



30th Alaska State Legislature
 House Finance Budget Subcommittee
 Department of Transportation & Public Facilities
 FY19 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
 465-4919

Rep. Harriet Drummond
 Capitol Room 108
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Rep. Mark Neuman
 Capitol Room 104
 465-2679

Rep. Chuck Kopp
 Capitol Room 13
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Rep. Colleen Sullivan-
 Leonard
 Capitol Room 420
 465-4833

Committee Aide:
Brodie Anderson
 465-3789

**HOUSE FINANCE DEPARTMENT OF TRANSPORTATION &
 PUBLIC FACILITIES SUBCOMMITTEE
 FY2019 HOUSE FINANCE BUDGET SUBCOMMITTEE
 NARRATIVE REPORT
 February 22, 2018**

SUBCOMMITTEE MEETINGS:

The House Finance Budget Subcommittee for the Department of Transportation and Public Facilities held 5 meetings with the Department of Transportation and Public Facilities during the review of the FY19 budget request.

RECOMMENDATIONS:

The Chair of the House Finance Budget Subcommittee for the Department of Transportation submits a recommended operating budget for FY2019 to the House Finance Committee as follows:

Fund Source: (dollars are in thousands)

Unrestricted General Funds (UGF)	\$178,621.5
Designated General Funds (DGF)	\$97,972.1
Other Funds	\$306,846.7
Federal Funds	\$2,118.2
Total	\$585,558.5

The Unrestricted General Fund (UGF) difference from the FY2015 Management Plan to the FY2019 House Subcommittee budget recommendation is a reduction of \$99,983.1, a 35.9% decrease.

Positions:

Permanent Full-time	2,912
Permanent Part-time	337
Temporary	130
Total	3,379

GOVERNOR'S AMENDMENTS:

There were no Governor amendments for the Department of Transportation and Public Facilities.

SUBCOMMITTEE'S AMENDMENTS:

The following budget amendments are submitted by the Subcommittee Chair to the House Finance Committee for consideration:

- 1) Increment for \$690.0 of Unrestricted General Fund (UGF) to Highways, Aviation and Facilities, Southcoast Region Highways and Aviation for transferring the Adak Airport into the Operating Budget.
- 2) One Time Increment for \$52.0 of Adak Air Operations (FED) to Highways, Aviation and Facilities, Southcoast Region Highways and Aviation for transferring the Adak Airport into the Operating Budget.

OTHER RECOMMENDATIONS:

The House Finance Subcommittee for the Department of Transportation and Public Facilities recommends funding the Alaska Marine Highway System (AMHS) at a level that provides predictability and stability in their service levels.

- 1) In addition to the Governor's request; the Alaska Marine Highway Fund should be capitalized with \$35 million.
 - a. This funding should be available for the AMHS peak performance months of May through September;
 - b. Ensuring funding through peak performance months provides reliable scheduling, resulting in increased ridership and therefore increased cost recovery.

ATTACHED REPORTS:

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

- 1) Transaction Detail Report – House Structure (HSub Amends)
- 2) Allocation Summary – House Structure
- 3) Multi-Year Agency Allocation Summary – Operating Budget

Respectfully submitted,



Representative Neal Foster, Chair

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

**2018 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
Highways, Aviation and Facilities												
Southcoast Region Highways and Aviation												
H DOT 1 - Add Base Increment Transferring Adak Airport Operating Costs from Capital to Operating Budget	Inc	690.0	205.0	30.0	360.0	95.0	0.0	0.0	0.0	0	0	0
Offered by Representative Foster												
If Alaska is to continue operating the Adak airport, necessary funds need to be included in the operating budget. There is \$52.0 remaining of the investment earnings on the original \$10 million as a one-time increment.												
1004 Gen Fund (UGF)		690.0										
H DOT 2 - Add One-time Increment Transferring Adak Airport Operating Costs from Capital to Operating Budget	IncOTI	52.0	52.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Offered by Representative Foster												
If Alaska is to continue operating the Adak airport, necessary funds need to be included in the operating budget. There is \$52.0 remaining of the investment earnings on the original \$10 million.												
1190 Adak Air (Fed)		52.0										
* Allocation Total *		742.0	257.0	30.0	360.0	95.0	0.0	0.0	0.0	0	0	0
** Appropriation Total **		742.0	257.0	30.0	360.0	95.0	0.0	0.0	0.0	0	0	0
*** Agency Total ***		742.0	257.0	30.0	360.0	95.0	0.0	0.0	0.0	0	0	0
**** All Agencies Total ****		742.0	257.0	30.0	360.0	95.0	0.0	0.0	0.0	0	0	0

**2018 Legislature - Operating Budget
Allocation Summary - House Structure**

Numbers and Language

Agency: Department of Transportation and Public Facilities

Allocation	[1] 19GovAdj	[2] HSub Rec	[2] - [1] 19GovAdj to HSub Rec
Administration and Support			
Commissioner's Office	1,962.8	1,962.8	0.0
Contracting and Appeals	343.9	343.9	0.0
EE/Civil Rights	1,141.7	1,141.7	0.0
Internal Review	793.1	793.1	0.0
Statewide Admin Services	8,089.3	8,089.3	0.0
Info Systems and Services	10,281.3	10,281.3	0.0
Leased Facilities	2,957.7	2,957.7	0.0
Human Resources	2,366.4	2,366.4	0.0
Statewide Procurement	1,304.0	1,304.0	0.0
Central Support Svcs	1,762.0	1,762.0	0.0
Northern Support Services	1,806.7	1,806.7	0.0
Southcoast Support Services	2,557.1	2,557.1	0.0
Statewide Aviation	4,372.8	4,372.8	0.0
Program Development & Planning	8,312.1	8,312.1	0.0
Measurement Standards	6,679.9	6,679.9	0.0
Appropriation Total	54,730.8	54,730.8	0.0
Design, Engineering & Constr.			
Statewide Public Facilities	0.0	0.0	0.0
SW Design & Engineering Svcs	12,242.9	12,242.9	0.0
Harbor Program Development	0.0	0.0	0.0
Central Design & Eng Svcs	22,593.2	22,593.2	0.0
Northern Design & Eng Svcs	16,802.9	16,802.9	0.0
Southcoast Design & Eng Svcs	10,948.6	10,948.6	0.0
Central Construction & CIP	20,733.3	20,733.3	0.0
Northern Construction & CIP	16,730.1	16,730.1	0.0
Southcoast Region Construction	7,756.0	7,756.0	0.0
Appropriation Total	107,807.0	107,807.0	0.0

**2018 Legislature - Operating Budget
Allocation Summary - House Structure**

Numbers and Language

Agency: Department of Transportation and Public Facilities

<u>Allocation</u>	<u>[1] 19GovAdj</u>	<u>[2] HSub Rec</u>	<u>[2] - [1] 19GovAdj to HSub Rec</u>	
State Equipment Fleet				
State Equipment Fleet	33,619.1	33,619.1	0.0	
Appropriation Total	33,619.1	33,619.1	0.0	
 Highways/Aviation & Facilities				
Facilities Services	4,214.0	4,214.0	0.0	
Central Region Facilities	8,444.8	8,444.8	0.0	
Northern Region Facilities	13,767.6	13,767.6	0.0	
Southcoast Region Facilities	3,409.9	3,409.9	0.0	
Traffic Signal Management	1,770.4	1,770.4	0.0	
Central Highways and Aviation	40,439.8	40,439.8	0.0	
Northern Highways & Aviation	60,758.7	60,758.7	0.0	
Southcoast Highways & Aviation	22,702.3	23,444.3	742.0	3.3 %
Whittier Access and Tunnel	6,260.4	6,260.4	0.0	
Appropriation Total	161,767.9	162,509.9	742.0	0.5 %
 International Airports				
Int Airport Systems Office	2,229.8	2,229.8	0.0	
AIA Administration	7,179.6	7,179.6	0.0	
AIA Facilities	23,426.9	23,426.9	0.0	
AIA Field & Equipment Maint	19,277.7	19,277.7	0.0	
AIA Operations	6,428.5	6,428.5	0.0	
AIA Safety	11,464.6	11,464.6	0.0	
FIA Administration	2,079.4	2,079.4	0.0	
FIA Facilities	4,428.9	4,428.9	0.0	
FIA Field & Equipment Maint	4,362.7	4,362.7	0.0	
FIA Operations	1,187.5	1,187.5	0.0	
FIA Safety	5,082.8	5,082.8	0.0	
Appropriation Total	87,148.4	87,148.4	0.0	

**2018 Legislature - Operating Budget
Allocation Summary - House Structure**

Numbers and Language

Agency: Department of Transportation and Public Facilities

<u>Allocation</u>	<u>[1] 19GovAdj</u>	<u>[2] HSub Rec</u>	<u>[2] - [1] 19GovAdj to HSub Rec</u>	
Marine Highway System				
Marine Vessel Operations	100,011.9	100,011.9	0.0	
Marine Vessel Fuel	20,593.4	20,593.4	0.0	
Marine Engineering	3,372.4	3,372.4	0.0	
Overhaul	1,647.8	1,647.8	0.0	
Reservations and Marketing	2,015.0	2,015.0	0.0	
Marine Shore Operations	7,949.3	7,949.3	0.0	
Vessel Operations Management	4,153.5	4,153.5	0.0	
Appropriation Total	139,743.3	139,743.3	0.0	
Agency Total	584,816.5	585,558.5	742.0	0.1 %
Funding Summary				
Unrestricted General (UGF)	177,931.5	178,621.5	690.0	0.4 %
Designated General (DGF)	97,972.1	97,972.1	0.0	
Other State Funds (Other)	306,846.7	306,846.7	0.0	
Federal Receipts (Fed)	2,066.2	2,118.2	52.0	2.5 %

Multi-year Allocation Summary - Operating Budget - FY 2019 House Structure

Numbers and Language

Agency: Department of Transportation and Public Facilities

Allocation	ID=> Session=> Column=>	[1] 2015 15MgtPln	[2] 2018 18MgtPln	[3] 2018 19GovAdj	[4] 2018 HSub Rec	2015 15MgtPln to	[4] - [1] 2018 HSub Rec	2018 18MgtPln to	[4] - [2] 2018 HSub Rec	2018 19GovAdj to	[4] - [3] 2018 HSub Rec
Administration and Support											
Agency Unallocated Approp		0.0	0.0	0.0	0.0	0.0		0.0		0.0	
Commissioner's Office		2,188.7	2,151.4	1,962.8	1,962.8	-225.9	-10.3 %	-188.6	-8.8 %	0.0	
Contracting and Appeals		336.3	343.4	343.9	343.9	7.6	2.3 %	0.5	0.1 %	0.0	
EE/Civil Rights		1,268.9	1,191.7	1,141.7	1,141.7	-127.2	-10.0 %	-50.0	-4.2 %	0.0	
Internal Review		1,087.3	791.1	793.1	793.1	-294.2	-27.1 %	2.0	0.3 %	0.0	
Transportation Mgmt & Security		1,162.9	0.0	0.0	0.0	-1,162.9	-100.0 %	0.0		0.0	
Statewide Admin Services		6,619.5	7,848.3	8,089.3	8,089.3	1,469.8	22.2 %	241.0	3.1 %	0.0	
Info Systems and Services		5,315.2	10,344.3	10,281.3	10,281.3	4,966.1	93.4 %	-63.0	-0.6 %	0.0	
Leased Facilities		2,957.7	2,957.7	2,957.7	2,957.7	0.0		0.0		0.0	
Human Resources		2,366.4	2,366.4	2,366.4	2,366.4	0.0		0.0		0.0	
Statewide Procurement		1,430.0	1,248.0	1,304.0	1,304.0	-126.0	-8.8 %	56.0	4.5 %	0.0	
Central Support Svcs		1,242.2	1,650.8	1,762.0	1,762.0	519.8	41.8 %	111.2	6.7 %	0.0	
Northern Support Services		1,549.3	1,802.1	1,806.7	1,806.7	257.4	16.6 %	4.6	0.3 %	0.0	
Southcoast Support Services		1,892.3	1,773.8	2,557.1	2,557.1	664.8	35.1 %	783.3	44.2 %	0.0	
Statewide Aviation		3,248.3	4,339.6	4,372.8	4,372.8	1,124.5	34.6 %	33.2	0.8 %	0.0	
Program Development & Planning		5,807.8	8,289.9	8,312.1	8,312.1	2,504.3	43.1 %	22.2	0.3 %	0.0	
Central Region Planning		2,164.7	0.0	0.0	0.0	-2,164.7	-100.0 %	0.0		0.0	
Northern Region Planning		2,026.8	0.0	0.0	0.0	-2,026.8	-100.0 %	0.0		0.0	
Southcoast Region Planning		671.1	0.0	0.0	0.0	-671.1	-100.0 %	0.0		0.0	
Measurement Standards		7,032.4	6,654.6	6,679.9	6,679.9	-352.5	-5.0 %	25.3	0.4 %	0.0	
Appropriation Total		50,367.8	53,753.1	54,730.8	54,730.8	4,363.0	8.7 %	977.7	1.8 %	0.0	
Design, Engineering & Constr.											
Statewide Public Facilities		4,582.0	4,074.7	0.0	0.0	-4,582.0	-100.0 %	-4,074.7	-100.0 %	0.0	
SW Design & Engineering Svcs		12,815.1	12,945.2	12,242.9	12,242.9	-572.2	-4.5 %	-702.3	-5.4 %	0.0	
Harbor Program Development		659.2	601.1	0.0	0.0	-659.2	-100.0 %	-601.1	-100.0 %	0.0	
Central Design & Eng Svcs		22,764.5	22,529.0	22,593.2	22,593.2	-171.3	-0.8 %	64.2	0.3 %	0.0	
Northern Design & Eng Svcs		17,195.6	16,733.6	16,802.9	16,802.9	-392.7	-2.3 %	69.3	0.4 %	0.0	
Southcoast Design & Eng Svcs		11,035.1	11,127.4	10,948.6	10,948.6	-86.5	-0.8 %	-178.8	-1.6 %	0.0	
Central Construction & CIP		21,570.7	20,781.5	20,733.3	20,733.3	-837.4	-3.9 %	-48.2	-0.2 %	0.0	

Multi-year Allocation Summary - Operating Budget - FY 2019 House Structure

Numbers and Language

Agency: Department of Transportation and Public Facilities

Allocation	ID=> Session=> Column=>	[1] 2015 15MgtP1n	[2] 2018 18MgtP1n	[3] 2018 19GovAdj	[4] 2018 HSub Rec	2015 15MgtP1n to	[4] - [1] 2018 HSub Rec	2018 18MgtP1n to	[4] - [2] 2018 HSub Rec	2018 19GovAdj to	[4] - [3] 2018 HSub Rec
Design, Engineering & Constr.											
(continued)											
Northern Construction & CIP		17,657.6	16,695.0	16,730.1	16,730.1	-927.5	-5.3 %	35.1	0.2 %	0.0	
Southcoast Region Construction		7,766.5	7,947.3	7,756.0	7,756.0	-10.5	-0.1 %	-191.3	-2.4 %	0.0	
Knik Arm Crossing		1,675.7	0.0	0.0	0.0	-1,675.7	-100.0 %	0.0		0.0	
Appropriation Total		117,722.0	113,434.8	107,807.0	107,807.0	-9,915.0	-8.4 %	-5,627.8	-5.0 %	0.0	
State Equipment Fleet											
State Equipment Fleet		32,743.3	33,615.5	33,619.1	33,619.1	875.8	2.7 %	3.6		0.0	
Appropriation Total		32,743.3	33,615.5	33,619.1	33,619.1	875.8	2.7 %	3.6		0.0	
Highways/Aviation & Facilities											
Facilities Services		0.0	0.0	4,214.0	4,214.0	4,214.0	>999 %	4,214.0	>999 %	0.0	
Central Region Facilities		9,910.4	8,444.3	8,444.8	8,444.8	-1,465.6	-14.8 %	0.5		0.0	
Northern Region Facilities		14,894.2	13,882.0	13,767.6	13,767.6	-1,126.6	-7.6 %	-114.4	-0.8 %	0.0	
Southcoast Region Facilities		1,588.7	3,647.1	3,409.9	3,409.9	1,821.2	114.6 %	-237.2	-6.5 %	0.0	
Traffic Signal Management		1,865.9	1,770.4	1,770.4	1,770.4	-95.5	-5.1 %	0.0		0.0	
Central Highways and Aviation		59,102.4	40,533.2	40,439.8	40,439.8	-18,662.6	-31.6 %	-93.4	-0.2 %	0.0	
Northern Highways & Aviation		74,397.0	60,639.7	60,758.7	60,758.7	-13,638.3	-18.3 %	119.0	0.2 %	0.0	
Southcoast Highways & Aviation		17,510.7	23,076.2	22,702.3	23,444.3	5,933.6	33.9 %	368.1	1.6 %	742.0	3.3 %
Whittier Access and Tunnel		4,757.1	6,259.9	6,260.4	6,260.4	1,503.3	31.6 %	0.5		0.0	
Appropriation Total		184,026.4	158,252.8	161,767.9	162,509.9	-21,516.5	-11.7 %	4,257.1	2.7 %	742.0	0.5 %
International Airports											
Int Airport Systems Office		2,205.2	2,226.3	2,229.8	2,229.8	24.6	1.1 %	3.5	0.2 %	0.0	
AIA Administration		7,996.9	7,569.5	7,179.6	7,179.6	-817.3	-10.2 %	-389.9	-5.2 %	0.0	
AIA Facilities		21,963.8	23,425.4	23,426.9	23,426.9	1,463.1	6.7 %	1.5		0.0	
AIA Field & Equipment Maint		17,739.6	19,276.7	19,277.7	19,277.7	1,538.1	8.7 %	1.0		0.0	
AIA Operations		5,819.1	6,422.1	6,428.5	6,428.5	609.4	10.5 %	6.4	0.1 %	0.0	
AIA Safety		10,874.0	11,458.1	11,464.6	11,464.6	590.6	5.4 %	6.5	0.1 %	0.0	
FIA Administration		2,322.0	2,076.8	2,079.4	2,079.4	-242.6	-10.4 %	2.6	0.1 %	0.0	

Multi-year Allocation Summary - Operating Budget - FY 2019 House Structure

Numbers and Language

Agency: Department of Transportation and Public Facilities

Allocation	ID=> Session=> Column=>	[1] 2015 15MgtP1n	[2] 2018 18MgtP1n	[3] 2018 19GovAdj	[4] 2018 HSub Rec	2015 15MgtP1n to	[4] - [1] 2018 HSub Rec	2018 18MgtP1n to	[4] - [2] 2018 HSub Rec	2018 19GovAdj to	[4] - [3] 2018 HSub Rec
International Airports (continued)											
FIA Facilities		4,220.5	4,272.2	4,428.9	4,428.9	208.4	4.9 %	156.7	3.7 %		0.0
FIA Field & Equipment Maint		4,179.0	4,362.7	4,362.7	4,362.7	183.7	4.4 %	0.0			0.0
FIA Operations		995.0	1,145.5	1,187.5	1,187.5	192.5	19.3 %	42.0	3.7 %		0.0
FIA Safety		4,350.4	4,817.0	5,082.8	5,082.8	732.4	16.8 %	265.8	5.5 %		0.0
Appropriation Total		82,665.5	87,052.3	87,148.4	87,148.4	4,482.9	5.4 %	96.1	0.1 %		0.0
Marine Highway System											
Marine Vessel Operations		111,164.4	101,253.6	100,011.9	100,011.9	-11,152.5	-10.0 %	-1,241.7	-1.2 %		0.0
Marine Vessel Fuel		28,913.6	20,223.6	20,593.4	20,593.4	-8,320.2	-28.8 %	369.8	1.8 %		0.0
Marine Engineering		3,975.9	3,279.0	3,372.4	3,372.4	-603.5	-15.2 %	93.4	2.8 %		0.0
Overhaul		1,647.8	1,647.8	1,647.8	1,647.8	0.0		0.0			0.0
Reservations and Marketing		2,775.9	2,009.3	2,015.0	2,015.0	-760.9	-27.4 %	5.7	0.3 %		0.0
Marine Shore Operations		8,199.9	7,927.2	7,949.3	7,949.3	-250.6	-3.1 %	22.1	0.3 %		0.0
Vessel Operations Management		4,834.3	4,143.5	4,153.5	4,153.5	-680.8	-14.1 %	10.0	0.2 %		0.0
Appropriation Total		161,511.8	140,484.0	139,743.3	139,743.3	-21,768.5	-13.5 %	-740.7	-0.5 %		0.0
Agency Total		629,036.8	586,592.5	584,816.5	585,558.5	-43,478.3	-6.9 %	-1,034.0	-0.2 %	742.0	0.1 %
Funding Summary											
Unrestricted General (UGF)		278,604.6	135,191.8	177,931.5	178,621.5	-99,983.1	-35.9 %	43,429.7	32.1 %	690.0	0.4 %
Designated General (DGF)		68,167.7	142,201.3	97,972.1	97,972.1	29,804.4	43.7 %	-44,229.2	-31.1 %	0.0	
Other State Funds (Other)		279,414.1	307,133.2	306,846.7	306,846.7	27,432.6	9.8 %	-286.5	-0.1 %	0.0	
Federal Receipts (Fed)		2,850.4	2,066.2	2,066.2	2,118.2	-732.2	-25.7 %	52.0	2.5 %	52.0	2.5 %

Column Definitions

15MgtPln (FY15 Management Plan) - Authorized level of expenditures at the beginning of FY15 plus position adjustments and transfers (made at an agency's discretion) within appropriations.

18MgtPln (FY18 Management Plan) - Authorized level of expenditures at the beginning of FY18 plus position adjustments and transfers (made at an agency's discretion) within appropriations.

19GovAdj (FY19 Governor w/LFD Adjust) - FY19 Governor's Request with LFD Adjustments for proposed legislation and budget actions that require a supermajority vote.

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