



30th Alaska State Legislature  
 House Finance Budget Subcommittee  
 Department of Transportation & Public Facilities  
 FY18 Operating Budget

**Chair:**

Rep. Neal Foster  
 Capitol Room 410  
 465-3789

**Members:**

Rep. Louise Stutes  
 Capitol Room 408  
 465-2487

Rep. Adam Wool  
 Capitol Room 412  
 465-4976

Rep. Matt Claman  
 Capitol Room 118  
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Rep. Harriet Drummond  
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 Capitol Room 104  
 465-2679

Rep. Chuck Kopp  
 Capitol Room 13  
 465-2693

Rep. Colleen Sullivan-  
 Leonard  
 Capitol Room 420  
 465-4833

**Committee Aide:**  
*Brodie Anderson*  
 465-3789

**HOUSE FINANCE DEPARTMENT OF TRANSPORTATION &  
 PUBLIC FACILITIES SUBCOMMITTEE  
 FY2018 HOUSE FINANCE BUDGET SUBCOMMITTEE  
 NARRATIVE REPORT  
 February 23, 2017**

**SUBCOMMITTEE MEETINGS:**

The House Finance Budget Subcommittee for the Department of Transportation and Public Facilities held 10 meetings with the Department of Transportation and Public Facilities during the review of the FY18 budget request.

**RECOMMENDATIONS:**

The Chair of the House Finance Budget Subcommittee for the Department of Transportation submits a recommended operating budget for FY2018 to the House Finance Committee as follows:

**Fund Source:** (dollars are in thousands)

Unrestricted General Funds (UGF)	\$145,712.6
Designated General Funds (DGF)	\$127,113.6
Other Funds	\$311,183.7
Federal Funds	<u>\$2,045.3</u>
<b>Total</b>	<b>\$586,055.2</b>

The Unrestricted General Fund (UGF) difference from the FY2015 Management Plan to the FY2018 House Subcommittee budget recommendation is a reduction of <\$132,8992.0>, a 47.7% decrease.

The Subcommittee recommendation reflects a total decrease in Unrestricted General Funds of <\$72,623.5>, a 33.3% reduction from the FY2017 Management Plan

**Positions:**

Permanent Full-time	2,915
Permanent Part-time	350
Temporary	168
<b>Total</b>	<b>3,433</b>

**STATUTORY CHANGE PROPOSALS:**

The following statutory change recommendations are also submitted to the House Finance Committee for consideration:

For Consideration by House Transportation Committee:

- 1) The subcommittee recommends legislation to amend AS 23.40.210 to replace Cost of Living Differential (COLD) to the widely utilized Geographical Differential (GeoDif).
- 2) Review all 14 Indirect Expenditures listed in the Legislative Finance Division January 2017 Report to evaluate whether they meet the purpose and intent of the Legislature as defined throughout Section 19.65.050.

**GOVERNOR'S AMENDMENTS:**

The subcommittee chair recommends that the House Finance Committee consider approval of the following attached amendments from the Governor:

- 1) Accept the Governor's Alaska Care Rate Increase for Alaska Marine Highway System Revised Estimate, \$241.4 DGF (1076 Marine Hwy)
- 2) Accept all the Governor's Reverse Prior Request: Delete Federal Program Positions
- 3) Deny all the Governor's Delete Capital Program Positions

**ATTACHED REPORTS:**

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

- 1) Allocation Summary Report (All Funds) – Between FY2018 Governor and House Subcommittee (HSub)
- 2) Transaction Detail Report – House Structure (HSub Amends), including Governor Amendments
- 3) Multi-year Agency Totals – Operating Budget FY18 House Structure

Respectfully submitted,



Representative Neal Foster, Chair

House Finance Budget Subcommittee for the Department of Transportation & Public Facilities

**2017 Legislature - Operating Budget  
Transaction Detail - House Structure  
HSub Amends Column**

**Numbers and Language**

**Agency: Department of Transportation and Public Facilities**

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
<b>Administration and Support</b>												
<b>Northern Region Support Services</b>												
GA 15 2/15 Reverse Prior Request: Delete	PosAdj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
Federal Program Position (25-1224)												
Per General Government Unit Settlement Agreement, the Department is rescinding the previous request and will provide a new change record containing more accurate language as part of the Governor Amended budget.												
<b>* Allocation Total *</b>		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
<b>Program Development and Statewide Planning</b>												
GA 17 2/15 Reverse Prior Request: Delete	Inc	182.9	182.9	0.0	0.0	0.0	0.0	0.0	0.0	2	0	2
Federal Program Positions (25-0216, 25-1351, 25-IN1004, 25-IN1102)												
Per General Government Unit Settlement Agreement, the Department is rescinding the previous request and will provide a new change record containing more accurate language as part of the Governor Amended budget.												
1061 CIP Rcpts (Other)		182.9										
<b>* Allocation Total *</b>		182.9	182.9	0.0	0.0	0.0	0.0	0.0	0.0	2	0	2
<b>** Appropriation Total **</b>		182.9	182.9	0.0	0.0	0.0	0.0	0.0	0.0	3	0	2
<b>Design, Engineering and Construction</b>												
<b>Statewide Public Facilities</b>												
GA 19 2/15 Reverse Prior Request: Delete	Inc	200.0	200.0	0.0	0.0	0.0	0.0	0.0	0.0	2	0	2
Federal Program Positions (09-0012, 25-0673, 25-IN0949, 25-N12069)												
Per General Government Unit Settlement Agreement, the Department is rescinding the previous request and will provide a new change record containing more accurate language as part of the Governor Amended budget.												
1061 CIP Rcpts (Other)		200.0										
<b>* Allocation Total *</b>		200.0	200.0	0.0	0.0	0.0	0.0	0.0	0.0	2	0	2
<b>Statewide Design and Engineering Services</b>												
GA 21 2/15 Reverse Prior Request: Delete	Inc	629.3	629.3	0.0	0.0	0.0	0.0	0.0	0.0	5	0	1
6 Federal Program Positions												

**2017 Legislature - Operating Budget  
Transaction Detail - House Structure  
HSub Amends Column**

**Numbers and Language**

**Agency: Department of Transportation and Public Facilities**

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
<b>Design, Engineering and Construction (continued)</b>												
<b>Statewide Design and Engineering Services (continued)</b>												
GA 21 2/15 Reverse Prior Request: Delete												
6 Federal Program Positions (continued)												
Per General Government Unit Settlement Agreement, the Department is rescinding the previous request and will provide a new change record containing more accurate language as part of the Governor Amended budget.												
		1061 CIP Rcpts (Other)	203.1									
		1232 ISPF-I/A (Other)	426.2									
<b>* Allocation Total *</b>			629.3	629.3	0.0	0.0	0.0	0.0	0.0	5	0	1
<b>Harbor Program Development</b>												
GA 23 2/15 Reverse Prior Request: Delete												
	Inc		302.2	302.2	0.0	0.0	0.0	0.0	0.0	2	0	0
Federal Program Positions (25-0223, 25-0859)												
Per General Government Unit Settlement Agreement, the Department is rescinding the previous request and will provide a new change record containing more accurate language as part of the Governor Amended budget.												
		1004 Gen Fund (UGF)	21.2									
		1061 CIP Rcpts (Other)	281.0									
<b>* Allocation Total *</b>			302.2	302.2	0.0	0.0	0.0	0.0	0.0	2	0	0
<b>Central Design and Engineering Services</b>												
GA 25 2/15 Reverse Prior Request: Delete												
	Inc		1,102.7	1,102.7	0.0	0.0	0.0	0.0	0.0	9	2	15
26 Federal Program Positions												
Per General Government Unit Settlement Agreement, the Department is rescinding the previous request and will provide a new change record containing more accurate language as part of the Governor Amended budget.												
		1061 CIP Rcpts (Other)	1,102.7									
<b>* Allocation Total *</b>			1,102.7	1,102.7	0.0	0.0	0.0	0.0	0.0	9	2	15
<b>Northern Design and Engineering Services</b>												
GA 27 2/15 Reverse Prior Request: Delete												
	Inc		910.9	910.9	0.0	0.0	0.0	0.0	0.0	8	0	3
11 Federal Program Positions												
Per General Government Unit Settlement Agreement, the Department is												

**2017 Legislature - Operating Budget  
Transaction Detail - House Structure  
HSub Amends Column**

**Numbers and Language**

**Agency: Department of Transportation and Public Facilities**

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
<b>Design, Engineering and Construction (continued)</b>												
<b>Northern Design and Engineering Services (continued)</b>												
GA 27 2/15 Reverse Prior Request: Delete												
11 Federal Program Positions (continued)												
rescinding the previous request and will provide a new change record												
containing more accurate language as part of the Governor Amended budget.												
	1061 CIP Rcpts (Other)	910.9										
<b>* Allocation Total *</b>		910.9	910.9	0.0	0.0	0.0	0.0	0.0	0.0	8	0	3
<b>Southcoast Design and Engineering Services</b>												
GA 29 2/15 Reverse Prior Request: Delete												
	Inc	146.4	146.4	0.0	0.0	0.0	0.0	0.0	0.0	1	0	3
Federal Program Positions (25-3412, 25-IN1107, 25-IN1117, 25-IN1118)												
Per General Government Unit Settlement Agreement, the Department is												
rescinding the previous request and will provide a new change record												
containing more accurate language as part of the Governor Amended budget.												
	1061 CIP Rcpts (Other)	146.4										
<b>* Allocation Total *</b>		146.4	146.4	0.0	0.0	0.0	0.0	0.0	0.0	1	0	3
<b>Central Region Construction and CIP Support</b>												
GA 31 2/15 Reverse Prior Request: Delete												
	Inc	227.6	227.6	0.0	0.0	0.0	0.0	0.0	0.0	1	2	0
Federal Program Positions (25-0868, 25-0940, 25-3500)												
Per General Government Unit Settlement Agreement, the Department is												
rescinding the previous request and will provide a new change record												
containing more accurate language as part of the Governor Amended budget.												
	1061 CIP Rcpts (Other)	227.6										
<b>* Allocation Total *</b>		227.6	227.6	0.0	0.0	0.0	0.0	0.0	0.0	1	2	0
<b>Northern Region Construction and CIP Support</b>												
GA 33 2/15 Reverse Prior Request: Delete												
	Inc	221.6	221.6	0.0	0.0	0.0	0.0	0.0	0.0	1	2	5
8 Federal Program Positions												
Per General Government Unit Settlement Agreement, the Department is												

**2017 Legislature - Operating Budget  
Transaction Detail - House Structure  
HSub Amends Column**

**Numbers and Language**

**Agency: Department of Transportation and Public Facilities**

	<u>Trans Type</u>	<u>Total Expenditure</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Services</u>	<u>Commodities</u>	<u>Capital Outlay</u>	<u>Grants</u>	<u>Misc</u>	<u>PFT</u>	<u>PPT</u>	<u>TMP</u>
<b>Design, Engineering and Construction (continued)</b>												
<b>Northern Region Construction and CIP Support (continued)</b>												
GA 33 2/15 Reverse Prior Request: Delete												
8 Federal Program Positions (continued)												
rescinding the previous request and will provide a new change record												
containing more accurate language as part of the Governor Amended budget.												
	1061 CIP Rcpts (Other)	221.6										
<b>* Allocation Total *</b>		221.6	221.6	0.0	0.0	0.0	0.0	0.0	0.0	1	2	5
<b>Southcoast Region Construction</b>												
GA 35 2/15 Reverse Prior Request: Delete												
	Inc	629.7	629.7	0.0	0.0	0.0	0.0	0.0	0.0	2	5	0
7 Federal Program Positions												
Per General Government Unit Settlement Agreement, the Department is												
rescinding the previous request and will provide a new change record												
containing more accurate language as part of the Governor Amended budget.												
	1061 CIP Rcpts (Other)	629.7										
<b>* Allocation Total *</b>		629.7	629.7	0.0	0.0	0.0	0.0	0.0	0.0	2	5	0
<b>** Appropriation Total **</b>		4,370.4	4,370.4	0.0	0.0	0.0	0.0	0.0	0.0	31	11	29
<b>Highways, Aviation and Facilities</b>												
<b>Central Region Highways and Aviation</b>												
H DOT 1 - Spread available Transportation												
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Maintenance Funds												
Offered by Representative Seaton												
Amendments in the Department of Public Safety eliminate use of the												
Transportation Maintenance Fund in the Alaska Bureau of Highway Patrol. The												
\$1,519.1 freed up by the Public Safety amendments is spread prorata to the												
three regional highway and aviation allocations.												
	1004 Gen Fund (UGF)	-471.0										
	1249 DGF Temp (DGF)	471.0										
<b>* Allocation Total *</b>		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<b>Northern Region Highways and Aviation</b>												

**2017 Legislature - Operating Budget  
Transaction Detail - House Structure  
HSub Amends Column**

**Numbers and Language**

**Agency: Department of Transportation and Public Facilities**

	<u>Trans Type</u>	<u>Total Expenditure</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Services</u>	<u>Commodities</u>	<u>Capital Outlay</u>	<u>Grants</u>	<u>Misc</u>	<u>PFT</u>	<u>PPT</u>	<u>TMP</u>
<b>Highways, Aviation and Facilities (continued)</b>												
<b>Northern Region Highways and Aviation (continued)</b>												
H DOT 2 - Spread available Transportation Maintenance Funds	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Offered by Representative Seaton												
Amendments in the Department of Public Safety eliminate use of the Transportation Maintenance Fund in the Alaska Bureau of Highway Patrol. The \$1,519.1 freed up by the Public Safety amendments is spread prorata to the three regional highway and aviation allocations.												
1004 Gen Fund (UGF)		-774.7										
1249 DGF Temp (DGF)		774.7										
<b>* Allocation Total *</b>		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<b>Southcoast Region Highways and Aviation</b>												
H DOT 3 - Spread available Transportation Maintenance Funds	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Offered by Representative Seaton												
Amendments in the Department of Public Safety eliminate use of the Transportation Maintenance Fund in the Alaska Bureau of Highway Patrol. The \$1,519.1 freed up by the Public Safety amendments is spread prorata to the three regional highway and aviation allocations.												
1004 Gen Fund (UGF)		-273.4										
1249 DGF Temp (DGF)		273.4										
<b>* Allocation Total *</b>		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<b>** Appropriation Total **</b>		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<b>Marine Highway System</b>												
<b>Marine Vessel Operations</b>												
GA 37 2/15 Alaska Care Rate Increase for Alaska Marine Highway System Revised Estimate	SalAdj	241.4	241.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Alaska Marine Highway System health insurance rate increase to \$1,555 per member per month. This amendment is an adjustment from the previous estimate submitted in the FY2018 Governor's scenario.												

**2017 Legislature - Operating Budget  
Transaction Detail - House Structure  
HSub Amends Column**

**Numbers and Language**

**Agency: Department of Transportation and Public Facilities**

Trans	Total	Personal				Capital						
Type	Expenditure	Services	Travel	Services	Commodities	Outlay	Grants	Misc	PFT	PPT	TMP	

**Marine Highway System (continued)  
Marine Vessel Operations (continued)  
GA 37 2/15 Alaska Care Rate Increase for  
Alaska Marine Highway System Revised  
Estimate (continued)**

International Organization of Masters, Mates, and Pilots (MMP): \$32.4  
Marine Engineer's Beneficial Association (MEBA): \$57.8  
Inlandboatmen's Union representing the Unlicensed Marine Unit (IBU): \$151.2

Adjustment from previous estimate.

	Original Estimate	Corrected Amount	Difference for Gov Amendment												
MEBA	\$223.1	\$280.9	\$57.8												
MMP	\$238.5	\$270.9	\$32.4												
IBU	\$1,112.8	\$1,264.0	\$151.2												
Total	\$1,574.4	\$1,815.8	\$241.4												
1076 Marine Hwy (DGF)	241.4														
<b>* Allocation Total *</b>			241.4	241.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<b>** Appropriation Total **</b>			241.4	241.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<b>*** Agency Total ***</b>			4,794.7	4,794.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	34	11	31
<b>**** All Agencies Total ****</b>			4,794.7	4,794.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	34	11	31



## Column Definitions

**HSub Amends (House Subcom Amendments)** - House Finance Subcommittee Amendment Proposals submitted to the House Finance Committee.

**2017 Legislature - Operating Budget  
Allocation Summary - House Structure**

**Numbers and Language**

**Agency: Department of Transportation and Public Facilities**

<b>Allocation</b>	<b>[1] 18Gov</b>	<b>[2] HSub Rec</b>	<b>[2] - [1] 18Gov to HSub Rec</b>	
<b>Administration and Support</b>				
Commissioner's Office	2,194.4	2,194.4	0.0	
Contracting and Appeals	343.4	343.4	0.0	
EE/Civil Rights	1,191.7	1,191.7	0.0	
Internal Review	791.1	791.1	0.0	
Statewide Admin Services	7,848.3	7,848.3	0.0	
Info Systems and Services	10,344.3	10,344.3	0.0	
Leased Facilities	2,957.7	2,957.7	0.0	
Human Resources	2,366.4	2,366.4	0.0	
Statewide Procurement	1,248.0	1,248.0	0.0	
Central Support Svcs	1,650.8	1,650.8	0.0	
Northern Support Services	1,802.1	1,802.1	0.0	
Southcoast Support Services	1,730.8	1,730.8	0.0	
Statewide Aviation	4,339.6	4,339.6	0.0	
Program Development & Planning	8,107.0	8,289.9	182.9	2.3 %
Measurement Standards	6,654.6	6,654.6	0.0	
<b>Appropriation Total</b>	<b>53,570.2</b>	<b>53,753.1</b>	<b>182.9</b>	<b>0.3 %</b>
<b>Design, Engineering &amp; Constr.</b>				
Statewide Public Facilities	4,387.8	4,587.8	200.0	4.6 %
SW Design & Engineering Svcs	12,315.9	12,945.2	629.3	5.1 %
Harbor Program Development	298.9	601.1	302.2	101.1 %
Central Design & Eng Svcs	21,266.8	22,369.5	1,102.7	5.2 %
Northern Design & Eng Svcs	15,822.7	16,733.6	910.9	5.8 %
Southcoast Design & Eng Svcs	10,981.0	11,127.4	146.4	1.3 %
Central Construction & CIP	20,200.3	20,427.9	227.6	1.1 %
Northern Construction & CIP	16,473.4	16,695.0	221.6	1.3 %
Southcoast Region Construction	7,317.6	7,947.3	629.7	8.6 %
Knik Arm Crossing	0.0	0.0	0.0	
<b>Appropriation Total</b>	<b>109,064.4</b>	<b>113,434.8</b>	<b>4,370.4</b>	<b>4.0 %</b>

**2017 Legislature - Operating Budget  
Allocation Summary - House Structure**

**Numbers and Language**

**Agency: Department of Transportation and Public Facilities**

<b>Allocation</b>	[1] 18Gov	[2] HSub Rec	[2] - [1] 18Gov to HSub Rec
State Equipment Fleet			
State Equipment Fleet	33,615.5	33,615.5	0.0
<b>Appropriation Total</b>	<b>33,615.5</b>	<b>33,615.5</b>	<b>0.0</b>
 Highways/Aviation & Facilities			
Central Region Facilities	8,444.3	8,444.3	0.0
Northern Region Facilities	13,882.0	13,882.0	0.0
Southcoast Region Facilities	3,738.3	3,738.3	0.0
Traffic Signal Management	1,770.4	1,770.4	0.0
Central Highways and Aviation	41,306.8	41,306.8	0.0
Northern Highways & Aviation	61,958.0	61,958.0	0.0
Southcoast Highways & Aviation	23,079.6	23,079.6	0.0
Whittier Access and Tunnel	6,259.9	6,259.9	0.0
<b>Appropriation Total</b>	<b>160,439.3</b>	<b>160,439.3</b>	<b>0.0</b>
 International Airports			
Int Airport Systems Office	2,226.3	2,226.3	0.0
AIA Administration	7,569.5	7,569.5	0.0
AIA Facilities	23,425.4	23,425.4	0.0
AIA Field & Equipment Maint	19,276.7	19,276.7	0.0
AIA Operations	6,422.1	6,422.1	0.0
AIA Safety	11,036.4	11,036.4	0.0
FIA Administration	2,086.8	2,086.8	0.0
FIA Facilities	4,202.5	4,202.5	0.0
FIA Field & Equipment Maint	4,440.2	4,440.2	0.0
FIA Operations	1,137.7	1,137.7	0.0
FIA Safety	4,636.2	4,636.2	0.0
<b>Appropriation Total</b>	<b>86,459.8</b>	<b>86,459.8</b>	<b>0.0</b>

**2017 Legislature - Operating Budget  
Allocation Summary - House Structure**

**Numbers and Language**

**Agency: Department of Transportation and Public Facilities**

<b>Allocation</b>	[1] 18Gov	[2] HSub Rec	[2] - [1] 18Gov to HSub Rec	
Marine Highway System				
Marine Vessel Operations	98,880.9	99,122.3	241.4	0.2 %
Marine Vessel Fuel	20,223.6	20,223.6	0.0	
Marine Engineering	3,279.0	3,279.0	0.0	
Overhaul	1,647.8	1,647.8	0.0	
Reservations and Marketing	2,059.3	2,059.3	0.0	
Marine Shore Operations	7,877.2	7,877.2	0.0	
Vessel Operations Management	4,143.5	4,143.5	0.0	
<b>Appropriation Total</b>	<b>138,111.3</b>	<b>138,352.7</b>	<b>241.4</b>	<b>0.2 %</b>
 <b>Agency Total</b>	 <b>581,260.5</b>	 <b>586,055.2</b>	 <b>4,794.7</b>	 <b>0.8 %</b>
 Funding Summary				
Unrestricted General (UGF)	145,691.4	144,193.5	-1,497.9	-1.0 %
Designated General (DGF)	126,872.2	128,632.7	1,760.5	1.4 %
Other State Funds (Other)	306,651.6	311,183.7	4,532.1	1.5 %
Federal Receipts (Fed)	2,045.3	2,045.3	0.0	

## Column Definitions

**18Gov (FY18 Governor Request)** - Includes FY18 Adjusted Base plus the Governor's operating budget bill requests for increases (increments), decreases (decrements), fund source changes, and language transactions submitted by the Governor on December 15, 2016.

**HSub Rec (Subcommittee Recommendations)** - House Finance Subcommittee Recommendations to the House Finance Committee.