Numbers and Language

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Department of Administration												
Legal and Advocacy Services												
Public Defender Agency												
L Public Defense Support to Reduce Delay, Litigation, and Case Costs	Suppl	**453.5**	453.5	0.0	0.0	0.0	0.0	0.0	0.0	3	0	0

The Public Defender Agency's current caseloads exceed the American Bar Association (ABA) guidelines for maximum ethically permissible caseloads. Continued increases in civil case appointments combined with staff reductions resulted in caseloads that remain above guideline maximums even though criminal case appointments declined in FY2017. The Agency projects that caseloads will remain above guideline limits in FY2018 and FY2019.

The Agency experienced a reduction in Criminal Rule 39 fee revenue in FY2017, and this is projected to continue into FY2018 and FY2019. An increase of $453.5 general funds is necessary to replace the reduced program receipt revenue and to maintain staffing levels. This allows the Agency to fill three positions for public defense and will aid the Agency in meeting its obligations. This will reduce delay, litigation, and case costs.

Criminal Rule 39 fees are assessed to reimburse the Public Defender Agency for the costs of appointed counsel. The fees are charged to clients on a schedule depending upon the outcome of their case as specified in the rule. The Department of Law then collects these from the client when possible.

1004 Gen Fund (UGF) 453.5

	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
*** Allocation Total ***	**453.5**	453.5	0.0	0.0	0.0	0.0	0.0	0.0	3	0	0
*** * Appropriation Total * ***	**453.5**	453.5	0.0	0.0	0.0	0.0	0.0	0.0	3	0	0
*** * * Agency Total * * ***	**453.5**	453.5	0.0	0.0	0.0	0.0	0.0	0.0	3	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Department of Corrections												
Population Management												
Institution Director's Office												
L Add Authority to Meet Operational Needs Within Institutions	Suppl	**10,447.6**	0.0	0.0	10,447.6	0.0	0.0	0.0	0.0	0	0	0

This request will replace a portion of the FY2017 and FY2018 reductions associated with passed legislation SB91. This legislation introduced major changes in the criminal justice system, but has not yet been fully implemented, nor have projected reductions for the first two years been achieved, leaving DOC without sufficient funding to maintain safe institutional operations. This request reflects the intent to adequately fund the current correctional facility operations for FY2018.

The fiscal note for SB91 reduced the annual budget immediately although offender population reductions were expected to be achieved over a period of time. The FY2018 budget reflects a total budget reduction of ($18.7) million based on the anticipated reduction of 1,257 inmates daily starting July 1, 2017 (248 1st year / 1,009 2nd year). As of September 30, 2017 the population has been reduced by an average of 530 daily with offender population starting to increase. The Pretrial Services Program becomes effective January 2018 and is anticipated to reduce the incarcerated population by approximately 165 by June 2018 based on PEW projections; however, actual impacts are still unknown at this time leaving a shortfall within the operating budgets of the correctional facilities.

Anticipated savings will not be attainable until the projected reductions within passed legislation SB91 can be achieved. Continued cuts will hinder the department's ability to meet daily operations for secure facilities and safe communities and require a supplemental appropriation throughout the various correctional facilities due to overcrowding of the institutions and the potential of offenders releasing back into the communities unprepared, generating public safety issues.

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

Department of Corrections (continued)

Population Management (continued)

Institution Director's Office (continued)

Add Authority to Meet Operational Needs Within Institutions (continued)

Operating expenditures in FY2017 resulted in a supplemental request of $10.0 million for inmate medical services and approximately $4.0 million of existing authority from Community Residential Centers was used to meet the shortfalls within the operating institutional facilities. The FY2018 budget has been reduced by an additional ($20.1) million to Institutions and the Community Residential Centers in anticipation of the reductions to the offender population.

Based on current projections and the offender population trend, it is anticipated that DOC will need a supplemental for FY2018 of $10,447.6 to meet institutional shortfalls.

$10,447.6 of general fund authorization is allocated as follows:

$3,217.1 Anchorage Correctional Complex
$819.4 Combined Hiland Mountain Correctional Center
$754.6 Fairbanks Correctional Center
$148.9 Ketchikan Correctional Center
$698.8 Lemon Creek Correctional Center
$3,484.5 Spring Creek Correctional Center
$204.5 Wildwood Correctional Center
$845.2 Yukon-Kuskokwim Correctional Center
$274.6 Inmate Transportation

The amount necessary, not to exceed $10,447,600, is appropriated from the general fund, to the Department of Corrections, institution director's office, for operating costs across Alaska's correctional facilities for the fiscal year ending June 30, 2018.

1004 Gen Fund (UGF) 10,447.6

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
*** Allocation Total ***		10,447.6	0.0	0.0	10,447.6	0.0	0.0	0.0	0.0	0	0	0
*** * Appropriation Total * ***		10,447.6	0.0	0.0	10,447.6	0.0	0.0	0.0	0.0	0	0	0

Health and Rehabilitation Services

Physical Health Care

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
L Increased Costs for Nursing Shortages, Medical Fees, Chronic Disease, and Pharmaceuticals	Suppl	10,341.5	0.0	0.0	10,341.5	0.0	0.0	0.0	0.0	0	0	0

Additional funding is needed to cover a projected shortfall of $10,341.5 for FY2018. The Department of Corrections (DOC) is obligated to deliver essential medical care to incarcerated offenders under AS 33.30.011(4). This supplemental is needed to meet the increased inmate health care costs that include fees-for-service, increased pharmaceutical costs, increased contractual obligations and physical health care staff cost overages due to overtime for medical coverage.

A $2,547.8 shortfall is projected in the personal services line. The driving factors include overtime for 24-hour medical coverage, expanded medical coverage for a detox unit at the womens' facility and non-perm sub-fill position costs to meet nursing shortages utilized to meet position vacancies. With the number of position

Numbers and Language

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

Department of Corrections (continued)
Health and Rehabilitation Services (continued)
Physical Health Care (continued)

Increased Costs for Nursing Shortages, Medical Fees, Chronic Disease, and Pharmaceuticals (continued)

vacancies the DOC is forced to utilize overtime or non-permanent sub-fill nursing positions to meet the medical coverage required with the 12 operating institutions. The Physical Health Care component cannot absorb these expenditures within the personal services line.

A $6,418.7 shortfall is projected in the services line. This shortfall is primarily related to medical fees for hospital services not covered by Medicaid, increases in hospital contracts rates, increase in fees for services, increase in laboratory costs, increase in high cost cases and increase in nursing contracts for provider coverage due to position vacancies. The department is required to provide and pay health care services for all offenders. The department is seeing an increase in chronic disease associated with diabetes, dialysis, lung issues, cancer, heart disease, surrounding health-related issues due to obesity, and health issues associated with care for geriatrics. Fees-for-service are generated when it is necessary to seek non-institutional medical treatment for an inmate. The types of non-institutional medical treatment may include dialysis treatment for renal failure and/or acute renal failure, chemotherapy and radiation, etc. The department promotes good relations with non-institutional health care providers by maintaining timely payments, abiding by contractual agreements, and by avoiding incurring interest charges. Nonpayment could result in a lapse of medical services for inmates and ultimately increase the severity of health related issues of this population resulting in higher costs due to non-treatment or even litigation if left untreated.

A $1,375.0 shortfall is projected in the commodities line. This shortfall is primarily related to an increase in pharmaceutical costs as well as routine medical supply cost increases. One of the higher cost drugs is used to treat Hepatitis C at more than $73,900 per offender for a three month regimen. While costly, this medication treatment is a cure for this contagious disease which is otherwise passed to others within the prison or to the public upon release. It is estimated that approximately 20% of our offender population has Hepatitis C compared to only 1% of the general population. Currently, treatment is provided to those higher risk inmates that without treatment would die or deteriorate rapidly due to the hepatitis C virus. In addition to the medical supplies, equipment, and patient specific durable medical equipment costs are also increasing. These supplies update and may replace outdated supplies and equipment within the facilities and assist in meeting and maintaining the minimum standards of care.

The amount necessary, not to exceed $10,341,500, is appropriated from the general fund, to the Department of Corrections, physical health care, for physical health care costs of inmates for the fiscal year ending June 30, 2018.

1004 Gen Fund (UGF) 10,341.5

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
*** Allocation Total ***		**10,341.5**	0.0	0.0	10,341.5	0.0	0.0	0.0	0.0	0	0	0
*** * Appropriation Total * ***		**10,341.5**	0.0	0.0	10,341.5	0.0	0.0	0.0	0.0	0	0	0
*** * * Agency Total * * ***		**20,789.1**	0.0	0.0	20,789.1	0.0	0.0	0.0	0.0	0	0	0

Department of Education and Early Development
Education Support and Admin Services
Executive Administration

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
L Extend Every Student Succeeds Act Support Funding Sec20 Ch2 4SSLA2016 P36 L21 (SB138) (FY17- FY19)	Lang	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Extend Every Student Succeeds Act Support Funding (ESSA) Sec20 Ch2 4SSLA2016 P36 L21 (SB138)

Numbers and Language

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Department of Education and Early Development (continued)												
Education Support and Admin Services (continued)												
Executive Administration (continued)												
Extend Every Student Succeeds Act Support Funding Sec20 Ch2 4SSLA2016 P36 L21 (SB138) (FY17- FY19) (continued)												
(FY17-FY18) into FY19. The Department of Education and Early Development is still awaiting ESSA revisions from the Federal government and is still in the implementation phase. This extension will allow the department to complete the implementation of ESSA.												
*** Allocation Total ***		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
*** * Appropriation Total * ***		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Mt. Edgecumbe Boarding School												
Mt. Edgecumbe Boarding School												
L Operating and Maintenance of the Mt. Edgecumbe High School Aquatic Center (FY18- FY19)	MultiYr	400.0	0.0	0.0	400.0	0.0	0.0	0.0	0.0	0	0	0
The Mt. Edgecumbe High School Aquatic Center (MEHSAC) is scheduled to be completed in January 2018, and available for public use in February 2018. Actual annual costs are unknown and will be projected after a full year of use; however, data from similar-sized facilities within the state suggests annual costs to be estimated at approximately $583.0. This amount budgets for one full-time pool manager, and five part-time positions, one part-time assistant pool manager and four part-time life guards, as well as other operational and maintenance items necessary to safely run the facility. This $400.0 multi-year appropriation will be used to support the operations and maintenance costs of the MEHSAC from its opening in FY2018 through FY2019. During this time, the Department of Education and Early Development, in partnership with Mt. Edgecumbe High School, will work with, and engage, the Sitka community in efforts to offset the annual costs of the MEHSAC operations and maintenance, and provide a savings to the state. It is the intention of the state that 65% of operation and maintenance cost for the MEHSAC be from sources other than state funds in future years.												
1087 Muni Match (DGF) 400.0												
*** Allocation Total ***		400.0	0.0	0.0	400.0	0.0	0.0	0.0	0.0	0	0	0
*** * Appropriation Total * ***		400.0	0.0	0.0	400.0	0.0	0.0	0.0	0.0	0	0	0
*** * * Agency Total * * ***		400.0	0.0	0.0	400.0	0.0	0.0	0.0	0.0	0	0	0
Department of Health and Social Services												
Behavioral Health												
Behavioral Health Treatment and Recovery Grants												
L Substance Use Disorder Grants (FY18-21)	MultiYr	18,000.0	0.0	0.0	0.0	0.0	0.0	18,000.0	0.0	0	0	0
Given the immediate Opioid crisis and ongoing substance misuse and addiction in Alaska, it is imperative for the public safety of Alaskans that treatment services be available to those who need them. This four-year grant program is a response to a clear and urgent need to expand substance use disorder (SUD) services by addressing gaps in the continuum of care identified by local communities. Access to treatment will improve public safety as well as help parents to unify with their children more effectively. This initiative aims to take another step in building out a comprehensive continuum of care for SUD services, including outpatient services, intensive case management, residential treatment, medically-monitored sobering centers, Medication Assisted Treatment (MAT), withdrawal management (detoxification) services and recovery support. In addition, the ability to expand SUD												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Department of Health and Social Services (continued)												
Behavioral Health (continued)												
Behavioral Health Treatment and Recovery Grants (continued)												
Substance Use Disorder Grants (FY18-21) (continued) services and impact recovery will be further enhanced by seeking to develop housing programs, including housing supports, for addicted persons who are homeless or near homeless, including reentrants from the correctional system. 1004 Gen Fund (UGF) 18,000.0												
*** Allocation Total ***		**18,000.0**	0.0	0.0	0.0	0.0	0.0	18,000.0	0.0	0	0	0
*** * Appropriation Total * ***		**18,000.0**	0.0	0.0	0.0	0.0	0.0	18,000.0	0.0	0	0	0
Medicaid Services												
Health Care Medicaid Services												
L FY2018 Medicaid Projections If the amount necessary to fund medical assistance services required under Title XIX of the Social Security Act exceeds the amount appropriated in sec 1, ch1, SSSLA2017, the additional amount necessary to fund medical assistance services required under Title XIX of the Social Security Act, estimated to be $92,986,000, is appropriated from the general fund to the Department of Health and Social Services, Medicaid services, for the fiscal year ending June 30, 2018. While a continued decrease in the percentage of of state general fund spending for the average medical assistance recipient is reported between FY2016 and FY2017, the enrollment for non-Medicaid expansion continues to increase into FY2018. The projected general fund expenditures for FY2018 is $664,233.9 and after excluding the request for CHIP, a state general fund shortfall of $92,986.0 is expected. This is partially due to the downturn in the economy and growth of the non-Medicaid expansion population that is continuing into FY2018. The Department of Health and Social Services (DHSS) have implemented several strategies to help address budget challenges, such as withholding schedule inflationary increases in certain payment rates for FY2016 through FY2018; rate reductions for professional services; and some service reductions have succeeded in offsetting the anticipated shortfall and the projected expenditures for the state fiscal year are still less than those budgeted for in earlier years. The proposed FY2018 GF supplemental totaling $92,986.0 represents the difference between FY2017 GF actual expenditures plus an additional 4.7% increase. 1003 G/F Match (UGF) 92,986.0	Cntngt	**92,986.0**	0.0	0.0	0.0	0.0	0.0	92,986.0	0.0	0	0	0
L FY2018 CHIP Projections if Federal CHIP Reauthorization Does Not Occur If the amount necessary to fund the Children's Health Insurance Program under Title XXI of the Social Security Act exceeds the amount appropriated in sec 1, ch1, SSSLA2017, the additional amount necessary to fund services under Title XXI of the Social Security Act, estimated to be $7,014,000, is appropriated from the general fund to the Department of Health and Social Services, Medicaid services, for the fiscal year ending June 30, 2018. The United States Congress has not re-authorized the Federal Fiscal Year 2018 Children's Health Insurance Program (CHIP) and available federal funding for this program is estimated to be exhausted for the second half of the state fiscal year of 2018. If CHIP is not reauthorized the federal reimbursement rate for eligible children will decline from 88% to 50%. If reauthorization does not occur an additional $7,014.0 in additional state general fund authority would be required in order to continue providing Medicaid services to eligible children. 1003 G/F Match (UGF) 7,014.0	Cntngt	**7,014.0**	0.0	0.0	0.0	0.0	0.0	7,014.0	0.0	0	0	0
L Open-ended FY18 Federal Receipt Authorization for Medicaid Costs Federal receipts received during the fiscal year ending June 30, 2018, for Medicaid services, estimated to be $0,	Suppl	**0.0**	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Department of Health and Social Services (continued)												
Medicaid Services (continued)												
Health Care Medicaid Services (continued)												
Open-ended FY18 Federal Receipt Authorization for Medicaid Costs (continued) are appropriated to the Department of Health and Social Services, Medicaid services, for the fiscal year ending June 30, 2018. The department is continually making efforts to seek options to leverage federal funds to provide Medicaid services within the state and mitigate the effect of demographic changes on general fund expenditures. Though the department is confident that the amount of federal authority in FY2017 adequately reflects federal revenues, unanticipated changes may provide for opportunities to leverage additional federal receipt authority.												
*** Allocation Total ***		**100,000.0**	0.0	0.0	0.0	0.0	0.0	100,000.0	0.0	0	0	0
*** * Appropriation Total * ***		**100,000.0**	0.0	0.0	0.0	0.0	0.0	100,000.0	0.0	0	0	0
*** * * Agency Total * * ***		**118,000.0**	0.0	0.0	0.0	0.0	0.0	118,000.0	0.0	0	0	0
Department of Military and Veterans' Affairs												
Military and Veterans' Affairs												
Office of the Commissioner												
L Add Special Assistant (09-#011) to Preserve and Protect Department of Defense Investment in Alaska Add one full-time Special Assistant to the Commissioner (PCN: 09-#011) in the Office of the Commissioner. This position is part of a coherent engagement strategy with Department of Defense (DOD) and other key stakeholders (federal military senior officials, Congressional Delegation (CODEL), local base retention groups, and members of the public) to preserve, protect, and potentially grow (DOD) investment in the State of Alaska. Other states within the United States possess an average of two full-time positions to address base retention issues. Alaska has none. A new Base Realignment and Closure (BRAC) authorization is currently being considered by the United States Congress for execution in federal fiscal year 2021 and ongoing budgetary effects are driven by the Budget Control Act of 2011. A Special Assistant in the Office of the Commissioner will improve situational awareness of important developments pertaining to these situations and can assist the department in proactive responses. A study by the State of Alaska Department of Labor estimates 60% of all federal dollars spent in the State of Alaska are devoted to defense spending. The position start date is December 1, 2017 and this amount will cover the partial fiscal year. 1004 Gen Fund (UGF) 94.1	Suppl	**94.1**	94.1	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
*** Allocation Total ***		**94.1**	94.1	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
Air Guard Facilities Maintenance												
L Increase Federal Authority and GF Match Associated with C-17 Acquisition In 2013 and 2014, discussions between the State of Alaska, Headquarters Pacific Air Forces, and the National Guard Bureau generated recommendations for transitioning aircraft operated by the Alaska Air National Guard (AKANG) as C-130 aircraft it operated were being reduced throughout the United States Air Force with older ones being retired and not replaced. Based on direction from the Air Force Chief of Staff Strategic Choices forum in	Suppl	**884.0**	388.5	0.0	495.5	0.0	0.0	0.0	0.0	0	0	0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Department of Military and Veterans' Affairs (continued)												
Military and Veterans' Affairs (continued)												
Air Guard Facilities Maintenance (continued)												
Increase Federal Authority and GF Match Associated with C-17 Acquisition (continued)												

February 2015, and codified in the 2016 National Defense Authorization Act, eight (8) C-17 aircraft transferred from the active duty Air Force to the AKANG in May 2017. (Note: While the newly gained aircraft remain federal property, they will be maintained and operated by the AKANG). Furthermore, as part of this mission transfer, the State of Alaska accepted responsibility for Facilities Operations/Maintenance for three buildings supporting C-17 operations.

Air Guard Facilities Management previously maintained approximately 480,000 square feet and has gained an additional 206,000 square feet to support the C-17 flying mission. This additional 206,000 square feet will remain federal property, but will be used by the AKANG for the purpose of this mission; as such, the AKNG will be responsible for routine maintenance and repair actions which is unsupportable without additional personnel. The department will not be responsible for larger-scale recapitalization projects in these facilities. Hangar 21 is the largest portion of this square footage, the complexity of which requires a robust preventive maintenance program by skilled personnel to provide a safe, healthy workplace for Alaska Air National Guard members and DMVA employees. There is a high demand for the C-17 airframe and the Alaska Air National Guard's obligation to the state and federal government to provide airlift capability would be impacted if the facility maintenance were neglected. Additionally, failure to properly maintain any facility in Alaska's harsh environment may lead to catastrophic systems damage, driving significant repair and replacement costs.

Five full-time positions were created in Air Guard Facilities Maintenance to operate and maintain facilities gained to support the new aircraft. These positions are supported by federal funds (75%) and general funds match (25%) and are needed to meet federal requirements. The five new personnel positions associated with this request were included in Air Guard's FY2018 Management Plan personal services module.

1002 Fed Rcpts (Fed) 663.0
1003 G/F Match (UGF) 221.0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
*** Allocation Total ***		**884.0**	388.5	0.0	495.5	0.0	0.0	0.0	0.0	0	0	0
*** * Appropriation Total * ***		**978.1**	482.6	0.0	495.5	0.0	0.0	0.0	0.0	1	0	0
*** * * Agency Total * * ***		**978.1**	482.6	0.0	495.5	0.0	0.0	0.0	0.0	1	0	0
Special Appropriations												
Judgments, Claims and Settlements												
Judgments, Claims & Settlements												
L DEC Wage and Hour Settlement	Suppl	**322.0**	0.0	0.0	0.0	0.0	0.0	0.0	322.0	0	0	0

A DEC employee was dismissed in June 2013 as a result of progressive discipline. The dismissal was grieved and the union requested an arbitration. In June 2017, the arbitrator rendered a decision and ordered that State make the employee whole for all lost wages and benefits as the result of the dismissal. The DOP Labor Relations worked with DOP Payroll Services and informed DEC that the total lost wages and benefits comes to the tune of $413.0. Of this DEC was able to pay approximately $90.0 from FY2017 fiscal year end balances and DEC does not have funds to cover the remaining $322.0 and the only way to make up the difference is through laying off of employees.

The Division currently has to maintain approximately 8 to 10% positions vacant to generate savings for budget V&T and losing additional staff will result in the Division's ability to respond to oil and hazardous materials spill.

1004 Gen Fund (UGF) 322.0

Numbers and Language

Special Appropriations (continued)
Judgments, Claims and Settlements (continued)
Judgments, Claims & Settlements (continued)

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
L Open-ended appropriation for FY18 judgments	Suppl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Actual judgment costs incurred in the fiscal year ending June 30, 2018, but not included in the Governor's supplemental bill.

The amount necessary, after application of the amount appropriated in (a) of this section, to pay judgments awarded against the state on or before June 30, 2017, is appropriated from the general fund to the Department of Law, civil division, deputy attorney general's office, for the purpose of paying judgments against the state for the fiscal year ending June 30, 2018.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
* Allocation Total *		322.0	0.0	0.0	0.0	0.0	0.0	0.0	322.0	0	0	0
* * Appropriation Total * *		322.0	0.0	0.0	0.0	0.0	0.0	0.0	322.0	0	0	0

Klutina Lake Road Survey
Klutina Lake Road Survey

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
L Klutina Lake Road Survey (FY18-FY20)	MultiYr	350.0	0.0	0.0	350.0	0.0	0.0	0.0	0.0	0	0	0

The sum of $350,000 is appropriated from the general fund to the Department of Transportation and Public Facilities to support survey activities along the Klutina Lake Road for the fiscal years ending June 30, 2018, June 30, 2019, and June 30, 2020.

There has been long-standing litigation between the State and Ahtna, Inc. regarding Klutina Lake Road. The current lawsuit originated in 2008 when Ahtna sued the state alleging action by the state along the unpaved road constituted a trespass. The State counterclaimed, asserting that federal Revised Statute 2477 affirmed the existence of a state right of way. Both parties agreed to the existence of a current public road but disagreed on the width of the road and the scope and extent of the State's property interests in the road. Resolving this dispute through arbitration has failed and a new trial date will be scheduled by the court.

In an effort to ensure that the State is able to provide for the public's ability to continue using the road to access outdoor activities while respecting Ahtna's concerns surrounding potential impacts to private property rights, and land and resource management, survey activities will be performed by the Department. The Department will perform a right of way survey along this route to define the exact limits of the public interest right of way. This survey will result in detailed right of way maps for the Klutina Lake Road and will be used to work towards a resolution in the dispute with Ahtna Inc.

1004 Gen Fund (UGF) 350.0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
* Allocation Total *		350.0	0.0	0.0	350.0	0.0	0.0	0.0	0.0	0	0	0
* * Appropriation Total * *		350.0	0.0	0.0	350.0	0.0	0.0	0.0	0.0	0	0	0
* * * Agency Total * * *		672.0	0.0	0.0	350.0	0.0	0.0	0.0	322.0	0	0	0

Fund Capitalization
Fund Capitalization (no approps out)
Community Assistance Fund

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
L FY2018 Deposit from the Power Cost Equalization Fund	Suppl	30,000.0	0.0	0.0	0.0	0.0	0.0	0.0	30,000.0	0	0	0

Notes are incorrect--this apprpraition simply takes $30m from the endowment. No calculations are required for that.

The sum of $30,000,000 is appropriated from the power cost equalization endowment fund (AS 42.45.070) to the community assistance fund (AS 29.60.850) for the fiscal year ending June 30, 2018.

Numbers and Language

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

Fund Capitalization (continued)
Fund Capitalization (no approps out) (continued)
Community Assistance Fund (continued)

FY2018 Deposit from the Power Cost Equalization Fund (continued)

In 2016, the Legislature passed SB 196, which adjusted the target earning rate for the Power Cost Equalization (PCE) Fund and allowed appropriation of earnings in excess of the costs of the program and management of the fund to fund the Community Assistance Program and rural energy programs.

In FY2017, the Power Cost Equalization Fund earned $112,330,514. PCE program costs are anticipated to decline in FY2018. The total draw for the cost of the PCE program and associated support and management costs in the Alaska Energy Authority and the Department of Revenue total $33,095,800. After following the formula in AS 42.45.085(d), $55,464.3 is available for appropriation to the Community Assistance Fund and rural energy programs. $30,000,000 will be deposited in the community assistance fund per AS 42.45.085(d)(2)(A), and $25,000,000 will be used to fund rural energy programs per AS 42.45.085(d)(2)(A). The remaining $464,300 will remain in the Power Cost Equalization Fund.

In FY2018, the statutory distribution from the Community Assistance Fund totaled $30,098,116. The statutory distribution was supplemented by an additional $8 million appropriation for the FY2018 distribution, which brought the total amount distributed to $38,098,116. Without further capitalization of the Community Assistance Fund, the FY2019 statutory distribution is anticipated to just exceed $20 million. This transfer from the PCE Fund to the Community Assistance Fund is anticipated to increase the FY2019 statutory distribution to just exceed $30 million.

Calculation of FY2017 PCE Earnings Available for Appropriation
$32,355.0 - FY2018 PCE Program Costs
+ $381.8 - Alaska Energy Authority program management costs
+ $359.0 - Department of Revenue Treasury Division fund management costs
$33,095.8 - Total FY2018 Draw

$112,330.5 - PCE FY2017 Earnings
-$33,095.8 - Total FY2018 Draw
$79,234.7 - Difference between earnings and usage
* 70% - Statutory formula under AS 42.45.085(d)
$55,464.3 - PCE FY2017 Earnings Available for Appropriation under AS 42.45.085(d)
$55,000.0 -- Maximum PCE FY2017 Earnings that may be appropriated per AS 42.45.085(d)(2)

1169 PCE Endow (DGF) 30,000.0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
* Allocation Total *		30,000.0	0.0	0.0	0.0	0.0	0.0	0.0	30,000.0	0	0	0
* * Appropriation Total * *		30,000.0	0.0	0.0	0.0	0.0	0.0	0.0	30,000.0	0	0	0

Caps Spent as Duplicated Funds
Alaska Liquefied Natural Gas Project Fund 1235

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
L Open-ended appropriation of SDPR collected in FY18 & FY19 from Investors is deposited into AK Liquefied Natural Gas Fund	MultiYr	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

The amount of statutory designated program receipts received by the Alaska Gasline Development Corporation during the fiscal years ending June 30, 2018 and June 30, 2019 are appropriated to the Alaska liquefied natural gas project fund (AS 31.25.110)

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

Fund Capitalization (continued)
Caps Spent as Duplicated Funds (continued)
Alaska Liquefied Natural Gas Project Fund 1235 (continued)

Open-ended appropriation of SDPR collected in FY18 & FY19 from Investors is deposited into AK Liquefied Natural Gas Fund (continued)

The Alaska Gasline Development Corporation (AGDC) assumed sole ownership of the Alaska Liquefied Natural Gas (LNG) project in January 2017 for the development of the natural gas infrastructure required to move gas from the North Slope to Cook Inlet. This project will unlock Alaska's stranded natural gas reserves, provide energy and jobs to Alaska, and provide revenues to state government through major gas sales. AGDC expects to receive investments from outside parties as it continues to develop the Alaska LNG project. Investment funding will support the project as it contracts with engineering, procurement, and construction (EPC) firms to conduct front-end engineering and design and lump-sum turn-key estimates prior to a final investment decision in calendar year 2019.

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
L Transfer from In-State Natural Gas Pipeline Fund	Suppl	**12,000.0**	0.0	0.0	0.0	0.0	0.0	0.0	12,000.0	0	0	0

The unexpended and unobligated balance as of June 30, 2018, of the in-state natural gas pipeline fund (AS 31.25.100), estimated to be $12,000,000, is appropriated to the Alaska liquefied natural gas project fund (AS 31.25.110).

The Alaska Gasline Development Corporation (AGDC) assumed leadership of the Alaska Liquefied Natural Gas (LNG) project in January 2017 for the development of the natural gas infrastructure required to move gas from the North Slope to Cook Inlet. This project will unlock Alaska's stranded natural gas reserves, provide energy and jobs to Alaska, and fund state government through major gas sales.

The Governor issued Administrative Order 274 directing AGDC to ensure work on the Alaska Stand Alone Pipeline Project will also benefit the Alaska LNG Project. At the conclusion of FY2018 it will no longer be necessary to have two separate funds: 1229 Alaska Gasline Development Corporation -- Instate Pipeline (AGDC-ISP) and 1235 Alaska Gasline Development Corporation -- Liquefied Natural Gas (AGDC-LNG). Moving the balance of fund 1229 AGDC-ISP into fund 1235 AGDC-LNG will streamline AGDC's administrative and budget processes and match the Governor's direction. Keeping the cost of all activities including administrative to a minimum contributes to the positive economics of this project.

1229 AGDC-ISP (Other) 12,000.0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
*** Allocation Total ***		**12,000.0**	0.0	0.0	0.0	0.0	0.0	0.0	12,000.0	0	0	0

In-state Natural Gas Pipeline Fund 1229

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
L Transfer to Liquefied Natural Gas Project Fund	Suppl	**-12,000.0**	0.0	0.0	0.0	0.0	0.0	0.0	-12,000.0	0	0	0

The unexpended and unobligated balance as of June 30, 2018, of the in-state natural gas pipeline fund (AS 31.25.100), estimated to be $12,000,000, is appropriated to the Alaska liquefied natural gas project fund (AS 31.25.110).

The Alaska Gasline Development Corporation (AGDC) assumed leadership of the Alaska Liquefied Natural Gas (LNG) project in January 2017 for the development of the natural gas infrastructure required to move gas from the North Slope to Cook Inlet. This project will unlock Alaska's stranded natural gas reserves, provide energy and jobs to Alaska, and fund state government through major gas sales.

The Governor issued Administrative Order 274 directing AGDC to ensure work on the Alaska Stand Alone Pipeline Project will also benefit the Alaska LNG Project. At the conclusion of FY2018 it will no longer be necessary to have two separate funds: 1229 Alaska Gasline Development Corporation -- Instate Pipeline (AGDC-ISP) and 1235 Alaska Gasline Development Corporation -- Liquefied Natural Gas (AGDC-LNG). Moving

Numbers and Language

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fund Capitalization (continued)												
Caps Spent as Duplicated Funds (continued)												
In-state Natural Gas Pipeline Fund 1229 (continued)												
Transfer to Liquefied Natural Gas Project Fund (continued)												
the balance of fund 1229 AGDC-ISP into fund 1235 AGDC-LNG will streamline AGDC's administrative and budget processes and match the Governor's direction. Keeping the cost of all activities including administrative to a minimum contributes to the positive economics of this project.												
1229 AGDC-ISP (Other) -12,000.0												
*** Allocation Total ***		-12,000.0	0.0	0.0	0.0	0.0	0.0	0.0	-12,000.0	0	0	0
*** * Appropriation Total * ***		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
*** * * Agency Total * * ***		30,000.0	0.0	0.0	0.0	0.0	0.0	0.0	30,000.0	0	0	0
Fund Transfers												
OpSys DGF Transfers (non-add)												
Alaska Marine Highway System Fund												
L FY2018 Deposit from the General Fund	Suppl	23,918.2	0.0	0.0	0.0	0.0	0.0	0.0	23,918.2	0	0	0
The sum of $23,918,200 is appropriated from the general fund to the Alaska marine highway system fund (AS 19.65.060) for the fiscal year ending June 30, 2018. This supplemental appropriation is intended to deposit the full $30 million to the fund, related to a previous appropriation. Sec40c Ch1 SSSLA2017 P116 L7 (HB57) is a contingent appropriation: The sum of $30,000,000 is appropriated from the general fund to the Alaska marine highway system fund (AS 19.65.060). Of the $30 million appropriated from the general fund to the Alaska Marine Highway System fund for FY2018, only $6,081,800 was available to transfer due to the associated contingent language.												
1004 Gen Fund (UGF) 23,918.2												
*** Allocation Total ***		23,918.2	0.0	0.0	0.0	0.0	0.0	0.0	23,918.2	0	0	0
Renewable Energy Grant Fund 1210												
L FY2018 Deposit from the Power Cost Equalization Fund	Suppl	14,000.0	0.0	0.0	0.0	0.0	0.0	0.0	14,000.0	0	0	0
The sum of $14,000,000 is appropriated from the power cost equalization endowment fund (AS 42.45.070) to the renewable energy grant fund (AS 42.45.045) for the fiscal year ending June 30, 2018. This appropriation will provide funding for Round IX grants. These projects reduce and/or stabilize the cost of energy for communities statewide. Calculation of FY2017 PCE Earnings Available for Appropriation $32,355.0 - FY2018 PCE Program Costs + $381.8 - Alaska Energy Authority program management costs + $359.0 - Department of Revenue Treasury Division fund management costs $33,095.8 - Total FY2018 Draw $112,330.5 - PCE FY2017 Earnings -$33,095.8 - Total FY2018 Draw $79,234.7 - Difference between earnings and usage												

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Fund Transfers (continued)												
OpSys DGF Transfers (non-add) (continued)												
Renewable Energy Grant Fund 1210 (continued)												
FY2018 Deposit from the Power Cost Equalization Fund (continued)												

* 70% - Statutory formula under AS 42.45.085(d)
$55,464.3 - PCE FY2017 Earnings Available for Appropriation under AS 42.45.085(d)
$55,000.0 -- Maximum PCE FY2017 Earnings that may be appropriated per AS 42.45.085(d)(2)

Sec. 3. AS 42.45.085 is amended by adding new subsections to read:
(c) If the amount appropriated under (a) of this section is insufficient to achieve the purposes of (a)(1) - (3) of this section, the amount shall be prorated among the purposes listed in (a)(1) and (2) of this section.
(d) If the earnings of the fund for the previous closed fiscal year, as calculated under AS 42.45.080(c)(2), exceed the appropriation under (a) of this section for the current fiscal year, the legislature may appropriate 70 percent of the difference between the earnings of the fund for the previous closed fiscal year, as calculated under AS 42.45.080(c)(2), and the appropriation made under (a) of this section for the current fiscal year as follows:
(1) if the amount calculated under this subsection is less than $30,000,000, that amount to a community revenue sharing or community assistance fund; or
(2) if the amount calculated under this subsection is $30,000,000 or more,
(A) $30,000,000 to a community revenue sharing or community assistance fund; and
(B) the remaining amount, not to exceed $25,000,000, to the renewable energy grant fund established under AS 42.45.045, to the bulk fuel revolving loan fund established under AS 42.45.250, or for rural power system upgrades or to a combination of the funds or purposes listed in this subparagraph.

1169 PCE Endow (DGF) 14,000.0

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
*** Allocation Total ***		14,000.0	0.0	0.0	0.0	0.0	0.0	0.0	14,000.0	0	0	0
*** * Appropriation Total * ***		37,918.2	0.0	0.0	0.0	0.0	0.0	0.0	37,918.2	0	0	0
*** * * Agency Total * * ***		37,918.2	0.0	0.0	0.0	0.0	0.0	0.0	37,918.2	0	0	0
*** * * * All Agencies Total * * * ***		209,210.9	936.1	0.0	22,034.6	0.0	0.0	118,000.0	68,240.2	4	0	0

Column Definitions

GovSupp 12/15 (Governor Supplemental 12/15) - FY18 Supplemental requests submitted by the Governor on December 15th. Additional supplemental requests are expected.