting the funding of the AMHS's provisions warehouse. Based on our attached schedule, this project will require a minimum of \$1,361,688 and may exceed the \$1.5 million level.

Due to the numerous revenue errors over the years and the millions of dollars in adjustments the Department has recently made, we found it impractical to attempt to trace down any historical errors in coding receipts to 1978 and 1980 funds.

With your assistance, we were able to transfer \$20 million out of the 1980 fund to the bond redemption fund. In determining the amount of funds available for transfer, we also determined that it was inappropriate to allocate any of these funds to the 1978 fund in order to balance any future shortfall in the fund. It was concluded that the most appropriate means of correcting the funds was to transfer the \$20 million out of the 1980 fund and request supplemental funding for the 1978 fund.

Our office will support a request by the department that does not exceed \$1.5 million.

Attachment

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D.O.T. & P.F.
Plans, Programs and Budget

STATE OF ALASKA
 CAPITAL PROJECT FUNDS
 PUBLIC FACILITIES CONSTRUCTION
 1978 TRANSPORTATION FACILITIES CONSTRUCTION FUND
 CHAPTER 138, SLA 1978
 BALANCE SHEETS
 (UNAUDITED)
 June 30, 1990 and 1989

	<u>June 30, 1990</u>	<u>June 30, 1989</u>
Assets		
Cash in Treasury	\$ 509,924	\$ 743,545
Accounts Receivable	<u>240,174</u>	<u>433,282</u>
Total Assets	<u>\$ 750,098</u>	<u>\$ 1,176,827</u>
Liabilities and Fund Balance		
Liabilities	\$ -0-	\$ -0-
Fund Balance		
Available Fund Balance	<u>750,098</u>	<u>1,176,827</u>
Total Liabilities and Fund Balance	<u>\$ 750,098</u>	<u>\$ 1,176,827</u>

MEMORANDUM**STATE OF ALASKA**

Department of Transportation and Public Facilities

To: Frank G. Turpin
Commissioner

Date: February 5, 1991

Thru: Keith Gerken
Deputy Commissioner
Operations

Phone No.: 266-1440

Subject: FY91 Central Region
Maintenance &
Operations
Supplemental

From: Kit Duke
Regional Director
Central Region

Central Region, Maintenance and Operations requests \$4,482,714 in FY91 supplemental funds. Highways and Aviation requests \$3,767,614 in general funds; Facilities \$34,400 in general funds; and State Equipment Fleet \$398,400 in general funds and \$232,300 in highway working capital funds. The supplemental must be passed by March 15, 1991 in order for continued Highway and Airport maintenance in Central Region. Current projections show funding for personal services and vendor payments will be exhausted by March 15, 1991.

This supplemental request is based on circumstances beyond the control of Maintenance and Operations, such as, veto of category III road and rural airport maintenance; increased airport security; increased fuel costs; winter storms; repair of Bethel district airport lighting; repair of Kalifonski road washout; and preventative maintenance on State Equipment Fleet vehicles.

The following identifies by category the estimated funding which will be required to adequately preform the required essential services for FY91.

1. Restoration of Category III and Rural Airport Vetoes

This general fund supplemental request provides for the replacement of vetoed funds for Category III road maintenance and Rural Airports maintenance in the FY91 Highways and Aviation operating budget. Due to the time frame of the vetoes, very few options remained to absorb these reductions. All rural airport maintenance contracts were in place, and all winter and summer supplies had been ordered, leaving only a reduction in force and reduced equipment utilization as avenues to meet the veto requirements.

<u>Category III Roads</u>	<u>Rural Airports</u>	<u>Totals</u>
\$1,873,300	\$1,095,000	\$2,968,300

2. Kalifonski Road Washout Repairs

This general fund supplemental request is to restore funds expended in FY91 for the Kalifonski road washout repairs.

Contractual Services	\$195,414
Commodities	<u>\$ 4,000</u>
Total	\$199,414

3. Airport Security Increases

Due to the increased Federal Aviation Administration security level requirements at certificated airports because of the hostilities in the Middle East. The Highways and Aviation component is requesting \$350,000 in general funds to meet this requirement through the end of this fiscal year. This supplemental will cover the costs incurred by contracting with local police departments, hiring available commissioned police officers as non-permanent State Employees, and contracting with other agencies to meet the expanded security requirements.

4. Fuel Cost Increase

This general fund supplemental request is for the drastic increases in the price of diesel fuel, heating oil, gasoline, and associated utility costs due to the recent upward surge in oil prices. The breakout by component is as follows:

Highways and Aviation	\$ 43,800
State Equipment Fleet	\$ 398,400
Facilities	<u>\$ 34,400</u>
Total	\$ 476,600

5. Mat-Su District Severe Winter Storms

This general fund supplemental request is to cover the additional costs incurred from a series of severe winter storms and an exceptionally large avalanche in the Matanuska District area from December 17, 1990 through January 8, 1991. The severe winter condition included substantial snowfall followed by rain, then back to snowfall. After the precipitation stopped, high winds and severe drifting required a higher than budgeted amount of overtime, contractual services, and state equipment usage in order to provide passable district roads.

Personal Services Overtime	\$ 53,900
Contractual Equipment	\$ 14,000
Additional-Equip. Usage (SEF)	<u>\$ 24,200</u>
Total	\$ 92,100

6. State Equipment Fleet Preventive Maintenance

This supplemental request will provide for highway working capital funds in support of the Accelerated Major Preventative Maintenance Program from July 1 through December 31, 1990.

This program utilized temporary employees along with contractual vendors to provide overhaul services on extended life equipment, resulting in an increase of reliability for that equipment, most of which had 40-80% down time last winter.

Personal Services (Temp Employees)	\$122,800
Contractual Repairs and Parts	<u>\$159,500</u>
Total	\$282,300

7. Bethel District Airport Lighting

Unusual freeze thaw cycles this winter in the Northout District has caused underground runway light wire breakage at the listed airports. This general fund supplemental request will repair these facilities.

Aniak	\$14,000
Anvik	\$16,000
Bethel	\$20,000
Chevak	\$14,000
Holy Cross	\$14,000
Russian Mission	\$16,000
Tuntatuliak	<u>\$20,000</u>

Total Airport Lighting Request	\$114,000
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Frank G. Turpin

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February 5, 1991

If you need additional information, please contact me.

Attachments:

Accounting & Projection Information by Component
FY91 Kalifonski Road Washout Repairs #2
Increased Fuel Cost Calculation (all components) #4
Detailed Cost of Mat-Su Winter Storm #5
Detailed Cost of SEF Preventative Maintenance Work #6
Detailed Cost of Bethel District Airport Lighting #7

cc: Robert Boyd, Acting Director, Maintenance & Operations
Lisa Emerson, Budget Analyst, Administrative Services
Ron Lind, Director, Plans, Programs & Budget

MEMORANDUM

State of Alaska Department of Transportation & Public Facilities

TO: Frank G. Turpin
Commissioner
Headquarters

DATE: February 5, 1991

FILE NO: B-CS

TELEPHONE NO: 451-2210

THRU: Keith W. Gerkin
Deputy Commissioner
Headquarters

SUBJECT: FY91 Supplemental

FROM: John D. Horn, P.E.
Regional Director
Northern Region

Northern Region is requesting \$5,513,200 for FY91 Supplementals, all for Maintenance and Operations (M&O) units. A summary of these requests follows and a summary detail is attached. Also attached are memos from the M&O units providing additional detail and justification.

Increased airport security	\$ 268,200
Fuel cost increases(including utility costs)	1,073,500
Reinstatement of items vetoed	1,807,200
Above average snow & ice	1,409,600
Healy Canyon rock slide	658,000
Deadhorse runway repairs	200,000
Interior District janitorial increase	20,300
Western District non-routine maintenance	<u>76,400</u>

Northern Region Total: \$5,513,200

Northern Region also supports the extended lapse for operating funds in Maintenance and Operations, Highways and Aviation, and Facilities components.

Thank you for your consideration of these requests.

DM/tia

Attachments

cc: Chuck Coyle, District Manager, Western District
Mike Gavin, Acting Director, Maintenance & Operations, Northern Region
George Levasseur, District Manager, Southcentral District
Ron Lind, Director-Plans, Programs & Budgets, Headquarters
Donna L. Morrow, Budget Analyst, Budget & Programs, Northern Region

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D.O.T. & P.F.
Plans, Programs and Budgets

MEMORANDUM


State of Alaska
Department of Transportation & Public Facilities

TO: John D. Horn, P.E.
Regional Director
Northern Region

DATE: February 4, 1991

FILE NO:

TELEPHONE NO: 451-2294

FROM:  Michael D. Gavin, P.E.
Acting Director
Maintenance & Operations
Interior District

SUBJECT: FY91 Supplement Request

The Interior District, Maintenance & Operations, FY91 operating budget has been heavily impacted by a series of events. Impacts from the vetoes, record-breaking snowfall, and the consequences of the war in the Middle East are described in the Supplemental Request attached. In addition to those, several other events have occurred which have cut into our budget.

The shortfalls for which we are requesting a supplemental appropriation are listed under the attached, FY91 SUPPLEMENTAL REQUEST and itemized shortfall on spreadsheet, ITEMIZED SHORTFALL. Also attached are our PROJECTIONS through the end of the fiscal year.

Without these funds, some full time employees may be laid off, seasonals will not be called back, and there will be virtually no summer work program.

JLW/lf
Attachments

**INTERIOR DISTRICT MAINTENANCE & OPERATIONS
FY91 SUPPLEMENTAL REQUEST**

Category III Roads Maintenance Veto

In response to falling oil revenues, Governor Cowper vetoed \$748.1 of the FY91 Interior District, Category III, Road Maintenance funding. Included in this amount is \$510.0 for the Category III roads reduction and a 238.1 cut in the equipment usage increment.

Category III roads are those roads which serve local traffic needs. Although these roads are less important routes from the perspective of a state highway system, they are often roads which provide critical local access to subdivisions, schools, commercial enterprises, hospitals, and fire stations. The proposal upon which the budget reduction was made provided for the cessation of winter maintenance services on Category III roads within areas of local government.

Early in FY91, given the overall magnitude of the reduction and the projected increase in oil revenue, a decision was made to postpone elimination of maintenance of Category III roads. The plan is to request a supplement to make up the deficit for FY91.

\$748.1 is being requested.

Rural Airports Veto

In response to falling revenues, Governor Cowper also vetoed \$400.0 of the FY91 Interior District rural airports maintenance funding. In addition, \$100.0 of State Equipment Fleet fees relating to airport maintenance was vetoed. As in the Category III roads reduction, a decision has been made to postpone elimination of these funds. We have continued operations at the airports in anticipation of a supplement and are now operating with a deficit.

\$500.0 is being requested.

Above Average Snow and Ice

Weather data for the Interior District is determined from National Weather Service records at Fairbanks International Airport. For the period September 1990 through January 1991, the Interior District has had a record-breaking winter in terms of snowfall. There has been 67.0 inches more snow for this period than for the 30-

year average for the same period. Thus far, it is the fourth highest year on record. The record high is 145.7 inches. The attached graph shows this year's cumulative snowfall compared to the 30-year mean and the four highest snowfalls.

Snowfall data in inches is summarized below:

	<u>SEPT</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>JAN</u>	<u>TOTAL</u>
1990-91	0.5	6.9	37.3	48.6	20.5	113.8
30-Yr Average	0.9	10.9	12.8	12.6	9.6	46.8

Heavy snows throughout the District have driven up the cost of our winter program. Avalanches and wind have closed Atigun Pass approximately 40 times. The Steese Highway was closed 12 times. Snow storage has become a serious problem in the Fairbanks area. High berms have caused sight distance problems at intersections. Snow removal crews are still working to remove berms as well as new snow that is still accumulating.

Extreme snowfall caused the failure of seven major buildings in the Fairbanks area in the first two weeks of January. Since then there have been at least five additional major roof failures. The design snow load of the buildings maintained by Interior District varies from 30 pounds per square foot to 40 pounds per square foot. Snow loads were measured equalling 38.5 pounds per square foot on certain roofs. Snow is continuing to fall in the Fairbanks area necessitating, for the first time in fifteen years and possibly longer, the removal of snow from these roofs.

Also, the impact of heavy snowfalls may be severe this spring, depending on how fast breakup occurs and how much water is absorbed into the ground. Through the end of January, the water content of the snow on the ground is 1.8 times that of the 30-year average.

We are requesting \$859.6 to cover the cost of above-average snow removal to date.

Airport Security

In response to the crisis in the Middle East, the Federal Aviation Administration (FAA) developed a "Domestic Airports Contingency Plan". This plan established five contingency levels predicated on the FAA's determination of terrorist threat to

airports. Each threat level reflects increased security measures and specific functions which the airports must accomplish or comply with.

At all of our certified airports, we reached the threat level which specified that law enforcement officers (LEO's) must be present and patrol ticket counters, baggage make-up areas, and aircraft. The State does not employ airport security officers at our certified airports (Deadhorse, Barrow, and Galena). At Galena the City police are providing the LEO coverage at no charge.

At Deadhorse police coverage by the North Slope Borough is limited to one officer who rotates to and from Barrow and has the responsibility to serve outlying villages. Therefore, LEO support had to be provided as an extra effort by the North Slope Borough, Public Safety Office.

We are required to have police present for 12 hours per day, seven days per week. The agreed-to costs for this LEO support is as follows:

Effective January 28, 1991

\$566.38 per day for salary

\$420.00 airfare every two weeks (Barrow to Deadhorse)

Charges to January 28, 1991 (12 days) = \$7,422.68.

We are requesting \$92.0 for salary and \$5.0 for airfare through June 30, 1991. The total request is \$97.0.

Deadhorse Runway Repairs

During late August and early September of 1989, the Deadhorse runway began to show signs of differential thaw settlement after an uncommonly warm summer. The problem was most noticeable in the first 2000' of Runway 06 where there were numerous longitudinal cracks and crosswise dips up to four inches deep. This created undesirable conditions for aircraft take-offs and landings. In FY90 approximately one-third of the damaged runway was patched temporarily with cold mix until winter forced the repairs to cease. In FY91 another one-third of the runway was repaired at a cost of \$200.0. Without additional repairs, the runway would have had to be closed to all jet traffic and operations limited to the 2500' not

affected. In 1989 there were 40,000 enplanements at this airport not counting daily 727 charter flights. Herc cargo planes and passenger planes, such as the Dash 7, would be the largest planes able to use the airport. We are requesting \$200.0.

Healy Canyon Rock Slide

On September 17, 1990 the hillside in the Healy Canyon at MP 239 on the Parks Highway began to slide down onto the roadway. This area continued to slide through the month of October. Clean-up efforts were ceased on November 8, 1990 after the hillside froze and stabilized.

On September 17, 1990 at MP 239 on the Parks Highway, across from the slide area, the Nenana River eroded away the embankment to the highway which left many guardrail posts fully exposed for a distance of 800'. During the following eight weeks, 9,500 yards of large rip rap were placed along the eroded section on the highway. 250,000 yards of slide material were hauled to the Hornet Creek pad and 2,100 pounds of blasting powder were used to break rock and bring down hazardous sections. This work was accomplished by State maintenance crews and equipment. In addition, five to seven contractors with two large loaders and three to five trucks, were hired to assist.

It is anticipated that in the spring of 1991, as the hillside thaws, the slide will continue. It appears that approximately 130,000 yards of slide material will need to be removed this spring.

Thus far, we have spent \$438.0 on this project. It is estimated that an additional \$220.0 will be spent this spring to complete the clean-up.

We are requesting a total of \$658.0 for Healy Canyon clean-up.

Fuel and Utility Rate Increases

The Middle East oil crisis and the resultant escalated oil prices are affecting those components which must purchase fuel for State Equipment Fleet and non-State Equipment Fleet vehicles, heating fuel, diesel fuel for generator operations, or related utility costs.

February 4, 1991
John D. Horn, P.E.
JLW/H

The Interior District fuel shortfall was based on the estimated usage in FY90 times the cost increase which occurred between December 1989 and December 1990.

The electric utility cost increase is estimated to be:	\$ 40.5
The fuel cost increase is estimated to be:	\$352.4
The SEF fuel cost increase is estimated to be:	\$189.5

We are requesting a total of \$582.4.

Janitorial Contract Increase

This year three of the four janitorial contracts funded in the Facilities Component were re-bid and the costs were substantially higher. These janitorial contracts are as follows:

<u>BUILDINGS</u>	<u>OLD CONTRACT PRICE</u>	<u>NEW CONTRACT PRICE</u>
Fairbanks Parking Garage	\$ 12.5/yr	\$ 22.6/yr
Fairbanks Court & Office	61.5	63.0
DOT&PF Peger Complex	<u>30.0</u>	<u>38.7</u>
TOTAL	\$104.0	\$124.3

This supplement would fund the increase of \$20.3. The new contract bid price is for a continuation of the same level of janitorial services as provided at these locations in FY90.

We are requesting \$20.3.

The total request is:

Category III Roads Maintenance Veto	\$748.1
Rural Airports Veto	500.0
Above Average Snow and Ice	859.6
Airport Security	97.0

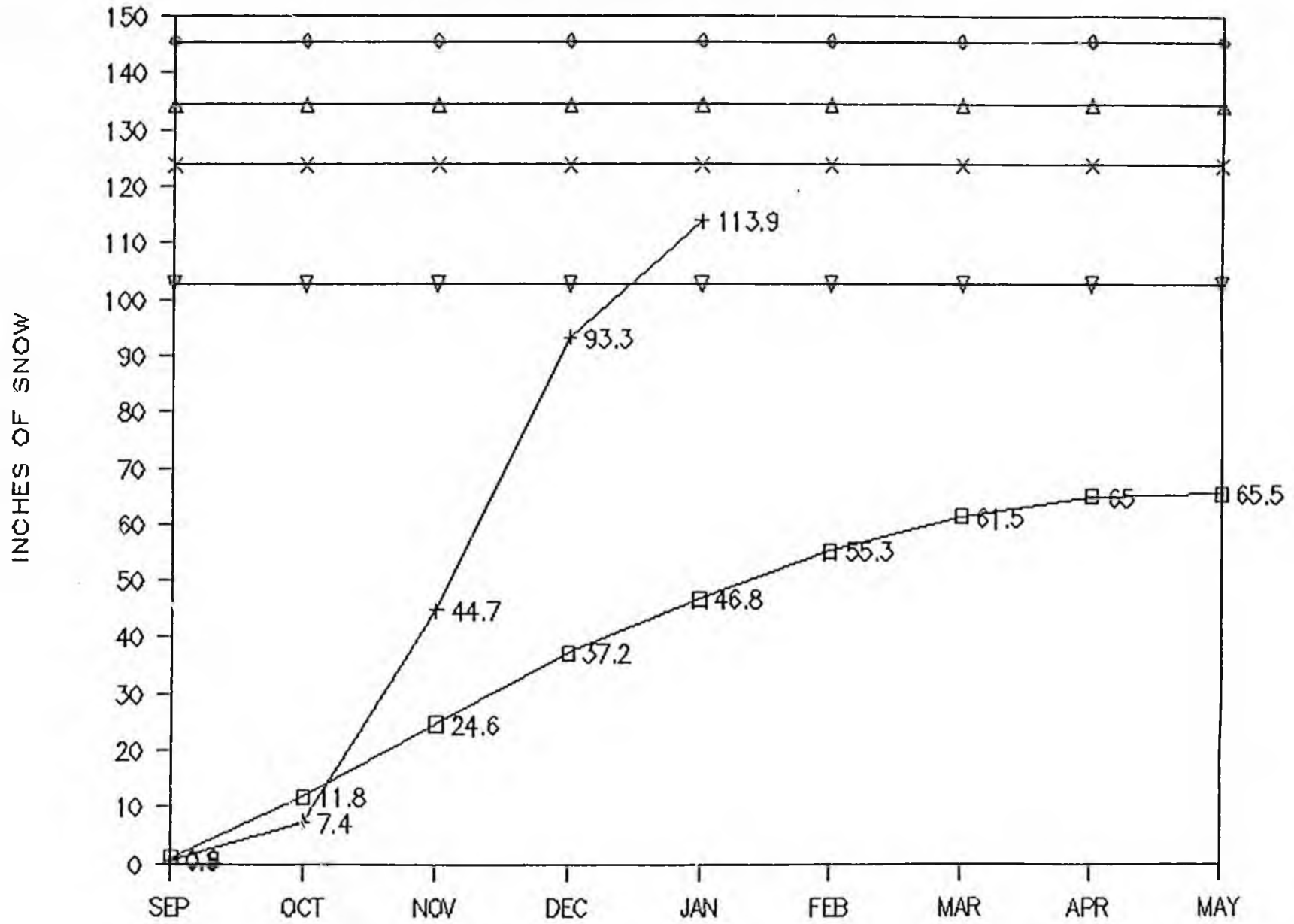
Deadhorse Runway Repairs	200.0
Healy Canyon Rock Slide	658.0
Maintenance Fuel and Utility Rate Increases	392.9
SEF Fuel Increase	189.5
Jaritorial Contract Increase	20.3
TOTAL	3665.4

February 4, 1991
John D. Horn, P.E.
JLW/ff

2/4/91

INTERIOR DISTRICT CUMULATIVE SNOWFALL

FY-91 vs 4 RECORD YEARS & 30 YR MEAN



□ 30 YR MEAN

+ 90-91

◇ 1

△ 2

x 3

▽ 4

Western District 1990

Category III Roads Maintenance Veto

In response to falling oil revenues, Governor Cooper vetoed \$17.3 of the Western District, Category III, Road Maintenance funding. Included in this is \$5.0 for the Category III roads reduction and 30% (\$12.3) of the veto to the equipment usage increment.

The presumption was that these roads, appearing to be of little benefit and seeing minimal maintenance, could be turned over to Municipalities. Although these routes are less important from the perspective of a state highway system, they are often roads which provide critical local access to subdivisions, schools, commercial enterprises, hospitals and fire stations.

Early in FY91, given the overall magnitude of the reduction and the projected increase in oil revenue, a decision was made to postpone the elimination of Maintenance of Category III roads. The plan required that supplemental funding be requested to make up the deficit.

\$17.3 is being requested.

Rural Airports Veto

In response to falling revenues, Governor Cooper also vetoed \$368.4 of the FY91 Western District Rural Airport Maintenance funding. This included 70% (\$28.4) of the veto to the equipment usage increment. As in the Category III roads reduction, a decision was made to postpone elimination of these funds. We have continued operations at the airports in anticipation of a supplement and are now operating with a deficit.

\$368.4 is being requested.

Fuel Increase

The Middle East oil crisis and the resultant escalation in fuel prices has affected all components which purchase fuel.

The Western District shortfall is based on the estimated usage in FY90 times the cost increase which occurred between December 1989 and December 1990.

The breakdown by component follows:

State Equipment Fleet	= \$18.4
Facilities	= \$28.7
Highways & Aviation	= \$13.7

\$60.8 is being requested

Airport Security

Due to the hostilities in the Mid East, the Federal Aviation Administration has mandated tighter Security requirements at all Certificated airports. A "Domestic Airports Contingency Plan" has been developed which provides for five threat levels. Each threat level reflects increased security measures and specific functions which the airports must accomplish or comply with. Although there are different areas where increased costs have been felt the most significant are those associated with providing a Law Enforcement Officer at the airport prior to and during the operation of the Air Carrier. The Department of Transportation does not employ security personnel at the certificated airports so must rely on the community for this. Nome, Kotzebue and Unalakleet are subject to this requirement. LEO standby is being provided by the police department of each community. As these communities have small departments, this requires either additional manpower or overtime. Their budgets cannot absorb these costs. The costs, with administrative overhead is being passed on to DOT/PF.

The cost estimate is based on the number of flights per day x the required standby time x rate/hour x the number of days. (January 16/June 30).

Summary of Airport

NOME

January 16 - May 31	=	3 flts. x 1.5 hours x \$80 x 135 days =	\$ 48.6
June	=	4 flts. x 1.5 hours x \$80 x 30 days =	<u>14.4</u>
		Nome Total	\$ 63.0

KOTZEBUE

January 16 - June 30	=	3 flts. x 1.5 hours x \$60 x 165 days =	\$ 44.6
----------------------	---	---	---------

UNALAKLEET

January 16 - June 30	=	1 flt. x 1.5 hours x \$40 x 143* days =	<u>\$ 8.6</u>
		Total, All Airports	= \$116.2

* five days/week

We are requesting \$116.2 to cover these unbudgeted expenses.

Above Average Snow and Ice

Weather data for the Western District is determined from National Weather Service records at Nome Airport.

Through the end of January the Western District has experienced snowfall approximately 43% above the Record Mean (mean = 33.6"), September - January with 48", September 90 through January of 91 or 14.4" more than normal. The Weather Service expects a near record level of approximately 80" through the end of April.

Snowfall data is summarized below:

	SEPT	OCT	NOV	DEC	JAN	TOTAL
1990-1991	0.0	4.9	17.1	14.2	11.8	48.0
30-Yr.Avg.	0.4	4.6	10.6	8.8	9.2	33.6

The heavier than normal snowfall has resulted in crews working overtime, recall of seasonal equipment operators, the rental of contract equipment along with increased fuel usage at our airports and wet rental costs of SEF equipment. The District's airports have experienced the greatest problems with snow stacked nearly 20' high around the Kotzebue facility.

It is anticipated, based on previous experience, that not only do we have additional costs for snow control but breakup will be a disaster. With a snowfall of 83" in 1989 and a supplemental of over \$500.0 the District's road system was devastated and airports along the major rivers were flooded with subsequent damage from erosion including surfacing removal and runway light destruction.

A supplemental of \$550.0 is required to cover the additional winter costs and costs to open roads and repair roads and airports after breakup.

We are requesting \$550.0 to cover the cost of above average snow removal and breakup repairs.

MEMORANDUM

State of Alaska

DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES

TO: John Horn, P.E.
Regional Director
Northern Region

DATE: January 31, 1991

FILE NO: 004

TELEPHONE NO: 835-4322

THRU:

SUBJECT: Budget Supplemental

FROM: George Levasseur *GL*
District Manager
Southcentral

The Southcentral District requests three supplementals totaling \$658.7. The primary request is to restore the governor's vetoes for rural airports and category III roads. We are performing maintenance as if these vetoes of \$173.4 are being re-established into the M&O budget.

Due to war in the Middle East, fuel prices have inflated by nearly 30% causing increased costs for equipment operation, building heat and electrical generation. This BRU is requesting \$430.3 to compensate for higher operational costs within the Highway and Aviation, Facilities and State Equipment components.

The Federal Aviation Administration determined increased security measures were necessary at certified airports to thwart the threat of terrorism due to the Persian Gulf war. Since the U.S. and their allies started bombing Iraq, the threat level was upped to Stage IV. This stage requires uniformed Law Enforcement Officer (LEO) patrols at ticket counters, baggage make-up areas and aircraft. The cost to provide this coverage at the Valdez Airport in FY91 is expected to be \$55.0. LEO coverage is provided by contract with the Valdez Police Department. If this supplemental is not approved, routine repairs to airports in the Southcentral District will have to be deferred until a later date. We also risk fines by the FAA when airports are not in compliance with Part 139 certification regulations.

Attached are projections for the BRU showing expenditures, encumbrances, and projections through June 30th.

John Horn, P.E.

-2-

January 31, 1991

If the requested supplementals are not approved, the Highways/Aviation and Facilities components will run out of money by May 1. To avoid this our operations will be reduced starting in March. There will be only minimal summer patching and repair work accomplished prior to July 1.

ld

Attachements

MEMORANDUM

State of Alaska

Department of Transportation & Public Facilities

TO: Frank G. Turpin
Commissioner
Headquarters

DATE: February 7, 1991

FILE: SAS-0004

THRU: Keith Gerken
Deputy Commissioner, Operations

TELEPHONE NO: 789-6261

FROM: Jonathan W. Scribner *JWS 2/7/91*
Southeast Regional Director

SUBJECT: FY91 Supplementals

As requested in Shelby Stasny's December 19 memorandum, listed below by component is the amount anticipated for FY91 supplementals based on the format provided. We are including capital as well as operating supplemental information. Please note that these figures may be adjusted at a later date due to changes in severity of winter conditions and the anticipated continuance.

OPERATING SUPPLEMENTALS

MAINTENANCE AND OPERATIONS

I. HIGHWAYS AND AVIATION

A. Accounting Information:

- | | |
|-----------------------------------|-----------|
| 1. FY 91 Authorization | \$7,938.3 |
| 2. Expenditures through 1-31-1991 | 4,479.8 |
| 3. Encumbrances as of 1-31-91 | 634.5 |

Encumbrances include Reimbursable Management Agreements to communities for maintaining roads, airports, seaplane floats, and boat harbors. Also included is paint for striping roads this summer, supplies for materials already used this winter (not invoiced yet) and equipment rental from private industry to help with snow and ice control. Other encumbrances are for Reimbursable Service Agreements with other agencies such as Law and

other divisions such as Design and Construction.

- | | | |
|----|--|-----------|
| 4. | Projected expenditures from 2-1-91 through 6-30-91. Projections are based on having an average winter from February through April and having a normal Spring and Summer maintenance program. | 3,667.1 |
| 5. | DEFICIT
(includes unearned revenue of \$115.3) | (\$958.4) |

B. Analysis Information

1. Snow and Ice

a. Need for Supplemental Funds: Southeast Region requests a \$585.2 supplemental to fund shortfalls created by inadequate appropriation levels and abnormal winter conditions.

The FY91 appropriation for the Highways and Aviation component is based on reduced funding levels set in FY87. An increased cost for labor, materials, and services due to inflationary trends since FY87 has reduced our ability to provide prior year equivalent services. The existing appropriation level is inadequate to ensure safety on our highways and airport runways. Snow and ice control activities are a major cost for this component.

Past years' experience indicates that a five (5) year average snowfall of 62.0 inches has required \$126.1 in supplemental funds to maintain normal operation activities. Winter conditions from October 1990 through January 1991 have resulted in 114 inches of snow fall. That is a 283% increase over the five (5) year average for the October through January time period. Refer to the attached figure labeled FY91 Snowfall. This extreme weather has caused \$459.1 in cost over-runs in personal services, contractual, and supply accounts.

A \$109.6 overrun in cost has been in the personal services premium pay account where maintenance crews have worked on regular days off and after normal hours to clean snow and ice from road and airport runway surfaces. All maintenance stations have exceeded

February 4, 1991

their budgets for employee overtime and equipment usage.

A \$99.2 overrun in cost is in equipment usage fees.

Additional funds in the amount of \$44.3 are required to repair down equipment before next winter. Older heavy equipment has been stressed due to increased usage. Many of the older X class graders, snow blowers and loaders purchased in 1977 and later have lost transmissions or have other major deficiencies that prevent them from being used. Our regions State Equipment Fleet (SEF) does not have enough authorization to repair this equipment or enough rental pool vehicles to allow substitution. Heavy equipment such as bull dozers, graders, and loaders are being rented from private contractors to partially offset this problem but it is not adequate to meet all of our road maintenance needs.

There is a \$6.0 cost overrun for emergency blade and chain purchases.

There is \$100.0 overrun due to unusual sand and chemical usage. Frequent weather changes, where snowfall turned to rain followed by freezing conditions, has already required several of our maintenance crews to use their entire winter inventory of sand and chemicals for ice control. Purchases are being made to replenish the diminished inventories and stock piles.

Funds in the amount of \$100.0 are needed to offset budget overruns by local communities, who maintain state facilities under contract. They have been impacted by the weather to the same degree as state maintenance forces.

Aside from the current cost overruns there are serious employee safety concerns on the Skagway Klondike Highway where equipment operators are required to put in excessive overtime to keep the pass open for ore trucks and other traffic 24 hours per day seven days per week. We do not have positions or personal services account funds available to support additional equipment operators to reduce overtime.

b. Impact on the Public: The present authorization balance is not sufficient to provide highway maintenance services for the rest of

February 4, 1991

this fiscal year. At some point there will have to be a reduction in work force or closing of maintenance stations. There will be unsafe driving conditions and liability problems. The residents of Skagway, for example, would be affected by a lack of spring maintenance on the Klondike Highway. Funds would not be available to replace guardrail and signs damaged during winter snow removal operations. Many road pot holes could not be repaired and heavy ore haul trucks would further damage surfaces that deteriorated in winter months. There would be visibility problems caused by dust from sand and chemical materials that were not swept from road surfaces. There would also be rutted road shoulders and poorly graded traffic turn-out lanes.

All southeast highways would have similar problems. Safety hazards are created when sight distances at intersections are reduced from lack of brush control. Eventually, there would be increased cost to the public due to accelerated deterioration and premature failure of highway and bridge facilities from lack of preventive maintenance.

c. Date Supplement Required: April 19, 1991.

This date is based on continuation of normal maintenance levels until April 19. After April 19 activities would cease through June 30. Options to provide minimum levels of service through June 30 requires appropriate reductions in personnel and equipment prior to April 19.

d. Impact of the Supplemental on Personal Services and Positions: The supplemental will provide adequate funds to meet payroll. No changes in positions are anticipated. No additional positions are expected to be filled for spring or summer work programs.

e. Financial History: The existing appropriation for the Highways and Aviation component is based on funding levels that were established in FY87. No increments to this component were requested between FY88 and FY90. This was due to budget restraints in those years and the mild and moderate temperatures of the FY87 and FY88 winters when there were consecutive record low snowfalls. The winter of FY89 has seen Southeast return to temperatures and snowfall closer to the average. The result is maintenance costs that exceed the budgeted amounts.

Another negative impact on the component's operating budget is the

February 4, 1991

April 1976 Alaska\Yukon agreement to maintain the Klondike Highway in the winter. The cost and number of personnel needed to safely maintain the Highway have been severely underestimated. Funds from other maintenance programs in Southeast Region have continually been diverted to pay the underestimated portion of the cost for winter maintenance and repair of equipment, guardrail, snow poles and other items damaged from winter operations.

2. Category III Roads

a. Need for Supplemental Funds: Southeast Region requests a \$211.3 supplemental to fund shortfalls created by the FY91 veto of appropriations to provide maintenance on category III roads.

The region has been instructed to provided full road maintenance services on category III roads. The cost for continuing the prior years level of service will effectively eliminate the operating funds available for the highway and airport summer work program that should start this spring. This April through June work program accomplishes annual routine and non-routine maintenance repairs for pavement damage from frost heave, road shoulder, road resurfacing, drainage, sign and guardrail repairs.

b. Impact on the Public: The lack of supplemental funding for category III roads will require us, as a first priority, to discontinue all maintenance on these roads. The public would be affected by rough roads, inadequate signs, reduced sight distances, and unrepaired guardrails on 58.2 miles of roads. The deficiencies will impede safe travel by the public and could increase state liability. The poor road surfaces will increase wear on public and private vehicles. There could be road closures or road deficiencies significant enough to affect other public services. School bus travel and emergency services such as medical evacuation, fire protection, and police protection would be impeded.

c. Date Supplement Required: April 19, 1991

Refer to section (I.B.1.c).

d. Impact of the Supplemental on Personal Services and Positions:

Refer to section (I.B.1.d).

e. Financial History: This portion of our request is only for return of funds that were vetoed last year. This would bring the operating budget back to the FY91 level of funds available to maintain category III roads before the governor's veto.

3. Rural Airports

a. Need for Supplemental Funds: Southeast Region requests a \$ 121.3 supplemental to fund shortfalls created by the FY91 veto action to reduce support for rural airports.

The component is affected by the veto because the division was instructed to provide full rural airport maintenance services. The additional work includes full snow and ice control services and Aircraft Rescue and Fire Fighting (ARFF) services for certified airports. This work is accomplished regardless of the overtime required to meet commercial aircraft. The non-certified rural airports are also provided full maintenance services by maintenance stations personnel and by communities that perform airport maintenance under maintenance contract agreements.

The lack of supplemental funding will require us to reduce services before fiscal year end. The summer work program will also be negatively affected.

b. Impact on the Public: The public will be affected by reduced or eliminated airport operating hours. Large commercial aircraft will be required to make overflights because of lack of (ARFF) services. The traveling public will be inconvenienced. Many communities that rely on commercial aircraft for moving fish produce to market will suffer some loss in revenue. Flight services and private aircraft that use non-certified airports will have to allow for possible runway maintenance deficiencies.

Lack of timely preventive maintenance will accelerate deterioration and premature failure of the airport infrastructure. State government will eventually have to provide more funds than would otherwise be

February 4, 1991

necessary to correct the deficiencies if a higher level of service is to be restored.

c. Date Supplement Required: April 19, 1991

(refer to section (I.B.1.c))

d. Impact of the Supplemental on Personal Services and Positions:

(refer to section (I.B.1.d))

e. Financial History: This portion of our request is only for return of funds that were vetoed last year. This would bring the operating budget back to the FY91 level of funds available for airport maintenance before the governor's veto.

4. Security for Mid East War:

a. Need for Supplemental Funds: Southeast Region requests a \$ 40.6 supplemental to fund the unanticipated requirement for increased airport security through June 30. The Civil Aviation Field Security Office has required all certified airports to strengthen airport security procedures as a precaution to the threat of terrorism as a result of the middle east war.

b. Impact on the Public: The lack of supplemental funding for airport security will reduce or eliminate our capacity to keep our certified airports open to large commercial airline traffic through fiscal year end and to perform summer work activities. As the Federal Aviation Agency has mandated the additional security there is little that can be done to reduce costs. To not fund this requirement will result in a closure of the airports for use by large commercial flight activities.

c. Date Supplement Required: April 19, 1991

Refer to section (I.B.1.c)

d. Impact of the Supplemental on Personal Services and Positions:
There is no impact on personal services.

e. Financial History: The Civil Aviation Field Security Office first required these additional services on Dec. 27, 1990.

I. FACILITIES

A. Accounting Information:

1. FY 91 Current Authorization	\$3,736.9
2. Expenditures through 1-31-91 (includes \$84.8 in unpaid fuel oil invoices)	2,028.3
3. Encumbrances as of 1-31-91	441.2

Includes \$7.5 for architectural/engineering services; \$7.7 Centrex fixed charges; \$152.0 for contractual services for building repairs and maintenance; \$245.3 for janitorial services; \$26.1 for estimated State share of maintenance and operating expense for Sitka Court and Office Building; \$2.6 for maintenance parts/materials)

4. Projected expenditures from 2-1-91 through 6-30-91. Assumes that current untilled positions remain so; fuel oil prices remain at current level and expenditures for snow removal at facilities continue through 3-3-1-91 at current rate; preventive maintenance and routine repairs continue at current level.	1,996.1
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5. DEFICIT	(287.5)
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B. Analysis Information

1. Increased Fuel Costs:

a. Need for supplemental funds: Southeast Region requests \$242.5 to cover the increased cost of heating fuel for buildings maintained

February 4, 1991

and operated by the component.

The unsettled political conditions in the Middle East sharply drove up the cost of heating fuel beginning in August, 1991. In FY90, heating fuel cost an average of \$0.811 per gallon. Based on FY 90 consumption, at current prices (\$1.15 per gallon), the increased cost of heating fuel is \$210.7. The remaining \$31.8 is attributable to increased consumption in FY91 because of colder than usual weather experiences so far during the 1991-91 winter.

b. Effect of not approving supplemental: Not approving the supplemental will have a serious adverse impact on the buildings maintenance and operation program. Virtually all contractual maintenance planned for the remainder of FY91 will have to be eliminated, adding to the already large deferred maintenance backlog. It is not feasible to lower temperatures in the buildings to reduced fuel oil consumption, since electric heaters will proliferate, at an even greater cost per BTU of heat furnished. Night and weekend temperature setbacks are already in effect and have been for many years. About the only way long-term energy consumption can be reduced is with capital expenditures to improve the efficiency of building heating, ventilating and air-conditioning systems. Such funding has not been forthcoming.

c. Date by which supplemental must be approved: May 1, 1991.

Refer to section (I.B.1.c) for other options.

d. Impact of the supplemental on personal services and positions: No appreciable impact on personal services is expected; the current number of filled positions will continue through the remainder of the fiscal year.

e. Financial history: In recent years, cost allocations for heating fuel have been force-fitted to remain within mandated budget ceilings. For the past few years, weather has been warmer than normal, and fuel prices have been moderate, due to plentiful supplies. However, in FY91, the Middle East political situation has caused the unit price of all petroleum products to increase greatly, and colder than normal weather in Southeast Alaska have combined to create a budget shortfall for this critical commodity.

2. Ice and Snow

a. Need for supplemental funds: Southeast Region requests \$45.0 to makeup a shortfall in personal services and contractual services for snow and ice control at Juneau building and parking facilities.

From October, 1990 through January, 1991, the 114 inches of snowfall at Juneau has been 283 percent of the five-year average for the same period. This unusually heavy snowfall has required substantial extra personal service costs for snow and ice removal at eleven Juneau buildings and for contractual snow plowing, loading and removal at various parking facilities. Despite efficiencies gained by employing seasonal on-call labor for snow shoveling, and a favorable price for the snow plowing contract, expenses have substantially exceeded those of normal years.

b. Effect of not approving supplemental: If the supplemental is not approved, the shortfall for snow and ice control will have to come out of the preventive maintenance program (which would be false economy, leading to more frequent equipment breakdowns and increased maintenance costs) and building repairs (which would add to the already large maintenance backlog at Southeast Region buildings). If it is necessary to reduce the level of service for snow and ice control, the State's liability for potential personal injuries from slips and falls would increase and the number of parking spaces available would substantially decrease if snow were not hauled away promptly.

c. Date by which supplemental must be approved: May 1, 1991.

Refer to section (I.B.1.c) for other options.

d. Impact of the supplemental on personal services and positions: The requested supplemental will provide adequate funding to pay seasonal on-call labor for the number of hours needed. This assumes normal snow and ice conditions for the remainder of the winter. No change in number of filled positions is anticipated for the remainder of FY 91.

e. Financial history: For FY 91, it is estimated that \$132.0 will be spent on snow and ice control, assuming normal snow and ice conditions

FY91 SUPPLEMENTAL REQUEST

February 4, 1991

for the remainder of the winter, or \$45.0 more than the average cost for the past five years.

II. STATE EQUIPMENT FLEET

A. Accounting Information:

1. FY91 Current Authorization	\$1,759.9
2. Expenditures through 1-31-91	995.0
3. Encumbrances as of 1-31-91	1.5
4. Projected expenditures through 6-30-91. Assumes that current unfilled positions remain so; and fuel prices remain at current level.	821.7
5. DEFICIT	(\$56.8)

B. Analysis Information:

1. Increased Fuel Costs:

a. Need for Supplemental Funds: This supplemental is for fuel needed to offset the increased cost of motor fuel costs caused by the Middle East political conditions.

b. Impact on the Public: Without this supplemental fuel rationing would need to be implemented by March 1 which would affect all state agencies ability to carry out their responsibilities such as Public Safety Troopers and Department of Transportation and Public Facilities, Maintenance and Operations.

c. Date Supplemental Required: April 1, 1991.

d. Financial History: Supplemental does not impact personal services or position count.

e. Financial History: The State Equipment Fleet is responsible for

FY 91 SUPPLEMENTAL

FEBRUARY 4, 1991

providing fuel for all wet rental equipment and vehicles. These vehicles/equipment are used to maintain state highways, for Troopers to respond to complaints and accidents.

CAPITAL SUPPLEMENTALS

Southeast Final Judgement Condemnation \$275.0
Attached is documentation for supplemental request.

cc: Ron Lind, Director, Plans, Programs and Budget, Headquarters
Cindy Schlaffman, Administrative Officer, Southeast Region
D. Barry Lybarger, Technical Engineer, Maintenance and Operations, Southeast
Dale Mazzei, Superintendent, Equipment Fleet, Southeast Region
George McCurry, P.E., Buildings Maintenance Manager, Southeast Region
Jim Merrill, P.E., Highways and Aviation Manager, Southeast Region

Listed below are snowfall amounts and mean averages for the last five years. This information was obtained using a publication prepared by the National Oceanic and Atmospheric Administration and the data is for Juneau International Airport.

Month	Average	<u>SNOWFALL</u> (inches)					
		<i>FY</i> 91	<i>FY</i> 90	<i>FY</i> 89	<i>FY</i> 88	<i>FY</i> 87	<i>FY</i> 86
October	0.3	.0	0.6	.0	T	T	0.8
November	14.8	49.2	32.5	4.8	4.6	22.1	10.1
December	5.6	33.2	6.4	11.3	6.8	1.4	2.0
January	19.7	31.8	36.5	44.7	3.5	3.3	10.3
February	11.3		39.4	0.2	8.0	1.4	7.4
March	9.9		0.6	10.0	1.0	7.3	30.4
April	0.4		.0	.0	0.5	T	4.4
Total	62.0		116.0	71.0	24.4	35.5	65.4
Percent Average	100%		187%	115%	39%	57%	105%
Supplementals			\$305.6	\$145.0	0	0	0

Using FY89 snowfall as a target winter, the snowfall was 115 percent of the average five-year snowfall and a \$145.0 supplemental was received. Dividing \$145.0 by 115 percent will determine the additional funding required for an average year. $\$145.0 \div 1.15 = \126.1

TOTAL snowfall for period between October 1990 through January 31, 1991 equals 114.2 inches.

AGENCY: Department of Transportation & Public Facilities
 BRU: Southeast Region Maintenance & Operations
 COMPONENT: Highways and Aviation

[See Planning files for backup]

MEMORANDUM

State of Alaska

Department of Transportation & Public Facilities

TO: W. Keith Gerken
Deputy Commissioner of Operations
Headquarters

DATE: December 21, 1990

FILE NO:

TELEPHONE NO: 789-6261

FROM: Jonathan W. Scribner
Southeast Regional Director

SUBJECT: Supplemental Budget Request

JS 12/24/90

I would like to request that a supplemental item be added to the Southeast Region's General Fund Budget package for Fiscal Year 1992. This item will provide additional funding for the "Siting Juneau State Facilities" appropriation in response to a recently issued FINAL JUDGEMENT OF CONDEMNATION from the State Superior Court. On the basis of this FINAL JUDGEMENT OF CONDEMNATION the Attorney's General office, in early November of this year, settled the final condemnation valuation lawsuit stemming from the Telephone Hill/Government Center complex project initiated in 1984.

I have attached a completed CP-1 form for this request, as well as a copy of the FINAL JUDGEMENT OF CONDEMNATION which spells out the derivation of the amount requested and the interest penalty that will prevail until the judgement is paid.

Attachments

cc: Mike McKinnon, Chief of Planning, Southeast Region
Ron D. Lind, Director, Plans Programs & Budget, Headquarters

CJG

MEMORANDUM

file - Telephone Hill
State of Alaska *ju 12/27*
Department of Law

TO: Jonathan W. Scribner *12/26*
Southeast Region
Department of Transportation
and Public Facilities

DATE: December 21, 1990
FILE NO.: 223-84-0155
TEL. NO.: 465-3603
SUBJECT: Appropriation for Powers
case

FROM: *[Signature]*
Joseph W. Geldhof
Assistant Attorney General
Transportation Section-Juneau

In early November, 1990, the final condemnation valuation lawsuit stemming from the Telephone Hill/Government Center complex project initiated in 1984 was settled. The decision to settle was based on the findings of the Superior Court Master attached as Appendix A.

The terms of the settlement require the state to pay an additional \$235,744.82 to the defendant. In addition, the defendant must receive interest at 10.5 percent on the principle from October 1, 1990 until the judgment is satisfied.

The basis for the settlement amount is described in some detail in the report of the Master. I can well appreciate that the Legislature will not be thrilled with this judgment. The amount, while apparently large, reflects the real estate conditions characteristic of Juneau during the hyper-active real estate market just after the capital relocation vote failed in 1982.

I would be happy to explain any aspect of this appropriation request to you, your staff, or members of the Legislature.

JWG:ae

cc: John Jordan, Dept. of Transportation and Public Facilities

FY Use in program funds for settlement.

DDO	<i>[initials]</i>	LLS	RAE	GUM	DBL
WKG	SOUT & PF SOUTHEAST REGIONAL DIRECTOR				JRM
JWS	DEC 20 1990				JLP
PLJ	JONATHAN W. SCRIBNER				
COPY	FVI	ROUTE	POST	FILE	

[Handwritten initials]

M E M O R A N D U M

State of Alaska
DOT & PF

Alaska International Airport System

TO: Frank Turpin
Commissioner

DATE: February 4, 1991

THRU: ~~Kenney Gorker~~
Deputy Commissioner

TELEPHONE: 266-2525

FROM: Gina Marie Lindsey
Director

SUBJECT: FY 91 Supplementals

Anchorage International Airport (AIA) is again submitting a FY 91 supplemental budget request for \$65,200 to cover the increased cost of fuel. Attached are schedules showing how these amounts were derived and a memo containing the information requested in Shelby Stastny's December 19, 1990 memo which clearly show that this shortfall cannot be covered by reallocating funds within the components.

At this time, the airports are not requesting a supplemental budget request for the increased security costs being incurred as a result of the Gulf Crisis. Presently AIA is incurring \$35,000 per week and FIA is incurring \$20,000 per week for these increased security costs. It is anticipated that both airports should be able to cover these additional security costs within their present budgets through March 31, 1991. If this level of security is required past that date, a supplemental request will be prepared at that time for the remaining thirteen weeks in FY 91. At the present level of spending, we estimate AIA will need an additional \$455,000 and FIA an additional \$260,000 to fund this heightened level of security through June 30, 1991.

If you require any additional information, please do not hesitate to contact me.

Attachments

cc: Ron Lind
Lisa Emerson

MEMORANDUM

State of Alaska

Department of Transportation and Public Facilities
Anchorage International Airport

TO: Lisa Emerson, Program Budget Analyst
DOT - Central Region

DATE: Feb. 4, 1991

THRU: John Ungar, Controller ⁷⁸⁴
Alaska International Airport System

FILE NO.:

THRU: Ken Burdette, Airport Manager ^{AKSAS}
Anchorage International Airport

TELEPHONE NO.: 266-2404

FROM: Linda MacMillan, Accounting Supervisor
Anchorage International Airport

SUBJECT: FY 91 Supplemental
for Equip. Maintenance

Attached is the additional information requested pursuant to the memo from J. Shelby Stastny, OMB dated December 19, 1990. Attachment I provides the information requested under "A. Accounting Information" items 1, 2, 4, and 5 and under "B. Analysis Information" item 5. Attachments II and III provides the information requested under part A, item 3. Attachment IV is a screen print of YTD and January, 91 expenditures per AKSAS.

The following is the information requested under "B. Analysis Information" of the above mentioned memo.

1. Equipment maintenance provides all repairs and fuel required to keep all Anchorage International Airport (AIA) equipment operational and in addition supplies fuel for the heating of the terminal facilities. Due to the significant increase in fuel prices during the current fiscal year this component requires and has requested a supplemental appropriation of \$65,200.00 to cover this increase in costs. The amount requested is based on the number of gallons of fuel used in FY90 times the net increase in per gallon fuel prices between FY90 and the current fiscal year.

2. If this supplemental is not approved there exists the potential that Equipment Maintenance will not be able to pay all fuel bills. If AIA falls behind in paying its fuel bills, AIA will not be able to replenish the current inventory of fuel. Equipment maintenance has a projected shortfall in all lines of its FY91 appropriation, but with the exception of fuel costs, it is expected that other shortfalls can be covered through transfer of funds via the RP process from other appropriations of AIA. But we do not think that in view of the increased costs AIA is experiencing to maintain the higher security level at the airport required by FAA (approx. \$5000.00 per day) due to the Mideast War, we do not think there will be sufficient funds to also cover the increase in fuel costs.

3. AIA will need the supplemental by early March, 91. That is the projected month that the current appropriation will be exhausted.

4. As mentioned under item 2 without adequate fuel supplies AIA cannot operate the airport facilities. The other 6 appropriations that along with Equipment Maintenance funds operation of AIA all would be negatively impacted if there is a shortfall of funds to pay fuel costs.

Page 2
Feb. 4, 1991

5. Further information regarding the projection of the shortfall is provided in Attachment I.

Please contact me if there is other information you require with respect to this supplemental appropriation request.

MEMORANDUM

State of Alaska

TO: Ron B. Lind
Director
Plans, Programs, and Budgets

DATE: December 28, 1990

FILE NO:

TELEPHONE NO: 266-2440

THRU: John Ungar *JU*
Controller AIAS

SUBJECT: Fuel Supplementals

FROM: Lawrence W. Michou *LW*
Operations Officer
Anchorage International Airport

Reference Ron B. Lind's memorandum of December 19, 1990 concerning the FY91 fuel supplementals.

I believe we should go in for a fuel supplemental.

Based on the standard methodology, Anchorage International would need \$65,200. This is based on the following calculations:

Gallons used in FY 90

Diesel 136,600
Unleaded 77,700

December 1989 Price per Gallon

Diesel .892
Unleaded .873

December 1990 Price per Gallon

Diesel 1.178
Unleaded 1.208

Cost of fuel FY 91 vs. FY90 using December Prices

Diesel FY 90 136,600 x .892 = 121,800
Diesel FY 91 136,600 x 1.178 = 160,900

Difference in Diesel Cost 39,100

Unleaded FY90 77,700 x .873 = 67,800
Unleaded FY91 77,700 x 1.208 = 93,900

Difference in Unleaded Cost = 26,100

RECEIVED
JAN 02 1991

D.O.T. & P.F.
Plans, Programs and Budget

MEMORANDUM

State of Alaska

Department of Transportation and Public Facilities

TO: Frank G. Turpin
Commissioner

DATE: February 6, 1991

FILE NO: SD-125 & 207

THRU: W. Keith Gerken
Deputy Commissioner

TELEPHONE: (907) 465-3959

FROM: James R. Ayers
System Director
Alaska Marine Highway System

SUBJECT: FY 91 Supplemental
Analysis

The Alaska Marine Highway System prepared an operating plan for FY 91 which has six substantial problems. First the legislature did not adequately fund the PERS increases for FY 91. Secondly, the Governor was forced to veto \$2.8 million dollars of the Alaska Marine Highway System budget due to the drop in oil prices. Thirdly, we now have sufficient information to address the question of costs for providing M/V TUSTUMENA service after she undergoes major refurbishment during the year. Fourth, the mideast political crisis has caused a precipitous rise in fuel prices causing a projected shortfall of approximately \$1.9 million at current prices. Fifth, administrative action taken by the Department of Administration has increased per diem rates by 40-44% for vessel employees. Sixth, the M/V MALASPINA was originally scheduled for major refurbishment during five weeks of peak revenue season.

Following is a review of each issue:

a. PERS/Benefits Increase

In FY 91 the cost of PERS increased by 4.21%. Only 2.03% of this increase in the Alaska Marine Highway System, vessel operations, was funded. PERS will increase by another 2.28% and an increment for a portion of this increase has been included in our FY 92 budget. It is not possible to fund or absorb the PERS or other benefit increases through vacancy rates in vessel operations because under Coast Guard regulations and contract rules we do not have vacancies in vessel operations. Based on our year to date actual personal services expenditures we estimate a \$921,007 deficit.

b. Governor's Veto

The Governor's veto of \$2.8 million causes the reduction in service of two primary vessels within the Marine Highway System -- the M/V COLUMBIA and the M/V LeCONTE. The M/V COLUMBIA is a

mainline vessel serving the Puget Sound area out of Bellingham with service to communities throughout Southeast Alaska. In addition, the M/V COLUMBIA provides, particularly in the May through September time period, substantial tourist traffic as well as service to Alaskan travelers. This vessel is the primary revenue generator for the Alaska Marine Highway System. The Southeast communities, Anchorage and Fairbanks will be significantly impacted by the reduced tourism traffic.

The M/V LeCONTE is a feeder vessel that services primarily the northern Lynn Canal except it runs the "tramper" route when the M/V AURORA is in overhaul or out of service. The communities of Juneau, Haines, Skagway, Hoonah, Angoon, Tenakee and Sitka will be significantly impacted by the lay-up of the M/V LeCONTE. Southern Southeast ports would receive less service since the M/V AURORA would have to make weekly "tramper" runs up to the north to provide some service.

The countervailing force here is the revenues generated by the operation of the vessels. These two vessels, if they were to come back on line as originally scheduled, will generate approximately \$2.7 million, practically the entire cost of providing the service.

A decision to not sail these two vessels as scheduled saves nothing. Arguably, the revenues lost by not sailing will exceed any potential savings. This is best seen in light of the fact that the effect on the general fund is essentially the same whether we provide service to the communities or lay up the two vessels. They will pay for themselves during the time period in question. Expending the G.F. during this fiscal year (FY 91) will make more than that amount available in FY 92.

c. M/V TUSTUMENA Service

The M/V TUSTUMENA is undergoing major overhaul and refurbishment this year. The M/V TUSTUMENA is now scheduled to return to service a month earlier. The cost associated with the month of service is \$342,857.

d. Fuel Prices

The Iraqi invasion of Kuwait has had serious repercussions for the Alaska Marine Highway System with regard to fuel and fuel prices. Fuel costs budgeted for FY 91 were based on a weighted average of \$.67 per gallon and the current weighted average is \$.81 per gallon. The increase in fuel will cost an additional \$1,918,275 compared to the original FY 91 operating plan estimate.

e. Per diem

The Department of Administration implemented administrative changes to per diem rates effective June 15, 1990. These increases apply to all three maritime unions. Per diem expenses

are incurred because vessel employees often are required to travel to meet vessels at ports other than their homeports. Also, during annual overhaul periods vessels undergo overhaul at ports which require the crew to be away from home. Crews are usually provided with meals at the expense of the employer and are paid a per diem allowance for the lodging portion of their expenses. The increase in these rates will cost an additional \$303,000.

f. M/V MALASPINA

In the original 1990-91 Operating Plan the M/V MALASPINA was scheduled to undergo refurbishment of its galley and purser's area. Due to the length of the project the vessel was not to return to service until approximately June 27, 1991. Upon evaluating late spring 1990 traffic it became clear this schedule would mean a loss of \$761,600. The ship needs to be available by mid-May to meet demand and maximize revenues. In order to accomplish this objective AMHS worked with the Federal Highway Administration to obligate the necessary federal funds in fiscal year 1990, but defer actual construction until Fall 1991. The vessel is now scheduled to return to service on May 23. The maximum estimated cost of these additional five weeks of service is \$675,000 and revenues generated are estimated at \$761,600.

g. Prior Year Obligations

The AMHS successfully closed the fiscal year on August 31. This was accomplished without breaking any appropriation and, in fact, left a balance. We have approximately \$165,422 FY 90 outstanding obligations and a lapse balance of approximately \$256,457. If these obligations are paid out of lapse balance, a supplemental appropriation is required specifically for these items.

Summary

In summary, the Alaska Marine Highway System operating plan for FY 91 is incapable of accomplishing the schedules unless the issue of funding is resolved. The current operating plan without this supplemental would take a severe reduction in the operation of the M/V COLUMBIA, TUSTUMENA and LeCONTE. Operating plans at various funding levels are available upon request. The recommendations are:

- 1) Request supplemental G.F. authority of \$921,007 for PERS/Benefits costs to insure full operation of the current plan.
- 2) Schedule the M/V COLUMBIA and the M/V LeCONTE to come back into service as originally planned on May 3, 1991 and March 13, 1991 respectively. Request G.F. supplemental of \$2.8 million to cover cost.

- 3) Proceed with an additional month of service for the M/V TUSTUMENA. Request \$342,857 G.F. supplemental to cover cost.
- 4) Fuel prices have caused a drastic increase in schedule cost. Request G.F. supplemental of \$1,918,275 to cover cost.
- 5) Per diem rates have been increased by the Department of Administration causing a serious impact on AMHS travel and overhaul budget. Request G.F. supplemental of \$303,000 to cover cost.
- 6) Schedule the M/V MALASPINA to return to service on May 23. Delay actual refurbishment until next year's layup during winter. Request G.F. supplemental of \$675,000 to cover cost.

PROPOSED/SUPPLEMENTAL REQUEST-FY 91

PERS/Benefits	\$ 921,007
Restore M/V COLUMBIA/M/V LeCONTE	2,800,000
Replacement for M/V TUSTUMENA added costs	342,857
Fuel Price Increase	1,918,275
Per Diem	303,000
M/V MALASPINA Service	<u>675,000</u>
TOTAL SUPPLEMENTAL REQUEST	\$6,960,139

In addition, we are requesting additional authority and appropriation of \$165,422 to pay FY 90 bills that have been received after fiscal year ended.

cc: Ron B. Lind, Director
Plans, Programs and Budget

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 41 (FINANCE)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Funding Information: General Fund \$66,661,536
 Other Funds (1,967,000)
 \$64,694,536

Sponsor(s): **SENATORS KERTTULA, Sturgulewski, Menard**

A BILL

FOR AN ACT ENTITLED

1 "An Act making supplemental appropriations to the Department of Transportation and
2 Public Facilities for maintenance of class 3 roads and other purposes; amending certain
3 appropriations; making appropriations; and providing for an effective date."

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

5 * Section 1. Section 35, ch. 209, SLA 1990, page 26, lines 10 - 15, is amended to read:

	ALLOCATIONS	APPROPRIATION ITEMS	GENERAL FUND	OTHER FUNDS
8 Assistance Payments		<u>108,427,700</u>	<u>64,888,200</u>	<u>43,539,500</u>
9		[100,280,800]	[59,345,600]	[40,935,800]
10 Aid to Families with	<u>78,570,700</u>			
11 Dependent Children	[72,208,700]			
12 General Relief	<u>1,350,400</u>			
13 Assistance	[800,400]			
14 Adult Public Assistance	<u>23,434,700</u>			

1 [22,486,400]
 2 Old Age Assistance-
 3 Alaska Longevity Bonus 4,321,900
 4 (ALB) - Hold Harmless
 5 Post Mortem 750,000
 6 Examinations [463,400]

7 * Sec. 2. (a) Section 35, ch. 209, SLA 1990, page 26, lines 18 - 19 is amended to read:

	ALLOCATIONS	APPROPRIATION ITEMS	GENERAL FUND	OTHER FUNDS
10 Medical Assistance		<u>196,243,100</u>	<u>93,475,500</u>	<u>102,767,600</u>
		[213,210,900]	[101,990,400]	[111,220,500]
12 Medicaid Non-Facility	<u>71,931,700</u>			
	[69,765,800]			

14 (b) Section 35, ch. 209, SLA 1990, page 26, line 23, to page 27, line 8, is amended to read:

	ALLOCATIONS
16 Medicaid-Facilities	<u>98,216,800</u>
	[115,212,000]
18 Indian Health Service	<u>11,066,900</u>
	[12,651,000]
20 Medicaid Permanent Fund	<u>1,800,000</u>
21 Dividend Hold Harmless	[1,007,800]
22 Alaska Longevity Bonus	<u>1,236,000</u>
23 Hold Harmless	[1,479,100]
24 General Relief Medical	<u>7,057,700</u>
	[7,672,300]
26 Medicaid State Programs	<u>4,934,000</u>
	[5,422,900]

28 * Sec. 3. (a) Section 35, ch. 209, SLA 1990, page 27, line 21, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND	OTHER FUNDS
31 Purchased Services	<u>26,331,300</u>	<u>24,115,000</u>	<u>2,216,300</u>

WORK DRAFT

WORK DRAFT

WORK DRAFT

1 [25,927,000] [23,860,700] [2,066,300]

2 (b) Section 35, ch. 209, SLA 1990, page 28, line 4, is amended to read:

3 ALLOCATIONS

4 Foster Care 11,610,400

5 [11,206,100]

6 * Sec. 4. Section 35, ch. 209, SLA 1990, page 28, lines 14 - 19, is amended to read:

7 APPROPRIATION GENERAL OTHER

8 ALLOCATIONS ITEMS FUND FUNDS

9 Youth Services 17,778,500 16,984,700

10 [17,393,300] [16,599,500] 793,800

11 McLaughlin Youth Center 7,151,900

12 (125 Positions) [6,997,700]

13 Fairbanks Youth Facility 2,571,000

14 (36 positions) [2,481,300]

15 Nome Youth Facility 981,500

16 (11 positions) [964,100]

17 Johnson Youth Center 919,500

18 (14 positions) [898,900]

19 Bethel Youth Facility 1,648,200

20 (22 positions) [1,544,900]

21 * Sec. 5. (a) Section 35, ch. 209, SLA 1990, page 28, line 21, is amended to read:

22 APPROPRIATION GENERAL OTHER

23 ITEMS FUND FUNDS

24 Maniilaq 3,910,800 3,825,200

25 [3,764,400] [3,678,800] 85,600

26 (b) Section 35, ch. 209, SLA 1990, page 29, line 7, is amended to read:

27 ALLOCATIONS

28 Maniilaq Senior Center 1,014,700

29 [868,300]

30 * Sec. 6. (a) Section 35, ch. 209, SLA 1990, page 33, line 22, is amended to read:

31 APPROPRIATION GENERAL OTHER

1		ITEMS	FUND	FUNDS
2	Institutions and	<u>27,792,400</u>	<u>23,347,300</u>	
3	Administration	[27,232,400]	[22,787,300]	4,445,100

4 (b) Section 35, ch. 209, SLA 1990, page 34, line 17, is amended to read:

5 ALLOCATIONS

6	Alaska Psychiatric Institute	<u>15,262,100</u>
7	(304 positions)	[14,702,100]

8 * Sec. 7. Section 139, ch. 208, SLA 1990, page 52, line 6, is amended to read:

9		APPROPRIATION	GENERAL
10		ITEMS	FUND
11	Information Systems Expansion	<u>853,500</u>	<u>853,500</u>
12	and Upgrade (ED 19)	[353,500]	[353,500]

13 * Sec. 8. The sum of \$30,000 is appropriated from the mental health trust fund to the Department
14 of Health and Social Services for purchase of the Matanuska-Susitna Counseling Center quarters.

15 * Sec. 9. The sum of \$110,000 is appropriated from the mental health trust fund to the Department
16 of Health and Social Services to purchase community housing for the Anchorage Association of Retarded
17 Citizens.

18 * Sec. 10. (a) The sum of \$1,092,200 is appropriated from the general fund to the Department of
19 Health and Social Services, permanent fund dividend hold harmless program, for increased program
20 costs.

21 (b) The sum of \$1,092,200 is appropriated from the permanent fund dividend fund to the general
22 fund to reimburse the general fund for the appropriation made in (a) of this section.

23 * Sec. 11. The sum of \$216,000 is appropriated from the general fund to the Department of Health
24 and Social Services, Fairbanks social services block grant, for the Fairbanks block grant program.

25 * Sec. 12. The sum of \$984,000 is appropriated from the general fund to the Department of Health
26 and Social Services, Anchorage social services block grant, for the Anchorage block grant program.

27 * Sec. 13. The sum of \$1,032,000 is appropriated from the general fund to the Department of
28 Administration, pioneers' homes, for increased operating costs.

29 * Sec. 14. The sum of \$782,900 is appropriated from the general fund to the Department of
30 Administration, office of public advocacy, for increased operating costs.

31 * Sec. 15. The sum of \$7,612,200 is appropriated from the general fund to the Department of Law

EXHIBIT

1 to pay continuing costs associated with litigation relating to the Exxon Valdez oil spill.

2 * Sec. 16. The sum of \$12,000,000 is appropriated to the Department of Law to pay continuing costs
3 for legal proceedings involving oil and gas revenue due or paid to the state or state title to oil and gas
4 land from the following sources:

STATE VS NANCYAN HESS

5	General Fund	\$10,000,000
6	Permanent Fund Earnings Reserve Account	2,000,000

7 * Sec. 17. The sum of \$500,000 is appropriated from the mental health trust income account
8 (AS 37.14.011) in the general fund to the Department of Law for increased costs associated with Weiss
9 v. State.

10 * Sec. 18. The sum of \$720,000 is appropriated from the general fund to the Department of Public
11 Safety for increased contract jail costs.

CONTRACT JAILS

12 * Sec. 19. The sum of \$46,000 is appropriated from the general fund to the Department of Public
13 Safety, Civil Air Patrol, for increased program costs.

REVENUE

14 * Sec. 20. The sum of \$2,908,100 is appropriated from the general fund to the Department of
15 Transportation and Public Facilities for maintenance of class 3 roads.

LOWER FUNDING

16 * Sec. 21. The sum of \$2,800,000 is appropriated from the general fund to the Department of
17 Transportation and Public Facilities for marine vessel operations and overhaul.

18 * Sec. 22. The sum of \$2,200,000 is appropriated from the general fund to the Department of
19 Transportation and Public Facilities for maintenance of rural airports.

20 * Sec. 23. The sum of \$4,160,139 is appropriated from the general fund to the Department of
21 Transportation and Public Facilities, Alaska marine highway system, for the following purposes:

22	PURPOSE	ALLOCATION
23	Fuel price increases	\$1,918,275
24	Per diem increases	303,000
25	Increase to employee benefits and retirement contributions	921,007
26	Tustumena service operation	342,857
27	Malaspina service operation	675,000

28 * Sec. 24. The sum of \$1,914,600 is appropriated from the general fund to the Department of
29 Transportation and Public Facilities for fuel price increases.

30 * Sec. 25. The sum of \$658,800 is appropriated from the general fund to the Department of
31 Transportation and Public Facilities for airport security cost increases.

1 * Sec. 26. The sum of \$2,131,900 is appropriated from the general fund to the Department of
2 Transportation and Public Facilities for removal of snow and ice and repair of storm damage.

3 * Sec. 27. The sum of \$300,000 is appropriated from the general fund to the Department of
4 Community and Regional Affairs, organizational grants, for the first-year organizational grant for the
5 Denali Borough as authorized by AS 29.05.190.

6 * Sec. 28. The sum of \$50,000 is appropriated from the general fund to the Department of
7 Community and Regional Affairs, organizational grants, for the first-year organizational grant for the
8 City of False Pass as authorized by AS 29.05.180.

9 * Sec. 29. The unexpended and unobligated balance of the appropriation made in sec. 27, ch. 116,
10 SLA 1989, page 84, line 9 (child assistance) lapses into the funds from which appropriated June 30,
11 1991.

12 * Sec. 30. The sum of \$2,234,600 is appropriated from the general fund to the Department of
13 Community and Regional Affairs to maintain the day care assistance program at grant levels in effect
14 in February 1991, and to increase the participation of persons from the waiting list.

15 * Sec. 31. The sum of \$469,900 is appropriated from the general fund to the Department of
16 Corrections, major medical, for personal services costs.

17 * Sec. 32. The sum of \$1,870,400 is appropriated from the general fund to the Department of
18 Corrections, major medical, for operating costs.

19 * Sec. 33. The sum of \$442,100 is appropriated from the general fund to the University of Alaska
20 for increased fuel and utility costs and is allocated in the following amounts:

21	PURPOSE	ALLOCATION
22	Kodiak College	13,000
23	Prince William Sound Community College	16,300
24	University of Alaska Anchorage	76,000
25	Chukchi Campus	14,000
26	Kuskokwim Campus	3,500
27	Northwest Campus	5,400
28	Organized Research	17,200
29	Rural College	36,200
30	School of Fisheries and Ocean Sciences	10,300
31	University of Alaska Fairbanks	194,900

WORK DRAFT

WORK DRAFT

WORK DRAFT

1	University of Alaska Southeast	34,000
2	Ketchikan Campus	5,200
3	Matanuska-Susitna Community College	13,500
4	Sitka Campus	2,600

5 * Sec. 34. The sum of \$222,100 is appropriated from the general fund to the University of Alaska
6 Fairbanks for increased costs associated with snow removal.

7 * Sec. 35. The sum of \$20,000 is appropriated from the general fund to the University of Alaska,
8 Anchorage, Institute of Circumpolar Health for expenses of the 1990-1991 medical expedition and
9 translation and publication of reports of the expedition.

10 * Sec. 36. The sum of \$179,900 is appropriated from the general fund to the Office of the Governor,
11 division of elections, for increased operating costs associated with elections in 1990.

12 * Sec. 37. The sum of \$42,600 is appropriated from the general fund to the Department of Commerce
13 and Economic Development, division of measurements and standards, to provide for weigh station
14 operations and the device inspection program.

15 * Sec. 38. The sum of \$1,979,600 is appropriated from the general fund to the Alaska Energy
16 Authority to pay the costs of the power cost equalization program (AS 44.83.162).

17 * Sec. 39. The sum of \$2,000,000 is appropriated from the general fund to the Department of
18 Commerce and Economic Development, division of tourism, for domestic tourism marketing.

19 * Sec. 40. The sum of \$21,042,000 is appropriated from the general fund to the Department of
20 Education for the public school foundation program (AS 14.17).

21 * Sec. 41. The appropriations made in secs. 8 and 9 of this Act are for capital projects and lapse
22 under AS 37.25.020.

23 * Sec. 42. The appropriations made in sec. 10 of this Act do not lapse.

24 * Sec. 43. The appropriations made in secs. 11 - 28 and 30 - 40 of this Act lapse into the funds from
25 which they were appropriated June 30, 1991.

26 * Sec. 44. Section 10(b) of this Act takes effect July 1, 1991.

27 * Sec. 45. Except as provided in sec. 44 of this Act, this Act takes effect immediately under
28 AS 01.10.070(c).

7-LS0306G

Cramer

1/31/91

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 41 (TRANSPORTATION)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE TRANSPORTATION COMMITTEE

Offered:

Referred:

Funding Information:	General Fund	\$7,908,100
	Other Funds	<u>-0-</u>
		\$7,908,100

Sponsor(s): SENATORS KERTTULA, Sturgulewski

A BILL

FOR AN ACT ENTITLED

1 "An Act making supplemental appropriations to the Department of Transportation and
2 Public Facilities for maintenance of class 3 roads, marine vessel operations and overhaul,
3 and rural airport maintenance; and providing for an effective date."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * Section 1. The sum of \$2,908,100 is appropriated from the general fund to the Department of
6 Transportation and Public Facilities for maintenance of class 3 roads.

7 * Sec. 2. The sum of \$2,800,000 is appropriated from the general fund to the Department of
8 Transportation and Public Facilities for marine vessel operations and overhaul.

9 * Sec. 3. The sum of \$2,200,000 is appropriated from the general fund to the Department of
10 Transportation and Public Facilities for maintenance of rural airports.

11 * Sec. 4. The appropriations made by this Act lapse into the general fund June 30, 1991.

12 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).



Official Business

Alaska State Legislature

P.O. Box V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: Senator Curt Menard, Chairman
Senate Transportation Committee

FROM: Senator Jay Kerttula

SUBJ: Senate Bill 41 --
Supplemental for Class 3 roads,
rural airports and marine
transportation

DATE: January 29, 1991

A handwritten signature in black ink, appearing to read "Jay Kerttula".

I would appreciate your scheduling Senate Bill 41, providing a supplemental appropriation to the Department of Transportation for maintenance of class 3 roads, rural airports and marine transportation. These funds would reinstate Governor Cowper's vetoes in these areas. Unless these funds are appropriated, it appears that maintenance of class 3 roads and rural airports will stop in early spring. It is possible that other road maintenance activities may also be impacted. Marine transportation service will also be severely impacted by mid spring.

For your information, I have attached a resolution from the Matanuska-Susitna Borough requesting continuation of maintenance for class 3 roads.

I appreciate your consideration of this request.

JK:kh

MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 90-158AM

A RESOLUTION OF THE ASSEMBLY OF THE MATANUSKA-SUSITNA BOROUGH REQUESTING THE STATE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES TO CONTINUE FUNDING AND MAINTENANCE OF STATE CATEGORY III ROADS.

WHEREAS, the State of Alaska Department of Transportation has proposed eliminating the funding for maintenance and capital improvements for Category III state roads; and

WHEREAS, good roads are one of the highest priorities of the Borough; and

WHEREAS, these roads serve all residents of Alaska and the State of Alaska has always maintained and improved these roads; and

WHEREAS, the safety of the driving public will be greatly reduced if the Department of Transportation and Public Facilities eliminates the maintenance and improvements of Category III roads; and

WHEREAS, State revenues are adequate to maintain and improve state roads; and

WHEREAS, the Matanuska-Susitna Borough lacks the administrative capacity, equipment, manpower and monetary resources to upgrade, construct and maintain Category III state roads; and

WHEREAS, it is the responsibility of the State of Alaska to provide basic services for public safety; and

WHEREAS, the Local Road Service Area Advisory Board passed and approved Resolution Serial No. 90-011 recommending the Borough Assembly request the Commissioner of the Department of Transportation and Public Facilities, the Governor and the Legislature to continue funding maintenance and capital improvements of Category III state roads and recommending the Borough Assembly not take any responsibility for Category III state roads.

NOW THEREFORE, BE IT RESOLVED by the Assembly of the Matanuska-Susitna Borough that the Commissioner of the Department of Transportation and Public Facilities, the Governor and the Legislature continue the funding for the maintenance and capital improvements of Category III state roads.

Adopted by the Assembly of the Matanuska-Susitna Borough this 18th day of December, 1990.

Dorothy A. Jones
Dorothy A. Jones, Borough Mayor

ATTEST:

Linda A. Dahl
Linda A. Dahl, Borough Clerk

(SEAL)

STATE OF ALASKA

THE LEGISLATURE

BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
P.O. BOX WF
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

Date: February 1, 1991

To: Senator Jay Kerttula, Co-Chairman
Senate Finance Committee

From: Roger LaVine, Fiscal Analyst *RL 2/1/91*
Legislative Finance

Subject: DOT/PF Supplemental for Class 3 Roads, Rural Airports &
Marine Transportation.

You ask us to comment on the need for a early supplemental for DOT/PF due to Governor's FY91 vetoes of funds for Class 3 Roads, Rural Airports, and Marine Transportation.

Class 3 Roads

The Governor vetoed \$2,908,100 appropriated to maintain Class 3 Roads. The department FY91 budget allocated \$8.5 million for the maintenance of Class 3 Roads. The result of this veto is to reduce funding for Class 3 Roads by over 1/3. Given this reduction, the department will run out of funding to maintain Class 3 Roads by early March, if not sooner. The department also will need an additional supplemental for maintenance of all roads, because of increased fuel cost and above normal snowfall in some regions of the state. The department is in the process of determining the amount needed for the additional supplemental. The numbers should be available in the next few days. The department has indicated that the amount needed probably will be between \$10 and \$15 million.

Rural Airports

The Governor vetoed \$2.2 million out of about \$16 million allocated to maintain rural airports in FY9. This resulted in a 15% cut to rural airport maintenance. Given this reduction, the department will be forced to curtail service at rural airports sometime in the spring. The FAA has increased security requirements at certificated airports due to the Gulf War. The cost of this additional security will require a supplemental at a later date in an amount yet to be determined.

Marine Transportation

The governor vetoed \$2.8 million out of the Marine Transportation appropriation. Unless this funding is restored, plus an additional supplemental for increased fuel cost and unfunded PERS in the amount of \$3.1 million, the department will have to curtail service in the spring. For example, the MV Columbia would not resume service until July 1, 1991 a lose of 8 weeks of service. Also, other vessels would have to be tied up or not resume planned service until a later date.

I will continue to monitor DOT supplemental requests and keep you informed.

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR JONES

TO: SSSB 41

Page 1, after line 8:

Insert a new bill section to read:

"* Sec. 3. The sum of \$4,160,139 is appropriated from the general fund to the Department of Transportation and Public Facilities, Alaska marine highway system, for the following purposes:

PURPOSE	ALLOCATION
Fuel price increases	\$1,918,275
Per diem increases	303,000
Increase to employee benefits & retirement contributions	921,007
Tustumena service operation	342,857
Malaspina service operation	675,000"

Adjust funding information accordingly.

Renumber the following bill sections accordingly.

SPONSOR SUBSTITUTE FOR SENATE BILL NO. 41
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY SENATOR KERTTULA

Introduced:	1/23/91
Referred:	Transportation and Finance
Funding Information:	General Fund \$7,608,100
	Other Funds <u>-0-</u>
	\$7,608,100

A BILL

FOR AN ACT ENTITLED

1 "An Act making supplemental appropriations to the Department of Transportation and
 2 Public Facilities for maintenance of class 3 roads, marine vessel operations and overhaul,
 3 and rural airport maintenance; and providing for an effective date."

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

5 * Section 1. The sum of \$2,908,100 is appropriated from the general fund to the Department of
 6 Transportation and Public Facilities for maintenance of class 3 roads.

7 * Sec. 2. The sum of \$2,500,000 is appropriated from the general fund to the Department of
 8 Transportation and Public Facilities for marine vessel operations and overhaul.

9 * Sec. 3. The sum of \$2,200,000 is appropriated from the general fund to the Department of
 10 Transportation and Public Facilities for maintenance of rural airports.

11 * Sec. 4. The appropriations made by this Act lapse into the general fund June 30, 1991.

12 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).

MEMORANDUM

State of Alaska

Department of Transportation and Public Facilities

TO: Frank G. Turpin
Commissioner

DATE: February 6, 1991

FILE NO: SD-125 & 207

THRU: W. Keith Gerken
Deputy Commissioner

TELEPHONE: (907) 465-3959

FROM: James R. Ayers
System Director
Alaska Marine Highway System

SUBJECT: FY 91 Supplemental
Analysis

The Alaska Marine Highway System prepared an operating plan for FY 91 which has six substantial problems. First the legislature did not adequately fund the PERS increases for FY 91. Secondly, the Governor was forced to veto \$2.8 million dollars of the Alaska Marine Highway System budget due to the drop in oil prices. Thirdly, we now have sufficient information to address the question of costs for providing M/V TUSTUMENA service after she undergoes major refurbishment during the year. Fourth, the mideast political crisis has caused a precipitous rise in fuel prices causing a projected shortfall of approximately \$1.9 million at current prices. Fifth, administrative action taken by the Department of Administration has increased per diem rates by 40-44% for vessel employees. Sixth, the M/V MALASPINA was originally scheduled for major refurbishment during five weeks of peak revenue season.

Following is a review of each issue:

a. PERS/Benefits Increase

In FY 91 the cost of PERS increased by 4.21%. Only 2.03% of this increase in the Alaska Marine Highway System, vessel operations, was funded. PERS will increase by another 2.28% and an increment for a portion of this increase has been included in our FY 92 budget. It is not possible to fund or absorb the PERS or other benefit increases through vacancy rates in vessel operations because under Coast Guard regulations and contract rules we do not have vacancies in vessel operations. Based on our year to date actual personal services expenditures we estimate a \$921,007 deficit.

b. Governor's Veto

The Governor's veto of \$2.8 million causes the reduction in service of two primary vessels within the Marine Highway System -- the M/V COLUMBIA and the M/V LeCONTE. The M/V COLUMBIA is a

mainline vessel serving the Puget Sound area out of Bellingham with service to communities throughout Southeast Alaska. In addition, the M/V COLUMBIA provides, particularly in the May through September time period, substantial tourist traffic as well as service to Alaskan travelers. This vessel is the primary revenue generator for the Alaska Marine Highway System. The Southeast communities, Anchorage and Fairbanks will be significantly impacted by the reduced tourism traffic.

The M/V LeCONTE is a feeder vessel that services primarily the northern Lynn Canal except it runs the "tramper" route when the M/V AURORA is in overhaul or out of service. The communities of Juneau, Haines, Skagway, Hoonah, Angoon, Tenakee and Sitka will be significantly impacted by the lay-up of the M/V LeCONTE. Southern Southeast ports would receive less service since the M/V AURORA would have to make weekly "tramper" runs up to the north to provide some service.

The countervailing force here is the revenues generated by the operation of the vessels. These two vessels, if they were to come back on line as originally scheduled, will generate approximately \$2.7 million, practically the entire cost of providing the service.

A decision to not sail these two vessels as scheduled saves nothing. Arguably, the revenues lost by not sailing will exceed any potential savings. This is best seen in light of the fact that the effect on the general fund is essentially the same whether we provide service to the communities or lay up the two vessels. They will pay for themselves during the time period in question. Expending the G.F. during this fiscal year (FY 91) will make more than that amount available in FY 92.

c. M/V TUSTUMENA Service

The M/V TUSTUMENA is undergoing major overhaul and refurbishment this year. The M/V TUSTUMENA is now scheduled to return to service a month earlier. The cost associated with the month of service is \$342,857.

d. Fuel Prices

The Iraqi invasion of Kuwait has had serious repercussions for the Alaska Marine Highway System with regard to fuel and fuel prices. Fuel costs budgeted for FY 91 were based on a weighted average of \$.67 per gallon and the current weighted average is \$.81 per gallon. The increase in fuel will cost an additional \$1,918,275 compared to the original FY 91 operating plan estimate.

e. Per diem

The Department of Administration implemented administrative changes to per diem rates effective June 15, 1990. These increases apply to all three maritime unions. Per diem expenses

are incurred because vessel employees often are required to travel to meet vessels at ports other than their homeports. Also, during annual overhaul periods vessels undergo overhaul at ports which require the crew to be away from home. Crews are usually provided with meals at the expense of the employer and are paid a per diem allowance for the lodging portion of their expenses. The increase in these rates will cost an additional \$303,000.

f. M/V MALASPINA

In the original 1990-91 Operating Plan the M/V MALASPINA was scheduled to undergo refurbishment of its galley and purser's area. Due to the length of the project the vessel was not to return to service until approximately June 27, 1991. Upon evaluating late spring 1990 traffic it became clear this schedule would mean a loss of \$761,600. The ship needs to be available by mid-May to meet demand and maximize revenues. In order to accomplish this objective AMHS worked with the Federal Highway Administration to obligate the necessary federal funds in fiscal year 1990, but defer actual construction until Fall 1991. The vessel is now scheduled to return to service on May 23. The maximum estimated cost of these additional five weeks of service is \$675,000 and revenues generated are estimated at \$761,600.

Summary

In summary, the Alaska Marine Highway System operating plan for FY 91 is incapable of accomplishing the schedules unless the issue of funding is resolved. The current operating plan without this supplemental would take a severe reduction in the operation of the M/V COLUMBIA, TUSTUMENA and LeCONTE. Operating plans at various funding levels are available upon request. The recommendations are:

- 1) Request supplemental G.F. authority of \$921,007 for PERS/Benefits costs to insure full operation of the current plan.
- 2) Schedule the M/V COLUMBIA and the M/V LeCONTE to come back into service as originally planned on May 3, 1991 and March 13, 1991 respectively. Request G.F. supplemental of \$2.8 million to cover cost.
- 3) Proceed with an additional month of service for the M/V TUSTUMENA. Request \$342,857 G.F. supplemental to cover cost.
- 4) Fuel prices have caused a drastic increase in schedule cost. Request G.F. supplemental of \$1,918,275 to cover cost.
- 5) Per diem rates have been increased by the Department of Administration causing a serious impact on AMHS travel

February 6, 1991

and overhaul budget. Request G.F. supplemental of \$303,000 to cover cost.

- 6) Schedule the M/V MALASPINA to return to service on May 23. Delay actual refurbishment until next year's layup during winter. Request G.F. supplemental of \$675,000 to cover cost.

PROPOSED/SUPPLEMENTAL REQUEST-FY 91

PERS/Benefits	\$ 921,007
Restore M/V COLUMBIA/M/V LeCONTE	2,800,000
Replacement for M/V TUSTUMENA added costs	342,857
Fuel Price Increase	1,918,275
Per Diem	303,000
M/V MALASPINA Service	<u>675,000</u>

TOTAL SUPPLEMENTAL REQUEST \$6,960,139

cc: Ron B. Lind, Director
Plans, Programs and Budget

KEITH GOAKIN
STATE OF ALASKA

THE LEGISLATURE
BUDGET AND AUDIT COMMITTEE

FINANCE DIVISION
P.O. BOX WF
JUNEAU, ALASKA 99811
PHONE: (907) 465-3795

Date: February 1, 1991

To: Senator Jay Kerttula, Co-Chairman
Senate Finance Committee

From: Roger LaVine, Fiscal Analyst *RL 2/1/91*
Legislative Finance

Subject: DOT/PF Supplemental for Class 3 Roads, Rural Airports &
Marine Transportation.

7.9 M)
ADDITIONAL

You ask us to comment on the need for a early supplemental for DOT/PF due to Governor's FY91 vetoes of funds for Class 3 Roads, Rural Airports, and Marine Transportation.

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cc: Ron B. Lind, Director
Plans, Programs and Budget