

**02/23/15**  
**BUDGET OVERVIEW**  
**FY 16:**  
**GOVERNOR'S**  
**BUDGET**  
**AMENDMENTS,**  
**INCLUDING FY 15**

<TARGET><BILL></BILL><SUBJECT>02-23-15 BUDGET OVERVIEW  
FY 16 GOVERNORS BUDGET AMENDMENTS, INCLUDING FY  
15</SUBJECT><COMM>HFIN29</COMM></TARGET>



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# State of Alaska Department of Revenue Budget Overview

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A Presentation to the House Finance Committee

January 27, 2015

Randall J. Hoffbeck  
Commissioner  
Alaska Department of Revenue



# Alaska Department of Revenue

*The Department of Revenue mission is to collect, distribute and invest funds for public purposes*

## Major Programs

### Tax Division

*Collect taxes, forecast and report revenues, and regulate charitable gaming*

### Treasury Division

*Manages and invests state funds*

### Permanent Fund Dividend Division

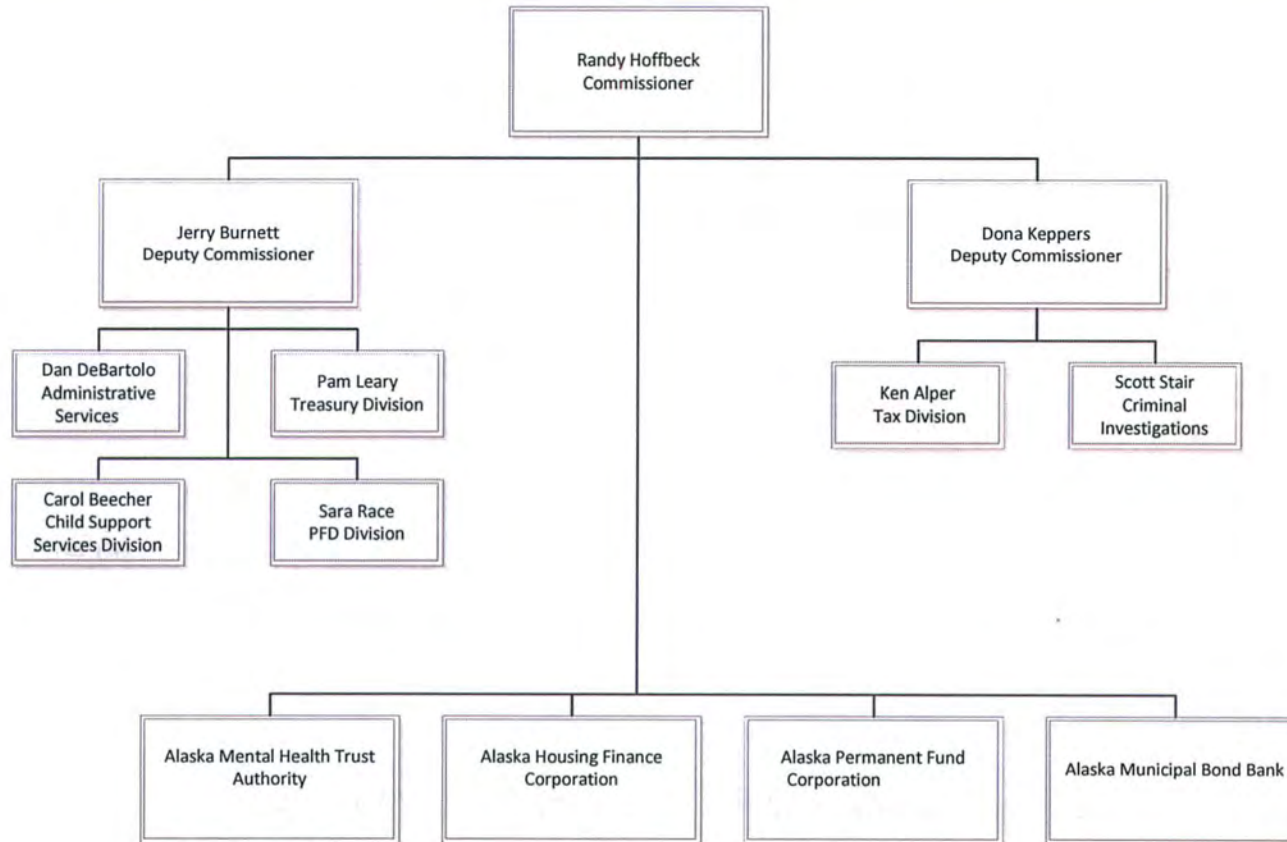
*Administers the PFD program and distributes the annual dividend payment to eligible Alaskans*

### Child Support Services Division

*Collects and distributes child support to custodial parents*

# Alaska Department of Revenue

*The Department of Revenue mission is to collect, distribute and invest funds for public purposes*



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# Authorities and Corporations

- Alaska Housing Finance Corporation  
*To provide Alaskans access to safe, quality and affordable housing.*
- Alaska Permanent Fund Corporation  
*To maximize the value of the Permanent Fund within return objectives.*
- Alaska Mental Health Trust Authority  
*To administer the Alaska Mental Health Trust as a perpetual trust and to ensure a comprehensive and integrated mental health program to improve the lives of beneficiaries.*
- Alaska Municipal Bond Bank Authority  
*To provide municipalities with financing options for capital projects.*

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## Results in 2014

### Department of Revenue as a Whole

- The department consolidated leases and combined public facing offices to reduce billable footprint for greater long-term cost savings.
- All Department of Revenue regulations were reviewed and updated.

### Treasury Division

- The FY 14 returns for 33 out of 36 funds managed by Treasury met or exceeded the benchmark returns.
- PERS and TRS funds returned 18.55% and 18.56% respectively as compared to 12.50% and 12.59% in FY 13.

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# Results in 2014

## Tax Division

Continued the implementation of the Tax Revenue Management System (TRMS)

- Phase 1 of the system rolled out in April of 2014 for all corporate income and excise tax filers. The project includes online filing options for all taxpayers and has been a great success.
- In October of 2014 the first part of the oil and gas property tax came online. The second part of the property tax rollout will be completed in October of 2015.
- Phase 2 of the TRMS rolled out in January of this year for oil and gas production tax. Nearly \$20 billion in prior year's tax payments were uploaded to the new system without incident. This will greatly assist with auditing prior year's information and will be the online portal for future tax filings.
- 98.5% of known taxpayers filed tax returns and made their payments timely.

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## Results in 2014

### Permanent Fund Dividend Division (PFD)

- Of the 306,365 eligibility cases that were created, 90.1% were contacted by the time the dividend amount was announced in September. This is 5.1% above the division's performance measure goal of 85%. The division succeeded in reaching the second highest case closure rate since 2008.
- PFD technicians had over 25,000 more interactions with the public through phone, email, and in-person than the prior year.
- The division focused on improving communications with other state agencies that directly affect the Permanent Fund Dividend processes and customer service experience. A seamless applicant experience requires a collaborative effort between the division and agencies like myAlaska (ETS), DMV, and Vital Statistics.
- The costs associated with administering the Permanent Fund Dividend program, such as postage and printing, continue to increase. However, the cost per dividend has fluctuated less than ten cents over the past five years due to division efficiency improvements and automating processes.
- The division succeeded in rendering 100% of all appeal decisions within 180 days.

# Results in 2014

## Child Support Services Division

Criterion	Cases That Required Action FFY13	Cases Compliant With Time Frames FFY13	Efficiency Rate: FFY 2013	Efficiency Rate: FFY 2012	Federal Minimum Standard
Case Closure	65	62	95%	100%	90%
Paternity/Establishment	70	66	94%	92%	75%
Expedited Processes within 6 months	32	25	78%	76%	75%
Expedited Processes within 12 months	32	30	94%	96%	90%
Enforcement	427	413	97%	94%	75%
Disbursement	327	321	98%	97%	75%
Medical Support Enforcement	170	164	96%	81%	75%
Review and Adjustment	278	272	98%	90%	75%

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# Look Back at Department Activities

## Revenues collected by the Tax Division increased 73.1%:

- FY 05                    \$1,951,247,500
- FY 14                    \$3,377,600,000
- Multiple new tax programs created, and three major changes to Oil and Gas Production Tax

## Funds under management by the Treasury Division increased 152%:

- FY 05                    \$20,706,642,000
- FY 14                    \$52,157,266,000
- New tier added to retirement system, oversight and numerous new funds

## Number of Permanent Fund Dividends paid to Alaskans increased 6%:

- FY 05                    599,243
- FY 14                    634,856
- Pick.Click.Give Program Added

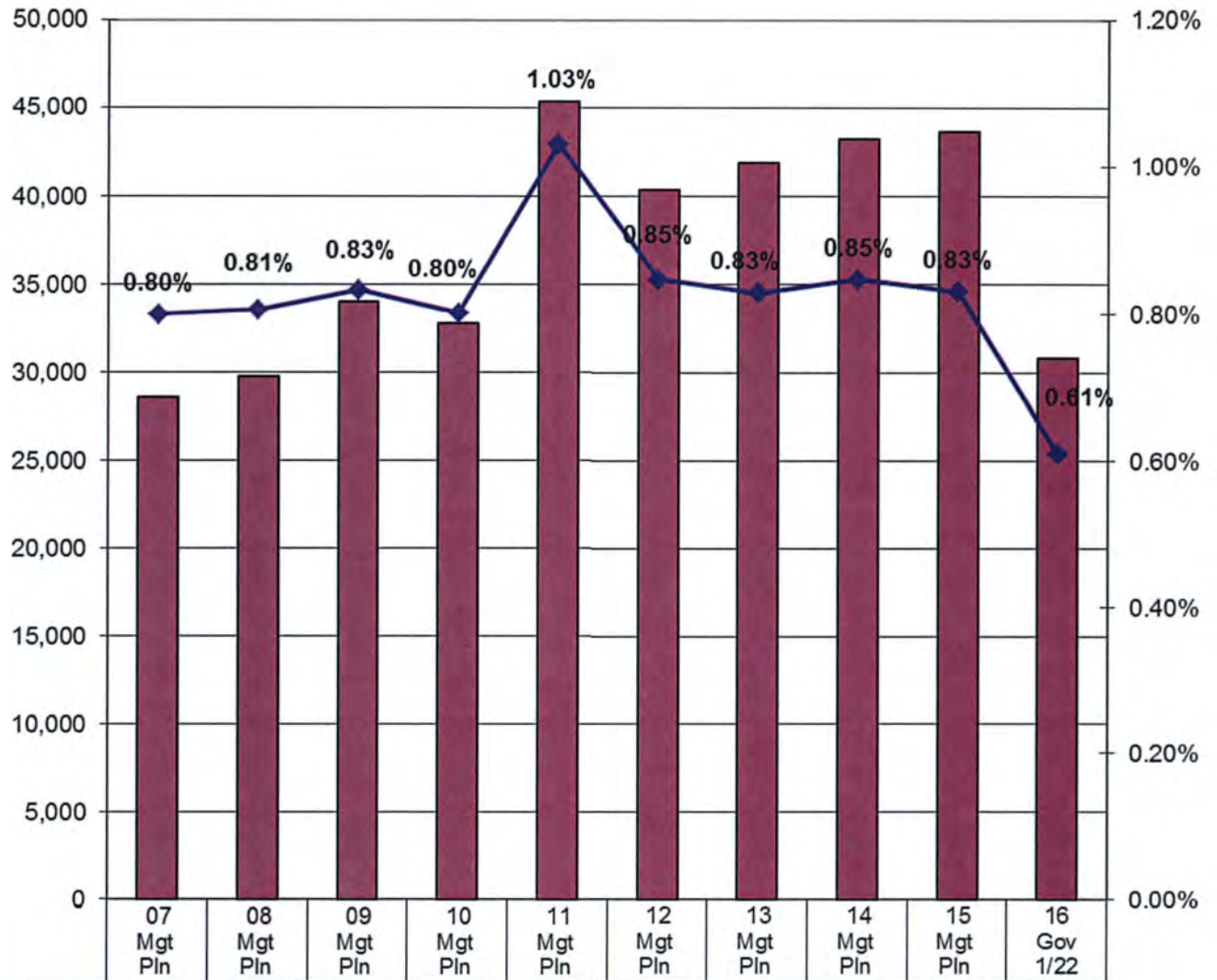
## Number of child support cases increased 8.4% while the amount of child support distributed to custodial parents increased 14.2%:

- FFY 05                    45,259 cases                    \$98.6 million disbursed
- FFY 14                    49,057 cases                    \$112.6 million disbursed

**Department of Revenues' Share of Total Agency Operations  
(GF Only)  
(\$ Thousands)**

The department's GF budget decreased by \$2,299.2 between FY07 and FY16 Governor's Request.

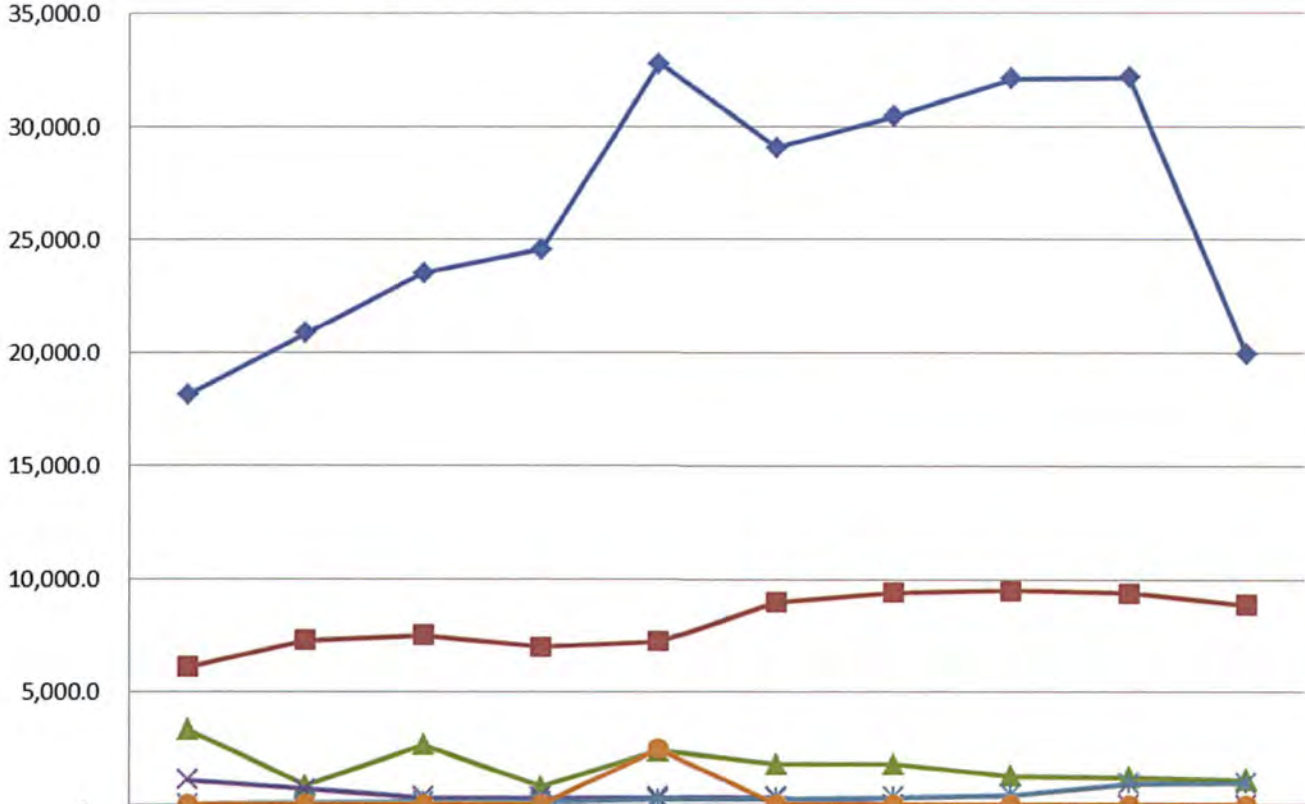
The department's total FY16 Governor's Request GF budget equals \$93 per resident worker.\*



<span style="color: maroon;">■</span> Total Agency Budget	28,582.	29,771.	34,052.	32,776.	45,346.	40,398.	41,924.	43,274.	43,638.	30,882.
<span style="color: blue;">◆</span> % of Agency Budget to Total Agencies' budgets	0.80%	0.81%	0.83%	0.80%	1.03%	0.85%	0.83%	0.85%	0.83%	0.61%

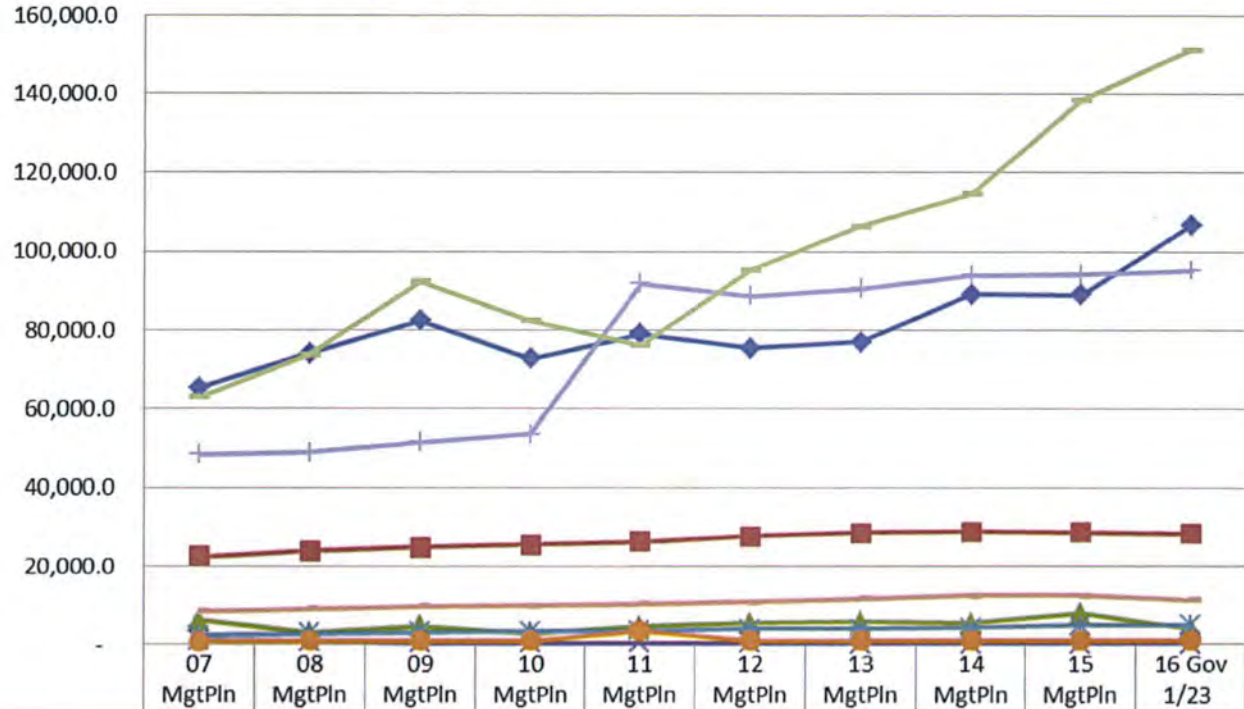
\* According to the Department of Labor, there were 333,283 resident workers in Alaska in 2012.

**Appropriations within the Department of Revenue  
(GF Only)  
(\$ Thousands)**



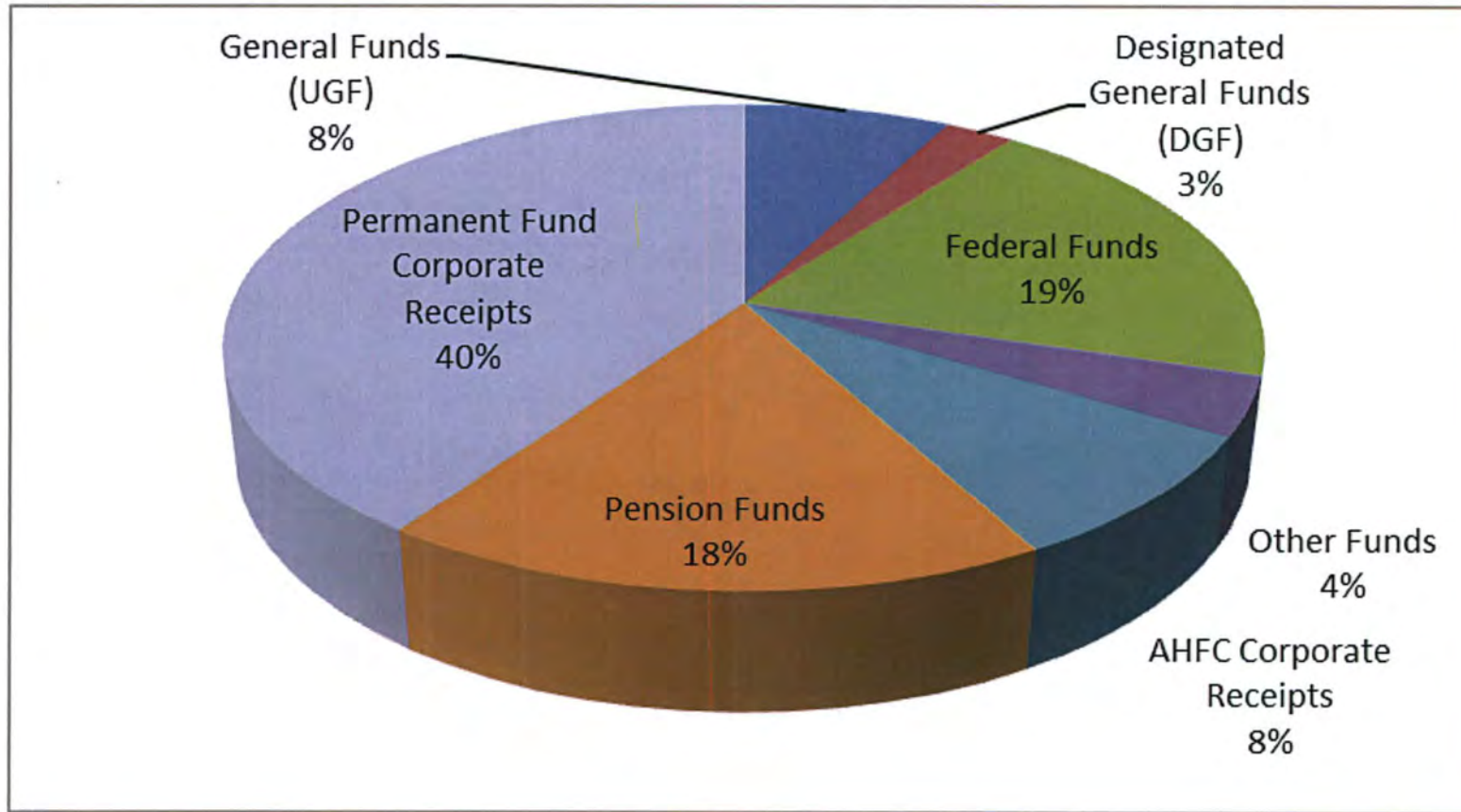
	07	08	09	10	11	12	13	14	15	16 Gov 1/23
◆ Taxation and Treasury	18,141.0	20,861.3	23,513.7	24,575.9	32,751.5	29,064.9	30,411.7	32,081.1	32,116.2	19,950.0
■ Child Support Services	6,078.2	7,300.4	7,497.5	7,000.1	7,243.0	8,989.8	9,432.4	9,528.4	9,407.7	8,885.7
▲ Administration and Support	3,290.0	828.8	2,629.1	778.2	2,369.6	1,758.3	1,781.4	1,253.8	1,203.2	1,092.1
× Alaska Natural Gas Development Authority	1,073.6	677.6	305.3	312.1	311.9	319.9	-	-	-	-
✱ Alaska Mental Health Trust Authority	-	103.4	107.0	110.1	220.9	265.9	298.8	410.9	911.5	954.2
● Alaska Municipal Bond Bank Authority	-	-	-	-	2,450.0	-	-	-	-	-

**Appropriations within the Department of Revenue  
(All Funds)  
(\$ Thousands)**

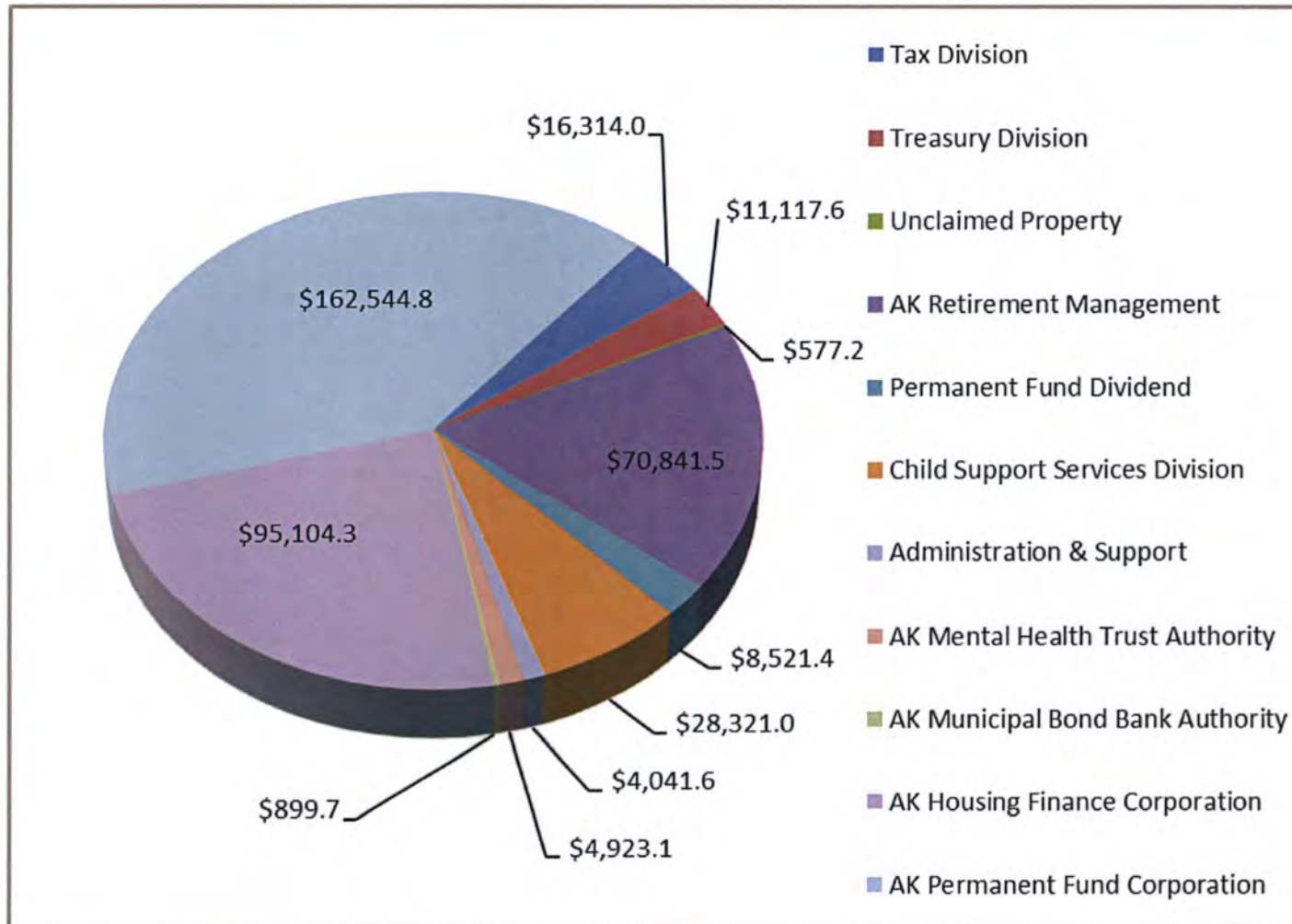


	07	08	09	10	11	12	13	14	15	16 Gov 1/23
—◆— Taxation and Treasury	65,419.7	74,200.5	82,392.1	72,831.2	78,948.2	75,432.9	76,985.1	89,154.2	88,953.9	106,794.5
—■— Child Support Services	22,440.1	23,795.3	24,700.0	25,370.8	26,092.6	27,574.9	28,361.8	28,711.9	28,542.1	28,321.0
—▲— Administration and Support	6,090.4	2,879.8	4,695.1	2,824.3	4,445.0	5,463.8	5,715.0	5,414.7	7,862.4	4,041.6
—×— Alaska Natural Gas Development Authority	1,073.6	677.6	305.3	312.1	311.9	319.9	-	-	-	-
—*— Alaska Mental Health Trust Authority	2,274.9	2,740.4	3,043.1	3,208.2	3,460.5	3,859.0	3,922.4	4,230.2	4,783.5	4,923.1
—●— Alaska Municipal Bond Bank Authority	775.7	825.9	826.0	828.1	3,361.4	834.0	838.5	845.2	845.8	899.7
—+— Alaska Housing Finance Corporation	48,455.4	49,038.3	51,628.5	53,646.2	91,701.8	88,656.0	90,483.8	93,963.5	94,256.3	95,104.3
— — Alaska Permanent Fund Corporation	8,427.0	8,993.2	9,648.1	9,707.1	10,307.7	10,639.0	11,486.1	12,195.2	12,231.9	11,153.8
—■— Alaska Permanent Fund Corporation Investment Management Fees	63,200.0	73,800.0	92,415.0	82,415.0	76,175.0	95,300.0	106,600.0	114,800.0	138,575.0	151,391.0

# Department of Revenue FY 2016 Governor's Budget by Fund Source



# Department of Revenue FY 2016 Governor's Budget by Program



## Key FY 2016 Budget Changes

➤ Non-Personal Services Reductions	(1,739.0)	UGF
	(3,697.5)	Other
➤ Personal Service Reductions -		
	(1,480.8)	UGF
	(2.6)	DGF
	(160.4)	Other
➤ Health Insurance & Working Reserve Reductions	(16.5)	UGF
	(4.3)	DGF
	(80.4)	Other
	(45.9)	FED
➤ Position Additions	1,079.7	Other

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# FY 2016 Capital

➤ Alaska Housing Finance Corp Multiple Projects

17,891.4 UGF/11,500.0 Fed

- \$8.1 million                      Weatherization
- \$4.69 million                    Teacher, Health, Public Safety and VPSO Housing Loans
- \$4.5 million                      Housing & Urban Development Fed HOME Grant
- \$3 million                         Home Energy Rebate
- \$2.5 million                      Housing & Urban Development Capital Fund Program
- \$1 million                         Cold Climate Housing Research Center (CCHRC)

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## Wrap-Up

- The Tax Division is actively engaged in improving its information system to insure efficient tax administration and timely access to information necessary for assisting with tax policy decisions contemplated by the legislature.
- The Department of Revenue is the state's largest investment manager. We pride ourselves in prudent investment practices for a variety of programs and needs while achieving and maintaining the highest credit rating and thus the lowest cost of borrowing.
- Customer service sections in the PFD and Child Support Services Divisions have continuously improved their business practices in order to provide increased service levels without increasing staff.
- Our corporations receive national recognition for their exemplary program management and fiscal solvency.

# THANK YOU

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FY2016 Operating Amendments  
 HB 72/SB 27  
 HB 73/SB 28

OPERATION

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Line	Back-up Page	Section	Bill Page	Bill Line	Department	Component	PFT	Lang	Description	Unrestricted General Funds (UGF)	Designated General Funds (DGF)	Other Funds	Federal Funds	Fund Source	Total	Component Totals (Includes Mental Health) Numbers and Language
1	1	1	5	27	Commerce, Community and Economic Development	Economic Development			Restore Funding for Named Recipient Grant for Alaska Native Arts Marketing The Alaska Native Arts Foundation (ANAF) has notified the department that this funding is needed to continue operations. ANAF is an economic development organization focused on building a market for Alaska Native artworks. ANAF provides marketing and business training to artists in rural communities, purchases artwork directly from rural artists, assists with direct sales, works to broaden the domestic and international market for Alaska Native Art, provides online information and reference materials, and facilitates artists online sales through third-part marketplaces.	300.0	0.0	0.0	0.0	1004 General Fund	300.0	FY2016 December Budget: \$21,627.6 FY2016 Total Amendments: (\$2,957.8) FY2016 Total: \$18,669.8
2	2	1	5	27	Commerce, Community and Economic Development	Economic Development			Reduce Tourism Activities Reallocate funding for the Alaska Native Arts Marketing named recipient Grant.	(150.0)	0.0	0.0	0.0	1004 General Fund	(150.0)	FY2016 December Budget: \$21,627.6 FY2016 Total Amendments: (\$2,957.8) FY2016 Total: \$18,669.8
3	3	1	7	8	Commerce, Community and Economic Development	Alaska Seafood Marketing Institute			Reduce Alaska Seafood Marketing Activities Reallocate funding for the Alaska Native Arts Marketing named recipient Grant.	(150.0)	0.0	0.0	0.0	1004 General Fund	(150.0)	FY2016 December Budget: \$26,758.1 FY2016 Total Amendments: (\$2,762.9) FY2016 Total: \$23,995.2
4	4	1	8	22	Corrections	Regional and Community Jails			Partially Restore Regional and Community Jails Program and Cover Prisoner Transportation Costs The Department of Corrections (DOC) will renegotiate contracts with communities to provide short-term confinement of unsentenced persons detained under state law for the actual cost per bed per day. This funding will also be used to cover any additional costs for prisoner transportation.	7,000.0	0.0	0.0	0.0	1004 General Fund	7,000.0	FY2016 December Budget: \$10,486.6 FY2016 Total Amendments: (\$3,486.6) FY2016 Total: \$7,000.0
5	5	1	10	24	Education and Early Development	Alaska Postsecondary Education/ Program Administration and Operations			Budget Structure Modification for Accounting and Reporting Purposes This structural modification is being sought to comply with AS 14.42.190, improve the accuracy of the state's Comprehensive Annual Financial Report (CAFR) and make the funding relationship between the Alaska Student Loan Corporation (ASLC) and the Alaska Commission on Postsecondary Education (ACPE) transparent.	0.0	0.0	0.0	0.0	1007 Interagency Receipts 13,802.0 1106 Postsecondary Receipts (13,802.0)	0.0	FY2016 December Budget: \$22,810.2 FY2016 Total Amendments: \$0 FY2016 Total: \$22,810.2
6	6	1	10	new	Education and Early Development	Alaska Student Loan Corporation/ Loan Servicing			Budget Structure Modification for Accounting and Reporting Purposes This structural modification is being sought to comply with AS 14.42.190, improve the accuracy of the state's Comprehensive Annual Financial Report (CAFR) and make the funding relationship between the Alaska Student Loan Corporation (ASLC) and the Alaska Commission on Postsecondary Education (ACPE) transparent.	0.0	0.0	13,802.0	0.0	1106 Postsecondary Receipts	13,802.0	FY2016 December Budget: \$0 FY2016 Total Amendments: \$13,802.0 FY2016 Total: \$13,802.0

FY2016 Operating Amendments  
 HB 72/SB 27  
 HB 73/SB 28

Line	Back-up Page	Section	Bill Page	Bill Line	Department	Component	PFT	Lang.	Description	Unrestricted General Funds (UGF)	Designated General Funds (DGF)	Other Funds	Federal Funds	Fund Source	Total	Component Totals (Includes Mental Health) Numbers and Language
7	7-8	1	18	4	Health and Social Services	Health Care Medicaid Services			Medicaid Cost Containment Initiatives The Department of Health and Social Services has identified ways to control growth in the current Medicaid program that will achieve an approximate \$20,000.0 general fund savings in the current Medicaid program. The majority of the initiatives will require new regulations and fee schedules and include changes to shift costs to 100% federal match for tribal services, changes to the Personal Care Assistance services eligibility requirements, to medical equipment, vision, dental, behavioral health, hearing services, transportation costs, and a contract for management of care.	(20,000.0)	0.0	0.0	0.0	1004 General Fund	(20,000.0)	FY2016 December Budget: \$888,931.4 FY2016 Total Amendments: \$112,348.9 FY2016 Total: \$1,001,280.3
8	9	1	22	14	Military and Veterans Affairs	Alaska Aerospace Corporation			Replace General Funds with Aerospace Receipts for Contracts Replace general fund receipts with Aerospace receipt authority to account for commercial contract revenue.	0.0	0.0	1,510.2	0.0	1101 Aerospace Receipts	1,510.2	FY2016 December Budget: \$6,123.5 FY2016 Total Amendments: (\$1,832.6) FY2016 Total: \$4,290.9
9	10	1	22	15	Military and Veterans Affairs	Alaska Aerospace Corporation Facilities Maintenance			Replace General Funds with Aerospace Receipts for Contracts Replace general fund receipts with Aerospace receipt authority to account for commercial contract revenue.	0.0	0.0	2,664.8	0.0	1101 Aerospace Receipts	2,664.8	FY2016 December Budget: \$5,127.8 FY2016 Total Amendments: \$1,832.6 FY2016 Total: \$6,960.4
10	11	1	28	21	Transportation & Public Facilities	Statewide Procurement			One-Time Service Reduction to Allow for Alaska Marine Highway System Full Service Ferry Schedule This one-time decrement to Statewide Procurement will allow for the restoration of the full service ferry schedule currently published by the Alaska Marine Highway System.	(200.0)	0.0	0.0	0.0	1004 General Fund	(200.0)	FY2016 December Budget: \$1,452.2 FY2016 Total Amendments: (\$213.0) FY2016 Total: \$1,239.2
11	12	1	30	17	Transportation & Public Facilities	Central Region Highways & Aviation			One-Time Service Reduction to Allow for Alaska Marine Highway System Full Service Ferry Schedule This one-time decrement to Central Region Highways and Aviation will allow for the restoration of the full service ferry schedule currently published by the Alaska Marine Highway System.	(1,942.2)	0.0	0.0	0.0	1004 General Fund	(1,942.2)	FY2016 December Budget: \$59,445.2 FY2016 Total Amendments: (\$15,200.7) FY2016 Total: \$44,244.5
12	13	1	30	18	Transportation & Public Facilities	Northern Region Highways & Aviation			One-Time Service Reduction to Allow for Alaska Marine Highway System Full Service Ferry Schedule This one-time decrement to Northern Region Highways and Aviation will allow for the restoration of the full service ferry schedule currently published by the Alaska Marine Highway System.	(3,084.1)	0.0	0.0	0.0	1004 General Fund	(3,084.1)	FY2016 December Budget: \$75,048.6 FY2016 Total Amendments: (\$6,423.5) FY2016 Total: \$68,625.1
13	14	1	30	19	Transportation & Public Facilities	Southcoast Region Highways & Aviation			One-Time Service Reduction to Allow for Alaska Marine Highway System Full Service Ferry Schedule This one-time decrement to Southcoast Region Highways and Aviation will allow for the restoration of the full service ferry schedule currently published by the Alaska Marine Highway System.	(1,062.7)	0.0	0.0	0.0	1004 General Fund	(1,062.7)	FY2016 December Budget: \$17,526.6 FY2016 Total Amendments: \$8,280.3 FY2016 Total: \$25,806.9

FY2016 Operating Amendments  
 HB 72/SB 27  
 HB 73/SB 28

Line	Back-up Page	Section	Bill Page	Bill Line	Department	Component	FTT	Lang	Description	Unrestricted General Funds (UGF)	Designated General Funds (DGF)	Other Funds	Federal Funds	Fund Source	Total	Component Totals (Includes Mental Health) Numbers and Language
14	15	1	31	9	Transportation & Public Facilities	Marine Vessel Operations			Restoration of Service In order to restore full service to the currently published Alaska Marine Highway System schedule and to not cancel existing reservations, \$6,289.0 is added to Marine Vessel Operations component. This restores funding for service and provides for the eliminated fuel trigger. With this restoration no current reservations will need to be rescheduled.	6,289.0	0.0	0.0	0.0	1004 General Fund	6,289.0	FY2016 December Budget: \$117,013.1 FY2016 Total Amendments: \$2,781.0 FY2016 Total: \$119,794.1
15	16-17	1	31	20	University of Alaska	Budget Reductions/ Additions - Systemwide			FY2016 Salary Adjustment for University of Alaska Federation of Teachers (UAFT) The contract, approved by the UA Board of Regents, includes the following: grid adjustments in FY2016 2%, FY2017 2%, and FY2018 2%; a \$900 lump sum payment (\$307.4 per year) for eligible members each year of the contract, coincident with the annual salary increase; and an increase of .5% of base for market adjustments in FY2017 only.	754.2	754.2	0.0	0.0	1004 General Fund 754.2 1048 Univ Rcpt 754.2	1,508.4	FY2016 December Budget: \$13,565.5 FY2016 Total Amendments: (\$11,938.1) FY2016 Total: \$1,627.4
16	18	1	31	20	University of Alaska	Budget Reductions/ Additions - Systemwide			Reduce General Fund Portion of FY2016 Salary Adjustment for University of Alaska Federation of Teachers (UAFT) This item reduces the general fund portion of the FY2016 Salary Adjustment for University of Alaska Federation of Teachers (UAFT) as an additional reduction.	(754.2)	0.0	0.0	0.0	1004 General Fund	(754.2)	FY2016 December Budget: \$13,565.5 FY2016 Total Amendments: (\$11,938.1) FY2016 Total: \$1,627.4
17	19	18/ new	new	new	Office of the Governor/Branch-wide Unallocated Appropriations			L	Authority to Transfer Between Appropriations To mitigate unanticipated consequences of budget reductions and provide the executive branch with the flexibility to provide solutions, address emerging needs, and implement cost saving measures, the authority to transfer up to 5% of unrestricted general fund authorization between appropriations within a department and up to 2% of unrestricted general fund authority between departments is being requested. The Office of Management and Budget will be required to approve the department transfer requests and report and justify them to the legislature semi-annually.	0.0	0.0	0.0	0.0	1004 General Fund	0.0	
18	20	new	new	new	Fund Transfers	Oil and Hazardous Substance Release Prevention Account		L	Contingency Language for General Funds If Settlement Not Received The FY2016 Response Fund projection assumes the Department will receive a large settlement for a site in Aniak of approximately \$5 million. Those funds would need to be received and in the bank in advance of June 30, 2015, in order to be transferred to the Prevention Account as part of the Department's FY2016 appropriation. If a settlement agreement is not signed by all parties by the end of February 2015, it is highly unlikely that the funds would be received by the State in time to be available to transfer to the Prevention Account for FY2016 expenditures. At this time, the Department feels it would be prudent to assume this settlement will not be received in time for use in FY2016, increasing the Prevention Account shortfall to an estimated \$6.9 million.	5,000.0	0.0	0.0	0.0	1004 General Fund	5,000.0	FY2016 December Budget: \$15,160.7 FY2016 Total Amendments: \$3,109.6 FY2016 Total: \$18,270.3

FY2016 Operating Amendments  
 HB 72/SB 27  
 HB 73/SB 28

Line	Back-up Page	Section	Bill Page	Bill Line	Department	Component	FFT	Lang	Description	Unrestricted General Funds (UGF)	Designated General Funds (DGF)	Other Funds	Federal Funds	Fund Source	Total	Component Totals (Includes Mental Health) Numbers and Language
19	21	8(a)	48	16	Fund Transfers	Permanent Fund Dividend Fund		L	FY2016 November 30, 2014 Projection Update The November 30, 2014 projection for the transfer from the earnings reserve account (AS 37.13.145) to the Alaska Permanent Dividend Fund for the purpose of paying dividends and administrative costs is estimated to be \$1,402 million, down from the \$1,405 million estimate in the October 31, 2014 projection used when the Governor's amended budget was released.	0.0	(3,000.0)	0.0	0.0	1041 Permanent Fund Earnings Reserve Account	(3,000.0)	FY2016 December Budget: \$1,405,000.0 FY2016 Total Amendments: (\$3,000.0) FY2016 Total: \$1,402,000.0
20	22	8(b)	48	21	Fund Transfers	Permanent Fund Earnings Reserve to Permanent Fund Principle		L	FY2016 November 30, 2014 Projection Update The November 30, 2014 projection for the transfer from the earnings reserve account (AS 37.13.145) to the Alaska Permanent Dividend Fund to offset the effect of inflation on the principal is estimated to be \$894 million, down from the \$905 million estimate in the October 31, 2014 projection used when the Governor's amended budget was released.	0.0	(11,000.0)	0.0	0.0	1041 Permanent Fund Earnings Reserve Account	(11,000.0)	FY2016 December Budget: \$905,000.0 FY2016 Total Amendments: (\$11,000.0) FY2016 Total: \$894,000.0
21									<b>FY2016 Operating Amendments Total</b>	<b>(8,000.0)</b>	<b>(13,245.8)</b>	<b>17,977.0</b>	<b>0.0</b>		<b>(3,268.8)</b>	

**FY2016 Governor Amended Summary**

<b>Amendments Submitted Feb 17, 2015</b>	<b>UGF</b>	<b>DGF</b>	<b>Other Funds</b>	<b>Federal Funds</b>	<b>Total</b>
<b>Operating</b>					
Operating Agencies - Non-Formula	7,000.0	754.2	17,977.0	0.0	25,731.2
Operating Agencies - Formula	(20,000.0)	0.0	0.0	0.0	(20,000.0)
Debt Service	0.0	0.0	0.0	0.0	0.0
Fund Transfers	5,000.0	(14,000.0)	0.0	0.0	(9,000.0)
<b>Total Operating Amendments</b>	<b>(8,000.0)</b>	<b>(13,245.8)</b>	<b>17,977.0</b>	<b>0.0</b>	<b>(3,268.8)</b>
<b>Total Capital Amendments</b>	<b>8,350.0</b>	<b>0.0</b>	<b>850.0</b>	<b>23,142.8</b>	<b>32,342.8</b>
<b>Total February 17, 2015 Amendments</b>	<b>350.0</b>	<b>(13,245.8)</b>	<b>18,827.0</b>	<b>23,142.8</b>	<b>29,074.0</b>

Numbers Only

**Change Record Detail with Description (1438)**  
**Department of Commerce, Community, and Economic Development**

**Scenario:** FY2016 Governor Amnds Submitted Feb17 (12363)

**Component:** Economic Development (2743)

**RDU:** Economic Development (598)

**Title:** Restore Funding for Named Recipient Grant for Alaska Native Arts Marketing

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	Inc	300.0	0.0	0.0	0.0	0.0	0.0	300.0	0.0	0	0	0
	1004 Gen Fund	300.0										

The Alaska Native Arts Foundation (ANAF) has notified the department that this funding is needed to continue operations. ANAF is an economic development organization focused on building a market for Alaska Native artworks. ANAF provides marketing and business training to artists in rural communities, purchases artwork directly from rural artists, assists with direct sales, works to broaden the domestic and international market for Alaska Native Art, provides online information and reference materials, and facilitates artists' online sales through third-part marketplaces. Additionally, ANAF operates a centrally-located gallery on 6th avenue in downtown Anchorage that draws more than 50,000 visitors per year, and is the only year-round Alaska Native art gallery and store in the state. ANAF is in a period of transitioning to self-sustainability while working with corporations to build a fundraising coalition. Without state support during the transition period, the goal of self-sustainability cannot be met and ANAF would no longer provide services to artists and patrons who help sustain rural communities.

Numbers Only

**Change Record Detail with Description (1438)**  
**Department of Commerce, Community, and Economic Development**

**Scenario:** FY2016 Governor Amds Submitted Feb17 (12363)

**Component:** Economic Development (2743)

**RDU:** Economic Development (598)

**Title:** Reduce Tourism Activities

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	Dec	-150.0	0.0	0.0	-150.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-150.0										

The reduction to services for Tourism Marketing will limit the amount of advertising and other marketing strategies that promote Alaska as a travel destination for both Alaska residents and non-residents. The number of travel shows attended will decrease, as well as the amount of tours conducted for both domestic and foreign travel industry representatives. The monitoring of marketing program effectiveness and efficiency will be reduced, and research on travel that supports travel related businesses marketing strategies will be scaled back.

Numbers Only

**Change Record Detail with Description (1438)**  
**Department of Commerce, Community, and Economic Development**

**Scenario:** FY2016 Governor Amds Submitted Feb17 (12363)

**Component:** Alaska Seafood Marketing Institute (393)

**RDU:** Alaska Seafood Marketing Institute (126)

**Title:** Reduce Alaska Seafood Marketing Activities

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	Dec	-150.0	0.0	0.0	-150.0	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	-150.0										

The Alaska Seafood Marketing Institute (ASMI) is a public-private partnership between the State of Alaska and the seafood industry funded through a mix of a voluntary industry tax, federal grant, and general fund monies. Unrestricted general funds represent about one-quarter of ASMI's revenue, most of which matches federal funding.

Reducing ASMI's budget may impact Alaska's standing in the global market place, and could result in lost product demand, shrinking market share, and declining prices.

**Change Record Detail with Description (1438)**  
**Department of Corrections**

**Scenario:** FY2016 Governor Amds Submitted Feb17 (12363)

**Component:** Regional and Community Jails (2035)

**RDU:** Population Management (550)

**Title:** Partially Restore Regional and Community Jails Program and Cover Prisoner Transportation Costs

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	Inc	7,000.0	0.0	0.0	7,000.0	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	7,000.0										

Partially restore funding to the Regional and Community Jails program for state holds to pay actual costs per man-day. A portion of these funds may be used for additional prisoner transportation costs to cover more frequent transports in some communities.

**Change Record Detail with Description (1438)**  
**Department of Education and Early Development**

**Scenario:** FY2016 Governor Amds Submitted Feb17 (12363)

**Component:** Program Administration & Operations (2738)

**RDU:** Alaska Postsecondary Education Commission (68)

**Title:** Budget Structure Modification for Accounting and Reporting Purposes

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
	1007 I/A Rcpts	13,802.0										
	1106 P-Sec Rcpt	-13,802.0										

This structural modification is being sought to comply with AS 14.42.190, improve the accuracy of the state's Comprehensive Annual Financial Report (CAFR) and make the funding relationship between the Alaska Student Loan Corporation (ASLC) and the Alaska Commission on Postsecondary Education (ACPE) transparent.

Prior to requesting this change, ACPE's Chief Finance Officer conferred with Department of Administration (DOA), Finance staff (State Accountant and others). DOA Finance staff discussed internally and responded that they agree ACPE's costs should be represented as part of the general government expenditures in the CAFR. Because of the current budget structure, general government expenditures are being understated by the amount of ACPE costs paid by ASLC. The means of rectifying the matter is to modify the budget structure to clearly show the funding relationship between ACPE and ASLC.

This change will make the separate legal entities represented by ASLC and ACPE transparent to the public. ACPE pre-existed ASLC by sixteen years and has basic governmental responsibilities such as regulating postsecondary institutions in Alaska and administering state student financial aid programs.

ASLC owns the loan portfolio that is generating receipts; therefore, ACPE is funded with interagency receipts. AS 14.42.190 states, "The operating budget of the corporation is subject to AS 37.07." ASLC is not currently reflected in the budget structure even though it pays ACPE for loan servicing activities and other program-related costs. ASLC's budget should reflect authority to spend its receipts for operating per AS 14.42.190.

Without this change, the State of Alaska will continue to understate general government expenditures in the CAFR and will have no budget structure to reflect the separate legal status and funding relationship between ASLC and ACPE.

**Change Record Detail with Description (1438)**  
**Department of Education and Early Development**

**Scenario:** FY2016 Governor Amds Submitted Feb17 (12363)

**Component:** Loan Servicing (3096)

**RDU:** Alaska Student Loan Corporation (637)

**Title:** Budget Structure Modification for Accounting and Reporting Purposes

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	Inc	13,802.0	0.0	0.0	13,802.0	0.0	0.0	0.0	0.0	0	0	0
	1106 P-Sec Rcpt	13,802.0										

This structural modification is being sought to comply with AS 14.42.190, improve the accuracy of the state's Comprehensive Annual Financial Report (CAFR) and make the funding relationship between the Alaska Student Loan Corporation (ASLC) and the Alaska Commission on Postsecondary Education (ACPE) transparent.

Prior to requesting this change, ACPE's Chief Finance Officer conferred with Department of Administration (DOA), Finance staff (State Accountant and others). DOA Finance staff discussed internally and responded that they agree ACPE's costs should be represented as part of the general government expenditures in the CAFR. Because of the current budget structure, general government expenditures are being understated by the amount of ACPE costs paid by ASLC. The means of rectifying the matter is to modify the budget structure to clearly show the funding relationship between ACPE and ASLC.

This change will make the separate legal entities represented by ASLC and ACPE transparent to the public. ACPE pre-existed ASLC by sixteen years and has basic governmental responsibilities such as regulating postsecondary institutions in Alaska and administering state student financial aid programs.

ASLC owns the loan portfolio that is generating receipts; therefore, ACPE is funded with interagency receipts. AS 14.42.190 states, "The operating budget of the corporation is subject to AS 37.07." ASLC is not currently reflected in the budget structure even though it pays ACPE for loan servicing activities and other program-related costs. ASLC's budget should reflect authority to spend its receipts for operating per AS 14.42.190.

Without this change, the State of Alaska will continue to understate general government expenditures in the CAFR and will have no budget structure to reflect the separate legal status and funding relationship between ASLC and ACPE.

**Change Record Detail with Description (1438)**  
**Department of Health and Social Services**

**Scenario:** FY2016 Governor Amds Submitted Feb17 (12363)  
**Component:** Health Care Medicaid Services (2077)  
**RDU:** Medicaid Services (595)  
**Title:** Medicaid Cost Containment Initiatives

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
N	Dec	-20,000.0	0.0	0.0	0.0	0.0	0.0	-20,000.0	0.0	0	0	0
	1004 Gen Fund	-20,000.0										

The Department of Health and Social Services has worked to identify ways to control growth in the current Medicaid program. The following list includes initiatives the Department will undertake to achieve a \$20,000.0 general fund (GF) savings in FY2016 in the current Medicaid program.

The majority of these initiatives will require new regulations and fee schedules along with holding public hearings and consultation with tribes. This will require reallocating staff and priorities to accomplish this in a timely manner. The Department will need the cooperation of the Department of Law and the Lieutenant Governor's office to meet tight deadlines to realize savings in FY2016.

10% shift in expenses to 100% Federal Medicaid Assistance Percentages (FMAP) for tribal for Neonatal Intensive Care Unit (NICU), Orthopedic, Obstetrics (OB) – \$10,000.0 GF  
 Based on federal fiscal year 2012 (FFY12) figures, Alaska Native/American Indian Medicaid recipients received services at non-tribal providers that totaled \$316 million, which is approximately \$158 million in general funds. A conservative 10% of this would equate to a \$20 million cost shift from non-tribal to tribal providers. The expenditures still occur, but the federal match would go up to 100% and offset \$10 million in general funds. It is anticipated that the expansion of and enhanced Orthopedic, OB and NICU services at Alaska Native Medical Center (ANMC), increased dental services across tribal facilities, and tribal long term care beds, that the Department will see a cost shift of \$20 million to tribal providers. This would equate to \$10 million in general fund savings.

Change eligibility for Personal Care Assistance (PCA) services – \$2,500.0 GF  
 Change threshold to qualify for PCA services from one to two activities of daily living (ADL) or more and possible other eligibility changes.

Possible savings in Durable Medical Equipment, Vision, and Hearing – \$1,000.0 GF  
 Regulation/rate changes required.

Increase number in the Super Utilizer contract for management of care – \$2,500.0 GF  
 Currently have a contract with MedExpert to reach out to this group of high utilizers of Emergency Room services to manage their care and get them assigned to a primary care provider.

Dental – \$1,000.0 GF  
 Requires regulation changes and adopting a new fee scale.  
 Implement guidelines on no decay in the past year and/or an oral hygiene requirement before beginning orthodontia (except for the cleft palate cases where timing is important for satisfactory treatment even if some teeth will decay with the bands on).  
 Implement an edit in going from partial to full dentures (e.g., 3 years or 5 years) - other states limit the number of times dentures are covered for adults in states that have adult services.  
 Implement recommendations on restricted use of panoramic films and full mouth films allowing for justified exceptions.

Implement utilization control for Behavioral Health services – \$2,000.0 GF  
 Would include services for conduct disorder, recipient support services, and behavioral rehabilitation services. This would require regulation changes.

Transportation – \$1,000.0 GF

Numbers Only

**Change Record Detail with Description (1438)**  
Department of Health and Social Services

**Scenario:** FY2016 Governor Amds Submitted Feb17 (12363)

**Component:** Health Care Medicaid Services (2077)

**RDU:** Medicaid Services (595)

**Title:** Medicaid Cost Containment Initiatives

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
Adopt a fee schedule instead of paying billed prices for ground transportation. This would require regulation changes and adopting a fee schedule.												

Numbers Only

**Change Record Detail with Description (1438)**  
**Department of Military and Veterans Affairs**

**Scenario:** FY2016 Governor Amds Submitted Feb17 (12363)  
**Component:** Alaska Aerospace Corporation (1424)  
**RDU:** Alaska Aerospace Corporation (127)  
**Title:** Replace General Funds with Aerospace Receipts for Contracts

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	Inc	1,510.2	0.0	0.0	0.0	0.0	0.0	0.0	1,510.2	0	0	0
	1101 AERO Rcpts	1,510.2										

Replace general fund receipts with Aero Receipt authority to account for commercial contract revenue.

Numbers Only

**Change Record Detail with Description (1438)**  
**Department of Military and Veterans Affairs**

**Scenario:** FY2016 Governor Amds Submitted Feb17 (12363)

**Component:** Alaska Aerospace Corporation Facilities Maintenance (2362)

**RDU:** Alaska Aerospace Corporation (127)

**Title:** Replace General Funds with Aerospace Receipts for Contracts

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	Inc	2,664.8	0.0	0.0	0.0	0.0	0.0	0.0	2,664.8	0	0	0
	1101 AERO Rcpts	2,664.8										

Replace general fund receipts with Aero Receipt authority to account for commercial contract revenue.

Numbers Only

**Change Record Detail with Description (1438)**  
**Department of Transportation/Public Facilities**

**Scenario:** FY2016 Governor Amds Submitted Feb17 (12363)

**Component:** Statewide Procurement (2851)

**RDU:** Administration and Support (333)

**Title:** One-Time Service Reduction to Allow for Alaska Marine Highway System Full Service Ferry Schedule

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	Dec	-200.0	-200.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	-200.0										

This one-time decrement to Statewide Procurement will allow for the restoration of the full service ferry schedule currently published by the Alaska Marine Highway System.

**Change Record Detail with Description (1438)**  
**Department of Transportation/Public Facilities**

**Scenario:** FY2016 Governor Amds Submitted Feb17 (12363)

**Component:** Central Region Highways and Aviation (564)

**RDU:** Highways, Aviation and Facilities (408)

**Title:** One-Time Service Reduction to Allow for Alaska Marine Highway System Full Service Ferry Schedule

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	Dec	-1,942.2	0.0	0.0	-1,942.2	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	-1,942.2										

This one-time decrement to Central Region Highways and Aviation will allow for the restoration of the full service ferry schedule currently published by the Alaska Marine Highway System.

Numbers Only

**Change Record Detail with Description (1438)**  
**Department of Transportation/Public Facilities**

**Scenario:** FY2016 Governor Amds Submitted Feb17 (12363)

**Component:** Northern Region Highways and Aviation (2068)

**RDU:** Highways, Aviation and Facilities (408)

**Title:** One-Time Service Reduction to Allow for Alaska Marine Highway System Full Service Ferry Schedule

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	Dec	-3,084.1	0.0	0.0	-3,084.1	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	-3,084.1										

This one-time decrement to Northern Region Highways and Aviation will allow for the restoration of the full service ferry schedule currently published by the Alaska Marine Highway System.

**Change Record Detail with Description (1438)**  
**Department of Transportation/Public Facilities**

**Scenario:** FY2016 Governor Amds Submitted Feb17 (12363)

**Component:** Southcoast Region Highways and Aviation (603)

**RDU:** Highways, Aviation and Facilities (408)

**Title:** One-Time Service Reduction to Allow for Alaska Marine Highway System Full Service Ferry Schedule

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	Dec	-1,062.7	0.0	0.0	-1,062.7	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	-1,062.7										

This one-time decrement to Southcoast Region Highways and Aviation will allow for the restoration of the full service ferry schedule currently published by the Alaska Marine Highway System.

**Change Record Detail with Description (1438)**  
**Department of Transportation/Public Facilities**

**Scenario:** FY2016 Governor Amds Submitted Feb17 (12363)

**Component:** Marine Vessel Operations (2604)

**RDU:** Marine Highway System (334)

**Title:** Restoration of Service as a One Time Item

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	IncOTI	6,289.0	0.0	0.0	6,289.0	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	6,289.0										

In order to restore full service to the currently published Alaska Marine Highway System schedule and to not cancel existing reservations, \$6,289.0 is added to Marine Vessel Operations component. With this restoration, no current reservations will need to be rescheduled.

**Change Record Detail with Description (1438)**  
**University of Alaska**

**Scenario:** FY2016 Governor Amds Submitted Feb17 (12363)

**Component:** Budget Reductions/Additions - Systemwide (1296)

**RDU:** Budget Reductions/Additions (233)

**Title:** FY2016 Salary Adjustment for University of Alaska Federation of Teachers (UAFT) Base Adjustment

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	SalAdj	1,201.0	1,201.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	600.5										
	1048 Univ Rcpt	600.5										

The contract, approved by the UA Board of Regents, includes the following: grid adjustments in FY2016 2%, FY2017 2%, and FY2018 2%; a \$900 lump sum payment (not to base) for eligible members each year of the contract, coincident with the annual salary increase; and an increase of .5% of base for market adjustments in FY2017 only. This item accounts for the base adjustment only.

Numbers Only

**Change Record Detail with Description (1438)**  
**University of Alaska**

**Scenario:** FY2016 Governor Amds Submitted Feb17 (12363)

**Component:** Budget Reductions/Additions - Systemwide (1296)

**RDU:** Budget Reductions/Additions (233)

**Title:** FY2016 Salary Adjustment for University of Alaska Federation of Teachers (UAFT) Lump Sum Payment (FY2016-FY2018)

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	IncT	307.4	307.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	153.7										
	1048 Univ Rcpt	153.7										
<b>Totals</b>		<b>307.4</b>	<b>307.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The contract, approved by the UA Board of Regents, includes the following: grid adjustments in FY2016 2%, FY2017 2%, and FY2018 2%; a \$900 lump sum payment (not to base) for eligible members each year of the contract, coincident with the annual salary increase; and an increase of .5% of base for market adjustments in FY2017 only. This item accounts for the lump sum portion (not to base) only.

**Change Record Detail with Description (1438)**  
 University of Alaska

**Scenario:** FY2016 Governor Amds Submitted Feb17 (12363)

**Component:** Budget Reductions/Additions - Systemwide (1296)

**RDU:** Budget Reductions/Additions (233)

**Title:** Reduce General Fund Portion of FY2016 Salary Adjustment for University of Alaska Federation of Teachers (UAFT)

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
N	Dec	-754.2	-754.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-754.2										

Reduce General Fund Portion of FY2016 Salary Adjustment for University of Alaska Federation of Teachers (UAFT) as an additional reduction.

**Change Record Detail with Description (1438)**  
**Branch-wide Unallocated Appropriations**

**Scenario:** FY2016 Governor Amds Submitted Feb17 (12363)

**Component:** Branch-wide Unallocated (3063)

**RDU:** Branch-wide Unallocated (620)

**Title:** Authority to Transfer Between Appropriations

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
Y	Misadj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

To mitigate unanticipated consequences of budget reductions and provide the executive branch with the flexibility to provide solutions, address emerging needs, and implement cost saving measures, the authority to transfer up to 5% of unrestricted general fund authorization between appropriations within a department and up to 2% of unrestricted general fund authority between departments is being requested. The Office of Management and Budget will be required to approve the department transfer requests and report and justify them to the legislature semi-annually.

**Proposed language:**

At the discretion of the Office of Management and Budget, up to five percent of the unrestricted general fund authorization may be transferred between appropriations within a department and up to two percent of the unrestricted general fund authorization may be transferred between appropriations between departments. It is the intent of the legislature that transfers between departments do not increase in the unrestricted general fund authority for any department by more than two percent. It is the intent of the legislature that the Office of Management and Budget submit a report of transfers between appropriations that occurred in the first half of FY2016 by January 30, 2016, and a report of transfers in the second half of FY2016, by September 1, 2016, to the House and Senate Finance Committees and the Legislative Finance Division. It is the intent of the legislature that the departments find efficiencies, and use savings from those efficiencies, to implement priorities of the State of Alaska.

**Change Record Detail with Description (1438)**  
Fund Transfers

**Scenario:** FY2016 Governor Amds Submitted Feb17 (12363)  
**Component:** Oil and Hazardous Substance Release Prevention Account (2499)  
**RDU:** OpSys DGF Transfers (non-add) (606)  
**Title:** Aniak Settlement

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
Y	Cntrngt	5,000.0	0.0	0.0	0.0	0.0	0.0	0.0	5,000.0	0	0	0
	1004 Gen Fund	5,000.0										

(new) If the amount necessary to pay obligations of the prevention account (AS 46.08.010(a)(1)) in the oil and hazardous substance release prevention and response fund (AS 46.08.010(a)) exceeds the unexpended and unobligated balance of the prevention account (AS 46.08.010(a)(1)) during the fiscal year ending June 30, 2016, the amount necessary to pay obligations of the prevention account (AS 46.08.010(a)(1)), not to exceed \$5,000,000, is appropriated from the general fund to the prevention account (AS 46.08.010(a)(1)).

The FY2016 Response Fund projection assumes the Department will receive a large settlement for a site in Aniak of approximately \$5 million. Those funds would need to be received and in the bank in advance of June 30, 2015, in order to be transferred to the Prevention Account as part of the Department's FY2016 appropriation. If a settlement agreement is not signed by all parties by the end of February 2015, it is highly unlikely that the funds would be received by the State in time to be available to transfer to the Prevention Account for FY2016 expenditures. At this time, the Department feels it would be prudent to assume this settlement will not be received in time for use in FY2016, increasing the Prevention Account shortfall to an estimated \$6.9 million.

Without a transfer of general funds into the Prevention Account in FY2016, the Division's ability to prevent, respond to, and clean up spills would be greatly diminished. If the shortfall is \$6.9 million, the Department would need to implement the following measures to address such a significant budget reduction:

- Approximately 60 full time SPAR staff would be laid off. With bumping rights, this impact would be felt Department-wide.
- The Contaminated Sites program would be largely eliminated and the State would no longer review clean-up activities on private and state-owned sites to ensure they comply with state regulations. These regulations are in place to protect human health from exposure to dangerous chemicals and stop the migration of those chemicals onto other properties. The elimination of this program would also mean that new sites would not be identified, monitored, and forced to comply with state laws. The federal government would only step in if the site qualifies as a superfund site. The State would have no ability to provide technical assistance to impacted communities or advise the public on the potential risks they may be exposed to. The State would only retain federally-funded oversight of federal facilities.
- The Prevention and Emergency Response program would be significantly reduced, the effect of which would mean the State would substantially reduce efforts related to small spills, and focus the remaining resources on significant spill events. Local communities would be expected to respond to smaller spills in their area. In addition, the Department would stop participating in industry drills and exercises to practice response capacity in the case of a spill. The Department would retain enough core capacity to respond to a large, catastrophic spill event.
- The cost recovery section of SPAR would be significantly reduced with the decreases in the other programs placing less demand on staff to pursue cost recovery from responsible parties.

In order to address this potential significant revenue shortfall, the Department proposes contingency language that will transfer up to \$5 million in general funds into the Prevention Account if the Aniak settlement is not received by June 20, 2015.

**Change Record Detail with Description (1438)**  
**Fund Transfers**

**Scenario:** FY2016 Governor Amds Submitted Feb17 (12363)

**Component:** Permanent Fund Dividend Fund (2616)

**RDU:** Permanent Fund Transfers (613)

**Title:** FY2016 Funding Estimate - November 30, 2014 Projection Update

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
Y	Misadj	-3,000.0	0.0	0.0	0.0	0.0	0.0	0.0	-3,000.0	0	0	0
	1041 PF Earn Rs	-3,000.0										

November 30, 2014 projection - \$1,402,000,000. These amounts are typically updated in the Alaska budget system quarterly as applicable. The December 2014 projections were not made available before the Governor's amended budget was released. These amounts will be updated in the budget system next, in the Authorized or Management plan scenario.

ALASKA PERMANENT FUND CORPORATION. (a) The amount authorized under AS 37.13.145(b) for transfer by the Alaska Permanent Fund Corporation on June 30, 2015, estimated to be \$1,402,000,000, is appropriated from the earnings reserve account (AS 37.13.145) to the dividend fund (AS 43.23.045(a)) for the payment of permanent fund dividends and for administrative and associated costs for the fiscal year ending June 30, 2015.

**Change Record Detail with Description (1438)**  
Fund Transfers

**Scenario:** FY2016 Governor Amds Submitted Feb17 (12363)  
**Component:** Permanent Fund Earnings Reserve to Permanent Fund Principal (2726)  
**RDU:** Permanent Fund Transfers (613)  
**Title:** FY2016 Funding Estimate - November 30, 2014 Projection Update

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
Y	Misadj	-11,000.0	0.0	0.0	0.0	0.0	0.0	0.0	-11,000.0	0	0	0
	1041 PF Earn Rs	-11,000.0										
<p>November 30, 2014 projection - \$894,000,000. The December 2014 projections were not made available before the Governor's amended budget was released. These amounts will be updated in the budget system next, in the Authorized or Management plan scenario.</p> <p>(b) After money is transferred to the dividend fund under (a) of this section, the amount calculated under AS 37.13.145(c) to offset the effect of inflation on the principal of the Alaska permanent fund during the fiscal year ending June 30, 2016, estimated to be \$894,000,000, is appropriated from the earnings reserve account (AS 37.13.145) to the principal of the Alaska permanent fund.</p>												
	<b>Totals</b>	<b>-11,000.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-11,000.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FY2016 Operating Budget Amendment (HB 72/SB 27)  
FY2016 Mental Health Budget Amendment (HB 73/SB 28)

Amend the operating bill OFFICE OF THE GOVERNOR section to add a subsection and amend the mental health trust bill to add a new section as follows:

\*Sec. 18/(new). OFFICE OF THE GOVERNOR. (new) At the discretion of the Office of Management and Budget, up to five percent may be transferred between appropriations within a department and up to two percent may be transferred between appropriations between departments. It is the intent of the legislature that transfers between departments do not increase in the unrestricted general fund authority for any department by more than two percent in total. It is the intent of the legislature that the Office of Management and Budget submit a report of transfers between appropriations that occurred in the first half of FY2016 by January 30, 2016, and a report of transfers in the second half of FY2016, by September 1, 2016, to the House and Senate Finance Committees and the Legislative Finance Division. It is the intent of the legislature that the departments find efficiencies, and use savings from those efficiencies, to implement priorities of the State of Alaska.

**FY2016 Operating Budget Amendment (HB 72/SB 27)**  
**FY2016 Mental Health Budget Amendment (HB 73/SB 28)**

Amend the SALARY AND BENEFIT ADJUSTMENTS subsection (b) as follows:

**SALARY AND BENEFIT ADJUSTMENTS.**

(b) The operating budget appropriations made to the University of Alaska in sec. 1 of this Act include amounts for salary and benefit adjustments for the fiscal year ending June 30, 2016, for university employees who are not members of a collective bargaining unit and to implement the terms for the fiscal year ending June 30, 2016, of the following collective bargaining agreements:

- (1) Fairbanks Firefighters Union, IAFF Local 1324;
- (2) United Academics - American Association of University Professors,  
American Federation of Teachers;
- (3) United Academic - Adjuncts - American Association of University  
Professors, American Federation of Teachers;
- (4) Alaska Higher Education Crafts and Trades Employees, Local 6070;
- (5) **University of Alaska Federation of Teachers (UAFT).**

FY2016 Operating Budget Amendment (HB 72/SB 27)

Amend \* Sec. 23. FUND TRANSFERS. by adding a new subsection as follows:

(new) If the amount necessary to pay obligations of the prevention account (AS 46.08.010(a)(1)) in the oil and hazardous substance release prevention and response fund (AS 46.08.010(a)) exceeds the unexpended and unobligated balance of the prevention account (AS 46.08.010(a)(1)) during the fiscal year ending June 30, 2016, the amount necessary to pay obligations of the prevention account (AS 46.08.010(a)(1)), not to exceed \$5,000,000, is appropriated from the general fund to the prevention account (AS 46.08.010(a)(1)).

**FY2016 Operating Budget Amendment (HB 72/SB 27)**

Amend \* **Sec. 8. ALASKA PERMANENT FUND CORPORATION.** by amending subsections (a) and (b) as follows:

(a) The amount authorized under AS 37.13.145(b) for transfer by the Alaska Permanent Fund Corporation on June 30, 17 2016, estimated to be **\$1,402,000,000** [\$1,405,000,000], is appropriated from the earnings reserve account 18 (AS 37.13.145) to the dividend fund (AS 43.23.045(a)) for the payment of permanent fund dividends and for administrative and associated costs for the fiscal year ending June 30, 2016.

(b) After money is transferred to the dividend fund under (a) of this section, the amount calculated under AS 37.13.145(c) to offset the effect of inflation on the principal of the Alaska permanent fund during the fiscal year ending June 30, 2016, estimated to be **\$894,000,000** [\$905,000,000], is appropriated from the earnings reserve account (AS 37.13.145) to the principal of the Alaska permanent fund.

TRANSACTION REPORT

P. 01

FEB-23-2015 MON 03:42 PM

FOR: house finance

4656813

SEND

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
FEB-23	03:41 PM	4655334	44"	1	FAX TX	OK	193	
TOTAL :						44S PAGES:	1	

1 of 1

February 23, 2015

Committee Action on Legislation  
FEBRUARY 23, 2015

HOUSE FINANCE

COMMITTEE SECRETARY: JODIE MCDONNELL

<p>SHORT TITLE</p> <p>HB71 BUDGET: CAPITAL</p>	<p>ACTION TAKEN ON LEGISLATION</p> <p><input type="checkbox"/> Moved Out of Committee</p> <p><input type="checkbox"/> Moved CS ( ) Out of Committee</p> <p><input type="checkbox"/> Moved HCS ( ) Out of Committee</p> <p><input checked="" type="checkbox"/> Heard and Held</p> <p><input type="checkbox"/> Heard and Held Assigned to Subcommittee</p> <p><input type="checkbox"/> Bill Postponed to _____</p> <p><input type="checkbox"/> Scheduled but not Heard</p> <p><input type="checkbox"/> Failed to Move Out of Committee</p>
<p>SHORT TITLE</p> <p>HB72 APPROP: OPERATING BUDGET/LOANS/FUNDS</p>	<p>ACTION TAKEN ON LEGISLATION</p> <p><input type="checkbox"/> Moved Out of Committee</p> <p><input type="checkbox"/> Moved CS ( ) Out of Committee</p> <p><input type="checkbox"/> Moved HCS ( ) Out of Committee</p> <p><input checked="" type="checkbox"/> Heard and Held</p> <p><input type="checkbox"/> Heard and Held Assigned to Subcommittee</p> <p><input type="checkbox"/> Bill Postponed to _____</p> <p><input type="checkbox"/> Scheduled but not Heard</p> <p><input type="checkbox"/> Failed to Move Out of Committee</p>
<p>SHORT TITLE</p> <p>HB73 APPROP: MENTAL HEALTH BUDGET</p>	<p>ACTION TAKEN ON LEGISLATION</p> <p><input type="checkbox"/> Moved Out of Committee</p> <p><input type="checkbox"/> Moved CS ( ) Out of Committee</p> <p><input type="checkbox"/> Moved HCS ( ) Out of Committee</p> <p><input checked="" type="checkbox"/> Heard and Held</p> <p><input type="checkbox"/> Heard and Held Assigned to Subcommittee</p> <p><input type="checkbox"/> Bill Postponed to _____</p> <p><input type="checkbox"/> Scheduled but not Heard</p> <p><input type="checkbox"/> Failed to Move Out of Committee</p>

OVERVIEW OF THE GOVERNOR'S Feb 17th Budget  
amendments including FY 15 Supplemental/  
budget CAPITAL/OTHER APPROPRIATIONS  
by OMB

Meeting Recessed @ \_\_\_\_\_  
Meeting Postponed to \_\_\_\_\_



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

**Office of the Governor**

OFFICE OF MANAGEMENT AND BUDGET  
Pat Pitney, Director

Court Plaza Building  
240 Main Street, Suite 802  
Juneau, Alaska 99811-0020  
Main: 907.465.4660  
Fax: 907.465.2090

March 10, 2015

The Honorable Steve Thompson  
Co-Chair, House Finance Committee  
Alaska State Legislature  
State Capitol, Room 515  
Juneau, AK 99801-1182

The Honorable Mark Neuman  
Co-Chair, House Finance Committee  
Alaska State Legislature  
State Capitol, Room 513  
Juneau, AK 99801-1182

Dear Co-Chair and Co-Chair,

Thank you for the opportunity to present highlights of the Governor's February 17th budget amendments including FY2015 supplemental, capital, and operating and other appropriations before the House Finance committee on February 23. The following is in response to questions posed by the committee during the overview for distribution to the members.

*Representative Saddler: Where on the Glenn Highway are the ruts to be repaired and are they to be completed with federal funds?*

This section of the Glenn Highway is the highest volume traveled route in the State and is the main commuter corridor between Anchorage and the Matanuska-Susitna Valley. These areas are the southbound lanes between North and South Birchwood, all lanes between Hiland Road and Artillery Drive, and all lanes between Peters Creek and Eklutna. The department has two projects associated with this funding. One project is in the process of being closed and the other is an active construction project. The project we are in the process of closing will need no additional funding. The active state funded project to repair sections of the Glenn Highway is scheduled to continue into the summer of 2015 and cost approximately \$2.3M.

*Representative Gattis: How did the Kalsin Bay Maintenance Station fire happen? Why are we replacing Kalsin Bay Maintenance station at a higher cost than risk management is paying – what is the thought process of building what we would like as opposed to what we would need in tough budgetary times.*

The Kalsin Bay Maintenance Station was destroyed by a fire that began in a truck parked nearby on August 30, 2014. The original Kalsin Bay Station, constructed in 1972, had three equipment bays with an office and bathroom, with a footprint of 2,400 square feet (40ftX60ft). The replacement building is three equipment bays with an office and bathroom with a larger footprint of 4,100 SF (50X82). The replacement building was designed to accommodate increasingly larger modern highway maintenance equipment, resulting in a larger overall footprint.

Concerning the cost difference: The difference in the cost between the insured amount and the estimated replacement cost has several compounding factors:

- 1) The replacement building would store the same number of equipment that the original structure was designed for over 40 years ago. Equipment sizes are larger now than in 1972 and continue to increase.
- 2) The building codes have changed significantly since 1972, requiring site changes for waste water and sanitation facilities.
- 3) The soils on the Kalsin Bay lot are anticipated to be contaminated due to prior use as well as the fire itself.
- 4) Inflation of construction cost estimate.

The cost of the cleanup after the fire was not anticipated and not included in the estimated replacement value.

*Representative Saddler: What was the most recent activity of the Juneau Access and Knik Arm Crossing Project analysis?*

Juneau Access is progressing to a Record of Decision (ROD). The project currently has funds programmed to cover the estimated \$800,000 in expenditures required to complete the public comment process, revise and finalize the Supplemental Environmental Impact Statement to include changes based on public comment and request a Record of Decision be issued by the Federal Highway Administration. Commissioner Luiken reported this to Governor Walker and Chief of Staff Whittaker earlier this month with the explanation that only by going forward to the completion of the ROD can the state most likely avoid an expensive repayment of federal funds.

Knik Arm Crossing staff has stopped work on acquiring ROW and are continuing work on completing the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan application and pursuing the final environmental permits necessary for construction activities. A decision to proceed with the TIFIA application is pending a review of how the permits for Beluga whale might impact other state priorities in Cook Inlet such as Alaska LNG. This review was asked for by Governor Walker. The Beluga analysis is in progress.

*Representative Muñoz: Can projects on the national highway system be allocated to non-national highway system monies?*

Federal transportation funds can be used on both national highways system and non-national highway system projects. The current transportation authorization bill, Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21), directs the majority (Approximately 57%) of federal aid funding towards national highway system roads; however, there is funding available for non-national highway system and rural projects as well. Although the legislature appropriates federal funds as a single fund source, from the Federal Department of Transportation's perspective, there are many categories of federal funds that are outlined in the Department of Transportation & Public Facilities Statewide Transportation Improvement Program (STIP).

The Honorable Steve Thompson  
The Honorable Mark Neuman  
March 10, 2015  
Page 3

*Representative Guttenberg: Do the sideboards or requirements change or shift when the fund source is changed from international airport bonds versus international airport revenue fund.*

There are various restrictions on funding use related to both IARF (International Airports Revenue Fund) and revenue bond (long-term debt) funded capital projects. Bond funding has additional requirements compared to IARF funds as bond funded capital projects also entail debt covenant requirements (i.e. financial ratio maintenance) and usually IRC (Internal Revenue Code – i.e. tax) limitations with respect to the governmental or qualified private activity nature of the projects. Specific bond offerings will state the proposed use of the funds. If bond documentation states that the funds will be used for terminal improvements, then the department cannot repave a runway with these funds. In other words, as long as projects are funded with the correct type of bonds based on the type of project then there are no issues. The IARF fund must be used on International Airport Operations and Capital expenditures on airport property and often are subject to the approval of those airlines that operate there. Otherwise, there are few restrictions on the uses of this fund.

The AIAS (Alaska International Airport System) Controller has reviewed the plan of which projects point to specific bonds with Department of Revenue and are in agreement on the use of the bond funds on the requested capital budget amendment projects.

*Representative Neuman: Since Alaska is a net positive state do we really get 12 or 13 to 1 match on highway projects?*

Although it is true that Alaskan citizens and businesses pay less in federal fuel taxes than the state receives in federal transportation funds, this does not change the federal match requirements. Federal allotments and match requirements are calculated, by statute, based on various factors including population, federally owned lands, road miles, poverty levels and other quantitative measures. The match remains approximately 9% state match but may vary slightly depending on the type of project (for example, some safety projects are 100% federally funded).

*Representative Neuman: Is the native arts project part of the Silver Hand program?*

Silver Hand is similar to the Made in Alaska program, in that it certifies authentic Alaska Native handicrafts. The Silver Hand program is administered by the Alaska State Council on the Arts within the Department of Education and Early Development. It is not related to the Alaska Native Arts Foundation grant.

*Representative Guttenberg: How much student loan money and interest makes up administration for Alaska Postsecondary Education/ Program Administration and Operations and Alaska Student Loan Corporation/ Loan Servicing.*

Program administration (primarily loan servicing) paid from student loan principal and interest receipts is \$13,802.0. There is some small income from other non-loan investments but those are purposefully low since tax exempt bonds to fund student loans and the Internal Revenue Service (IRS) rules limit the yield ASLC may earn on those investments to no more than the rate paid on related bonds. Additionally, the loans themselves are yield

restricted to earn no more than 2% above the rate paid on the bonds. Any extra earnings must be rebated to the IRS.

*Representative Muñoz: What is the state portion of the Tourism and Alaska Seafood Marketing Programs (ASMI)?*

The Tourism program FY2016 Governor's Amended budget is \$17,638.0 with \$14,938.0 in general funds and \$2,700.0 in statutory designated program receipts (SDPR). The SDPR is from advertising and other services sold on behalf of the state by the Alaska Travel Industry Association.

The FY2016 Governor's Amended budget for ASMI totals \$24,145.2. There is \$4,500.0 in general fund match for \$4,500.0 in federal receipt authorization, \$1,820.6 general funds, and \$13,324.6 in SDPR from industry contributions.

*Representative Gara: Do we lose federal match as we remove general funds on the tourism marketing program?*

There are no federal funds associated with or leveraged by general funds in the Tourism Marketing program. However, reductions in general funds could potentially reduce the statutory designated program receipts paid to the division by the Alaska Travel Industry Association (ATIA) for non-state advertising related to contracted ad placement. For example, the state sells booth space in the Alaska booth at travel shows in the U.S. and overseas. As participation in travel shows is reduced, the amount of revenue collected from booth sales will decline as well.

*Representative Muñoz: Have you looked at shore side efficiencies on the Alaska Marine Highway System?*

Yes, the Alaska Marine Highway System (AMHS) has looked at shore side staffing in light of the recent budget cut proposals. AMHS shore side staffing has grown in the past 10 years from 86 to 116 full time positions. The workload associated with running the AMHS fleet has continued to grow as well with additional regulations for security and environmental issues. AMHS operates 17 terminals with staff to handle ticketing, check-in, security, and line handling. This staff has grown due to increased security requirements in the post 9/11 world with 22 of the new AMHS shore side positions being added at the terminals in order to perform the necessary security screens prior to passengers boarding the ships. AMHS Ketchikan central office has increased by four positions with the addition of a Business Development Manager, Security Officer, Environmental Officer, and a Planner. In the move to Ketchikan from Juneau, AMHS brought five positions from the Department of Transportation & Public Facilities Administrative Services component including a Publications Specialist and four IT positions. AMHS operates in a more complex world in terms of increasing vessel regulatory compliance, older ships requiring more maintenance management, security, environmental issues, business practices and accounting, making these added positions essential to AMHS operations. Looking ahead into FY 2016, AMHS is reducing eight positions in IT as those positions will now be Statewide IT positions. AMHS has also identified 5 more central office shore side positions to be cut as part of the next round of budget cuts that the department was tasked to develop. AMHS is continuing to look at additional efficiencies and expect that the new reservations system will enable some

more staff reductions. It is not online yet, so it is premature to reduce any staff based on that.

*Representative Saddler: Are there penalties for not honoring AMHS Reservations.*

AMHS does not impose any cancellation penalties if AMHS causes/initiates the cancellation. AMHS would obviously attempt to rebook everyone on other sailings (which is not as easy as an airline cancellation due to less frequent ship sailings on which to rebook people and the complexities of matching car deck space, cabin space and passenger space on a different ship (i.e. the LeConte would be the main alternate for the Malaspina in Lynn Canal, the Matanuska the alternate for the Taku in Prince Rupert, and the Aurora the alternate for the Chenega in Prince William Sound.)

*Representative Saddler How many of these itineraries are Alaskan Residents?*

Based on updated 2/24/2015 data, there are now 1,666 itineraries for these three vessels during the time period in question (Jul-Sep). This consists of 437 Alaskan's itineraries, the rest visitors (26% Alaskans, 74% visitors). These itineraries contain 6,545 total passengers, 767 cabins, 1,660 vehicles and 139 cargo vans (containers). Total revenue generated by these itineraries is \$749.9 K. Please note that the total expected revenue generated by these three ships for the three summer months is \$4.4M, it is just that only \$749.9K of that has been sold so far. AMHS has not stopped taking reservations on these sailings yet due to budget uncertainties. AMHS has not published the revised alternative sailing schedule, nor rebooked anyone yet.

*Representative Neuman: Does the Alaska railroad pay lease fees for the depot at Ted Stevens International Airport just like everyone else?*

Ted Stevens International Airport has a 55 year lease with the railroad for the underlying land. The lease also grants the railroad certain easements for the rail-line and access areas. The railroad pays \$2,220.00 annually for the land rent with the contract providing for rent adjustments to fair market value after 24 years. The lease was signed in 2000 – so adjustments to fair market value could not happen before 2024. The airport does not incur any costs such as maintenance or utilities for the railroad depot

*Wilson: Lawsuits that are listed, what is being put in place so we don't get sued again. What changes have we made so that lawsuits don't happen again and do we have anymore out there on those specific issues?*

The Department of Law's internal questionnaire form is required for every judgment or settlement and includes the question, "What, if any, preventative action has been taken by the involved agency to prevent or reduce the potential for such liability in the future?" This form is completed by the department attorney, approved by the Deputy Attorney General and included in the backup sent to the legislature requesting the supplemental appropriation. Attached is one of the questionnaires included in the backup as an example. For further questions regarding specific cases, please contact the Deputy Attorney General.

The Honorable Steve Thompson  
The Honorable Mark Neuman  
March 10, 2015  
Page 6

*Representative Saddler: Medicaid costs initiatives- how did you arrive at the figure of one million dollars in durable medical equipment? What is the total about spent in DME in Medicaid? What is the timeline of implementation? How quick can they put these costs measures in place?*

The one million dollars projected savings is from a combination of cost containment efforts within Direct Medical Equipment (DME), Hearing, and Vision services. These are all optional service categories. Nationally, DME is a problematic and fraudulent area of Medicaid. The department believes it can compromise with providers and provide more comparable supplies to other states (lotions, wipes, etc); the vision contract with Rochester Optical can be re-solicited for reduction in total cost of frames; and implement audiology fee schedule adjustments to see reductions in equipment costs (hearings aides at billed charges to be reduced to national average).

DME Services expenditures in FY2014 totaled \$3,884.6.

Hearing Services expenditures in FY2014 totaled \$1,510.3.

Vision Services expenditures in FY2014 totaled \$5,809.1.

Expenditures among these three service types in FY2014 totaled \$11,204.0.

These initiatives will require new regulations and fee schedules along with holding public hearings and consultation with tribes. The Department will need the cooperation of the Department of Law and the Lieutenant Governor's office to meet tight deadlines in order to realize savings in FY2016.

*Representative Neuman: Can you provide clarification on 90% forward funding. \$126 million in savings still needs to be paid next year.*

Typically an appropriation to the public education fund is made each year based on the expected need for the following year. The cash for the future year appropriation is transferred from the general fund and held in the Public Education Fund in advance of the next year's expenditures. The Governor's amended budget forward funding appropriation is 10% less than the FY2017 current estimated expenditures. This is not a funding recommendation but the amount endorsed for forward funding to be held in the Public Education Fund. Legislative studies completed during the summer of 2015 will inform discussion for FY2017 education funding level.

Please let me know if you have additional questions.

Sincerely,



Pat Pitney  
Director

Enclosures

1. Example of a Judgments/Claims/Settlements for Payment form

cc: David Teal, Director, Legislative Finance

Department of Law

JUDGMENTS/CLAIMS/SETTLEMENTS FOR PAYMENT

(Please Type)

\*\*This form will be used for the purpose of standardizing the submission of claims to the Legislature. Complete and accurate information will expedite payment to the claimants, thereby reducing the amount of interest required to be paid by the state. Please submit this form to the Director, Administrative Services Division, P.O. Box 110300, Juneau, AK 99811, or call (907) 465-3673.

PART ONE

1. **Case Name:** Amanda Auffrey Lawton and Gregory J. Lawton v. State of Alaska, Department of Transportation & Public Facilities
2. **Case Number:** Case No. 3AN-13-06154 CI
3. **Judge/Justices:** Superior Court Judge John Suddock
4. **Date Judgment entered:** Settlement reached on August 26, 2014 for \$5,000,000. A motion for court approval of the settlement will be filed by plaintiffs by April 30, 2015.
5. **Did the date of the cause of action accrue on or after August 7, 1997?** Yes.
6. **Amount to be paid:** \$4,800,000 (four million eight hundred thousand dollars)
7. **Interest Rate:** \_\_\_\_\_ **Effective Date:** \_\_\_\_\_
8. **Requested hourly rate and total compensation of attorneys to be paid:** N/A
9. **Court approved/ordered hourly rate and total compensation of attorneys to be paid:** N/A
10. **Payable to:** To be determined based on the entity selected for a trust. A portion of the settlement will be paid to Knutson & Associates in Trust for Greg and Amanda Lawton.
11. **EIN: Submit separately** \_\_\_\_\_ **or SSN: Submit separately** \_\_\_\_\_
12. **Send check to:** \_\_\_\_\_ above address **Departmental contact:**   x

Departmental attorney contact:  
Stephanie Galbraith Moore, AAG



Signature

269-5196  
Telephone Number

Revised 11/24/04

Departmental Approval:



Deputy Attorney General

10-31-14  
Date

Department of Law

JUDGMENT/SETTLEMENT FUNDING REQUEST  
QUESTIONNAIRE

PART TWO

The following information needs to be provided on all judgment awards and/or settlements made against the State.

**Case Name:** Amanda Auffrey Lawton and Gregory J. Lawton v. State of Alaska, Department of Transportation & Public Facilities

**Case No.:** 3AN-13-06154 CI

**1. Describe the circumstances or events resulting in this case and ultimately this judgment/settlement against the State.**

On April 6, 2012, Amanda Lawton, a 32-year-old obstetrics and delivery nurse, was seriously injured when ice from a cliff adjacent to the Seward Highway broke loose and crushed her truck. Just before her accident, a DOT maintenance crew had been working in the area of MP 113 cleaning up ice that had fallen from the cliff onto the highway blocking the northbound traffic lane. A small portion of ice also fell during the cleanup. After DOT left the area, a large column of ice fell on Amanda Lawton's truck. Ms. Lawton suffered extensive permanent injuries in the accident, including severe brain damage. Ms. Lawton cannot return to work as a nurse and she will need ongoing medical care.

This lawsuit filed by Amanda and Greg Lawton against DOT followed. Plaintiffs claimed that DOT should have undertaken remedial measures to remove the ice from the cliff, should have warned drivers, and should have diverted highway traffic away from the cliffs. After extensive motions were filed, the trial court ruled that the Lawtons' claims were not precluded by discretionary function immunity. Both sides obtained experts witnesses on liability and damages and a trial date was set. The case settled at a mediation conducted by former superior court judge Eric Sanders. Despite a pre-ligation settlement demand of \$17 million and an initial \$21 million demand at the mediation, the case settled for a total \$5 million, with Risk Management paying \$200,000 up front and the remainder to be paid after legislative appropriation.

**2. Describe issues of State policy or law involved in this case, if they are relevant to and resulted in substantial effort and expense for the department to bring or defend this case.**

This is the first case of its kind defended by the Attorney General's Office. Only three other accidents like this have been reported in North America. This lack of information and the lack industry guidance made defense of this case unusual and challenging.

**3. Did the State prevail on any issues? If so, describe.**

The superior court found that none of plaintiffs' claims were precluded by discretionary function immunity. The Alaska Supreme Court denied DOT's petition for review of the superior court's decision.

**4. Did we challenge plaintiffs' request for costs and fees or in other ways seek to reduce the costs to the State? If so, describe to what extent we were successful.**

The mediation was conducted ten months in advance of trial, which reduced defense costs to the State and eliminated the risk that a jury would award higher damages.

**5. What was the source of the State's liability in this case?**

DOT's duty of care to maintain its highways in a condition that is reasonably safe for travel.

**6. What, if any, preventative action has been taken by the involved agency to prevent or reduce the potential for such liability in the future?**

Before this accident, DOT's policy and procedures involved deploying road maintenance workers to monitor the Seward Highway and to clear the highway when ice and snow spilled from adjacent ditches into the roadway. This procedure had worked for decades without mishaps. Because the Mile Post 113 is outside of the designated avalanche zone, DOT's avalanche staff did not monitor the area. Now, after the Lawton accident, DOT's avalanche staff monitors the cliff near Mile Post 113. When they deem it to be appropriate, they request maintenance staff to deploy a new traffic diversion plan that shifts the traffic away from the cliffs, using an existing inside pullout lane for southbound traffic. The traffic diversion plan was used twice in 2014, with modifications made to the plan after its first deployment.

**7. If the information is available to you, has the agency involved taken any corrective action as a result of this case? If the information is not protected from publication by statute, privilege, or right to privacy, indicate what the corrective action was.**

See paragraph 6 above regarding preventative action taken.

**8. Any recommendations concerning cases of this type in the future?**

See paragraph 6 above regarding preventative action taken.

**9. Any recommendations for changes in statutes, regulations or policy? Cite any applicable statutes or regulations.**

We concur with the traffic diversion plan DOT adopted to address potential ice hazards.

Attorney completing form:

Stephanie Galbraith Moore

Senior Assistant Attorney General  
Title

Date:

October 31, 2014

269-5196  
Phone Number

①

Line	Back-up Page	Bill Section	Bill Page	Bill Line	Department	Component or Capital	FFT	Lang	Description	Unrestricted General Funds (UGF)	Designated General Funds (DGF)	Other Funds	Federal Funds	Fund Source	Total
1									<b>OPERATING</b>	0.0	0.0	0.0	0.0		0.0
2									Funding Summary - Operating Numbers Sets out the funding by agency for the appropriations in section 1	0.0	0.0	0.0	0.0		0.0
3									<b>CAPITAL</b>						
4	1-4	new	new	new	Natural Resources	Capital			Emergency Repair of State Forest Road Systems in the Tanana Valley State Forest This is a new FY2015 capital project. Due to the increase in precipitation in 2014 the Fairbanks area has extensive damage to forest roads exceeding normal maintenance budgets and staff capacity. Forest roads in the Tanana Valley State Forests require maintenance to remain open or be repaired in a manner to meet the requirements as set forth in the Alaska Forest Resources and Practices Act Regulations.	896.0	0.0	0.0	0.0	1004 General Fund	896.0
5									Funding Summary - Capital Numbers Sets out the funding by agency for the appropriations in section 3	896.0	0.0	0.0	0.0		896.0
6									Fund Source Summary Sets out funding by funding source for appropriations made in sections 1 and 3	896.0	0.0	0.0	0.0		896.0
7									<b>LANGUAGE</b>						
8	5	10	11	21	Law	Deputy Attorney General's Office		L	Judgments and Settlements Actual judgment and settlement costs received after the February 3, 2015 supplemental was submitted.	121.5	0.0	0.0	0.0	1004 General Fund	121.5
9	6	new	new	new	Transportation and Public Facilities	Capital		L	Reappropriation for the Environmental Protection Agency (EPA) Class V Injection Wells An estimated balance of \$5,403,000 is available from the Corps of Engineers Harbor Program (\$3.4 million) and the Glenn Highway Rut Repair appropriation (\$2 million) for the EPA Class V injection well compliance remediation project.	0.0	0.0	0.0	0.0	1004 General Fund	0.0
10	7	new	new	new	Transportation and Public Facilities	Capital		L	Reappropriation for Ted Stevens Anchorage International Airport: Terminal Improvements and Renovation Project This project provides the International Airport Construction Bond authority necessary for the construction of improvements and renovations to terminal buildings at the Ted Stevens Anchorage International Airport. This authority is needed to meet regulatory constraints related to the 2006C and 2010C bond proceeds.	0.0	0.0	0.0	0.0	1112 IntAptCons	0.0
11	8-9	new	new	new	Transportation and Public Facilities	Capital		L	Reappropriation for the Replacement of the Kalsin Bay Maintenance Station On August 30, 2014 the Kalsin Bay Maintenance Station and its contents were destroyed by fire. This request, along with Risk Management funds of \$1,200,000, will fully fund the design and construction of the replacement facility.	0.0	0.0	0.0	0.0	1004 General Fund	0.0

Line	Back-up Page	Bill Section	Bill Page	Bill Line	Department	Component or Capital	PFT	Lang	Description	Unrestricted General Funds (UGF)	Designated General Funds (DGF)	Other Funds	Federal Funds	Fund Source	Total
12	10-11	new	new	new	Fund Capitalization	Capital		L	Repeal Repeal Alaska Gasline Inducement Act (AGIA) Fund Capitalizations Repeal balances of six completed appropriations for the Alaska Gasline Inducement Act (AGIA), estimated to be a total of \$2,795,400 .	(2,795.4)	0.0	0.0	0.0	1004 General Fund	(2,795.4)
13	12	new	new	new	Fund Transfer	Alaska Housing Finance Corporation Subsidiary Fund		L	Appropriation from the General Fund to the AK Housing Capital Corporation Account Transfer from the general fund to the Alaska Housing Capital Corporation account to cover an over-appropriation of approximately \$13.3 million. Alternatively, the FY2015 year transfer to the Alaska Capital Income Fund can be amended and reduced by \$13.3 million. If this appropriation is not received there will not be sufficient funding to cover outstanding appropriations.	13,300.0	0.0	0.0	0.0	1004 General Fund	13,300.0
14	13	new	new	new	Fund Transfer	Large Passenger Vessel Gambling and Gaming Tax Account		L	Appropriation from Large PV gaming and gambling tax to the Commercial Vessel Passenger Tax Account The commercial vessel passenger account has a shortfall due to projected payments to ports of call exceeding the initial Department of Revenue projections and authorization for appropriations exceeding the current available cash balance. A transfer from the gambling tax account to the commercial vessel passenger account will cover this shortfall. If this appropriation is not received there will not be sufficient funding to cover outstanding appropriations.	4,750.0	0.0	0.0	0.0	1211 Cruise Ship Gambling Tax	4,750.0
15					Total of Supplemental Requests					16,272.1	0.0	0.0	0.0	0.0	16,272.1

**Emergency Repair of State Forest Road Systems in the Tanana Valley State Forest**

**FY2015 Request: \$896,000**  
**Reference No: AMD 60687**

**AP/AL:** Appropriation **Project Type:** Renewal and Replacement  
**Category:** Natural Resources  
**Location:** Fairbanks Areawide **House District:** Fairbanks Areawide (HD 1-5)  
**Impact House District:** Fairbanks Areawide (HD 1-5) **Contact:** Jean Davis  
**Estimated Project Dates:** 04/19/2015 - 06/30/2019 **Contact Phone:** (907)465-2422

**Brief Summary and Statement of Need:**

The Interior had record rainfall during 2014 causing erosion on many miles of Tanana Valley State Forest (TVSF) roads and scouring of bridge abutments, which resulted in noncompliance with certain Best Management Practices (BMPs) of the Alaska Forest Resources and Practices Act (FRPA) AS 41.17 and 11 AAC 95. This project will repair Tanana Valley State Forest (TVSF) roads and bridges due to rainfall erosion that occurred in 2014.

<b>Funding:</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>Total</b>
Gen Fund	\$896,000						\$896,000
<b>Total:</b>	<b>\$896,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$896,000</b>

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

No prior funding history.

**Project Description/Justification:**

- \$896,000 of road work needed to return to compliance with FRPA includes:
  - Repair Standard Creek Road, Cache Creek Road, and other heavily used roads totaling 12 miles of heavy reconstruction, including development of material pit site at a total cost of \$886,000
  - Repair Spencer Creek Bridge at a total cost of \$10,000
- If the State should close roads due to noncompliance with FRPA in certain sections, the result would be closure of additional miles. For example, if the five to seven miles of damaged sections of Standard Creek Road are not repaired to FRPA BMP standards, then the entire thirty miles of Standard Creek Road plus associated secondary roads totaling twenty miles would be subject to closure.
- State Forest roads are used as fuel breaks and also provide access routes for equipment dispatched to initial attack wildland fires. Catching wildland fires while they are small saves the

**Emergency Repair of State Forest Road Systems in the  
Tanana Valley State Forest**

**FY2015 Request: \$896,000  
Reference No: AMD 60687**

state millions of dollars annually and access and time to respond are key components of achieving this result.

- This funding is necessary to ensure the State (DOF) completes its existing partnership obligation to other State and Private entities, as well as the forest products industry and public access. These partnerships and public uses include:
  - Alaska Department of Fish and Game (access to research projects, habitat improvement, hunting and fishing)
  - University of Alaska (access to research projects and timber harvest)
  - Mental Health Trust (access to their land for timber harvest)
  - Doyon Exploration (access to oil and natural gas exploration areas)
  - Toghothele Native Corporation (access to their land for timber harvest)
  - Fairbanks North Star Borough (access to their lands for timber harvest and land sales)
  - Forest products purchasers and their employees access to current and future timber, biomass, and firewood sales. This includes Superior Pellet Fuels, which is a relatively new industry and is dependent upon these roads for delivery of logs for manufacturing its pellets and pellet logs.
  - Public access for recreation, personal use (such as berry picking and firewood gathering), and subsistence harvest of natural resources.
  - State Forest roads are used to provide access to designated firewood cutting areas for those who rely on wood as a primary or supplemental source of heat.
- Unless these roads are brought into compliance with FRPA, a significant portion of the State's active and proposed forest products sales would be at risk of not being harvested. Using the Standard Creek Road as an example, the following sales could be impacted:

CCF means 100 cubic feet. MBF means 1,000 board feet.

- Active: 78 total active sales with 71,000 CCF (~30,000 MBF) volume
  - Standard Creek Road: 14 active sales with about 13,000 CCF (~5,330 MBF) volume, remaining volume spread over the other 64 sales
- Proposed: 111,194 CCF (~45,590 MBF) For 64 proposed sales (from Five Year Schedule)
  - Standard Creek Rd: 11 Proposed sales with about 413,800 CCF (~169,700 MBF) volume, remaining spread over the other 53 sales
- The current value of sawtimber is \$23.83/CCF
- The following is a list of currently active timber sales in the Fairbanks Area. Many businesses and their employees rely on these sales for their livelihoods.

Sale Name, Sale #, Purchaser, Date Active, Date of Expiration

**Emergency Repair of State Forest Road Systems in the  
Tanana Valley State Forest**

**FY2015 Request: \$896,000  
Reference No: AMD 60687**

Jenny M South	NC 1105	Alexco	03/19/2008	05/31/2015
Two Rivers Mixed #1 Resal	NC 1570	AJ's Auto Sales	03/12/2014	05/31/2017
Keystone Spruce #2	NC-1011	Rustic Alaskan Homes	07/20/2010	05/31/2015
Valley's End	NC-1017	DH Wood Products	07/08/2004	05/31/2015
Skinny's East Birch	NC-1132	Alaska Birch Works	01/12/2004	05/31/2015
Parks East	NC-1144	Four Star Lumber Co	08/01/2009	05/31/2015
Skinny's North	NC-1145	Lowry Enterprises	06/09/2009	05/31/2015
Canyon Birch	NC-1208	Snow 1 Snow Removal	05/18/2010	05/31/2015
Cache Birch 7 Mile	NC-1214	Alaska Birch Works	07/07/2003	05/31/2015
Nenana Ridge Habitat #1	NC-1242	Nip and Tuck Logging	11/21/2007	05/31/2015
Nenana Ridge Habitat #2	NC-1243	Millard Fudge	10/14/2010	05/31/2015
Canyon Tower Habitat #1	NC-1244	Snow 1 Snow Removal	01/12/2007	05/31/2015
Mosquito Valley	NC-1249	AJ's Auto Sales	10/10/2013	05/31/2017
Hidden Valley	NC-1250	Badger Development	12/04/2009	05/31/2015
First Bridge East	NC-1257	DH Wood Products	05/01/2008	05/31/2015
Ohio South Birch	NC-1260	Deadwood Logging	10/28/2008	05/31/2015
Hardley Birch	NC-1263	Badger Development	09/01/2009	05/31/2015
Standard 6 mile spruce	NC-1276	Sims Logging	04/22/2008	05/31/2015
Dunbar Road End	NC-1277	Mark Fairchild Trucking	11/29/2013	05/31/2017
Standard East South	NC-1279	Northland Wood Products	06/15/2010	05/31/2015
7 Mile Island South	NC-1280	Deadwood Logging	10/03/2008	05/31/2015
Canyon Birch 2	NC-1283	Badger Development	08/13/2008	05/31/2015
Oh My Birch West	NC-1285	Four Star Lumber Co	08/01/2009	05/31/2015
Fortune Fringe	NC-1287	Alaska Birch Works	06/08/2010	05/31/2015
Anaconda Spruce Resale	NC-1330	Spruce Park Enterprises	09/06/2006	05/31/2015
Birch Point	NC-1334	Howard Enterprises	05/24/2010	05/31/2015
Nenana Ridge East #3	NC-1339	Alexco	05/18/2011	05/31/2015
Win Lake	NC-1340	Arctic Firewood	02/15/2012	05/31/2015
Nenana Spruce #2	NC-1344	Northland Wood Products	04/11/2014	05/31/2017
Canyon Tower Spruce	NC-1345	AJ's Auto Sales	10/31/2014	05/31/2018
Grouse Road Mixed #1	NC-1349	Alexco	07/08/2009	05/31/2015
Nenana Ridge Mixed #4	NC-1402	Lowry Enterprises	06/11/2009	05/31/2015
Iowa Creek Spruce #3	NC-1404	Northland Wood Products	06/14/2012	05/31/2015
Mosquito Spruce #3 Resale	NC-1406	AJ's Auto Sales	10/16/2012	05/31/2015
Glacier Creek North Spruce	NC-1407	Northland Wood Products	06/14/2012	05/31/2015
Nenana Ridge Birch #4	NC-1408	Nip and Tuck Logging	06/14/2012	05/31/2015
Nenana Ag Negotiated	NC-1419	Sven Ebbessen	12/29/2008	05/31/2015
Oh My Birch #2	NC-1432	Alaska Birch Works	05/03/2011	05/31/2015
Two Rivers Junction	NC-1440	Ward Wood Works	05/31/2013	07/31/2016
Two Rivers Birch	NC-1441	Ward Wood Works	05/03/2011	05/31/2015
Standard 6 Mile Spruce #2	NC-1446	Sims Logging	05/31/2013	05/31/2016
Halfaspruce	NC-1447	MacDonald Timber Sales	05/31/2013	05/31/2016
Transmitter Spruce	NC-1502-F	Northland Wood Products	07/20/2014	05/31/2017
Little Chena #4	NC-1505	Ward Wood Works	05/03/2011	05/31/2015
High Standards Spruce	NC-1508	Northland Wood Products	05/31/2013	05/31/2016
Prairie Chicken Birch	NC-1513	Two Far North Logging	05/03/2012	05/31/2015
Gilles Creek Fire Salv #4	NC-1528-D	Delta Wood and Properties	12/17/2014	05/31/2017
Dawson Creek Birch	NC-1531	Rustic Alaskan Homes	06/14/2012	05/31/2015
Nenana Ridge East Aspen #	NC-1533	Cornell Wood Products	04/25/2014	05/31/2016
Nenana Ridge Powerline Bi	NC-1534	Interior Timber Tramp	05/31/2013	05/31/2016
Nenana Ridge Powerline #2	NC-1535	Cornell Wood Products	04/21/2014	05/31/2017

**Emergency Repair of State Forest Road Systems in the  
Tanana Valley State Forest**

**FY2015 Request: \$896,000  
Reference No: AMD 60687**

Dunbar's End Birch #2	NC-1541	Bone Dry Firewood llc	10/31/2014	05/31/2018
Loop Birch	NC-1542	Fairbanks Firewood LLC	07/03/2013	05/31/2016
Underwear Ridge Spruce	NC-1543-F	Northland Wood Products	06/20/2014	05/31/2017
Jenny M Hill Birch	NC-1548-F	Wood Pursuit, LLC	06/20/2014	05/31/2017
Mullens Slough West	NC-1549	Northland Wood Products	10/31/2014	05/31/2018
Big Bend Center	NC-1565	Seth Chappelle	05/29/2012	05/31/2015
Iowa Spruce Resale	NC-1568	Northland Wood Products	12/03/2013	05/31/2017
Canyon Ridge Spruce Resal	NC-1571	Superior Pellet Fuels, LLC	12/03/2013	05/31/2017
Flag Flat Resale	NC-1573	Superior Pellet Fuels, LLC	12/03/2013	05/31/2017
3 Mile Cache Creek	NC-1587	Erin Batts	10/31/2014	05/31/2018
Halfway Ridge	NC-418	Blue Babe	08/05/2013	05/31/2015
Aspen #1	NC-730	Spruce Park Enterprises	05/03/2011	05/31/2015
Mullen Slough Spruce 1	NC-799	Interior Timber Tramp	08/15/2006	05/31/2015
Little Standard Birch	NC-933	Interior Forest	06/27/2008	05/31/2015
Dunbar East Mixed #3	NC-942	Nip and Tuck Logging	12/16/1998	05/31/2015
Seven Mile Island	NC=1574	Northland Wood Products	04/11/2014	05/31/2016

Line Item	Amount
71000 - Personal Services (existing staff)	\$85,000
72000 - Travel	\$15,000
73000 - Contractual	\$795,000
74000 - Commodities	\$1,000
75000 - Capital Outlay	0.00
77000 - Grants	0.00
<b>Total Request</b>	<b>\$896,000</b>

**Change Record Detail with Description (1438)**  
Special Appropriations

**Scenario:** FY2015 Supplemental Amds Submitted Feb17 (12362)  
**Component:** Judgments, Claims and Settlements (3008)  
**RDU:** Judgments, Claims and Settlements (615)  
**Title:** Judgments and Settlements

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
Y	Suppl	121.5	0.0	0.0	121.5	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	121.5										

Amend judgments and settlements appropriation to add cases settled in the amount of \$121.5 after the February 3, 2015 supplemental was submitted.

Amend \*Sec. 10. DEPARTMENT OF LAW., as follows:

\*Sec. 10. DEPARTMENT OF LAW. (a) The sum of \$6,487,100 [\$6,365,600] is appropriated from the general fund to the Department of Law, civil section, deputy attorney general's office, for the purpose of paying judgments and settlements against the state for the fiscal year ending June 30, 2015.

- \$30,567.12 - William Duryea v. SOA, Department of Corrections
- \$58,905.00 - Native Village Ekuk v. LBC and City of Dillingham
- \$4,800,000.00 - Amanda and Gregory Lawton v. SOA, DOT&PF
- \$1,024,965.75 - Peter N. Fine et al. v. SOA, DOT&PF
- \$120,257.50 - Schmidt et al v. SOA and Municipality of Anchorage
- \$168,994.43 - Lee A. Jones v. SOA, Public Defender Agency
- \$160,000.00 - Estate of John Carlin III v. SOA, Department of Corrections
- \$1,868.36 - Simmonds v. Parks
- \$38,736.56 - Jean Reeves et al. v. SOA, DHSS
- \$17,546.00 - Diana Casey v. SOA, DHSS
- \$65,209.47 - P.B. v. SOA, DHSS

**Reappropriation for the Environmental Protection Agency**      **FY2015 Request:**      **\$0**  
**Class V Injection Wells**      **Reference No:**      **AMD 50790**

**AP/AL:** Appropriation      **Project Type:** Renovation and Remodeling  
**Category:** Transportation  
**Location:** Statewide      **House District:** Statewide (HD 1-40)  
**Impact House District:** Statewide (HD 1-40)      **Contact:** Jeff Ottesen  
**Estimated Project Dates:** 04/19/2015 - 06/30/2019      **Contact Phone:** (907)465-6971

**Brief Summary and Statement of Need:**

This request funds the final phase of the Environmental Protection Agency (EPA) required decommissioning and remediation of 53 Class V injection wells in the Northern and Central Regions. The Department of Law and the Department of Transportation & Public Facilities (DOT&PF) have negotiated and signed a consent agreement and final order that gives the (DOT&PF) until December 31, 2018 to decommission and close all wells.

<b>Funding:</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>Total</b>
G/F Match							\$0
Gen Fund							\$0
<b>Total:</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

Sec1 Ch18 SLA2014 P64 L5 SB119 \$938,800  
 Sec35 Ch18 SLA2014 P117 L23 SB119 \$561,200  
 Sec1 Ch16 SLA2013 P79 L25 SB18 \$1,200,000

**Project Description/Justification:**

The unexpended and unobligated balance, estimated to be \$3,403,000, of the appropriation made in sec. 1, ch. 82, SLA 2006, page 85, lines 9 – 10, as amended by sec. 32(d), ch. 16, SLA 2013, page 131, lines 1 – 6 (Department of Transportation and Public Facilities, Corps of Engineers, harbor program - \$9,250,000) and the unexpended and unobligated balance, not to exceed \$2,000,000 of the estimated balance of \$3,447,682, of the appropriation made in sec. 10, ch. 29, SLA 2008, page 76, lines 25 – 26 (Department of Transportation & Public Facilities, Glenn Highway Rut Repairs - \$11,500,000) are reappropriated to the Department of Transportation & Public Facilities for the Environmental Protection Agency Class V injection well compliance and remediation project.

**Reappropriation for Ted Stevens Anchorage International Airport: Terminal Improvements and Renovation Project**      **FY2015 Request:** \$0  
**Reference No:** AMD 41522

**AP/AL:** Appropriation      **Project Type:** Renovation and Remodeling

**Category:** Transportation

**Location:** Anchorage Areawide

**House District:** Anchorage Areawide (HD 12-28)

**Impact House District:** Anchorage Areawide (HD 12-28)

**Contact:** Jeff Ottesen

**Estimated Project Dates:** 04/19/2015 - 06/30/2019      **Contact Phone:** (907)465-6971

**Brief Summary and Statement of Need:**

The unexpended and unobligated balance, not to exceed \$10,000,000, of the appropriation made in sec. 4, ch. 30, SLA 2007, page 105, line 27 and allocated on page 109, lines 25 – 29 (Department of Transportation and Public Facilities, Airport Improvement Program, Ted Stevens Anchorage International Airport: Roads, Utilities and Grounds Construction and Upgrades - \$10,559,362) is reappropriated to the Department of Transportation and Public Facilities for Ted Stevens Anchorage International Airport: Terminal Improvements and Renovation project.

<b>Funding:</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>Total</b>
IntAptCons							\$0
<b>Total:</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

Sec4 Ch30 SLA2007 P109 L25 SB53 \$10,559,362

This project provides the International Airport Construction Bond authority necessary for the construction of improvements and renovations to terminal buildings at the Ted Stevens Anchorage International Airport. This authority is needed to meet regulatory constraints related to the 2006C and 2010C bond proceeds.

**Reappropriation for the Replacement of the Kalsin Bay Maintenance Station**      **FY2015 Request:** \$0  
**Reference No:** AMD 60756

**AP/AL:** Appropriation      **Project Type:** Renovation and Remodeling  
**Category:** Transportation  
**Location:** Kodiak      **House District:** Kodiak/Cordova/Seldovia (HD 32)  
**Impact House District:** Kodiak/Cordova/Seldovia (HD 32)      **Contact:** Jeff Ottesen  
**Estimated Project Dates:** 04/19/2015 - 06/30/2019      **Contact Phone:** (907)465-6971

**Brief Summary and Statement of Need:**

On August 30, 2014 the Kalsin Bay Maintenance Station and its contents were destroyed by fire. This request, along with Risk Management funds of \$1,200,000, will fully fund the design and construction of the replacement facility.

<b>Funding:</b>	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>Total</b>
Gen Fund							\$0
<b>Total:</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

**Project Description/Justification:**

The unexpended and unobligated balances, estimated to be a total of \$2,513,100 of the following appropriations are reappropriated to the Department of Transportation & Public Facilities for the replacement of the Kalsin Bay Maintenance Station:

- (1) sec. 1, ch. 82, SLA 2006, page 84, lines 28 - 29 (Department of Transportation and Public Facilities, Bragaw to Airport Heights 6-lane - \$3,500,000);
- (2) sec. 1, ch. 82, SLA 2006, page 85, lines 25 - 27 (Department of Transportation & Public Facilities, Farmers Loop – Chena Hotsprings Multiple Use Trail - \$600,000);
- (3) sec. 1, ch. 82, SLA 2006, page 107, line 12, and allocated on page 107, lines 30 - 31, as amended by sec. 20(u), ch. 30, SLA 2007, page 152, lines 19 - 28 (Department of Transportation and Public Facilities, Transportation Initiative, Sterling Highway Mackie Lake Intersection to Soldotna Rehabilitation and Paving - \$4,000,000);
- (4) sec. 1, ch. 17, SLA 2012, page 134, lines 25 - 27, as amended by sec. 32(a), ch. 16, SLA 2013, page 130, lines 7 - 16 (Department of Transportation and Public Facilities, Dalton Highway Corridor Aviation Improvements - \$3,000,000);

**Reappropriation for the Replacement of the Kalsin Bay  
Maintenance Station**

**FY2015 Request: ----- \$0  
Reference No: AMD 60756**

(5) sec. 10, ch. 29, SLA 2008, page 78, lines 4 - 6, as amended by sec. 45(d), ch. 5, FSSLA 2011, page 172, line 26 - page 173, line 1 (Department of Transportation and Public Facilities, Northern Access to University Medical District Study - \$2,000,000).

**Repeal Alaska Gasline Inducement Act (AGIA) Fund Capitalizations**

**FY2015 Request: \$-2,795,400**  
**Reference No: AMD 57297**

**AP/AL:** Appropriation **Project Type:** In-State Gasline  
**Category:** Development  
**Location:** Statewide **House District:** Statewide (HD 1-40)  
**Impact House District:** Statewide (HD 1-40) **Contact:** Dan DeBartolo  
**Estimated Project Dates:** 04/19/2015 - 06/30/2019 **Contact Phone:** (907)465-2312

**Brief Summary and Statement of Need:**

The final disbursement has been made from the Alaska Gasline Inducement Act reimbursement fund (AS 43.90.400) under AS 43.90.110. The remaining balance is available for repeal.

Funding:	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Total
Gen Fund	\$-2,795,400						\$-2,795,400
<b>Total:</b>	<b>\$-2,795,400</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$-2,795,400</b>

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

- Sec21(a) Ch16 SLA2013 P124 L12 SB18 \$25,000,000
- Sec15(a) Ch17 SLA2012 P175 L21 SB160 \$60,000,000
- Sec19(a) Ch5 SLA2011 P159 L5 SB46 \$60,000,000
- Sec23(a) Ch43 SLA2010 P158 L17 SB230 \$140,000,000
- Sec14(d) Ch15 SLA2009 P63 L25 SB75 \$15,000,000
- Sec1(a) Ch1 SLA2008 P1 L5 HB4001 \$30,000,000

**Project Description/Justification:**

The unexpended and unobligated balances, estimated to be a total of \$2,795,400 of the following appropriations are repealed:

- (1) sec. 1(a), ch. 1, FSSLA 2008, page 1, lines 4-7 (Department of Revenue, Alaska Gasline Inducement Act (AGIA) Reimbursement Fund (AS 43.90.400(a)) - \$30,000,000);
- (2) sec. 14(d), ch. 15, SLA 2009, page 63, lines 25-28 (Fund Transfers, Alaska Gasline Inducement Act (AGIA) Reimbursement Fund (AS 43.90.400(a)) - \$15,000,000);
- (3) sec. 23(a), ch. 43, SLA 2010, page 158, lines 17-20 (Fund Capitalization, Alaska Gasline Inducement Act (AGIA) Reimbursement Fund (AS 43.90.400(a)) - \$140,000,000);
- (4) sec. 19(a), ch. 5, FSSLA 2011, page 159, lines 5-7 (Fund Capitalization, Alaska Gasline Inducement Act (AGIA) Reimbursement Fund (AS 43.90.400(a)) - \$60,000,000);
- (5) sec. 15(a), ch. 17, SLA 2012, page 175, lines 21-23 (Fund Capitalization, Alaska Gasline Inducement Act (AGIA) Reimbursement Fund (AS 43.90.400(a)) - \$60,000,000);

**Repeal Alaska Gasline Inducement Act (AGIA) Fund  
Capitalizations**

**FY2015 Request: \$-2,795,400  
Reference No: AMD 57297**

(6) sec. 21(a), ch. 16, SLA 2013, page 124, lines 12-14 (Fund Capitalization, Alaska Gasline Inducement Act (AGIA) Reimbursement Fund (AS 43.90.400(a)) - \$25,000,000).

**Change Record Detail with Description (1438)**  
Fund Transfers

**Scenario:** FY2015 Supplemental Amds Submitted Feb17 (12362)  
**Component:** AHFC Subsidiary Fund (2835)  
**RDU:** Undesignated Reserve (UGF out) (576)  
**Title:** Appropriation from the General Fund to the AK Housing Capital Corporation Account

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
Y	Suppl	13,300.0	0.0	0.0	0.0	0.0	0.0	0.0	13,300.0	0	0	0
	1004 Gen Fund	13,300.0										

Transfer from the general fund to the Alaska Housing Capital Corporation account to cover an over-appropriation of approximately \$13.3 million. A prior year appropriation was not recorded correctly in the account resulting in an overstated balance that was used for FY2015 appropriations. FY2015 appropriations included \$22.5 million for the State Library, Archives, and Museum Facility Construction, \$40.6 million of the University of Alaska Engineering Building, and a \$37.5 million fund transfer to the Alaska Capital Income Fund.

Alternatively, the FY2015 year transfer to the Alaska Capital Income Fund can be amended and reduced by \$13.3 million or a transfer from the Alaska Capital Income Fund to the Alaska Housing Capital Corporation account for \$13.3 million could cover the over-appropriated amount. If this appropriation is not received there will not be sufficient funding to cover outstanding appropriations.

FUND TRANSFERS. (a) The sum of \$13,300,000 is appropriated from the general fund to the Alaska Housing Capital Corporation account.

**Change Record Detail with Description (1438)**  
Fund Transfers

**Scenario:** FY2015 Supplemental Amds Submitted Feb17 (12362)

**Component:** Large Passenger Vessel Gambling and Gaming Tax Account (3012)

**RDU:** Undesignated Reserve (UGF out) (576)

**Title:** Appropriation from Large PV gaming and gambling tax to the Commercial Vessel Passenger Tax Account

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
Y	Suppl	4,750.0	0.0	0.0	0.0	0.0	0.0	0.0	4,750.0	0	0	0
	1211 CSG Tax	4,750.0										
<p>The commercial vessel passenger account has a shortfall due to projected payments to ports of call exceeding the initial Department of Revenue projections and authorization for appropriations exceeding the current available cash balance. A transfer from the gambling tax account to the commercial vessel passenger account will cover this shortfall. If this appropriation is not received there will not be sufficient funding to cover outstanding appropriations.</p> <p>The sum of \$4,750,000 of the receipts collected under AS 43.35.210 and held in the large passenger vessel gaming and gambling tax account (AS 43.35.220) is appropriated to the commercial vessel passenger tax account (AS 43.52.230(a)).</p>												
	<b>Totals</b>	<b>4,750.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>4,750.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**FY2015 Supplemental Budget Amendment (HB 94/ SB 40)**

Amend \* **Sec. 10.** DEPARTMENT OF LAW., as follows:

\* **Sec. 10.** DEPARTMENT OF LAW. (a) The sum of \$6,487,100 [\$6,365,600] is appropriated from the general fund to the Department of Law, civil division, deputy attorney general's office, for the purpose of paying judgments and settlements against the state for the fiscal year ending June 30, 2015.

Department of Law  
Judgments/Claims/Settlements for Payment  
As of February 17, 2015

Payee	Case Name	Date Interest Commences	Anticipated Pymt Date	Judgment	Int Rate	Days	Interest Total	To Be Paid	
1	ACLU of Alaska Foundation	William Duryea v. SOA, Department of Corrections	11/18/14	06/01/15	29,966.76	3.75%	195	600.36	30,567.12
2	James Leonard Baldwin	Native Village Ekuk v. LBC and City of Dillingham	06/01/15	06/01/15	58,905.00	0.00%	-	-	58,905.00
3	TBD based on an entity selected for a trust	Amanda and Gregory Lawton v. SOA, DOT&PF	06/01/15	06/01/15	4,800,000.00	0.00%	-	-	4,800,000.00
4	TBD; court approval/distribution order req.	Peter N. Fine et al. v. SOA, DOT&PF	10/01/14	06/01/15	1,000,000.00	3.75%	243	24,965.75	1,024,965.75
5	TBD; distribution order req.	Schmidt et al. v. SOA and Municipality of Anchorage	12/11/14	06/01/15	118,169.30	3.75%	172	2,088.20	120,257.50
6	Trust acc't of Lee Holen AND Lee A. Jones	Lee A. Jones v. SOA, Public Defender Agency	05/08/14	06/01/15	162,500.00	3.75%	389	6,494.43	168,994.43
7	Wade, Kelly & Sullivan in trust for John Carlin IV	John Carlin IV, as Personal Representative of the Estate of John Carlin III, v. SOA, Dept. of Corrections, et al.	06/01/15	06/01/15	160,000.00	0.00%	-	-	160,000.00
8	Native American Rights Fund	Simmonds v. Parks	06/01/15	06/01/15	1,868.36	0.00%	-	-	1,868.36
9	Northern Justice Project	Jean Reeves et al. v. SOA, DHSS	06/01/15	06/01/15	38,736.56	0.00%	-	-	38,736.56
10	Alaska Legal Services	Diana Casey v. SOA, DHSS	06/01/15	06/01/15	17,546.00	0.00%	-	-	17,546.00
11	Alaska Legal Services	Individual known only as P.B. v. SOA, DHSS	01/22/15	06/01/15	64,350.00	3.75%	130	859.47	65,209.47
<b>TOTAL ALL JUDGMENTS</b>					<b>\$ 6,452,041.98</b>		<b>\$ 35,008.22</b>	<b>\$ 6,487,050.20</b>	
							FY15 Supplemental Submitted 2/3/15	\$ 6,365,600.00	
							FY15 Supplemental Amendment 2/17/15	\$ 121,450.20	

Department of Law

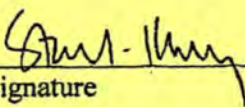
JUDGMENTS/CLAIMS/SETTLEMENTS FOR PAYMENT

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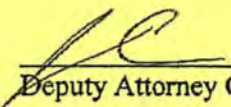
\*\*This form will be used for the purpose of standardizing the submission of claims to the Legislature. Complete and accurate information will expedite payment to the claimants, thereby reducing the amount of interest required to be paid by the state. Please submit this form to the Director, Administrative Services Division, P.O. Box 110300, Juneau, AK 99811, or call (907) 465-3673.

PART ONE

1. **Case Name:** *Diana Casey v. SOA, DHSS*
  2. **Case Number:** 3AN-13-05178 CI
  3. **Judge/Justices:** Suddock
  4. **Date Judgment entered:** June 4, 2014
  5. **Did the date of the cause of action accrue on or after August 7, 1997?** No.
  6. **Amount to be paid:** \$17,546.00.
  7. **Interest Rate:** N/A                      **Effective Date:**
  8. **Requested hourly rate and total compensation of attorneys to be paid:** \$350/\$400.
  9. **Court approved/ordered hourly rate and total compensation of attorneys to be paid:**  
same
  10. **Payable to:** Alaska Legal Services
  11. **EIN:** Submit separately                      or                      **SSN:** Submit separately
  12. **Send check to:** \_\_\_\_\_ above address                      Departmental contact: \_\_\_\_\_
- Departmental attorney contact:                      Departmental Approval:

  
\_\_\_\_\_  
Signature

(907) 465-4164  
\_\_\_\_\_  
Telephone Number

  
\_\_\_\_\_  
Deputy Attorney General

1/28/15  
\_\_\_\_\_  
Date

Department of Law

JUDGMENT/SETTLEMENT FUNDING REQUEST  
QUESTIONNAIRE

PART TWO

The following information needs to be provided on all judgment awards and/or settlements made against the State.

**Case Name:** *Casey v. SOA, DHSS*

**Case No.:** 3AN-13-05178

**1. Describe the circumstances or events resulting in this case and ultimately this judgment/settlement against the State.**

This was an appeal from an administrative decision. This appeal argued that the decision to terminate Ms. Casey from the waiver program was wrong, although it was affirmed by the Office of Administrative Hearings (OAH). They raised three arguments in support of their appeal: (1) did the ALJ err in not allowing another continuance to allow her treating physician to testify; (2) that the ALJ (and Division) were wrong in determining eligibility at the time of the assessment, not the hearing; and, (3) that third party review required by the statute should be *de novo*.

Judge Suddock found in favor of the State on two of the three points, but remanded to the Office of Administrative Hearings (OAH) arguing that Ms. Casey's due process rights had been violated when the hearing officer failed to grant a continuance to allow her doctor to testify. The other two points on appeal that challenged the core material improvement process were resolved in the State's favor.

**2. Describe issues of State policy or law involved in this case, if they are relevant to and resulted in substantial effort and expense for the department to bring or defend this case.**

DHSS originally terminated Ms. Casey from the waiver program. She then appealed to the OAH. The OAH found in favor of the State and Ms. Casey appealed to the superior court. We defended the underlying agency decision and administrative decision, prevailing on two of the three points argued on appeal.

**3. Did the State prevail on any issues? If so, describe.**

See No. 1.

**4. Did we challenge plaintiffs' request for costs and fees or in other ways seek to reduce the costs to the State? If so, describe to what extent we were successful.**

We opposed the motion for attorney's fees arguing that they were not the prevailing parties, and that appellate rules did not support an award of full fees. The court, without explanation granted the full amount of fees requested.

**5. What was the source of the State's liability in this case?**

Violation of Ms. Casey's due process rights by not allowing her to call a witness to support her claim that she continued to meet eligibility for the waiver program.

**6. What, if any, preventative action has been taken by the involved agency to prevent or reduce the potential for such liability in the future?**

The court's decision was provided to the OAH who will evaluate the due process arguments raised in hearings in individual cases. In this instance, the matter was remanded, and the hearing was re-opened the hearing to allow the doctor to testify. That happened and we are waiting for a decision from the hearing officer to determine whether the agency decision to terminate Ms. Casey should be upheld.

**7. If the information is available to you, has the agency involved taken any corrective action as a result of this case? If the information is not protected from publication by statute, privilege, or right to privacy, indicate what the corrective action was.**

No.

**8. Any recommendations concerning cases of this type in the future?**

No.

**9. Any recommendations for changes in statutes, regulations or policy? Cite any applicable statutes or regulations.**

No. The balance of due process will need to be evaluated on a case-by-case basis and is not subject to a statutory or regulatory fix.

Attorney completing form:

Sam. King  
Chief Asst Attorney General  
Title

Date:

1/27/15  
(907) 465-4164  
Phone Number

RECEIVED

JUN 09 2014

Attorney Generals Office  
Juneau

THE SUPERIOR COURT FOR THE STATE OF ALASKA

THIRD JUDICIAL DISTRICT AT ANCHORAGE

DIANA CASEY,

Appellant,

v.

STATE OF ALASKA, DEPARTMENT  
OF HEALTH AND SOCIAL  
SERVICES, DIVISION OF SENIOR  
AND DISABILITIES SERVICES,

Appellees.

Case No. 3AN-13-05178 CI

*Granting*  
**ORDER DENYING MOTION FOR ATTORNEYS FEES**

Appellant Diana Casey having moved for attorney's fees, the State of Alaska having opposed the underlying motion and the court being fully advised,

IT IS ORDERED that Ms. Casey is ~~not~~ the prevailing party in this appeal; therefore her motion for Attorney's Fees is ~~denied~~ *granted in The amount of \$17,546.*

DATED: 6/4/14

*[Signature]*  
The Honorable John Suddock  
Superior Court Judge

I certify that on 6-5-14  
A copy of the above was mailed to  
each of the following at their addresses  
of record: *Lynch Kraly*  
*M. Baird*  
Judicial Assistant/Deputy Clerk

MAY 23 2014

ATTORNEY GENERAL, STATE OF ALASKA  
DIMOND COURTHOUSE  
P.O. BOX 110300, JUNEAU, ALASKA 99811  
PHONE: 465-3600

Department of Law

JUDGMENTS/CLAIMS/SETTLEMENTS FOR PAYMENT

(Please Type)

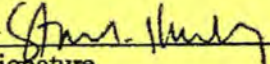
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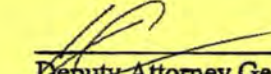
PART ONE

1. **Case Name:** *Jean Reeves et al . v. DHSS, SOA*
2. **Case Number:** 3AN-08-9298 CI
3. **Judge/Justices:** Pfiffner
4. **Date Judgment entered:** December 12, 2014
5. **Did the date of the cause of action accrue on or after August 7, 1997?** No.
6. **Amount to be paid:** \$38,736.56
7. **Interest Rate:** \_\_\_\_\_ **Effective Date:** \_\_\_\_\_
8. **Requested hourly rate and total compensation of attorneys to be paid:** \$350/ \$400.
9. **Court approved/ordered hourly rate and total compensation of attorneys to be paid:** Same.
10. **Payable to:** Northern Justice Project
11. **EIN: Submit separately** or **SSN: Submit separately**
12. **Send check to:** \_\_\_\_\_ above address **Departmental contact:** \_\_\_\_\_

Departmental attorney contact:

Departmental Approval:

  
\_\_\_\_\_  
Signature

  
\_\_\_\_\_  
Deputy Attorney General

*(907) 465-4164*  
\_\_\_\_\_  
Telephone Number

*1-22-15*  
\_\_\_\_\_  
Date

Department of Law

JUDGMENT/SETTLEMENT FUNDING REQUEST  
QUESTIONNAIRE

PART TWO

The following information needs to be provided on all judgment awards and/or settlements made against the State.

**Case Name: Reeves v. SOA, DHSS**

**Case No.: 3AN-08-9298 CI**

**1. Describe the circumstances or events resulting in this case and ultimately this judgment/settlement against the State.**

In 2008, the Division of Senior and Disabilities (SDS) entered into a settlement agreement with the Northern Justice Project (NJP) arguing to meet certain deadlines in processing application and assessments for the Home and Community Based Waiver Program and Personal Care Services Program. In 2013, NJP started to complain about the lack of compliance on these deadlines and eventually filed a motion to enforce the settlement. NJP conducted discovery and filed motions, and at the end of the process, decided to allow us one year to get into compliance via a secondary settlement agreement.

**2. Describe issues of State policy or law involved in this case, if they are relevant to and resulted in substantial effort and expense for the department to bring or defend this case.**

The litigation was premised upon SDS's alleged violation of the settlement agreement. Rather than concede, despite being out of compliance, SDS felt it was important to provide context to NJP as to some of the reasons for the lack of compliance and the plans for moving forward. This plan was successful in that we convinced NJP that we could have this compliance issue resolved within one year. Of note, we are three months into the new settlement and we have already seen major improvement in our timeliness.

**3. Did the State prevail on any issues? If so, describe.**

No. The parties entered into another settlement that will allow SDS one year to get caught up. If we do not meet the one year deadline for compliance, the case may be re-opened.

**4. Did we challenge plaintiffs' request for costs and fees or in other ways seek to reduce the costs to the State? If so, describe to what extent we were successful.**

We stipulated to the amount because liability was clear; we needed to settle this case in order to avoid an adverse ruling creating the possibility of enhanced fees. After evaluation of their billing and costs, the amount sought was determined to be reasonable for the result and effort expended.

**5. What was the source of the State's liability in this case?**

SDS's violation of prior settlement terms: the failure to meet reasonable promptness standard under state and federal Medicaid laws.

**6. What, if any, preventative action has been taken by the involved agency to prevent or reduce the potential for such liability in the future?**

Yes, the Department has engaged in vigorous changes to meet the deadlines and improve its workflow processes. These changes include: reclassification of positions to have better recruitment outcomes; amending workflow systems to avoid unnecessary delays, engaging in telemedicine efforts, suspending assessments that are not federally-mandated; amending regulations, amending assessment tools so that we are using less time to conduct reassessment for services, re-focusing staff and resources to meet the backlog demand.

**7. If the information is available to you, has the agency involved taken any corrective action as a result of this case? If the information is not protected from publication by statute, privilege, or right to privacy, indicate what the corrective action was.**

No.

**8. Any recommendations concerning cases of this type in the future?**

No.

**9. Any recommendations for changes in statutes, regulations or policy? Cite any applicable statutes or regulations.**

Amendments to the administrative code (7 AAC 100.125 and 7 AAC 100.135) are under consideration, including amending the tools we use for assessment and reassessment; amending the need for annual assessments for Personal Care Services.

Attorney completing form:

Shirley K. Kinsky  
Chief Post Attorney General  
Title

Date:

1/22/15  
(907)465-4164  
Phone Number

**Northern Justice Project, LLC**  
 A Private Civil Rights Firm  
 310 K Street, Suite 200  
 Anchorage, AK 99501  
 Phone: (907) 264-6634 • Fax: (866) 813-8645

RECEIVED

DEC 17 2014

Attorney Generals Office  
 IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

FILED  
 STATE OF ALASKA  
 THIRD JUDICIAL DISTRICT

THIRD JUDICIAL DISTRICT AT ANCHORAGE PAGE 11 PM 3:36

CLERK TRIAL COURT

BY: \_\_\_\_\_  
 DEPUTY CLERK

JEAN REEVES and DOROTHY KRONE, )  
 on behalf of themselves )  
 and all those similarly situated, )  
 )  
 Plaintiffs, )  
 )  
 vs. )  
 )  
 BILL HOGAN, in his official capacity as )  
 Commissioner of the Department of Health )  
 and Social Services, and ROD MOLINE, )  
 as Acting Commissioner of the Department, )  
 in his official capacity as Director of the )  
 Division of Senior and Disabilities Services, )  
 )  
 Defendants. )

Case No. 3AN-08-9298 CI

**STIPULATION AND ORDER RE: ATTORNEY'S FEES AND COSTS**

COME NOW the parties, by and through their respective counsel of record, and hereby stipulate and agree that defendants shall pay the Northern Justice Project, LLC, the sum of \$38,736.56 in full and complete payment for its claim for attorney's fees and costs under paragraph G of the parties' *Stipulated Settlement Agreement and Order Re: Plaintiffs' Motion to Enforce Court Order/Judgment and for an Order to Show Cause*. Defendants further agree to pay post-judgment interest on this amount, at the rate of 3.75% per annum, from the date of this Order until said amount is paid in full. The attorney's fees and costs payable under this Order will be added to the

**Northern Justice Project, LLC**

A Private Civil Rights Firm

310 K Street, Suite 200

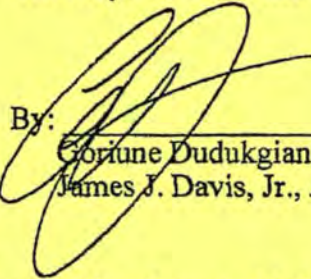
Anchorage, AK 99501

Phone: (907) 264-6634 • Fax: (866) 813-8645

judgment bill during the 2015 legislative session and plaintiffs' counsel will be paid these monies subject to appropriation from the legislature.

DATED this 11 day of December, 2014 at Anchorage, Alaska.

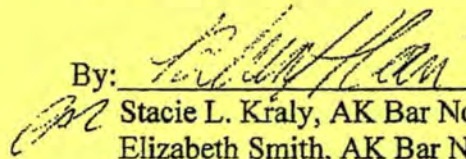
NORTHERN JUSTICE PROJECT, LLC  
Attorneys for Plaintiffs

By: 

Coriune Dudukgian, AK Bar No. 0506051  
James J. Davis, Jr., AK Bar No. 9412140

DATED this 11 day of December, 2014 at Juneau, Alaska.

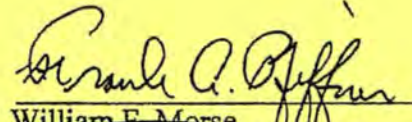
CRAIG W. RICHARDS  
ATTORNEY GENERAL

By: 

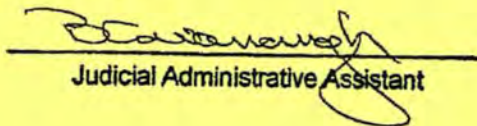
Stacie L. Kraly, AK Bar No. 9406040  
Elizabeth Smith, AK Bar No. 1012118

**IT IS SO ORDERED.**

Dated: 12/12/2014

  
William F. Morse  
SUPERIOR COURT JUDGE

I certify that on 12-15-14  
a copy was mailed to each of the following  
at their address of record: G. Dudukgian,  
E. Smith

  
Judicial Administrative Assistant

## Department of Law

### JUDGMENTS/CLAIMS/SETTLEMENTS FOR PAYMENT

(Please Type)

\*\*This form will be used for the purpose of standardizing the submission of claims to the Legislature. Complete and accurate information will expedite payment to the claimants, thereby reducing the amount of interest required to be paid by the state. Please submit this form to the Director, Administrative Services Division, P.O. Box 110300, Juneau, AK 99811, or call (907) 465-3673.

#### PART ONE

1. **Case Name:** *Individual known only as P.B. v. State of Alaska, Department of Health and Social Services, et al.*
  2. **Case Number:** 1JU-13-00739 CI
  3. **Judge/Justices:** Philip M. Pallenberg
  4. **Date Judgment entered:** Stipulation re Fees: January 28, 2015
  5. **Did the date of the cause of action accrue on or after August 7, 1997?** No.
  6. **Amount to be paid:** \$64,350.00
  7. **Interest Rate:** 3.75% **Effective Date:** January 22, 2015
  8. **Requested hourly rate and total compensation of attorneys to be paid:** \$300/\$175
  9. **Court approved/ordered hourly rate and total compensation of attorneys to be paid:**  
Yes.
  10. **Payable to:** Alaska Legal Services Corporation
  11. **EIN: Submit separately** or **SSN: Submit separately**
  12. **Send check to:** \_\_\_\_\_ above address **Departmental contact:** \_\_\_\_\_  
**Departmental Approval:** \_\_\_\_\_
- Departmental Attorney contact:  
\_\_\_\_\_  
Stacie L. Kraly,  
Chief Assistant Attorney General  
(907) 465-3600/4164  
Phone Number
- \_\_\_\_\_  
Deputy Attorney General  
2-4-15  
Date

Department of Law

JUDGMENT/SETTLEMENT FUNDING REQUEST  
QUESTIONNAIRE

PART TWO

The following information needs to be provided on all judgment awards and/or settlements made against the State.

**Case Name:** *Individual known only as P.B. v. State of Alaska, Department of Health and Social Services, et al.*

**Case No.:** 1JU-13-00739 CI

**1. Describe the circumstances or events resulting in this case and ultimately this judgment/settlement against the State.**

P.B. filed suite agasint the state of Alaska seeking injunctive and declaratory relief related to the State of Alaska, Department of Health and Social Services' (DHSS) decision to reduce her personal care services (PCA). She brought this claim under the Americans with Disabilities Act (ADA) and the Rehabilitation Act arguing that any reduction would lead to a risk of her being institutionalized. The parties filed cross motions for summary judgment and the court ruled in favor of P.B. stating that the State cannot reduce P.B's PCA services without first showing that any reduction would not put her at risk of institutionalization.

**2. Describe issues of State policy or law involved in this case, if they are relevant to and resulted in substantial effort and expense for the department to bring or defend this case.**

DHSS implemented broad regulatory reforms in 2012 to control the growing costs of the PCA Program. P.B. was evaluated and determined that she was receiving too many PCA hours. She was notified of the reduction and sought relief administratively and then filed this ligation.

**3. Did the State prevail on any issues? If so, describe.**

The court affirmed the process of evaluation and assessment to determine eligibility and the level of service that should be authorized, but held that for persons who are on home-based and community-based waivers (persons who would otherwise be in a nursing home without these services), before DHSS could reduce their services they must make an individual determination that any reduction would not lead to a risk of institutionalization. That analysis was not performed with P.B. before her hours were reduced; therefore the process violated the ADA.

**4. Did we challenge plaintiffs' request for costs and fees or in other ways seek to reduce the costs to the State? If so, describe to what extent we were successful.**

The parties stipulated to the fees based upon a review of the billing records and the fact that P.B. was a prevailing party.

**5. What was the source of the State's liability in this case?**

Violation of the Americans with Disabilities Act and the Rehabilitation Act of 1974.

**6. What, if any, preventative action has been taken by the involved agency to prevent or reduce the potential for such liability in the future?**

DHSS is working on process to use for waiver recipients, so that DHSS can establish that any reduction in service (PCA or other service reductions) would not put the person at risk of institutionalization.

**7. If the information is available to you, has the agency involved taken any corrective action as a result of this case? If the information is not protected from publication by statute, privilege, or right to privacy, indicate what the corrective action was.**

See No. 6 above.

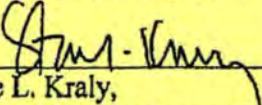
**8. Any recommendations concerning cases of this type in the future?**

No.

**9. Any recommendations for changes in statutes, regulations or policy? Cite any applicable statutes or regulations.**

See No. 6 above. There may be a need for a regulation change once DHSS operationalizes the individual assessment.

Attorney completing form:

  
\_\_\_\_\_  
Stacie L. Kraly,  
Chief Assistant Attorney General

\_\_\_\_\_  
Date 2/4/15

\_\_\_\_\_  
(907) 465-3600/4164

Phone Number

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JAN 28 2015

Attorney Generals Office  
Juneau

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

FIRST JUDICIAL DISTRICT AT JUNEAU

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P.B.

Plaintiff,

v.

STATE OF ALASKA, DEPARTMENT OF  
HEALTH AND SOCIAL SERVICES;  
WILLIAM J. STREUR, in his official capacity  
as Commissioner of the Department;  
DIVISION OF SENIOR AND DISABILITIES  
SERVICES; and DUANE MAYES, in his  
official capacity as Director of the Division,

Defendants.

Case No.: 1JU-13-739 CI

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STIPULATION AND ORDER RE: ATTORNEY'S FEES

COME NOW the parties, by and through their respective counsel of record, and hereby stipulate and agree that defendants shall pay plaintiff's counsel, Alaska Legal Services Corporation, the sum of \$64,350 in full and complete payment for its claim for attorney's fees. Defendants further agree to pay post-judgment interest on this amount, at the rate of 3.75% per annum, from the date of this Order until said amount is paid in full. The attorney's fees payable under this Order will be added to the judgment bill during the 2015 legislative session and plaintiff's counsel will be paid these monies subject to appropriation from the legislature.

LAW OFFICES OF  
ALASKA LEGAL SERVICES CORPORATION  
419 4th St, Suite 322  
Juneau, AK 99801-1896  
(907)584-4105  
Fax: (907) 584-2449

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Respectfully submitted, this the 22 day of January, 2015 by

*Stacie Kraly*

Stacie Kraly, AK Bar No. 9406040  
Alaska Attorney General's Office

*Holly Handler*

Holly Handler, AK Bar No. 0301006  
Alaska Legal Services Corporation

SO ORDERED:

*[Signature]*  
The Hon. Phillip M. Pallenberg  
Juneau Superior Court

*1/28/15*



LAW OFFICES OF  
ALASKA LEGAL SERVICES CORPORATION  
415 6th St. Suite 311  
Juneau, AK 99801-1096  
(907) 586-6625  
Fax: (907) 586-2449

LOGGED 1/22/14 DATE

BY [Signature] INITIALS

CERTIFICATION

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Kraly-Ce-Boa

By K. Kraly

P.B. v. State  
Stipulation

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DEC 03 2014

Attorney Generals Office

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA Juneau

FIRST JUDICIAL DISTRICT AT JUNEAU

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P.B.

Plaintiff,

v.

STATE OF ALASKA, DEPARTMENT OF  
HEALTH AND SOCIAL SERVICES;  
WILLIAM J. STREUR, in his official capacity  
as Commissioner of the Department;  
DIVISION OF SENIOR AND DISABILITIES  
SERVICES; and DUANE MAYES, in his  
official capacity as Director of the Division,

Defendants.

FILED IN CHAMBERS  
State of Alaska  
First Judicial District at Juneau  
By: KJK on: Dec 1, 2014

Case No.: 1JU-13-739 CI

FINAL JUDGMENT

In accord with its Amended Order dated September 23, 2014, granting plaintiff summary judgment and denying the State of Alaska's cross motion for summary judgment, this Court hereby enters Final Judgment in plaintiff's favor.

This order includes a declaratory judgment and a permanent injunction.

The declaratory judgment finds that application of the 2012 changes to the Personal Care Assistance (PCA) program regulations at 7 AAC 125.010 *et seq.* to P.B., a disabled person who is placed at serious risk of institutionalization by a reduction in her PCA hours resulting from the new regulation's arbitrary setting of PCA hours without regard to her individual need, violates the Americans with Disabilities Act.

The permanent injunction prohibits State of Alaska from applying the 2012 changes to the PCA regulations to P.B. without first showing, through an individual

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DATE

LAW OFFICES OF  
ALASKA LEGAL SERVICES CORPORATION  
419 6th St. Suite 322  
Juneau, AK 99801-1096  
(907) 586-6425  
Fax: (907) 586-2449

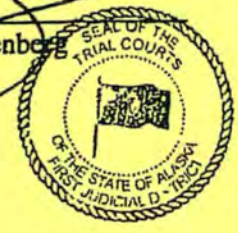
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determination of need, that any reduction in authorized time would not lead to a serious risk of institutionalization.

Plaintiff may file a motion for its fees and costs within 10 days of the signing of this Final Judgment.

Dated this 1 day of December, 2014, at Juneau, Alaska.

  
The Hon. Philip M. Pallenberg  
Superior Court Judge



CERTIFICATION  
Copies Distributed  
Date Dec. 2, 2014  
To Vana-USPS  
Kralp-Ct Box  
Handler-USPS  
By K. Kolesky

FY2016 Supplemental Budget Amendment (HB 94/SB 40)

Add a new section:

(new) TRANSPORTATION. (a) The unexpended and unobligated balances, estimated to be a total of \$2,513,100 of the following appropriations are reappropriated to the Department of Transportation & Public Facilities for the replacement of the Kalsin Bay Maintenance Station:

- (1) sec. 1, ch. 82, SLA 2006, page 84, lines 28 - 29 (Department of Transportation and Public Facilities, Bragaw to Airport Heights 6-lane - \$3,500,000);
- (2) sec. 1, ch. 82, SLA 2006, page 85, lines 25 - 27 (Department of Transportation & Public Facilities, Farmers Loop – Chena Hotsprings Multiple Use Trail - \$600,000);
- (3) sec. 1, ch. 82, SLA 2006, page 107, line 12, and allocated on page 107, lines 30 - 31, as amended by sec. 20(u), ch 30, SLA 2007, page 152, lines 19 - 28 (Department of Transportation and Public Facilities, Transportation Initiative, Kenai: Spur Road Rehabilitation - \$4,000,000);
- (4) sec. 1, ch. 17, SLA 2012, page 134, lines 25 - 27, as amended by sec. 32(a), ch 16, SLA 2013, page 130, lines 7 - 16 (Department of Transportation and Public Facilities, Dalton Highway Corridor Aviation Improvements - \$3,000,000);
- (5) sec. 10, ch. 29, SLA 2008, page 78, lines 4 - 6, as amended by sec. 45(d), ch 5, FSSLA 2011, page 172, line 26 - page 173, line 1 (Department of Transportation and Public Facilities, Northern Access to University Medical District Study - \$2,000,000).

(b) The unexpended and unobligated balance, estimated to be \$3,403,000, of the appropriation made in sec. 1, ch. 82, SLA 2006, page 85, lines 9 – 10, as amended by sec. 32(d), ch 16, SLA 2013, page 131, lines 1 – 6 (Department of Transportation and Public Facilities, Corps of Engineers, harbor program - \$9,250,000) and the unexpended and unobligated balance, not to exceed \$2,000,000 of the estimated balance of \$3,447,682, of the appropriation made in sec. 10, ch. 29, SLA 2008, page 76, lines 25 – 26 (Department of Transportation & Public Facilities, Glenn Highway Rut Repairs - \$11,500,000) are

reappropriated to the Department of Transportation & Public Facilities for the Environmental Protection Agency Class V injection well compliance and remediation project.

(c) The unexpended and unobligated balance, not to exceed 10,000,000, of the appropriation made in sec. 4, ch. 30, SLA 2007, page 105, line 27 and allocated on page 109, lines 25 – 29 (Department of Transportation and Public Facilities, Airport Improvement Program, Ted Stevens Anchorage International Airport: Roads, Utilities and Grounds Construction and Upgrades - \$10,559,362) is reappropriated to the Department of Transportation and Public Facilities for Ted Stevens Anchorage International Airport: Terminal Improvements and Renovation project.

Effective date: April 19, 2015.

FY2015 Supplemental Budget Amendment (HB 94/SB 40)

Add a new section:

(new) FUND CAPITALIZATION. (a) The sum of \$13,300,000 is appropriated from the general fund to the Alaska Housing Capital Corporation account.

(b) The sum of \$4,750,000 of the receipts collected under AS 43.35.210 and held in the large passenger vessel gaming and gambling tax account (AS 43.35.220) is appropriated to the commercial vessel passenger tax account (AS 43.52.230(a)).

(c) The unexpended and unobligated balances, estimated to be a total of \$2,795,400 of the following appropriations are repealed:

(1) sec. 1(a), ch. 1, FSSLA 2008, page 1, lines 4-7 (Department of Revenue, Alaska Gasline Inducement Act (AGIA) Reimbursement Fund (AS 43.90.400(a)) - \$30,000,000);

(2) sec. 14(d), ch. 15, SLA 2009, page 63, lines 25-28 (Fund Transfers, Alaska Gasline Inducement Act (AGIA) Reimbursement Fund (AS 43.90.400(a)) - \$15,000,000);

(3) sec. 23(a), ch. 43, SLA 2010, page 158, lines 17-20 (Fund Capitalization, Alaska Gasline Inducement Act (AGIA) Reimbursement Fund (AS 43.90.400(a)) - \$140,000,000);

(4) sec. 19(a), ch. 5, FSSLA 2011, page 159, lines 5-7 (Fund Capitalization, Alaska Gasline Inducement Act (AGIA) Reimbursement Fund (AS 43.90.400(a)) - \$60,000,000);

(5) sec. 15(a), ch 17, SLA 2012, page 175, lines 21-23 (Fund Capitalization, Alaska Gasline Inducement Act (AGIA) Reimbursement Fund (AS 43.90.400(a)) - \$60,000,000);

(6) sec. 21(a), ch. 16, SLA 2013, page 124, lines 12-14 (Fund Capitalization, Alaska Gasline Inducement Act (AGIA) Reimbursement Fund (AS 43.90.400(a)) - \$25,000,000).

Effective date: April 19, 2015.

Submitted February 17, 2015

**FY2015 Supplemental Summary**

Amendments Submitted Feb 2, 2015	UGF	DGF	Other Funds	Federal Funds	Total
Operating Agencies - Non-Formula	1,438.6	37.0	10,274.7	690.0	12,440.3
Operating Agencies - Formula	40,502.1	4,300.0	0.0	1,700.0	46,502.1
Fire Suppression	3,000.0	0.0	0.0	0.0	3,000.0
<b>Agency Operating Subtotal</b>	<b>44,940.7</b>	<b>4,337.0</b>	<b>10,274.7</b>	<b>2,390.0</b>	<b>61,942.4</b>
Debt Service	(5,424.4)	0.0	0.0	0.0	(5,424.4)
Judgments, Claims, and Settlements	9,365.6	0.0	0.0	0.0	9,365.6
Fund Transfers	5,090.4	0.0	0.0	0.0	5,090.4
<b>Statewide Subtotal</b>	<b>9,031.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>9,031.6</b>
<b>Total Operating Supplementals</b>	<b>53,972.3</b>	<b>4,337.0</b>	<b>10,274.7</b>	<b>2,390.0</b>	<b>70,974.0</b>
Capital	(3,854.1)	(2,000.0)	0.0	0.0	(5,854.1)
<b>Total</b>	<b>50,118.2</b>	<b>2,337.0</b>	<b>10,274.7</b>	<b>2,390.0</b>	<b>65,119.9</b>

Amendments Submitted Feb 17, 2015	UGF	DGF	Other Funds	Federal Funds	Total
Operating Agencies - Non-Formula	0.0	0.0	0.0	0.0	0.0
Operating Agencies - Formula	0.0	0.0	0.0	0.0	0.0
Fire Suppression	0.0	0.0	0.0	0.0	0.0
<b>Agency Operating Subtotal</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Debt Service	0.0	0.0	0.0	0.0	0.0
Judgments, Claims, and Settlements	121.5	0.0	0.0	0.0	121.5
Fund Capitalizations/Transfers	18,050.0	0.0	0.0	0.0	18,050.0
<b>Statewide Subtotal</b>	<b>18,171.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>18,171.5</b>
<b>Total Operating Supplementals</b>	<b>18,171.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>18,171.5</b>
Capital	(1,899.4)	0.0	0.0	0.0	(1,899.4)
<b>Total</b>	<b>16,272.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>16,272.1</b>
Total FY2015 Operating Supplementals:	72,143.8	4,337.0	10,274.7	2,390.0	89,145.5
Total FY2015 Capital Supplementals	(5,753.5)	(2,000.0)	0.0	0.0	(7,753.5)
<b>TOTAL SUPPLEMENTALS</b>	<b>66,390.3</b>	<b>2,337.0</b>	<b>10,274.7</b>	<b>2,390.0</b>	<b>81,392.0</b>

FY2016 Capital Amendments  
 HB 71/SB 26  
 HB 73/SB 28

CAPITAL ②

Line	Back-up Page	Bill Sec.	Bill Page	Bill Line	Department	Appropriation/ Allocation	Lang	Description	Unrestricted General Funds (UGF)	Designated General Funds (DGF)	Other Funds	Federal Funds	Fund Source	Total
1	17-18	1	new	new	Revenue	Appropriation		<b>Amend: AHFC Energy Programs</b>	0.0	0.0	0.0	0.0		0.0
								<b>AHFC Weatherization Program</b> This amendment updates the project's out-year funding totals to more closely align with current budgetary factors.	0.0	0.0	0.0	0.0		0.0
2	19-20	1	new	new	Revenue	Allocation		<b>AHFC Home Energy Rebate Program</b> This amendment updates the project's out-year funding totals to more closely align with current budgetary factors.	0.0	0.0	0.0	0.0		0.0
3	21-23	1	new	new	Revenue	Allocation		<b>AHFC Affordable Housing Development Program</b> This is a new FY2016 Capital project. This project expands the objective of the San Roberto/Mountain View project model into a program that will help develop more affordable housing units in areas of the state with a severe shortage of affordable housing units. These funds may be combined with other programs, including the Low-Income Tax Credit program, Public Housing's Capital Fund Program (CFP) and other federal funds using the Alaska Housing Finance Corporation's (AHFC) Moving to Work (MTW) flexibility. The goal is to be as flexible as possible in putting together optimal financing solutions to produce more affordable housing units in areas where affordable housing is insufficient.	0.0	0.0	0.0	22,400.0	1002 Federal	22,400.0
4	26-29	1	new	new	Revenue	Appropriation		<b>MH: AHFC Homeless Assistance Program</b> This is a new FY2016 Capital project. This project provides grants to local communities and agencies to help develop support programs designed to reduce homelessness, provides services that prevent housing displacement, and assists the homeless in transitioning back to permanent housing. Other Alaska Housing Finance Corporation (AHFC) programs may be leveraged with these funds when appropriate. All Homeless Assistance Program funds will be combined and administered as one program by AHFC.	6,850.0	0.0	850.0	0.0	1004 General Fund 6,000.0 1037 General Fund/Mental Health 850.0 1092 Mental Health Trust Authority Authorized Receipts 850.0	7,700.0
5	30-31	1	new	new	Revenue	Appropriation		<b>MH: AHFC Beneficiary and Special Needs Housing</b> This is a new FY2016 Capital project. This program provides funds to Alaskan nonprofit service providers to increase housing opportunities for Alaska Mental Health Trust Authority (AMHTA) beneficiaries and other special needs populations throughout the state. The funds may be used for housing development and/or services designed to achieve long-term residential stability.	1,500.0	0.0	0.0	0.0	1037 General Fund/Mental Health	1,500.0
6	32-33	1	new	new	Revenue	Appropriation								

**FY2016 Capital Amendments  
HB 71/SB 26  
HB 73/SB 28**

Line	Back-up Page	Bill Sec.	Bill Page	Bill Line	Department	Appropriation/ Allocation	Lang	Description	Unrestricted General Funds (UGF)	Designated General Funds (DGF)	Other Funds	Federal Funds	Fund Source	Total
7	20	1	5	20	Transportation and Public Facilities	Appropriation		<b>Amend: Airport Improvement Program</b>	0.0	0.0	0.0	0.0	1027 International Airport Revenue Fund 4,163.8 1112 International Airports Construction Fund (4,163.8)	0.0
8	21	1	5	21	Transportation and Public Facilities	Allocation		<b>Alaska International Airport System - Contingency Funds</b> This amendment changes project funding from International Airports Construction Fund to International Airport Revenue Fund. This fund change does not increase overall funding for the project and is a net-zero adjustment to Other State funds.	0.0	0.0	0.0	0.0	1027 International Airport Revenue Fund 1,000.0 1112 International Airports Construction Fund (1,000.0)	0.0
9	28-29	1	6	10	Transportation and Public Facilities	Allocation		<b>Fairbanks International Airport - Equipment</b> This amendment changes project funding from International Airports Construction Fund to International Airport Revenue Fund. This fund change does not increase overall funding for the project and is a net-zero adjustment to Other State funds.	0.0	0.0	0.0	0.0	1027 International Airport Revenue Fund 698.1 1112 International Airports Construction Fund (698.1)	0.0
10	34	1	6	20	Transportation and Public Facilities	Allocation		<b>Fairbanks International Airport - Taxiway B Reconstruction and Safety Enhancements</b> This amendment changes project funding from International Airports Construction Fund to International Airport Revenue Fund. This fund change does not increase overall funding for the project and is a net-zero adjustment to Other State funds.	0.0	0.0	0.0	0.0	1027 International Airport Revenue Fund 437.5 1112 International Airports Construction Fund (437.5)	0.0

KNIK ARM CROSSING PROJECT

JUNEAU ACCESS IMPROVEMENTS PROJECT

**FY2016 Capital Amendments  
HB 71/SB 26  
HB 73/SB 28**

Line	Backup Page	Bill Sec.	Bill Page	Bill Line	Department	Appropriation/ Allocation	Lang	Description	Unrestricted General Funds (UGF)	Designated General Funds (DGF)	Other Funds	Federal Funds	Fund Source	Total
11	48-49	1	7	18	Transportation and Public Facilities	Allocation		<b>Ted Stevens Anchorage International Airport - Advanced Project Design and Planning</b> This amendment changes project funding from International Airports Construction Fund to International Airport Revenue Fund. This fund change does not increase overall funding for the project and is a net-zero adjustment to Other State funds.	0.0	0.0	0.0	0.0	1027 International Airport Revenue Fund 604.7 1112 International Airports Construction Fund (604.7)	0.0
12	56-57	1	8	7	Transportation and Public Facilities	Allocation		<b>Ted Stevens Anchorage International Airport - Equipment</b> This amendment changes project funding from International Airports Construction Fund to International Airport Revenue Fund. This fund change does not increase overall funding for the project and is a net-zero adjustment to Other State funds.	0.0	0.0	0.0	0.0	1027 International Airport Revenue Fund 1,423.5 1112 International Airports Construction Fund (1,423.5)	0.0
13	64	1	8	16	<b>Transportation and Public Facilities</b>	<b>Appropriation</b>		<b>Amend: Surface Transportation Program</b>	0.0	0.0	0.0	0.0		0.0
14	112-113	1	11	24	Transportation and Public Facilities	Allocation		<b>National Highway System and Non-National Highway System Pavement and Bridge Reconstruction and Refurbishment</b> The FY2016 Work in Progress request is being increased from \$85,000,000 to \$155,220,000, providing an additional \$70,220,000 in federal authority from the unallocated project within the Surface Transportation Program appropriation.	0.0	0.0	0.0	70,220.0	1002 Federal 70,220.0	70,220.0
15	150	1	14	8	Transportation and Public Facilities	Allocation		<b>Delete: Unallocated Project</b> The FY2016 Work in Progress request is being deleted. The \$70,220,000 included in this unallocated project is being allocated to National Highway System and Non-National Highway System Pavement and Bridge Reconstruction and Refurbishment within the Surface Transportation Program appropriation.	0.0	0.0	0.0	(70,220.0)	1002 Federal (70,220.0)	(70,220.0)
16	156	1	new	new	Transportation and Public Facilities	Appropriation		<b>Adak Airport Maintenance and Operations</b> This is a new FY2016 Capital project. This project provides spending authority from interest earned in the Adak Airport Operations Fund needed to continue to operate and maintain the Adak Airport per the memorandum of agreement between the United States Navy and the State of Alaska.	0.0	0.0	0.0	742.8	1190 Adak Airport Operations	742.8
17	2-4	1	new	new	University	Appropriation		<b>Deferred Maintenance, Renewal, Repair and Equipment</b> Updated project summary based on a proposed funding level of \$8,000,000.	0.0	0.0	0.0	0.0		0.0
18								<b>FY2016 Capital Amendments Total</b>	<b>8,350.0</b>	<b>0.0</b>	<b>850.0</b>	<b>23,142.8</b>		<b>32,342.8</b>

**Project Review Listing (1160)**  
**FY2016 Governor Amended**

Revenue Only

Department of Revenue

Page	RefNum	AP/AL	Project Title	Fund Source	Total
1	6350	AP	AHFC Competitive Grants for Public Housing	1002 Fed Rcpts	\$750,000
				1004 Gen Fund	\$350,000
3	6348	AP	AHFC Federal and Other Competitive Grants	1002 Fed Rcpts	\$3,000,000
				1004 Gen Fund	\$1,500,000
5	6342	AP	AHFC Housing and Urban Development Capital Fund Program	1002 Fed Rcpts	\$2,500,000
8	6347	AP	AHFC Housing and Urban Development Federal HOME Grant	1002 Fed Rcpts	\$3,750,000
				1004 Gen Fund	\$750,000
10	AMD 37918	* AP	AHFC Housing Loan Program	1139 AHFC Div	\$4,691,400
12	AMD 49395	AL	AHFC Teacher, Health and Public Safety Professionals Housing	1139 AHFC Div	\$3,691,400
15	AMD 49369	AL	AHFC Village Public Safety Officers Housing	1139 AHFC Div	\$1,000,000
17	AMD 52598	* AP	AHFC Energy Programs	1002 Fed Rcpts	\$1,500,000
				1004 Gen Fund	\$6,600,000
				1139 AHFC Div	\$3,000,000
19	AMD 50683	AL	AHFC Weatherization Program	1002 Fed Rcpts	\$1,500,000
				1004 Gen Fund	\$6,600,000
21	AMD 51947	AL	AHFC Home Energy Rebate Program	1139 AHFC Div	\$3,000,000
24	AMD 6351	AP	AHFC Cold Climate Housing Research Center (CCHRC)	1139 AHFC Div	\$1,000,000
26	AMD 48811	AP	AHFC Affordable Housing Development Program	1002 Fed Rcpts	\$22,400,000
30	AMD 45390	AP	MH: AHFC Homeless Assistance Program	1004 Gen Fund	\$6,000,000
				1037 GF/MH	\$850,000
				1092 MHTAAR	\$850,000

\* Indicates an appropriation with allocations (amounts not included in totals)

**Project Review Listing (1160)**  
**FY2016 Governor Amended**

Revenue Only

Department of Revenue

<u>Page</u>	<u>RefNum</u>	<u>AP/AL</u>	<u>Project Title</u>	<u>Fund Source Total</u>
32	AMD 6360	AP	MH: AHFC Beneficiary and Special Needs Housing 1037 GF/MH	\$1,500,000

<b>Unrestricted General (UGF) Total:</b>	<b>\$26,241,400</b>
<b>Designated General (DGF) Total:</b>	<b>0</b>
<b>Other Total:</b>	<b>\$850,000</b>
<b>Federal Total:</b>	<b>\$33,900,000</b>
<b>Department Total:</b>	<b>\$60,991,400</b>

<b>Unrestricted General (UGF) Grand Total:</b>	<b>\$26,241,400</b>
<b>Designated General (DGF) Grand Total:</b>	<b>0</b>
<b>Other Grand Total:</b>	<b>\$850,000</b>
<b>Federal Grand Total:</b>	<b>\$33,900,000</b>
<b>Grand Total:</b>	<b>\$60,991,400</b>

\* Indicates an appropriation with allocations (amounts not included in totals)

**AHFC Energy Programs**

**FY2016 Request: \$11,100,000**  
**Reference No: AMD 52598**

**AP/AL:** Appropriation with Allocations **Project Type:** Energy  
**Category:** Health/Human Services  
**Location:** Statewide **House District:** Statewide (HD 1-40)  
**Impact House District:** Statewide (HD 1-40) **Contact:** Les Campbell  
**Estimated Project Dates:** 07/01/2015 - 06/30/2020 **Contact Phone:** (907)330-8356

**Brief Summary and Statement of Need:**

Alaska Housing Finance Corporation (AHFC) Energy Programs provide state and federal U. S. Department of Energy (DOE) funds to assist low and moderate income families attain decent, safe and affordable housing through the weatherization and rehabilitation of existing homes. The Weatherization Program provides energy efficiency upgrades to homes using the latest building science tools to target heat loss areas and correct them. Installed measures must be cost effective. The Home Energy Rebate Program uses state funds to provide rebates to homeowners for making energy efficient improvements to their homes to reduce energy costs or purchase newly constructed homes that achieve a 5 Star Plus or 6 Star rating.

Funding:	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	Total
AHFC Div	\$3,000,000						\$3,000,000
Fed Rcpts	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$9,000,000
Gen Fund	\$6,600,000	\$9,600,000	\$9,600,000	\$9,600,000	\$9,600,000	\$9,600,000	\$54,600,000
<b>Total:</b>	<b>\$11,100,000</b>	<b>\$11,100,000</b>	<b>\$11,100,000</b>	<b>\$11,100,000</b>	<b>\$11,100,000</b>	<b>\$11,100,000</b>	<b>\$66,600,000</b>

State Match Required     One-Time Project     Phased - new     Phased - underway     On-Going  
 0% = Minimum State Match % Required     Amendment     Mental Health Bill

**Operating & Maintenance Costs:**

	Amount	Staff
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

Sec1 Ch18 SLA2014 P62 L14 SB119 \$44,000,000  
 Sec1 Ch16 SLA2013 P178 L6 SB18 \$51,000,000  
 Sec1 Ch17 SLA2012 P131 L25 SB160 \$51,500,000  
 Sec4 Ch5 SLA2011 P138 L5 SB46 \$101,500,000  
 Sec7 Ch43 SLA2010 P35 L13 SB230 \$4,000,000  
 Sec1 Ch15 SLA2009 P20 L33 SB75 \$2,600,000  
 Sec13 Ch29 SLA2008 P157 L13 SB221 \$2,000,000  
 Sec22 Ch11 SLA2008 P101 L13 SB256 \$300,000,000  
 Sec4 Ch30 SLA2007 P103 L18 SB53 \$6,500,000

This amendment updates the project's out-year funding totals to more closely align with current budgetary factors.

**Project Description/Justification:**

**AHFC Energy Programs**

**FY2016 Request: \$11,100,000**

**Reference No: AMD 52598**

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The purpose of the program is to provide cost-effective energy improvements to homes of Alaskan families.

**The projected outcomes are:**

- Reduce household operating costs of the resident;
- Improve resident health and safety;
- Improve durability and longevity of housing stock;
- Replace unsafe heating systems;
- Install smoke detectors in homes; and
- Install carbon monoxide detectors in homes.

**AHFC Weatherization Program**

**FY2016 Request: \$8,100,000**  
**Reference No: AMD 50683**

**AP/AL:** Allocation

**Project Type:** Energy

**Category:** Health/Human Services

**Location:** Statewide

**House District:** Statewide (HD 1-40)

**Impact House District:** Statewide (HD 1-40)

**Contact:** Les Campbell

**Estimated Project Dates:** 07/01/2015 - 06/30/2020

**Contact Phone:** (907)330-8356

**Appropriation:** AHFC Energy Programs

**Brief Summary and Statement of Need:**

The Alaska Housing Finance Corporation (AHFC) weatherization program provides United States Department of Energy (DOE) and state funds to assist low and moderate income families attain decent, safe, and affordable housing through cost effective weatherization and rehabilitation of existing homes. Weatherization provides energy efficiency upgrades to homes using the latest building science tools to target heat loss areas and correct them. Installed measures must be cost effective. The program addresses health and safety through tune-ups for heating systems, electrical and chimney repairs, and woodstove improvements.

<b>Funding:</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>Total</b>
Fed Rcpts	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$9,000,000
Gen Fund	\$6,600,000	\$6,600,000	\$6,600,000	\$6,600,000	\$6,600,000	\$6,600,000	\$39,600,000
<b>Total:</b>	<b>\$8,100,000</b>	<b>\$8,100,000</b>	<b>\$8,100,000</b>	<b>\$8,100,000</b>	<b>\$8,100,000</b>	<b>\$8,100,000</b>	<b>\$48,600,000</b>

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

- Sec1 Ch18 SLA2014 P62 L17 SB119 \$29,000,000
- Sec1 Ch16 SLA2013 P178 L6 SB18 \$31,500,000
- Sec1 Ch17 SLA2012 P131 L30 SB160 \$31,500,000
- Sec4 Ch4 SLA2011 P138 L8 SB46 \$64,000,000
- Sec1 Ch43 SLA2010 P35 L13 SB230 \$4,000,000
- Sec22 Ch11 SLA2008 P101 L24 SB256 \$200,000,000

This amendment updates the project's out-year funding totals to more closely align with current budgetary factors.

**Project Description/Justification:**

The purpose of the program is to provide cost-effective energy improvements to homes of low-income families.

**The projected outcomes are:**

## AHFC Weatherization Program

FY2016 Request: \$8,100,000  
Reference No: AMD 50683

- Reduce household operating costs of the resident;
- Improve resident health and safety;
- Improve durability and longevity of housing stock;
- Replace unsafe heating systems;
- Install smoke detectors in homes; and
- Install carbon monoxide detectors in homes.

### Program Description:

Weatherization provides services to the following client profile:

- Approximately 66% of households contained either a senior citizen or a person with disabilities;
- 37% of households contained children under the age of six;
- Many clients attended education and training sessions that focused on long-term maintenance efforts as well as the effects of the weatherization work if successfully maintained.

Much of the older housing stock cannot maintain a minimally comfortable indoor temperature. Since April 2008, AHFC has completed work on approximately 11,000 units and expended over \$220 million. Program clients include the elderly, persons with disabilities, and families with small children. Most of the families receiving services are 'working poor' and do not receive public assistance. Increased funding has allowed priority measures to be implemented in homes as well as the expansion of services to a greater number of eligible participants.

Weatherization improves occupant health and safety through the replacement of unsafe heating systems and installation of carbon monoxide detectors. Carbon monoxide problems are resolved, fire safety threats alleviated, egress windows installed, handrails and steps are repaired, and moisture and mold problems are abated. Client health improves as toxins and asthma triggers are removed and ventilation issues are addressed. Technology has developed concurrently with the program and provides the foundation for improved approaches to new construction for arctic conditions.

### Benefits of weatherization:

- Reduces overall fuel use / saves client's money;
- Contractors and crews are hired locally and receive training (wages are spent locally);
- Materials are purchased from local Alaskan vendors;
- Helps keep people in their existing homes, reducing the need for public housing;
- Savings from fuel costs are reinvested in local economy;
- Clients are educated on long-term operations and maintenance (O&M) required to maintain houses;
- Weatherization techniques improve building stock by addressing critical durability issues;
- Health and safety of residents are dramatically improved due to mitigation of problems in the home (i.e., rot, mildew) and eliminating ice dams; and
- Egress windows, smoke alarms, and CO detectors are installed to protect families from fire and carbon monoxide poisoning.

AHFC's ability to properly diagnose and correct problems in existing housing stock through the Weatherization program helps provide a safe, clean environment to clients improving the overall quality of life for their families.

**AHFC Home Energy Rebate Program**

**FY2016 Request: \$3,000,000**  
**Reference No: AMD 51947**

**AP/AL:** Allocation **Project Type:** Energy  
**Category:** Health/Human Services  
**Location:** Statewide **House District:** Statewide (HD 1-40)  
**Impact House District:** Statewide (HD 1-40) **Contact:** Les Campbell  
**Estimated Project Dates:** 07/01/2015 - 06/30/2020 **Contact Phone:** (907)330-8356  
**Appropriation:** AHFC Energy Programs

**Brief Summary and Statement of Need:**

Alaska Housing Finance Corporation's (AHFC) Home Energy Rebate program to provide rebates to homeowners for making energy efficient improvements to their homes to reduce energy costs or purchase newly constructed homes that achieve required ratings. This amendment updates the project's out-year funding totals to more closely align with current budgetary factors.

<b>Funding:</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>Total</b>
AHFC Div	\$3,000,000						\$3,000,000
Gen Fund		\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$15,000,000
<b>Total:</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>\$18,000,000</b>

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

Sec1 Ch18 SLA2014 P62 L14 SB119 \$44,000,000  
 Sec1 Ch16 SLA2013 P78 L4 SB18 \$20,000,000  
 Sec1 Ch17 SLA2012 P131 L28 SB160 \$20,000,000  
 Sec4 Ch5 SLA2011 P138 L10 SB46 \$37,500,000  
 Sec22 Ch11 SLA2008 P101 L27 SB256 \$100,000,000

**Project Description/Justification:**

This program assists homeowners by increasing energy efficiency and reducing energy use by providing rebates for making recommended, cost-effective energy improvements to their homes.

**The projected outcomes are:**

- Reduce household operating costs to the resident;
- Improve resident health and safety;
- Improve durability and longevity of housing stock; and
- Replace unsafe heating systems.

**Program description**

State of Alaska Capital Project Summary  
 FY2016 Governor Amended

Department of Revenue  
 Reference No: AMD 51947  
 Submitted February 17, 2015

## AHFC Home Energy Rebate Program

FY2016 Request: \$3,000,000  
Reference No: AMD 51947

The Home Energy Rebate Program utilizes state general funds to provide rebates to homeowners for making energy efficient upgrades to reduce energy costs. The Home Energy Rebate program provides rebates to owner-occupied homes statewide.

Within the program there are two separate and distinct components; rebates for making energy efficiency improvements to existing homes or for newly-constructed or purchased homes that achieve a Five-Star-Plus (5★+) or Six Star (6★) energy rating.

For existing homes, the rebate amounts are determined by the point and step increases achieved between the as-is energy rating and post-improvement energy rating. A final rating of a One-Star-plus (1★+) or greater must be achieved for existing homes to qualify for a rebate.

Generally, this is a one-time rebate for any one family or home for improvements and actual expenses (verified with receipts and proof of payment). For the existing home component, the maximum eligible rebate amounts are:

One Step	Up to	\$4,000
Two Steps	Up to	\$5,500
Three Steps	Up to	\$7,000
Four Steps	Up to	\$8,500
Five Steps	Up to	\$10,000

For the newly-constructed or purchased Five-Star-Plus (5★+) or Six Star (6★) house, the rebate is \$7,000 or \$10,000, respectively. Owner-builders or purchasers must meet AHFC financing requirements to participate. The financing requirements consist of recorded copies of the forms PUR-101 and PUR-102 or certification of occupancy from an approved local government, a contractor's license with residential endorsement, a Five-Star-Plus or Six Star energy rating and proof of ownership (statutory warranty deed or deed transfer).

Since program inception on April 5, 2008 thru June 30, 2014:

- Over \$172 million has been expended;
- 21,820 rebates for existing homes were paid out, and the average rebate was \$6,443;
- 38,175 initial energy ratings were completed;
- 2,502 newly constructed homes received a Five Star Plus rebate
- 34 newly constructed homes received a Six Star rebate of \$10,000; and
- The average energy reduction is approximately 30%.

Funding through FY2014 for the program was encumbered. There was a 64% completion rate for those participating.

### Benefits of Energy Rebate Program:

- Reduces overall fuel use / saves client's dollars;
- Improves existing housing stock, reducing the need for more public housing;
- Materials are purchased from local Alaskan vendors;
- Local contractors and crews receive training and wages spent locally;
- Local businesses saw an increase in activity during an economic lull;
- Savings from fuel costs reinvested in local economy;
- Client education on their houses and what it takes to maintain and operate them;
- Provides large dataset that includes both pre- and post-improvement measurements of housing unit energy use.

### Waiting List

Homeowners continue to sign up to participate in the program in urban and road connected areas. In

**AHFC Home Energy Rebate Program**

**FY2016 Request: \$3,000,000**  
**Reference No: AMD 51947**

remote areas of the state where there are no energy raters available, AHFC established the Roving Rater program. Through the program, the costs of travel for the energy rater is paid by AHFC when three or more homeowners sign up to get an as-is energy rating. The cost to send the rater to complete the post-rating is also covered.

**Jobs and Skills**

As a result of the Home Energy Rebate Program, hundreds of consumer education classes and training classes have provided much needed client education. An advanced level of retrofit training has been provided statewide. Businesses reported an increase in activity and have been vocal in their support of the program.

**Individual and Community Benefits**

The Home Energy Rebate Program has worked well in Alaska at a community and individual level. For the individual, the reduction in heating costs has allowed for the diversion of funds from heating to other essential needs. It has been a catalyst for job skill improvements and job creation through vendors and suppliers and, for the most part, dollars spent stay in the state and in the communities.

**AHFC Affordable Housing Development Program**

**FY2016 Request: \$22,400,000**  
**Reference No: AMD 48811**

**AP/AL:** Appropriation  
**Category:** Development  
**Location:** Anchorage Areawide  
**Impact House District:** Anchorage Areawide (HD 12-28)  
**Estimated Project Dates:** 07/01/2015 - 06/30/2020

**Project Type:** Construction  
**House District:** Anchorage Areawide (HD 12-28)  
**Contact:** Les Campbell  
**Contact Phone:** (907)330-8356

**Brief Summary and Statement of Need:**

This is a new FY2016 project. This project will expand the objective of the San Roberto/Mountain View project model into a program that will help develop more affordable housing units in areas of the state with a severe shortage of affordable housing units. These funds may be combined with other programs, including the Low-Income Tax Credit program, Public Housing's Capital Fund Program (CFP) and other federal funds using the Alaska Housing finance Corporation's (AHFC) Moving to Work (MTW) flexibility. The goal is to be as flexible as possible in putting together optimal financing solutions to produce more affordable housing units in areas where affordable housing is insufficient.

<b>Funding:</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>Total</b>
AHFC Div		\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$40,000,000
Fed Rcpts	\$22,400,000				\$7,000,000		\$29,400,000
<b>Total:</b>	<b>\$22,400,000</b>	<b>\$8,000,000</b>	<b>\$8,000,000</b>	<b>\$8,000,000</b>	<b>\$15,000,000</b>	<b>\$8,000,000</b>	<b>\$69,400,000</b>

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

Sec14 Ch16 SLA2013 P120 L8 SB18 \$5,092,000  
 Sec4 Ch16 SLA2013 P106 L8 SB18 \$25,200,000  
 Sec7 Ch43 SLA2010 P34 L26 SB230 \$9,708,504  
 Sec29 Ch43 SLA2010 P161 L8 SB230 \$1,398,100

The original San Roberto Redevelopment project was appropriated in FY2010, and revised in FY2013 to include the Mountain View Project

**Project Description/Justification:**

The purpose of this program is to provide a mechanism to strategically expand the supply of affordable housing statewide.

**The projected outcome is to:**

- Increase the supply of affordable housing by 60-100 units;

- Partner with developers to identify opportunities where new affordable housing would provide the greatest benefit;
- Take advantage of available federal rental assistance;
- Develop an optimal mixture of family and senior housing; and
- Improve local neighborhoods.

This program provides AHFC funding authority in federal receipts to be ready and able to continue AHFC's affordable housing program to develop more units under its jurisdiction. As opportunities arise, these funds will be combined with other program funds such as the tax credit program and/or CFP funds using the Moving to Work flexibility or any other available funding sources (including private resources). When sufficient funds are realized, AHFC will advance affordable housing projects through a bidding process to select production teams that have experience with multi-family home development, low-income tax credit syndication and experience in structuring complex multi-layered financing packages. Project developments are expected to be built by private entities, but owned and managed by Alaska Corporation for Affordable Housing (ACAH) as the general partner in a limited partnership. ACAH will contract the management and maintenance of the finished products as affordable housing/low-income housing tax credit/public housing units. This request will help provide financial leveraging for approximately 60-100 units of newly constructed public housing depending on the building locations within the state.

**Program Description:**

Affordable housing issues are emerging as a growing concern for the corporation. According to the Department of Labor, average wage earnings in Alaska, adjusted for inflation, have been relatively flat from 1994 to 2012. Over the same period of time, the cost of utilities, rental rates and the price of a new home have increased substantially. Housing options that are affordable to the single wage earning family are limited. Using the federal standard of 30% of income as a measure of affordability, family incomes for low- to moderate- income households are not sufficient to support the rent needed for a private developer to borrow enough debt to build housing units.

Rising home prices place homeownership farther out of reach. As a result, more families are doubling up in rentals, homelessness has increased and fewer younger families are able to afford the cost of moving from renting to homeownership. In rural Alaska, this result is compounded by shipping costs, lack of traditional housing markets, and the general shortage of housing stock. Over-crowding and the issues that arise from this situation are extenuated. This situation creates a greater need for rental assistance for more vulnerable households, and housing units in areas of the state where the housing stock is not being produced.

AHFC has already helped develop the 120 unit Loussac Place project, which is now fully under lease, and has begun the Susitna Square and Ridgeline Terrace development projects.

This project is anticipated to include the ability to construct approximately 60-100 new affordable units that may include a combination of senior and family housing units. The funding strategy calls for the best combination of federal receipts, federal capital fund program (CFP) funds, AHFC multi-family tax-exempt loan, and low-income housing tax credit equity to finance the project.

AHFC will look to foster a housing development project through a bid process to select a competent development team that has experience in multi-family development, low-income tax credit syndication, and tax-exempt bond financing. The development will be built by private entities, but

owned and managed by Alaska Corporation for Affordable Housing (ACAH) as general partner in a tax credit partnership. ACAH may contract with AHFC staff to manage and maintain the development as low-income housing tax credit/public housing.

The authority to use a broad scope of financing options enables AHFC/ACAH to implement optimal financing solutions. Each real estate deal is dynamic and unique. The flexibility to leverage the best combination of resources for each deal is the key to minimizing the aggregate resources required to expand housing opportunities for Alaskans. This entrepreneurial model has empowered AHFC to realize adaptive strategies that consistently finish projects below budgeted authority.

The authority to issue bonds, or conduit debt, for developments under this program will provide funds from private capital (through the low-income housing tax credit program) thereby reducing the amount of money that AHFC would have to contribute.

The authority to issue tax-exempt funding is critical to AHFC/ACAH in order to participate in the complimentary receipt of low income tax credits. AHFC has used approximately \$16 million of the \$29.5 million bonding authority already appropriated; thus leaving about \$13.5 million still available for the next development. In order to complete the HUD approval process, a complete "mixed-finance" application must be submitted prior to the start of construction. To that end, the development team, and investor must be selected and the amount of equity to be generated by the sale of the tax credits must be known.

Before an investor will commit to a partnership agreement or tender an offer, they must be certain that tax-exempt funding can be issued in compliance with IRS rules. AHFC must have the authority to issue the conduit funding or the project will have to be delayed until authority can be received. Of the estimated total cost of the Mountain View development project, \$10 million came from tax credit equity.

Any land purchased will be transferred to ACAH, an owned instrumentality of AHFC. The land will be leased by ACAH to a low income housing tax credit limited partnership. The limited partnership may continue to operate the project as public housing with ACAH as the managing general partner, or member of the general partner entity. Or, if it is more feasible, ACAH may contract with AHFC staff to manage and maintain the development as low-income housing tax credit/public housing. It is anticipated that 60-100 units of newly constructed public housing can be built under this program. This program could be used as part of a larger re-positioning project for AHFC's scattered site public housing portfolio.

#### Operations Management

The management of the public housing once developed will be different than the typical public housing management. AHFC's instrumentality, ACAH will be the managing general partner, or member of the general partner entity, in a tax credit partnership with an as yet undetermined investor. The partnership will be the owner of the project and may contract with AHFC (through shared services agreement) for management and maintenance of the project. A development team will be selected through an Request for Proposal (RFP) process. That team will handle the design and development of the project on behalf of AHFC/ACAH.

**Spending Plan**

	<b>Total \$</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>
<b>Federal Receipts</b>	\$22,400,000	\$1,500,000	\$5,250,000	\$5,250,000
	<b>FY2019</b>	<b>FY2020</b>		
	\$5,250,000	\$5,150,000		

**MH: AHFC Homeless Assistance Program**

**FY2016 Request: \$7,700,000**  
**Reference No: AMD 45390**

**AP/AL:** Appropriation **Project Type:** Economic Assistance  
**Category:** Health/Human Services  
**Location:** Statewide **House District:** Statewide (HD 1-40)  
**Impact House District:** Statewide (HD 1-40) **Contact:** Les Campbell  
**Estimated Project Dates:** 07/01/2015 - 06/30/2020 **Contact Phone:** (907)330-8356

**Brief Summary and Statement of Need:**

This is a new FY2016 project. Funding will be used to provide grants to local communities/agencies to help develop support programs designed to reduce homelessness, provide services that prevent housing displacement and assist the homeless in transitioning back to permanent housing. Other Alaska Housing Finance Corporation (AHFC) programs may be leveraged with these funds when appropriate. All Homeless Assistance Program funds will be combined and administered as one program by AHFC.

<b>Funding:</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>Total</b>
Gen Fund	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$6,000,000	\$36,000,000
GF/MH	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000	\$5,100,000
MHTAAR	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000	\$850,000	\$5,100,000
<b>Total:</b>	<b>\$7,700,000</b>	<b>\$7,700,000</b>	<b>\$7,700,000</b>	<b>\$7,700,000</b>	<b>\$7,700,000</b>	<b>\$7,700,000</b>	<b>\$46,200,000</b>

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input checked="" type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

Sec4 Ch17 SLA2014 P13 L20 HB267 \$8,000,000  
 Sec5 Ch15 SLA2013 P12 L31 HB66 \$8,000,000  
 Sec5 Ch16 SLA2012 P13 L29 HB285 \$8,000,000  
 Sec4 Ch4 SLA2011 P12 L4 HB109 \$10,000,000  
 Sec5 Ch42 SLA2010 P18 L31 HB302 \$10,000,000  
 Sec4 Ch13 SLA2009 P15 L9 HB83 \$8,000,000  
 Sec4 Ch28 SLA2008 P16 L9 HB312 \$8,000,000

**Project Description/Justification:**

The purpose of this program is to support programs that address homelessness by providing assistance to families in imminent danger of becoming homeless or those who are currently homeless.

**The projected outcomes are to:**

- Prevent near homeless individuals and families from becoming homeless; and/or

- Provide homeless individuals and families assistance to obtain safe, sanitary shelter.

**Program Description:**

Established in 1993, this program enables thousands of homeless and/or near homeless families to obtain or retain safe and sanitary shelter each year. Demand for this program has increased steadily over the last five years as annual requests for the prevention and operating components exceed \$8 million per year.

This program has taken on the role of a housing trust and is the coordinated funding source for homeless prevention activities in Alaska. There are four main funding sources: general fund, general fund/mental health, mental health trust authority authorized receipts, and other federal or private resources. In FY2014, the award of \$5.9 million in state funds for 39 projects ensured approximately 9,000 households containing 12,800 people benefited from the program. 1,838 persons transitioned from homelessness to permanent housing and 1,225 households received financial assistance to prevent homelessness.

This program is supported by the 2009 "10-year Plan to Reduce Homelessness in Alaska" which identifies the activities and cost of reducing homelessness in Alaska over 10 years.

The Homeless Assistance Program (HAP) provides grants to assist nonprofit organizations, local governments, and regional housing authorities in addressing the emergency needs of homeless and near-homeless Alaskans. During the previous competitive rounds, the total amount of Homeless Assistance Program (HAP) grant requests received by AHFC has exceeded \$8 million; only \$5.9 million of those requests were funded. This program has become increasingly important since funds for grants such as homeless assistance from municipal grants and Federal Emergency Housing Assistance continues to shrink.

The most recent grantees have utilized HAP funds to expand shelter facilities, develop supportive transitional housing, provide case management and rental assistance services and develop supportive housing for mental health trust beneficiaries and the homeless. All funds will be combined and administered as one program by AHFC. A portion of these funds will be used to support the planning, operation and coordination efforts of the Alaska Coalition on Housing and Homelessness and the operation of the statewide information and referral system 211.

Inadequate funding will increase the number of homeless families in Alaska and force existing shelters to either exceed capacity or turn away clients. Families in areas where no shelter exists will be forced to live in substandard and/or overcrowded conditions, known to foster higher degrees of domestic violence and substance abuse. Low-wage earning households experiencing a family crisis will also have to contend with the likelihood of homelessness if emergency rental assistance is not available. In some cases, the homeless will cycle into the correctional or mental health system due to lack of adequate housing.

These funds have helped reduce the number of homeless veterans in Alaska, and brought the total number of chronic homeless down. In addition, the number of people who were unsheltered and staying in vehicles or camping has also decreased since the implementation of the state 10 year plan.

**MH: AHFC Beneficiary and Special Needs Housing**

**FY2016 Request: \$1,500,000**  
**Reference No: AMD 6360**

**AP/AL:** Appropriation **Project Type:** Life / Health / Safety  
**Category:** Health/Human Services  
**Location:** Statewide **House District:** Statewide (HD 1-40)  
**Impact House District:** Statewide (HD 1-40) **Contact:** Les Campbell  
**Estimated Project Dates:** 07/01/2015 - 06/30/2020 **Contact Phone:** (907)330-8356

**Brief Summary and Statement of Need:**

This is a new FY2016 project. This project will provide for a continuing program to serve populations with special housing needs. This program provides funds to Alaskan nonprofit service providers to increase housing opportunities for Alaska Mental Health Trust Authority (AMHTA) beneficiaries and other special needs populations throughout the state. The funds may be used for housing development and/or services designed to achieve long-term residential stability.

<b>Funding:</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>Total</b>
AHFC Div		\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$7,500,000
GF/MH	\$1,500,000						\$1,500,000
<b>Total:</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>\$9,000,000</b>

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input checked="" type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

Sec4 Ch17 SLA2014 P13 L18 HB267 \$1,750,000  
 Sec5 Ch16 SLA2013 P12 L28 HB66 \$1,500,000  
 Sec5 Ch16 SLA2012 P13 L26 HB285 \$1,750,000  
 Sec4 Ch4 SLA2011 P11 L30 HB109 \$1,750,000  
 Sec5 Ch42 SLA2010 P18 L28 HB302 \$1,750,000  
 Sec4 Ch13 SLA2009 P14 L31 HB83 \$1,750,000  
 Sec4 Ch28 SLA2008 P15 L31 HB312 \$1,750,000

**Project Description/Justification:**

The purpose of this program is to provide funds for Alaskan nonprofit service providers and housing developers to increase housing opportunities to Alaska Mental Health Trust Authority (AMHTA) beneficiaries and other special needs populations throughout Alaska. This program has developed 195 units since FY2000.

**The projected outcomes are to:**

- Add 20 congregate housing units for people with mental illness or developmental disabilities;
- Reduce recidivism among clients spending time in institutions;

**MH: AHFC Beneficiary and Special Needs Housing**

**FY2016 Request: \$1,500,000**  
**Reference No: AMD 6360**

- Provide supportive housing, including assisted living, for people with mental, physical, or developmental disabilities, or multiple disorders; and
- Provide transitional housing with support services for newly recovering alcoholics and addicts.

**Program Description:**

This program provides funds to Alaskan nonprofit service providers and housing developers to increase housing opportunities to AMHTA beneficiaries and other special needs populations in Alaska through pre-development and development activities. These funds will continue to assist in developing community-based supportive housing in conjunction with the Homeless Assistance Program.

In FY2014, the funding cycle focused on the renewal of 12 operating and support service grants. A recent evaluation of six projects showed that the average daily expense was \$51 a day compared to \$142 in prison and over \$1,100 a day in Alaska Psychiatric institute (API).

The demand for special needs housing remains critical. The AMHTA has made housing one of its five focus areas for funding. The Alaska Independent Living Council, and other special needs advocacy groups, has identified supportive housing as a top priority in their statewide planning efforts. The target populations consist of mental health beneficiaries and other special needs groups like severely emotionally disturbed children and the homeless.

To optimize leveraging of these funds with other federal grant and tax credit programs and to expedite the release of funding to nonprofit housing developers, the Alaska Housing Finance Corporation (AHFC) will administer these housing development funds. This will also administratively streamline housing development projects, which also intend to borrow money from AHFC. Typically, most special needs housing in Alaska is financed by AHFC.

Examples of special needs housing include, but are not limited to:

- Congregate housing for people with mental illness or developmental disabilities;
- Supportive housing, including assisted living, for people with mental illness, developmental disabilities, or multiple disorders;
- Transitional housing with support services for newly recovering alcoholics and addicts; and
- Permanent or transitional housing support for the homeless and AMHTA beneficiaries.

Without this project, there will be increased expenditures by the state to house people who are inappropriately housed in the Alaska Psychiatric Institute (API) or the correctional system. The cost of providing community-based care is significantly lower than institutional care. Another negative effect is the loss of leveraging opportunities with other federal grant programs.

**Project Review Listing (1160)**  
**FY2016 Governor Amended**

**Transportation Only**

**Department of Transportation/Public Facilities**

<u>Page</u>	<u>RefNum</u>	<u>AP/AL</u>	<u>Project Title</u>	<u>Fund Source Total</u>
1	AMD 54166	* AP	Efficiency	
			1026 Hwy Capitl	\$24,600,000
			1061 CIP Rcpts	\$5,000,000
1-1	AMD 32534	AL	Capital Improvement Program Equipment Replacement	
			1061 CIP Rcpts	\$5,000,000
1-2	AMD 30628	AL	State Equipment Fleet Replacement	
			1026 Hwy Capitl	\$24,600,000
1-4	54171	* AP	Cross Agency	
			1004 Gen Fund	\$10,404,000
2	49780	AL	Municipal Harbor Facility Grant Fund (AS 29.60.800)	
			1004 Gen Fund	\$10,404,000
4	6764	* AP	Statewide Federal Programs	
			1002 Fed Rcpts	\$79,500,000
			1003 G/F Match	\$62,900,000
			1004 Gen Fund	\$1,000,000
			1108 Stat Desig	\$12,000,000
5	31375	AL	Cooperative Reimbursable Projects	
			1002 Fed Rcpts	\$5,000,000
			1108 Stat Desig	\$12,000,000
7	31376	AL	Federal Contingency Projects	
			1002 Fed Rcpts	\$25,000,000
9	38424	AL	Federal Emergency Projects	
			1002 Fed Rcpts	\$10,000,000
11	30643	AL	Federal Transit Administration Grants	
			1002 Fed Rcpts	\$10,000,000
13	60606	AL	Federal Program Match	
			1003 G/F Match	\$62,900,000
15	33485	AL	Highway Safety Grants Program	
			1002 Fed Rcpts	\$8,000,000
17	52032	AL	Public and Community Transportation State Match	
			1004 Gen Fund	\$1,000,000
18	34018	AL	Statewide Safety Program	
			1002 Fed Rcpts	\$21,500,000
20	7470	* AP	Airport Improvement Program	
			1002 Fed Rcpts	\$125,939,623
			1027 Int Airprt	\$4,567,884

\* Indicates an appropriation with allocations (amounts not included in totals)

**Project Review Listing (1160)**  
**FY2016 Governor Amended**

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**Department of Transportation/Public Facilities**

<u>Page</u>	<u>RefNum</u>	<u>AP/AL</u>	<u>Project Title</u>	<u>Fund Source Total</u>
20	7470	* AP	Airport Improvement Program	
			1112 IntAptCons	\$6,539,598
21	AMD 47810	AL	Alaska International Airport System - Contingency Funds	
			1002 Fed Rcpts	\$4,000,000
			1027 Int Airprt	\$1,000,000
22	57841	AL	Ambler - Airport Improvements	
			1002 Fed Rcpts	\$2,500,000
23	60573	AL	Bethel - Airport Improvements	
			1002 Fed Rcpts	\$1,650,000
24	56938	AL	Fairbanks International Airport - Advanced Project Design and Planning	
			1027 Int Airprt	\$27,000
25	41528	AL	Fairbanks International Airport - Annual Improvements	
			1112 IntAptCons	\$292,000
26	41530	AL	Fairbanks International Airport - Environmental Assessment and Cleanup	
			1027 Int Airprt	\$133,000
28	AMD 41527	AL	Fairbanks International Airport - Equipment	
			1002 Fed Rcpts	\$721,875
			1027 Int Airprt	\$698,125
30	56939	AL	Fairbanks International Airport - Facility Improvements, Renovations and Upgrades	
			1027 Int Airprt	\$106,000
32	47819	AL	Fairbanks International Airport - Information Technology Improvements	
			1027 Int Airprt	\$32,000
33	60516	AL	Fairbanks International Airport - TSA Explosive Detection System Recapitalization Construction	
			1002 Fed Rcpts	\$1,500,000
34	AMD 60518	AL	Fairbanks International Airport - Taxiway B Reconstruction and Safety Enhancements	
			1002 Fed Rcpts	\$6,562,500
			1027 Int Airprt	\$437,500
35	60523	AL	Galena - Airport Improvements	
			1002 Fed Rcpts	\$13,500,000
36	60525	AL	Gambell Airport Pavement Rehabilitation and Lighting Replacement	
			1002 Fed Rcpts	\$9,500,000
37	56965	AL	Hooper Bay - Airport Improvements and Snow Removal Equipment Building	
			1002 Fed Rcpts	\$3,200,000
38	60524	AL	Hughes - Airport Improvements	
			1002 Fed Rcpts	\$6,300,000

\* Indicates an appropriation with allocations (amounts not included in totals)

**Project Review Listing (1160)**  
**FY2016 Governor Amended**

**Transportation Only**

**Department of Transportation/Public Facilities**

<u>Page</u>	<u>RefNum</u>	<u>AP/AL</u>	<u>Project Title</u>	<u>Fund Source</u>	<u>Total</u>
39	58634	AL	Kwigillingok - Airport improvements & Snow Removal Equipment Building	1002 Fed Rcpts	\$1,600,000
40	36247	AL	Statewide - Aviation Preconstruction	1002 Fed Rcpts	\$18,000,000
41	36241	AL	Statewide - Aviation Systems Plan Update	1002 Fed Rcpts	\$500,000
44	36245	AL	Statewide - Various Airports Minor Surface Improvements	1002 Fed Rcpts	\$6,000,000
46	38582	AL	Statewide - Various Airports Snow Removal, ADA and Safety Equipment	1002 Fed Rcpts	\$12,000,000
47	34727	AL	Talkeetna - Airport Improvements	1002 Fed Rcpts	\$1,300,000
48	AMD 41525	AL	Ted Stevens Anchorage International Airport - Advanced Project Design and Planning	1027 Int Airprt	\$604,713
50	40294	AL	Ted Stevens Anchorage International Airport - Airfield Pavement Reconstruction and Maintenance	1002 Fed Rcpts	\$23,648,564
				1112 IntAptCons	\$3,298,296
52	40299	AL	Ted Stevens Anchorage International Airport - Annual Improvements	1112 IntAptCons	\$763,848
54	49099	AL	Ted Stevens Anchorage International Airport - Environmental Projects	1027 Int Airprt	\$106,090
56	AMD 39139	AL	Ted Stevens Anchorage International Airport - Equipment	1002 Fed Rcpts	\$3,456,684
				1027 Int Airprt	\$1,423,456
58	47809	AL	Ted Stevens Anchorage International Airport - Facility Improvements, Renovations and Upgrades	1112 IntAptCons	\$1,166,990
60	45680	AL	Ted Stevens Anchorage International Airport - Information Technology Improvements	1112 IntAptCons	\$1,018,464
62	58648	AL	Yakutat - Airport Runway, Taxiway and Apron Rehabilitation	1002 Fed Rcpts	\$10,000,000
64	32610	* AP	Surface Transportation Program	1002 Fed Rcpts	\$891,120,000
				1061 CIP Rcpts	\$400,000
65	60615	AL	Alaska Highway - Rehabilitation and Reconstruction	1002 Fed Rcpts	\$11,000,000

\* Indicates an appropriation with allocations (amounts not included in totals)

**Project Review Listing (1160)**  
**FY2016 Governor Amended**

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**Department of Transportation/Public Facilities**

<u>Page</u>	<u>RefNum</u>	<u>AP/AL</u>	<u>Project Title</u>	<u>Fund Source</u>	<u>Total</u>
66	60557	AL	Alaska Historic Roads Implementation	1002 Fed Rcpts	\$750,000
67	60530	AL	Alaska Marine Highway System - Auke Bay Stern Berth Modification and Improvements	1002 Fed Rcpts	\$1,700,000
68	40370	AL	Alaska Marine Highway System - Construct / Lease / Purchase Ferryboats and Terminals	1002 Fed Rcpts	\$1,000,000
69	40380	AL	Alaska Marine Highway System - Ferry Vessel Refurbishment	1002 Fed Rcpts	\$10,000,000
71	38577	AL	Alaska Marine Highway System - Fleet Condition Survey Update	1002 Fed Rcpts	\$150,000
72	60527	AL	Alaska Marine Highway System - Gustavus Ferry Terminal Modifications	1002 Fed Rcpts	\$3,500,000
74	56941	AL	Alaska Marine Highway System - Ketchikan Ferry Terminal Improvements	1002 Fed Rcpts	\$1,000,000
76	60532	AL	Alaska Marine Highway System - M/V Matanuska Repower and Ship Systems Upgrade	1002 Fed Rcpts	\$34,000,000
77	60531	AL	Alaska Marine Highway System - System-Wide Anode Replacement	1002 Fed Rcpts	\$1,000,000
78	60528	AL	Alaska Marine Highway System - Tenakee Ferry Terminal Improvements	1002 Fed Rcpts	\$4,000,000
79	60529	AL	Alaska Marine Highway System - Wastewater Treatment System Upgrades	1002 Fed Rcpts	\$2,000,000
80	46815	AL	Aleknagik - Wood River Bridge	1002 Fed Rcpts	\$7,500,000
81	51833	AL	American Association of State Highway and Transportation Officials Technical Programs Support	1002 Fed Rcpts	\$200,000
82	58605	AL	Anchorage - Principal Arterial Pavement Resurfacing and ADA Compliance	1002 Fed Rcpts	\$15,000,000
83	47872	AL	Anchorage Metropolitan Area Transportation Solutions (AMATS) Projects, Flexible	1002 Fed Rcpts	\$32,000,000
85	57059	AL	Barrow - Ahkovak Street Upgrade	1002 Fed Rcpts	\$7,500,000
86	60609	AL	Central Region Parks Highway - Rehabilitation and Reconstruction	1002 Fed Rcpts	\$50,000,000
88	60545	AL	Chiniak Highway - Erosion Response	1002 Fed Rcpts	\$5,500,000

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**Project Review Listing (1160)**  
**FY2016 Governor Amended**

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**Department of Transportation/Public Facilities**

<u>Page</u>	<u>RefNum</u>	<u>AP/AL</u>	<u>Project Title</u>	<u>Fund Source</u>	<u>Total</u>
89	54950	AL	Cultural and Historic Resource Evaluation Streamlining	1002 Fed Rcpts	\$200,000
91	60614	AL	Dalton Highway - Rehabilitation and Reconstruction	1002 Fed Rcpts	\$5,000,000
92	49148	AL	Fairbanks - Airport Way (West) Improvements	1002 Fed Rcpts	\$3,500,000
93	60571	AL	Fairbanks Metropolitan Area Transportation System (FMATS) Projects, Flexible	1002 Fed Rcpts	\$10,000,000
94	41539	AL	Geographic Information System (GIS) Development (IWAYS)	1002 Fed Rcpts	\$3,000,000
96	60608	AL	Glenn Highway - Rehabilitation and Reconstruction	1002 Fed Rcpts	\$45,000,000
98	56877	AL	Gustavus - Repair or Replace Rink Creek Bridge	1002 Fed Rcpts	\$400,000
99	54322	AL	Highway Performance Monitoring System (HPMS) Reporting	1002 Fed Rcpts	\$300,000
100	60562	AL	Inter-Island Ferry Authority - Vessel Refurbishment	1002 Fed Rcpts	\$250,000
101	60569	AL	Juneau - Egan Drive and Riverside Drive Intersection Improvements	1002 Fed Rcpts	\$1,000,000
102	60618	AL	Juneau - Glacier Highway Rehabilitation and Reconstruction	1002 Fed Rcpts	\$4,000,000
104	60563	AL	Juneau - Industrial Boulevard Widening and Sidewalks	1002 Fed Rcpts	\$3,000,000
105	60547	AL	Kenai - Beaver Loop Road Improvement and Pedestrian Pathway	1002 Fed Rcpts	\$2,000,000
106	60548	AL	Kenai - Kenai Spur Road Improvements	1002 Fed Rcpts	\$5,200,000
107	60564	AL	Ketchikan - Front, Mill, and Stedman Street Reconstruction	1002 Fed Rcpts	\$8,000,000
109	60617	AL	Ketchikan - Tongass Highway Rehabilitation and Reconstruction	1002 Fed Rcpts	\$33,000,000
111	57239	AL	Ketchikan - Replacement of Water Street Trestle No. 2	1002 Fed Rcpts	\$7,000,000
112	AMD 38708	AL	National Highway System and Non-National Highway System Pavement and Bridge Reconstruction and Refurbishment	1002 Fed Rcpts	\$155,220,000

\* Indicates an appropriation with allocations (amounts not included in totals)

**Project Review Listing (1160)**  
**FY2016 Governor Amended**

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<u>Page</u>	<u>RefNum</u>	<u>AP/AL</u>	<u>Project Title</u>	<u>Fund Source Total</u>
114	60560	AL	National Highway System Modernization	
			1002 Fed Rcpts	\$20,000,000
116	60610	AL	Northern Region Parks Highway - Rehabilitation and Reconstruction	
			1002 Fed Rcpts	\$65,000,000
118	36443	AL	Northern Region - Winter Trail Markings	
			1002 Fed Rcpts	\$500,000
119	60559	AL	Office of History and Archeology - Alaska Heritage Resources Survey/Integrated Business System Development	
			1002 Fed Rcpts	\$500,000
120	60613	AL	Richardson Highway - Rehabilitation and Reconstruction	
			1002 Fed Rcpts	\$25,000,000
122	60612	AL	Seward Highway - Rehabilitation and Reconstruction	
			1002 Fed Rcpts	\$90,000,000
124	39333	AL	Seward - Road Improvements	
			1002 Fed Rcpts	\$800,000
125	60567	AL	Southeast Areawide - Americans with Disabilities Act (ADA) Improvements	
			1002 Fed Rcpts	\$1,000,000
126	36185	AL	Statewide - Civil Rights Program	
			1002 Fed Rcpts	\$400,000
128	38583	AL	Statewide - Congestion Mitigation and Air Quality (CMAQ) Projects	
			1002 Fed Rcpts	\$10,000,000
130	58620	AL	Statewide - Federal Lands Access Projects	
			1002 Fed Rcpts	\$10,000,000
132	36196	AL	Statewide - Highway Data Equipment Acquisition and Installation	
			1002 Fed Rcpts	\$3,500,000
134	36446	AL	Statewide - Highway Fuel Tax Enforcement	
			1002 Fed Rcpts	\$100,000
135	39084	AL	Statewide - Highway Safety Improvement Program (HSIP)	
			1002 Fed Rcpts	\$60,000,000
136	40373	AL	Statewide - Intelligent Transportation Systems Implementation Plan (IWAYS)	
			1002 Fed Rcpts	\$6,500,000
138	36187	AL	Statewide - National Highway Institute and Transit Institute Training	
			1002 Fed Rcpts	\$350,000
			1061 CIP Rcpts	\$400,000
139	41535	AL	Statewide - Road Weather Information System (RWIS)	
			1002 Fed Rcpts	\$3,000,000

\* Indicates an appropriation with allocations (amounts not included in totals)

**Project Review Listing (1160)**  
**FY2016 Governor Amended**

**Transportation Only**

**Department of Transportation/Public Facilities**

<u>Page</u>	<u>RefNum</u>	<u>AP/AL</u>	<u>Project Title</u>		<u>Fund Source Total</u>
140	56897	AL	Statewide - Roadway Data Collection	1002 Fed Rcpts	\$2,000,000
141	36191	AL	Statewide - Research Program	1002 Fed Rcpts	\$3,000,000
143	36192	AL	Statewide - Urban Planning Program	1002 Fed Rcpts	\$2,000,000
145	60611	AL	Sterling Highway - Rehabilitation and Reconstruction	1002 Fed Rcpts	\$35,000,000
147	36366	AL	Surface Transportation Preconstruction	1002 Fed Rcpts	\$65,000,000
148	60616	AL	Tok Cutoff Highway - Rehabilitation and Reconstruction	1002 Fed Rcpts	\$12,000,000
149	38304	AL	Whittier Tunnel - Maintenance and Operations	1002 Fed Rcpts	\$1,600,000
150	AMD 60684	AL	DELETE: Unallocated Project	1002 Fed Rcpts	0
150-1	AMD 51320	AP	Deferred Maintenance, Renewal, Repair and Equipment	1004 Gen Fund	\$8,000,000
151	30648	AP	MH Coordinated Transportation and Vehicles	1037 GF/MH	\$1,000,000
				1092 MHTAAR	\$300,000
153	AMD 60740	AP	Reappropriation for Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation	1004 Gen Fund	0

\* Indicates an appropriation with allocations (amounts not included in totals)

**Project Review Listing (1160)**  
**FY2016 Governor Amended**

**Transportation Only**

**Department of Transportation/Public Facilities**

<u>Page</u>	<u>RefNum</u>	<u>AP/AL</u>	<u>Project Title</u>	<u>Fund Source Total</u>
156	AMD 47702	AP	Adak Airport Maintenance and Operations	
			1190 Adak Ops	\$742,800

<b>Unrestricted General (UGF) Total:</b>	<b>\$83,304,000</b>
<b>Designated General (DGF) Total:</b>	<b>0</b>
<b>Other Total:</b>	<b>\$53,407,482</b>
<b>Federal Total:</b>	<b>\$1,097,302,423</b>
<b>Department Total:</b>	<b>\$1,234,013,905</b>

<b>Unrestricted General (UGF) Grand Total:</b>	<b>\$83,304,000</b>
<b>Designated General (DGF) Grand Total:</b>	<b>0</b>
<b>Other Grand Total:</b>	<b>\$53,407,482</b>
<b>Federal Grand Total:</b>	<b>\$1,097,302,423</b>
<b>Grand Total:</b>	<b>\$1,234,013,905</b>

\* Indicates an appropriation with allocations (amounts not included in totals)

**Airport Improvement Program**

**FY2016 Request: \$137,047,105**  
**Reference No: 7470**

**AP/AL:** Appropriation with Allocations

**Project Type:** Construction

**Category:** Transportation

**Location:** Statewide

**House District:** Statewide (HD 1-40)

**Impact House District:** Statewide (HD 1-40)

**Contact:** Jeff Ottesen

**Estimated Project Dates:** 07/01/2015 - 06/30/2020

**Contact Phone:** (907)465-4070

**Brief Summary and Statement of Need:**

Federal airport improvements as outlined in the Airport Improvement Program and the International Airports Program.

<b>Funding:</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>Total</b>
Fed Rcpts	\$125,939,623	\$65,028,647	\$65,206,178	\$66,690,238	\$67,620,695	\$66,455,439	\$456,940,820
Int Airprt	\$4,567,884	\$8,504,071	\$9,203,092	\$8,991,479	\$9,057,190	\$11,878,589	\$52,202,305
IntAptCons	\$6,539,598						\$6,539,598
<b>Total:</b>	<b>\$137,047,105</b>	<b>\$73,532,718</b>	<b>\$74,409,270</b>	<b>\$75,681,717</b>	<b>\$76,677,885</b>	<b>\$78,334,028</b>	<b>\$515,682,723</b>

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

- Sec1 Ch18 SLA2014 P65 L10 SB119 \$209,576,439
- Sec1 Ch16 SLA2013 P81 L14 SB18 \$206,155,000
- Sec1 Ch17 SLA2012 P137 L27 SB160 \$227,038,158
- Sec1 Ch5 SLA2011 P103 L7 SB46 \$339,509,799
- Sec7 Ch43 SLA2010 P39 L13 SB230 \$267,940,500
- Sec1 Ch15 SLA2009 P23 L9 SB75 \$362,126,491
- Sec13 Ch29 SLA2008 P161 L33 SB221 \$299,917,055
- Sec4 Ch29 SLA2008 P7 L21 SB221 \$27,501,500

The FY2016 Governor's budget is amended by changing \$4,163,794 of International Airports Construction Funds to International Airport Revenue Funds within multiple Airport Improvement Program allocations.

FY2016 Governor (December)	\$137,047,105
FY2016 Amended Request	\$0
<b>Total Request</b>	<b>\$137,047,105</b>

**Alaska International Airport System - Contingency Funds**      **FY2016 Request: \$5,000,000**  
**Reference No: AMD 47810**

**AP/AL:** Allocation      **Project Type:** Construction  
**Category:** Transportation  
**Location:** Statewide      **House District:** Statewide (HD 1-40)  
**Impact House District:** Statewide (HD 1-40)      **Contact:** Jeff Ottesen  
**Estimated Project Dates:** 07/01/2015 - 06/30/2020      **Contact Phone:** (907)465-4070  
**Appropriation:** Airport Improvement Program

**Brief Summary and Statement of Need:**

This request amends the original Governor's FY2016 capital budget request by changing \$1,000,000 in project funding from the International Airports Construction Fund to the International Airport Revenue Fund. This fund change does not increase overall funding for the project and is a net-zero adjustment to Other State funds. This project provides funds for unanticipated increases in project costs and for new projects for the Alaska International Airport System (AIAS) in Anchorage and Fairbanks. This will avoid unnecessary delays in projects.

Funding:	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	Total
Fed Rcpts	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$24,000,000
Int Airprt	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$6,000,000
<b>Total:</b>	<b>\$5,000,000</b>	<b>\$5,000,000</b>	<b>\$5,000,000</b>	<b>\$5,000,000</b>	<b>\$5,000,000</b>	<b>\$5,000,000</b>	<b>\$30,000,000</b>

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

Sec1 Ch18 SLA2014 P65 L11 SB119 \$5,000,000  
 Sec1 Ch16 SLA2013 P81 L24 SB18 \$7,000,000  
 Sec1 Ch17 SLA2012 P137 L31 SB160 \$8,919,307  
 Sec1 Ch15 SLA2009 P26 L31 SB75 \$20,991,049

**Project Description/Justification:**

The operating agreement between the airlines and the AIAS allows for the airports to seek funding from the airlines for cost increases beyond what is permitted by agreement and for new projects not yet approved. These contingency funds will be used for project cost increases and new projects on an as-needed basis. Without this funding, projects and scope increases to projects receiving airline approval under the operating agreement would be significantly delayed, pending legislative approval.

This project covers the projected needs for one year of the AIAS operating agreement with air carriers.

**Fairbanks International Airport - Equipment**

**FY2016 Request: \$1,420,000**  
**Reference No: AMD 41527**

**AP/AL:** Allocation **Project Type:** Equipment / Commodities  
**Category:** Transportation  
**Location:** Fairbanks Areawide **House District:** Fairbanks Areawide (HD 1-5)  
**Impact House District:** Fairbanks Areawide (HD 1-5) **Contact:** Jeff Ottesen  
**Estimated Project Dates:** 07/01/2015 - 06/30/2020 **Contact Phone:** (907)465-4070  
**Appropriation:** Airport Improvement Program

**Brief Summary and Statement of Need:**

This request amends the original Governor's FY2016 capital budget request by changing \$698,125 in project funding from the International Airports Construction Fund to the International Airport Revenue Fund. This fund change does not increase overall funding for the project and is a net-zero adjustment to Other State funds.

<b>Funding:</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>Total</b>
Fed Rcpts	\$721,875	\$1,204,688	\$487,500	\$1,050,000	\$1,031,250	\$1,289,063	\$5,784,376
Int Airprt	\$698,125	\$170,312	\$647,500	\$210,000	\$371,250	\$220,938	\$2,318,125
<b>Total:</b>	<b>\$1,420,000</b>	<b>\$1,375,000</b>	<b>\$1,135,000</b>	<b>\$1,260,000</b>	<b>\$1,402,500</b>	<b>\$1,510,001</b>	<b>\$8,102,501</b>

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

- Sec1 Ch18 SLA2014 P66 L7 SB119 \$1,379,500
- Sec1 Ch16 SLA2013 P82 L30 SB18 \$1,443,000
- Sec1 Ch17 SLA2012 P138 L28 SB160 \$510,000
- Sec1 Ch5 SLA2011 P104 L14 SB46 \$920,000
- Sec7 Ch43 SLA2010 P39 L30 SB230 \$1,040,000
- Sec1 Ch15 SLA2009 P24 L29 SB75 \$830,000

Purchase new or replace airport operations, safety and maintenance equipment (heavy equipment, light duty trucks, police vehicles, etc.) that have reached the end of its useful life. This equipment is critical to operating the airport in a safe and efficient manner. No fees are set aside automatically through rental rates; therefore, the method of replacement is through budgeting to replace worn out and obsolete equipment.

**Project Description/Justification:**

Fairbanks airport maintenance and service equipment replacement is based on a database matrix of age, total usage, and annual maintenance expense. Equipment that scores high in all three categories is highlighted for consideration then compared amongst each other to determine the necessity of replacement, major repair, or deferral based on frequency and importance of use.

**Fairbanks International Airport - Equipment**

**FY2016 Request: \$1,420,000**  
**Reference No: AMD 41527**

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Fairbanks International Airport actively pursues solutions that seek to extend the useful life of existing equipment in a cost-effective manner. The Fairbanks International Airport is a "Non-Rental" program through the State Equipment Fleet. Therefore, equipment replacement must be accomplished through the capital budget process.

**Fairbanks International Airport - Taxiway B Reconstruction and Safety Enhancements**      **FY2016 Request: \$7,000,000**  
**Reference No: AMD 60518**

**AP/AL:** Allocation      **Project Type:** Construction  
**Category:** Transportation  
**Location:** Fairbanks (Areawide)      **House District:** Fairbanks Areawide (HD 1-5)  
**Impact House District:** Fairbanks Areawide (HD 1-5)      **Contact:** Jeff Ottesen  
**Estimated Project Dates:** 07/01/2015 - 06/30/2020      **Contact Phone:** (907)465-4070  
**Appropriation:** Airport Improvement Program

**Brief Summary and Statement of Need:**

This request amends the original Governor's FY2016 capital budget request by changing \$437,500 in project funding from the International Airports Construction Fund to the International Airport Revenue Fund. This fund change does not increase overall funding for the project and is a net-zero adjustment to Other State funds. This project is for the reconstruction of Taxiway B and to perform safety enhancements along the taxiways and float pond road. This project seeks to meet new Federal Aviation Administration (FAA) advisory circular (AC) requirements that airports restrict direct access to runways via perpendicular taxiways by creating islands or other means.

<b>Funding:</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>Total</b>
Fed Rcpts	\$6,562,500						\$6,562,500
Int Airprt	\$437,500						\$437,500
<b>Total:</b>	<b>\$7,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,000,000</b>

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

No prior funding history.

This project will also limit the access to the part 139 Runway via configuration of gates and/or other safety enhancements. This project stems from the 2014 Fairbanks International Airport (FAI) master plan and is the result of a public-private working group discerning the best alternative.

**Project Description/Justification:**

This project is part of ongoing efforts to improve situational awareness for pilots, vehicles, and pedestrians on the east side of the airport. Placement of a gate on float pond road and/or Taxiway B will prevent vehicles from accidentally driving onto Taxiway B. Additionally, the pavement on Taxiway B has reached the end of its useful life and needs to be repaved. This pavement is well over 30-years old. Constructing islands at the east and west entrances to Taxiway B and other taxiways will bring the taxiways into current AC compliance.

**Ted Stevens Anchorage International Airport - Advanced**      **FY2016 Request: \$604,713**  
**Project Design and Planning**      **Reference No: AMD 41525**

**AP/AL:** Allocation      **Project Type:** Construction  
**Category:** Transportation  
**Location:** Anchorage Areawide      **House District:** Anchorage Areawide (HD 12-28)  
**Impact House District:** Anchorage Areawide (HD 12-28)      **Contact:** Jeff Ottesen  
**Estimated Project Dates:** 07/01/2015 - 06/30/2020      **Contact Phone:** (907)465-4070  
**Appropriation:** Airport Improvement Program

**Brief Summary and Statement of Need:**

This request amends the original Governor's FY2016 capital budget request by changing \$604,713 in project funding from the International Airports Construction Fund to the International Airport Revenue Fund. This fund change does not increase overall funding for the project and is a net-zero adjustment to Other State funds. This project will provide planning analysis, financing plans, preliminary engineering, environmental, surveying, geotechnical investigation, cost estimating, feasibility analysis, design of future capital improvement projects and prepare for future airport and tenant development.

<b>Funding:</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>Total</b>
Int Airprt	\$604,713	\$622,854	\$641,540	\$660,786	\$680,610	\$701,028	\$3,911,531
<b>Total:</b>	<b>\$604,713</b>	<b>\$622,854</b>	<b>\$641,540</b>	<b>\$660,786</b>	<b>\$680,610</b>	<b>\$701,028</b>	<b>\$3,911,531</b>

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

- Sec1 Ch18 SLA2014 P68 L13 SB119 \$587,100
- Sec1 Ch16 SLA2013 P84 L32 SB18 \$570,000
- Sec1 Ch5 SLA2011 P105 L27 SB46 \$3,000,000
- Sec7 Ch43 SLA2010 P41 L9 SB230 \$1,500,000
- Sec1 Ch15 SLA2009 P26 L27 SB75 \$3,500,000
- Sec13 Ch29 SLA2008 P164 L18 SB221 \$2,000,000
- Sec1 Ch82 SLA2006 P92 L10 SB231 \$3,000,000

This project is needed to advance work on projects to better define their scope and cost prior to initiation of the final design and construction.

**Project Description/Justification:**

This project is needed for design, prior to construction, to avoid impacts on airline fees, allow estimates to be refined before constructing, and place the airport in a better position to compete for federal discretionary funds. This project allows the airport to timely complete design, environmental permitting, and community involvement efforts needed for Federal Airport Improvement Program

**Ted Stevens Anchorage International Airport - Advanced  
Project Design and Planning**

**FY2016 Request: \$604,713  
Reference No: AMD 41525**

(AIP) funding. Some projects will be designed to a schematic level. Completion of studies, plans, cost-benefit analysis, and other evaluations provide critical information and advance preparation for future projects.

This project will benefit all airport tenants and users by assisting the airport in doing preliminary work on any airport project before seeking airline authorization to undertake a project.

**Ted Stevens Anchorage International Airport - Equipment**      **FY2016 Request:**      **\$4,880,140**  
**Reference No:**      **AMD 39139**

**AP/AL:** Allocation      **Project Type:** Equipment / Commodities  
**Category:** Transportation  
**Location:** Anchorage Areawide      **House District:** Anchorage Areawide (HD 12-28)  
**Impact House District:** Anchorage Areawide (HD 12-28)      **Contact:** Jeff Ottesen  
**Estimated Project Dates:** 07/01/2015 - 06/30/2020      **Contact Phone:** (907)465-4070  
**Appropriation:** Airport Improvement Program

**Brief Summary and Statement of Need:**

This request amends the original Governor's FY2016 capital budget request by changing \$1,423,456 in project funding from the International Airports Construction Fund to the International Airport Revenue Fund. This fund change does not increase overall funding for the project and is a net-zero adjustment to Other State funds. This project is for the purchase or replacement of airport operations, safety and maintenance equipment (heavy equipment, light duty trucks, police vehicles, etc.) that have reached the end of its useful life.

<b>Funding:</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>Total</b>
Fed Rcpts	\$3,456,684	\$3,803,397	\$3,917,499	\$4,035,024	\$4,156,075	\$3,751,209	\$23,119,888
Int Airprt	\$1,423,456	\$1,223,147	\$1,259,842	\$1,297,637	\$1,336,566	\$1,906,211	\$8,446,859
<b>Total:</b>	<b>\$4,880,140</b>	<b>\$5,026,544</b>	<b>\$5,177,341</b>	<b>\$5,332,661</b>	<b>\$5,492,641</b>	<b>\$5,657,420</b>	<b>\$31,566,747</b>

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required	<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill		

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

Sec1 Ch18 SLA2014 P69 L3 SB119 \$4,738,000  
 Sec1 Ch16 SLA2013 P85 L23 SB18 \$4,600,000  
 Sec1 Ch17 SLA2012 P140 L16 SB160 \$5,680,693  
 Sec1 Ch5 SLA2011 P16 L20 SB46 \$8,860,000  
 Sec7 Ch43 SLA2010 P42 L9 SB230 \$5,000,000  
 Sec1 Ch15 SLA2009 P27 L18 SB75 \$3,860,000  
 Sec13 Ch29 SLA2008 P165 L3 SB221 \$1,000,000  
 Sec4 Ch30 SLA2007 P109 L6 SB53 \$5,500,000

This equipment is critical to operating the airport in a safe and efficient manner. No fees are set aside automatically through rental rates; therefore, the method of replacement is through the capital budget to replace worn out and obsolete equipment.

**Project Description/Justification:**

Maintenance and service equipment replacement is based on a database matrix of age, total usage,

**Ted Stevens Anchorage International Airport - Equipment**      **FY2016 Request:      \$4,880,140**  
**Reference No:      AMD 39139**

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and annual maintenance expense. Equipment that scores high in all three categories is highlighted for consideration then compared amongst each other to determine the necessity of replacement, major repair, or deferral based on frequency and importance of use.

The Anchorage International Airport (ANC) actively pursues solutions that seek to extend the useful life of existing equipment in a cost-effective manner. ANC is a "Non-Rental" program through the State Equipment Fleet. Therefore, equipment replacement must be accomplished through the capital budget process.

Replacement equipment is required in order to meet the Federal Aviation Administration (FAA) Advisory Circular 150/5200-30C clearance times. Airports with 40,000 or more operations per year are required to clear all Priority 1 surfaces within 30 minutes. We have increased the surface area of runway 7R/25L, a Priority 1 runway, by 52%. We are required to maintain this runway in the same amount of time requiring more equipment on the field during snow removal operations.

**Surface Transportation Program**

**FY2016 Request: \$891,520,000**  
**Reference No: 32610**

**AP/AL:** Appropriation with Allocations

**Project Type:** Construction

**Category:** Transportation

**Location:** Statewide

**House District:** Statewide (HD 1-40)

**Impact House District:** Statewide (HD 1-40)

**Contact:** Jeff Ottesen

**Estimated Project Dates:** 07/01/2015 - 06/30/2020

**Contact Phone:** (907)465-4070

**Brief Summary and Statement of Need:**

This project is for federal surface transportation improvements as outlined in the Statewide Transportation Improvement Program (STIP), the Moving Ahead for Progress in the 21st Century Act (MAP-21), and annual federal appropriations acts.

<b>Funding:</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>Total</b>
CIP Rcpts	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000	\$2,400,000
Fed Rcpts	\$891,120,000	\$301,925,000	\$294,175,000	\$284,125,000	\$225,325,000	\$222,575,000	\$-2,075,722,296
<b>Total:</b>	<b>\$891,520,000</b>	<b>\$302,325,000</b>	<b>\$294,575,000</b>	<b>\$284,525,000</b>	<b>\$225,725,000</b>	<b>\$222,975,000</b>	<b>\$-2,073,322,296</b>

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

- Sec1 Ch18 SLA2014 P70 L25 SB119 \$648,250,000
- Sec1 Ch16 SLA2013 P86 L21 SB18 \$519,400,000
- Sec1 Ch17 SLA2012 P141 L21 SB160 \$451,764,000
- Sec1 Ch5 SLA2011 P109 L8 SB46 \$482,635,000
- Sec7 Ch43 SLA2010 P43 L25 SB230 \$537,350,240
- Sec7 Ch15 SLA2009 P51 L19 SB75 \$24,397,600
- Sec1 Ch15 SLA2009 P29 L32 SB75 \$359,730,000
- Sec10 Ch15 SLA2009 P60 L13 SB75 \$1,550,000
- Sec13 Ch29 SLA2008 P166 L24 SB221 \$255,020,150
- Sec4 Ch30 SLA2007 P110 L15 SB53 \$332,845,300

The FY2016 Governor's budget is amended by allocating \$70,220,000 from the unallocated project to the National Highway System and Non-National Highway System Pavement and Bridge Reconstruction and Refurbishment project.

FY2016 Governor (December)	\$891,520,000
FY2016 Amended Request	\$0
<b>Total Request</b>	<b>\$891,520,000</b>

**National Highway System and Non-National Highway System Pavement and Bridge Reconstruction and Refurbishment**

**FY2016 Request: \$155,220,000**  
**Reference No: AMD 38708**

**AP/AL:** Allocation **Project Type:** Renewal and Replacement  
**Category:** Transportation  
**Location:** Statewide **House District:** Statewide (HD 1-40)  
**Impact House District:** Statewide (HD 1-40) **Contact:** Jeff Ottesen  
**Estimated Project Dates:** 07/01/2015 - 06/30/2020 **Contact Phone:** (907)465-4070  
**Appropriation:** Surface Transportation Program

**Brief Summary and Statement of Need:**

This request amends the original Governor's FY2016 capital budget request by adding \$70,220,000 in federal authority for a new requested total of \$155,220,000. The \$70,220,000 is reallocated from the unallocated project within the Surface Transportation Program appropriation. This project is for performing crack sealing, surface treatment, refurbishment to drainage, signage, guardrail, illumination and other improvements (including reconstruction) that prolong the life of road pavements, embankments and bridges and their safety related features.

<b>Funding:</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>Total</b>
Fed Rcpts	\$155,220,000	\$85,000,000	\$85,000,000	\$85,000,000	\$85,000,000	\$85,000,000	\$580,220,000
<b>Total:</b>	<b>\$155,220,000</b>	<b>\$85,000,000</b>	<b>\$85,000,000</b>	<b>\$85,000,000</b>	<b>\$85,000,000</b>	<b>\$85,000,000</b>	<b>\$580,220,000</b>

<input checked="" type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
9% = Minimum State Match % Required	<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill		

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

- Sec1 Ch18 SLA2014 P75 L8 SB119 \$85,000,000
- Sec1 Ch16 SLA2013 P89 L8 SB18 \$25,000,000
- Sec1 Ch16 SLA2013 P92 L31 SB18 \$15,000,000
- Sec1 Ch16 SLA2013 P94 L21 SB18 \$5,000,000
- Sec1 Ch17 SLA2012 P143 L25 SB160 \$20,000,000
- Sec1 Ch17 SLA2012 P147 L8 SB160 \$10,000,000
- Sec1 Ch17 SLA2012 P148 L9 SB160 \$5,000,000
- Sec1 Ch5 SLA2011 P113 L32 SB46 \$32,000,000
- Sec1 Ch5 SLA2011 P115 L20 SB46 \$5,000,000
- Sec7 Ch43 SLA2010 P45 L18 SB230 \$20,000,000
- Sec7 Ch43 SLA2010 P49 L18 SB230 \$25,000,000
- Sec7 Ch43 SLA2010 P51 L10 SB230 \$2,000,000

**Project Description/Justification:**

This is a federally-funded project that provides for preventative maintenance activities that demonstrate a cost-effective means of extending the useful life of a federal-aid highway. Preventive

**National Highway System and Non-National Highway  
System Pavement and Bridge Reconstruction and  
Refurbishment**

**FY2016 Request: \$155,220,000  
Reference No: AMD 38708**

maintenance is a planned strategy of cost-effective treatments to an existing roadway system that preserves the system, retards future deterioration, and maintains or improves the functional condition of the system without significantly increasing structural capacity.

To meet the growing travel demand and the public's expectations for safety, ride quality, and traffic flow, highway agencies across the country are redefining their objectives to focus on activities and strategies to preserve and maintain existing highway systems, instead of the typical strategy of fixing the worst first. The proactive approach of preventive maintenance cuts the need for costly, time-consuming rehabilitation and reconstruction projects and reduces associated traffic disruptions. As a result, the public will see improved mobility, reduced congestion, and safer, smoother, longer-lasting pavements.

Preventative maintenance includes restoration or rehabilitation of specific elements of a highway facility when it can be demonstrated that such activities are a cost-effective means of extending the pavement life. In general, any work which provides additional pavement structural capacity, prevents the intrusion of water into the pavement or pavement base, provides for removal of water that is in the pavement or pavement base, restores pavement rideability, or prevents the deterioration of bridges is considered to be work which extends the service life of the highway. The Alaska Department of Transportation and Public Facilities uses preventive maintenance funding to perform roadway activities such as chip sealing, pavement overlays, milling, profiling, and micro-surfacing; seal coats, joint seals, and crack seals; shoulder repair; restoration of drainage systems; and bridge activities such as deck rehabilitation or repair, deck drain cleaning, crack sealing, joint repair, seismic retrofit, scour countermeasures, and painting. Although specifically noting pavement and bridge preservation, this program also allows for the upgrading and replacement of existing drainage systems, guardrail, illumination, and other safety related structures. Highway striping is also funded under this program.

**DELETE: Unallocated Project**

**FY2016 Request:** \$0  
**Reference No:** AMD 60684

**AP/AL:** Allocation  
**Category:** Transportation  
**Location:** Statewide  
**Impact House District:** Statewide (HD 1-40)  
**Estimated Project Dates:** 07/01/2015 - 06/30/2020  
**Appropriation:** Surface Transportation Program

**Project Type:** Construction  
**House District:** Statewide (HD 1-40)  
**Contact:** Jeff Ottesen  
**Contact Phone:** (907)465-4070

**Brief Summary and Statement of Need:**

This amendment deletes the \$70,220,000 federal authorization for this unallocated project. The \$70,220,000 included in this unallocated project is being allocated to National Highway System and Non-National Highway System Pavement and Bridge Reconstruction and Refurbishment within the Surface Transportation Program appropriation.

<b>Funding:</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>Total</b>
Fed Rcpts							\$0
<b>Total:</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

**Adak Airport Maintenance and Operations**

**FY2016 Request: \$742,800**  
**Reference No: AMD 47702**

**AP/AL:** Appropriation  
**Category:** Transportation  
**Location:** Adak

**Project Type:** Life / Health / Safety

**House District:** Bristol Bay/Aleutians/Upper Kuskokwim (HD 37)

**Impact House District:** Bristol Bay/Aleutians/Upper Kuskokwim (HD 37)

**Contact:** John Binder

**Estimated Project Dates:** 07/01/2015 - 06/30/2021 **Contact Phone:** (907)465-3900

**Brief Summary and Statement of Need:**

This is a new FY2016 project. This project provides spending authority from interest earned in the Adak Airport Operations Fund needed to continue to operate and maintain the Adak Airport per the memorandum of agreement between the United States Navy and the State of Alaska.

<b>Funding:</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>Total</b>
Adak Ops	\$742,800						\$742,800
<b>Total:</b>	\$742,800	\$0	\$0	\$0	\$0	\$0	\$742,800

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input checked="" type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	900,000	0
One-Time Startup:	0	
<b>Totals:</b>	<b>900,000</b>	<b>0</b>

**Prior Funding History / Additional Information:**

Sec1 Ch15 SLA2009 P21 L7 SB75 \$1,621,900  
 Sec57 Ch3 SLA2005 P135 L30 SB46 \$8,799,155

**Project Description/Justification:**

The Adak airport is very challenging to maintain and operate. Adak is approximately 1,200 miles from Anchorage and is the furthest civilian community in the Aleutian Chain. Adak receives barge service from Samson Tug and Barge; however they only call twice a year. The remainder of the year the department and community utilize Alaska Airlines to ship freight to and from the island.

The department agreed to take on responsibilities for the Adak airport from the federal government in 2003 when \$10 million in funding was provided by the Department of the Navy. The memorandum of agreement signed by the State of Alaska and the United States Navy requires all interest earnings associated with the original \$10 million be used for facility maintenance and operations. This project will deplete the fund of its remaining balance.

**Project Review Listing (1160)**  
**FY2016 Governor Amended**

University of Alaska Only

University of Alaska

<u>Page</u>	<u>RefNum</u>	<u>AP/AL</u>	<u>Project Title</u>	<u>Fund Source Total</u>
1	AMD 58655	AP	UAF Engineering Building	
				1004 Gen Fund \$8,000,000
2	AMD 45326	AP	Deferred Maintenance, Renewal, Repair and Equipment	
				1004 Gen Fund \$8,000,000

<b>Unrestricted General (UGF) Total:</b>	<b>\$16,000,000</b>
<b>Designated General (DGF) Total:</b>	<b>0</b>
<b>Other Total:</b>	<b>0</b>
<b>Federal Total:</b>	<b>0</b>
<b>Department Total:</b>	<b>\$16,000,000</b>

<b>Unrestricted General (UGF) Grand Total:</b>	<b>\$16,000,000</b>
<b>Designated General (DGF) Grand Total:</b>	<b>0</b>
<b>Other Grand Total:</b>	<b>0</b>
<b>Federal Grand Total:</b>	<b>0</b>
<b>Grand Total:</b>	<b>\$16,000,000</b>

\* Indicates an appropriation with allocations (amounts not included in totals)

**Deferred Maintenance, Renewal, Repair and Equipment**      **FY2016 Request: \$8,000,000**  
**Reference No: AMD 45326**

**AP/AL:** Appropriation      **Project Type:** Deferred Maintenance  
**Category:** University  
**Location:** Statewide      **House District:** Statewide (HD 1-40)  
**Impact House District:** Statewide (HD 1-40)      **Contact:** Michelle Rizk  
**Estimated Project Dates:** 07/01/2015 - 06/30/2020      **Contact Phone:** (907)450-8191

**Brief Summary and Statement of Need:**

This amendment provides an updated project justification from the previous amended project submitted February 5, 2015. The University of Alaska (UA) owns and maintains more than 400 buildings across the State, totaling 6.7 million gross square feet, with an adjusted value of almost \$3 billion. Deferred Maintenance funding has been, unquestionably, one of the single most important investments the state has made in UA. A prolonged deferred maintenance backlog increases the risk of mission failure. Funding for deferred maintenance will continue the momentum built over the last several years and works toward a sustainable funding strategy for UA facilities.

<b>Funding:</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>Total</b>
Gen Fund	\$8,000,000						\$8,000,000
<b>Total:</b>	<b>\$8,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,000,000</b>

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Prior Funding History / Additional Information:**

Sec1 Ch18 SLA2014 P78 L29 SB119 \$12,000,000  
 Sec1 Ch18 SLA2014 P78 L32 SB119 \$2,503,000  
 Sec1 Ch18 SLA2014 P79 L4 SB119 \$4,270,000  
 Sec1 Ch18 SLA2014 P79 L7 SB119 \$500,000  
 Sec1 Ch16 SLA2013 P97 L24 SB18 \$30,000,000  
 Sec1 Ch17 SLA2012 P152 L3 SB160 \$450,000  
 Sec1 Ch17 SLA2012 P152 L10 SB160 \$37,500,000  
 Sec1 Ch5 SLA2011 P117 L30 SB46 \$2,000,000  
 Sec1 Ch5 SLA2011 P118 L18 SB46 \$87,500,000  
 Sec4 Ch43 SLA2010 P14 L18 SB230 \$37,500,000  
 Sec1 Ch15 SLA2009 P37 L4 SB75 \$3,200,000  
 Sec10 Ch29 SLA2008 P80 L25 SB221 \$3,000,000  
 Sec10 Ch29 SLA2008 P80 L27 SB221 \$23,742,948  
 Sec13 Ch29 SLA2008 P173 L9 SB221 \$20,079,652  
 Sec4 Ch30 SLA2007 P117 L26 SB53 \$8,000,000  
 Sec4 Ch30 SLA2007 P118 L11 SB53 \$475,000

**Deferred Maintenance, Renewal, Repair and Equipment**

**FY2016 Request: \$8,000,000**  
**Reference No: AMD 45326**

**Project Description/Justification:**

Campus priority projects are identified in the deferred maintenance list and are ranked at a point in time. The Board of Regents may determine a redistribution of these funds to address critical needs, as needed.

<b>Project Name</b>	<b>DM</b>	<b>R&amp;R</b>	<b>Total</b>
Emergency Infrastructure Repair/Replacement	2,000.0		2,000.0
Campus Building Envelope & Roof Systems Renewal	800.0	200.0	1,000.0
Campus Building Interior & Systems Renewal	250.0	250.0	500.0
Campus Exterior Infrastructure and Signage Renewal	200.0	50.0	250.0
EM1 and EM2 Mechanical	3,000.0		3,000.0
Consortium Library Old Core Mechanical Upgrades	7,176.0		7,176.0
Fine Arts Mechanical System Renewal		74.0	74.0
<b>UAA Main Campus Subtotal</b>	<b>13,426.0</b>	<b>574.0</b>	<b>14,000.0</b>
<hr/>			
KPC Campus Renewal	375.0	375.0	750.0
Kodiak College Campus Renewal	215.6	400.0	615.6
PWSC Campus Renewal	155.0	200.0	355.0
Mat-Su Campus Renewal	300.0	392.0	692.0
KPC Kachemak Bay Campus Renewal	95.0	95.0	190.0
Mat-Su Parking/Road/Circulation Renewal	50.0	50.0	100.0
KPC Kenai River Campus Brockel Building Renewal	150.0	200.0	350.0
<b>UAA Community Campuses Subtotal</b>	<b>1,340.6</b>	<b>1,712.0</b>	<b>3,052.6</b>
<b>UAA DM and R&amp;R Total</b>	<b>14,766.6</b>	<b>2,286.0</b>	<b>17,052.6</b>
<hr/>			
Critical Electrical Distribution	4,370.0	2,000.0	6,370.0
Fairbanks Campus Main Waste Line Repairs	2,000.0		2,000.0
Fairbanks Main Campus Wide Roof Replacement	2,500.0		2,500.0
West Ridge Facilities Deferred Maintenance and Revitalization	8,000.0	1,000.0	9,000.0
ADA Compliance Campus Wide: Elevators, Ramps, Restrooms	600.0	400.0	1,000.0
Elevator/Alarms Scheduled Upgrading and Replacement	50.0	450.0	500.0
Fairbanks Campus Building Interior & Systems Renewal	500.0		500.0
Cogen Heating Plant Required Upgrades to Maintain Service and Code Corrections	1,000.0	660.0	1,660.0
Patty Center Revitalization	2,700.0	300.0	3,000.0
Gruening Revitalization	1,500.0		1,500.0
Campus Infrastructure	500.0	500.0	1,000.0
Ski, Bike, and Pedestrian Safety	500.0		500.0
<b>UAF Main Campus Subtotal</b>	<b>24,220.0</b>	<b>5,310.0</b>	<b>29,530.0</b>
<hr/>			
Kuskokwim Campus Facility Critical Deferred and Voc-Tech Renewal -- Phase 2	1,054.9		1,054.9
<b>UAF Community Campus Subtotal</b>	<b>1,054.9</b>		<b>1,054.9</b>
<b>UAF DM and R&amp;R Total</b>	<b>25,274.9</b>	<b>5,310.0</b>	<b>30,584.9</b>
<hr/>			
Whitehead/Hendrickson Renewal	4,485.0		4,485.0
TEC Renewal Phase 3	1,800.0		1,800.0
<b>UAS DM and R&amp;R Total</b>	<b>6,285.0</b>		<b>6,285.0</b>

**Deferred Maintenance, Renewal, Repair and Equipment****FY2016 Request:****\$8,000,000****Reference No:****AMD 45326**

Butrovich Building Repairs	909.5		909.5
<b>Statewide DM and R&amp;R Total</b>	<b>909.5</b>		<b>909.5</b>
<hr/>			
<b>UA FY16 DM and R&amp;R Total</b>	<b>47,236.0</b>	<b>7,596.0</b>	<b>54,832.0</b>
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UAA Main Campus	154,906.0	126,824.0	281,730.0
UAA Community Campuses	20,144.2	13,438.9	33,583.1
UAF Main Campus	547,694.4	125,316.5	673,010.9
UAF Community Campuses	21,629.6	23,987.9	45,617.5
UAS Main	956.6	1,342.7	2,299.2
UAS Community Campuses	165.0		165.0
<b>UA System Additional DM and R&amp;R Total</b>	<b>745,495.8</b>	<b>290,909.9</b>	<b>1,036,405.7</b>
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<b>UA DM and R&amp;R Total</b>	<b>792,731.8</b>	<b>298,505.9</b>	<b>1,091,237.7</b>