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**Governor Palin Announces Federal Economic Stimulus Spending
*\$461.1 million for transportation and aviation projects***

February 24, 2009, Juneau, Alaska – Governor Sarah Palin submitted a FY2009 federal economic stimulus supplemental bill to legislators today that requests authorization for projects that will provide jobs and needed infrastructure improvements in Alaska.

The legislation will provide \$461.1 million in authorization for aviation, transit, highway, and bridge projects under the American Recovery and Reinvestment Act (ARRA) of 2009. The ARRA was signed into law on February 17, 2009.

"These federal economic stimulus funds will generate new private sector jobs in Alaska to work on these important highway and aviation projects," Governor Palin said. "Our state Department of Transportation & Public Facilities (DOT&PF) has worked closely with the Federal Highway Administration (FHWA), Federal Transit Administration, and Federal Aviation Administration (FAA) to understand the requirements of the stimulus package and be able to meet the accelerated timelines for use of the funds."

For example, 50 percent of the funding under the FHWA program must be obligated within 120 days and the remainder must be fully obligated within one year.

There are specific requirements for spending stimulus funds on road and bridge projects. For example, 67 percent of the funds must be used on highways and roads; 19 percent must be used for state and local projects in communities with populations less than 5,000; 11 percent must be used for projects in communities with populations greater than 200,000; and 3 percent must be used for transportation enhancement projects including sidewalks, bike paths, and waysides. These are all defined as road and bridge projects.

The projects must be in a current State Transportation Improvement Plan (STIP), and DOT&PF has proposed amendments to the STIP that are currently out for public comment. The projects submitted to the legislature meet the criteria and timelines in the federal law.

Under the ARRA, Congress gave the FAA authority and discretion to decide which aviation projects would be funded. The legislation includes a list of projects in alphabetical, not priority, order that are eligible for funding. Aviation projects have to meet stringent FAA eligibility requirements. With legislative authorization, the

DOT&PF will work with the FAA to receive the approval to move forward on projects. Additional authorization is requested in order to ensure that Alaska will be able to utilize funding available for airport projects that meet the goals of the FAA and the state.

The supplemental bill requests \$45.6 million for FAA approved projects, \$9.1 million for transit projects, and \$302.4 million for FHWA projects, including \$11.6 million of new regular federal funds. A portion of the funds are requested as a contingency to ensure that Alaska would benefit from redistribution of funds from other states that are unable to meet the required timelines. Additionally, \$115.7 million in fund source changes are requested to fund prior authorization for these projects with economic stimulus funds. This will simplify tracking of projects funded through federal economic stimulus dollars.

The governor also submitted amendments to the FY2009 supplemental budget and the FY2010 capital budget that are necessary to conform with the requests in this new FY2009 economic stimulus bill.

This appropriation is the first in a series of requests that will be necessary for Alaska to participate in the federal economic stimulus package.

"Our administration is carefully analyzing the various funding streams to determine how Alaskans can benefit – while being mindful that we face budget shortfalls and don't want to create new or expanded programs that we can't pay for in the future," Governor Palin said. "Alaskans should rest assured that where the stimulus money will help our private sector economy and provide a genuine safety net for individuals, we won't hesitate adding it to a fiscally responsible spending plan."

More detailed information on the FY2009 federal economic stimulus package and budget amendments are available on the Office of Management & Budget website at <http://omb.alaska.gov/>

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