

DEPARTMENT OF TRANSPORTATION & PUBLIC FACILITIES
FY2012 HOUSE FINANCE BUDGET SUBCOMMITTEE NARRATIVE REPORT
February 23, 2011

SUBCOMMITTEE MEMBERS:

Rep. Bryce Edgmon, Chair	Rep. Foster	Rep. Guttenberg
Rep. Keller	Rep. Olson	Rep. Petersen
Rep. Wilson		

RECOMMENDATIONS:

The House Finance Budget Subcommittee for the Department of Transportation & Public Facilities submits a recommended operating budget for FY2012 to the House Finance Committee as follows:

Unrestricted General Funds (UGF)	\$ 254,609.3
Designated General Funds (DGF)	73,466.1
Other Funds	254,477.3
Federal Funds	3,957.8
TOTAL	\$ 586,510.5

BUDGET ACTION:

The House Finance Budget Subcommittee for the Department of Transportation & Public Facilities held five meetings with the Department and analyzed all of the Governor's budget transactions. The following are budget action highlights:

- The Subcommittee recommends authorizing \$1,507.1 less general funds and the same number of full-time positions as the Governor's Amended FY2012 request.
- The Subcommittee recommends a total increase from the FY2012 Adjusted Base of \$430.5 UGF and \$10,116.3 DGF for a total General Fund change of \$10,546.8. The decrease from Adjusted Base in Other Funds is \$38.7 and from Federal Funds is \$15.1. The total increase from the Adjusted Base is \$10,493 and 7 full-time positions.

Accepted

1. Highways, Aviation & Facilities – Highways and Aviation, State Equipment Fleet (SEF) Cost Increases, \$2,766.7, UGF

This increment covers accumulated unfunded SEF operating and replacement rates. The regional allocations will be: Central - \$890.4; Northern - \$1,788.9; and Southeast - \$87.4

2. Marine Highway System – Marine Vessel Operations / Marine Vessel Fuel / Marine Shore Operations, Marine Highway Bellingham to Whittier Express Run and Marine Highway Aleutian Chain Service, (\$1,443 UGF); 5991.7 DGF

The Bellingham to Whittier run and the continuation of twice a month service to the Aleutian Chain must be looked at as a combination. Utilizing the Kenicott on the Bellingham to Whittier run allows the Tustumena to make the run out the chain without disturbing existing ferry service to other communities. Additional revenues from the Whittier run will also help offset the cost of the package.

Dollars will be distributed as follows: Marine Vessel Operations - \$5209 DGF and (\$2,245 UGF); Marine Vessel Fuel - \$802 UGF and \$752.7 DGF; and Marine Shore Operations - \$30 DGF.

Modified

1. Highways, Aviation and Facilities – Central Regions Highways and Aviation, Replaced \$4,164.5 UGF with \$4,164.5 DGF

The Central Region contains the vast majority of highways and airports utilized by the tourist industry. The Vehicle Rental Tax account is a proper funding source for this allocation.

Denied

1. Design, Engineering and Construction - All Regions, Fund Source Changes in Design, Engineering and Construction: \$1,457.9 UGF / (\$1,457.9) CIP receipts

The department's justification is that rising costs for projects should be covered by CIP receipts. The subcommittee feels the department should be assuming these costs will rise over time and factor those costs into their budgets for capital projects.

AMENDMENT ACTION:

The House Finance Budget Subcommittee for the Department of Transportation & Public Facilities also analyzed the Governor's budget amendments submitted by February 16, 2011, and took the following action:

Accepted

1. Highways, Aviation and Facilities – Central Region Highways & Aviation, Kodiak Airport Operations, \$155.4 UGF

This increment allows the hire of two new equipment operators at the Kodiak airport. Without the funding, a reduction in operating hours will need to be implemented.

2. Highways, Aviation and Facilities – Central Region Highways & Aviation, Bethel Airport Extended Hours of Operation, \$900.1 UGF

This increment will allow the Bethel airport to increase their hours of operation to 24 hours a day. The Bethel airport is the hub for the Yukon Kuskokwim area. Increased reliability in Bethel will also provide a big boost to the 26 community class airports managed and supported by the Bethel airport crew.

ATTACHED REPORTS:

The House Finance Budget Subcommittee for the Department of Transportation & Public Facilities adopts the attached reports:

Subcommittee generated reports

Budget Action Worksheet

Legislative Finance Division Reports (Numbers Only) – House Structure

1. Agency Totals – FY2012 Operating Budget
2. Appropriation/Allocation Summary (All Funds)
3. Appropriation/Allocation Summary (GF)
4. Transaction Comparison between ADJ Base and H Subcomm
5. Transaction Comparison between Gov Amd and H Subcomm
6. Wordage Report – FY2012 Operating Budget



Representative Bryce Edgmon, Chair
House Finance Budget Subcommittee for the Department of Transportation & Public Facilities
February 23, 2011