

Alaska Land Mobile Radio System

FY2018 Request: \$1,534,600

Reference No: AMD 54931

AP/AL: Appropriation

Project Type: Information Technology / Systems / Communication

Category: General Government

Location: Statewide

House District: Statewide (HD 1-40)

Impact House District: Statewide (HD 1-40)

Contact: Cheryl Lowenstein

Estimated Project Dates: 07/01/2017 - 06/30/2022

Contact Phone: (907)465-5655

Brief Summary and Statement of Need:

The Alaska Land Mobile Radio (ALMR) is an interoperable system that provides radio service to local, state and federal agencies. This project contributes towards the necessary upgrades to 911-dispatch and public safety radio communications system components in order to meet the state's requirements for its share of the ALMR system. This project provides a portion of the total funds needed to bring the State components current. An additional \$3 million is included in the Governor's FY2017 Supplemental Budget, bringing the combined project funding total to \$4,534,600.

Funding:	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>FY2023</u>	<u>Total</u>
1004 Gen Fund	\$1,534,600						\$1,534,600
Total:	\$1,534,600	\$0	\$0	\$0	\$0	\$0	\$1,534,600

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

Sec17 Ch2 SLA2016 P35 L18 SB138 \$1,274,571

Sec4 Ch2 SLA2016 P24 L10 SB138 \$1,000,000

Project Description/Justification:

What is the purpose of the project?

Public Safety mission critical communications systems typically run in five to fifteen-year life cycles for the hardware and equipment components. Like any other computer, the hardware and software components that make up the system require continuous software updating and patching to maintain cyber security protections. The current ALMR system has been in operation since 2003. The components to be refreshed are at the end of those life cycles. In 2013, ALMR underwent an upgrade to the major core components at the center (known as zone controllers) and a system software upgrade. Those components and software are at end-of-support. The manufacturer provides a new system release each year and only supports the last five releases. The components and software in our current 7.13 release are at end-of-support from the manufacturers beginning fall of 2017. This project is expected to take a year minimum to implement once funded and on contract. The plan with the 2013 upgrade was all ALMR partners would fund a service agreement (SUA II) to keep those

components refreshed every two years and always current.

The purpose of this project is to upgrade the major core components at the center (known as zone controllers) and perform a system-wide software upgrade. The core operating system hardware and software will be out of support by the various manufacturers in the fall of 2017. This project ensures the State of Alaska (SOA) zone controller is brought to a current release that will be manufacturer-supported and maintained current through the SUA II program. The Department of Defense (DOD) and the Municipality of Anchorage partners have implemented plans to fund the upgrade of their zone controller and needed system software upgrades and fund the SUA II maintenance program for their zone controllers. Because all three zone controllers must be upgraded simultaneously in a shared system, once the State has allocated the total funds necessary, these systems can be refreshed.

Is this a new systems development project, or an upgrade or enhancement to existing department capabilities?

This is a lifecycle upgrade to portions of the existing 911-dispatch and public safety communications system aimed at maintaining current services and also refreshing technology that is now at the end of its supported and useful life.

Specifically, what hardware, software, consulting services, or other items will be purchased with this funding?

These funds will go towards purchasing hardware, software, services, staff time, travel and training required to support the upgrade along with ancillary components required to successfully remove the aging (7.13) state-owned zone controller equipment and replace it with newer (7.17) equipment. The specific hardware, software, services and other items will be determined when the project proposal is provided to the vendor. Any available funds will be applied toward the 7.17 upgrade, the SUA II Agreement and the base station upgrades in that order. Contracts will be established to assist in this effort.

	FY2018
System Upgrade Agreement II (SUA II) Coverage	\$931,700
Core Systems Upgrade from 7.13 to 7.17	\$3,602,900
Total	\$4,534,600

How will service to the public be measurably improved if this project is funded?

Funding this project will ensure continuity of services and increase Alaska’s first responder’s ability to communicate and provide mutual and interoperable aid to themselves and other jurisdictions.

Will the project affect the way in which other public agencies conduct their business?

ALMR is an enterprise class, mission critical, public safety grade communications system. It supports communications for over 125 agencies across the state including State of Alaska, federal, municipal, and first responder volunteer organizations. There are over 20,500 radios (known as subscriber units) operating on the system at a rate of over 1.2 million voice calls per month.

State of Alaska agency operations depend upon ALMR for their core communications and operations. Key Alaska agencies include: Department of Public Safety, Department of Transportation and Public Facilities, Department of Corrections, Department of Natural Resources, Municipality of Anchorage,

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Fairbanks North Star Borough, City of Fairbanks, Mat-Su Borough, Wasilla Police Department, Soldotna Police Department, Valdez Police and Fire Departments, Kenai Police and Fire Department, and many other communities where ALMR coverage exists and many more when 911-dispatch services are considered. All DOD agencies and numerous federal agencies including the Drug Enforcement Agency, Federal Bureau of Investigation, Federal Aviation Administration, Federal Emergency Management Agency, National Park Service, Transportation Security Administration, and the US Marshal Service. The current list of 125 agencies can be found at:

<http://alaskalandmobileradio.org>

What are the potential out-year cost implications if this project is approved? (Bandwidth requirements, etc.)

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Total
System Upgrade Agreement II (SUA II) Coverage	\$ -	\$ 939,200	\$ 947,000	\$ 955,000	\$ 963,300	\$ 971,800	\$ 4,776,300
Quantar Base Station Upgrades	\$ 5,944,060	\$ 7,987,157	\$ 8,670,157	\$ -	\$ -	\$ -	\$ 22,601,374
Total	\$ 5,944,060	\$ 8,926,357	\$ 9,617,157	\$ 955,000	\$ 963,300	\$ 971,800	\$ 27,377,674

The above figures are based on current estimates for equipment refresh.

The core system upgrade is required in order to maintain support and security services within the ALMR system and must follow the Gold Elite console replacement project that is currently underway using funds appropriated last year. The DOD and Municipality of Anchorage have already completed their console upgrades and Soldotna’s is currently underway. Wasilla Police Department (MatCom) and Valdez have both identified their funding source and will be executing their console upgrades prior to this project. This project provides a substantial portion of the funding necessary to upgrade the Core System Upgrade, SUA II program and Quantar Base Station efforts.

The Quantar Base Station upgrades must be done as well as the next phase of the ALMR. This equipment is located at sites around the state and provides the radio communications coverage for the users. The State has over 70 sites with Quantar Base Stations that need to be upgraded to current, supportable Base Station models. The DOD has been upgrading their Quantar Base Stations at their sites and has funding planned to complete that work. The Municipality of Anchorage has the current model of Base Stations already installed at their sites.

What will happen if the project is not approved?

ALMR is comprised of software and hardware that has various lifecycles and requires updates and replacement just as any Enterprise-class network does. If the components of this system are not kept current, we risk a failure of the system and we risk the loss of support from both our partners and the manufacturers; we expose our network and its users to undue risk – both in terms of cyber-security and overall functionality. Our existing partnerships will also be at risk as federal law requires its users to operate in a cyber-protected environment.

Other ALMR cooperative agreement members who are also infrastructure owners have all agreed to continue supporting the ALMR system. The State of Alaska is at risk of losing support for a unified enterprise public safety communications system. Without the ALMR system, Alaska faces a risk of reverting to a time when agencies all provided their communications independently. This would be

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significantly more expensive to all parties who use ALMR and its services. Individual agency systems would not be able to communicate easily with one another. That lack of interoperable communications has throughout history, repeatedly proven detrimental to public safety and the ability of first responders to work together and communicate with one another during day-to-day operations and emergencies.

The vast majority of the over 120 user agencies of ALMR would likely not be able to replicate the 911 and radio dispatched services; not only because of the equipment costs, but also the staff and operating costs required to implement and operate an Enterprise-class, public-safety radio dispatch system.

This project will take the State over a year to implement. This means we will be past the end-of-support life for many of the hardware and software components identified in this project. The SUA II program's purpose is to keep the State and its partners on a funded, planned maintenance and refresh plan ensuring it is always supportable by manufacturers.

Case Management Database System

FY2018 Request: \$665,000

Reference No: AMD 41804

AP/AL: Appropriation

Project Type: Information Technology / Systems / Communication

Category: Law and Justice

Location: Statewide

House District: Statewide (HD 1-40)

Impact House District: Statewide (HD 1-40)

Contact: Cheryl Lowenstein

Estimated Project Dates: 07/01/2017 - 06/30/2022

Contact Phone: (907)465-5565

Brief Summary and Statement of Need:

This project replaces the Public Defender Agency (PDA) and the Office of Public Advocacy's (OPA) case management database system. The current system is over nine years old and has been operating without an on-going maintenance contract since December 2012. Should the current system fail, it would significantly impact PDA and OPA's ability to meet client's needs.

Funding:	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Total
1004 Gen Fund	\$665,000						\$665,000
Total:	\$665,000	\$0	\$0	\$0	\$0	\$0	\$665,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

No prior funding history.

Project Description/Justification:

Continued development and upgrades are essential for maintaining the efficiency and function of the system and its contents. Both divisions have investigated alternate options with their current vendor for maintenance and service requirements for their database but were unsuccessful because the vendor does not provide these services on an hourly basis or outside of a signed annual contract. The legal case data is at risk should a significant problem arise with the database.

What is the purpose of the project?

The purpose of this project is to replace the current case management database system with a modern system capable of maintaining efficiency and functionality to the Public Defender Agency and the Office of Public Advocacy. The system will be compatible with the new system implemented within the Department of Law. This will not only bring consistency and efficiencies across the departments, it will also provide new functionality for all three agencies.

Specifically, what hardware, software, consulting services, or other items will be purchased with this funding? Include a line item breakdown.

Case Management Database System**FY2018 Request: \$665,000****Reference No: AMD 41804**

Case management software and services	\$660.0
SQL license	\$5.0

How will service to the public be measurably improved if this project is funded?

Continuing to upgrade technological resources and expanding efforts toward creating a digital workplace enables increased efficiency, decreased costs, and better enables the Agency's to meet the mandates of their mission and the ethical requirements of each Agency. These upgrades allow for timely dissemination and retrieval of case information between attorneys and offices throughout urban and rural Alaska, enabling attorneys and staff to use their time efficiently and to better serve clients and the State of Alaska. Replacement of the case management system increases productivity by allowing expanded use of automation and mobility in work creation by allowing staff to work remotely from the courthouse.

Will the project affect the way in which other public agencies conduct their business?

Currently, the Public Defender Agency and the Office of Public Advocacy are interested in a database compatible with the system recently acquired by the Department of Law. Compatible systems between these agencies would enable the use of electronic data sharing, which will result in a significant reduction in the duplication of staff efforts across all agencies.

What are the potential out-year cost implications if this project is approved? (Bandwidth requirements, etc.)

Bandwidth in Barrow, Bethel, Dillingham, Kotzebue, Nome and Ketchikan offices is not adequate to use the case management system from the user's desktop. So, they access the system from a terminal server. In some remote offices, bandwidth is limited so that even using a terminal server to access the case management system is becoming difficult. Costs associated with the nightly Tivoli backups of the document storage server array will continue to increase as more data is entered into the case management system.

What will happen if the project is not approved?

If the Agencies are unable to replace the case management system, PDA and OPA will have a system in place that is incompatible with recent and future office software programs and hardware. This will make retrieval and use of the digital data, documents and files currently stored in the system more difficult or will require that the agency maintain outdated technologies and operating systems to try and maintain compatibility with an outdated case management system.

Failure to update the case management system to one that is current and receiving continual development and upgrading by the vendor makes it increasingly difficult to train staff and seek assistance from the vendor for problems and questions regarding the outdated system.

Ultimately, the current system is not compatible with the Agencies long-term plans for expanded digitization and increased mobility. These plans are essential not only for cost savings but to increase the ability of the Agency's attorneys to meet the needs of our clients and caseloads by increasing their efficiency.

AP/AL: Appropriation with Allocations **Project Type:** Life / Health / Safety
Category: Development **Recipient:** Various
Location: North Slope Borough **House District:** Arctic (HD 40)
Impact House District: Arctic (HD 40) **Contact:** Catherine Reardon
Estimated Project Dates: 07/01/2017 - 06/30/2022 **Contact Phone:** (907)465-2506

Brief Summary and Statement of Need:

This request amends the original Governor's FY2018 capital budget request by removing \$1,861,964 for a new requested total of \$1,378,346. This change is due to updated revenue estimates for FY2018, which results in FY2018 National Petroleum Reserve - Alaska (NPR-A) recommended awards to communities being lower than the estimate provided in the original Governor's FY2018 capital request. The NPR-A program provides grants to communities for public facilities and services. Priority is given to those communities directly or severely impacted by the leases and development of oil and gas within the NPR-A. Funding comes from the federal government as a share of the funds received on leases issued within NPR-A.

Funding:	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Total
1063 NPR Fund	\$1,378,346						\$1,378,346
Total:	\$1,378,346	\$0	\$0	\$0	\$0	\$0	\$1,378,346

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

Sec14 Ch2 SLA2016 P34 L11 SB138 \$3,240,310
 Sec24 Ch38 SLA2015 P38 L14 SB26 \$3,502,626
 Sec29 Ch18 SLA2014 P112 L26 SB119 \$4,005,621
 Sec24 Ch16 SLA2013 P125 L18 SB18 \$3,876,868
 Sec18 Ch17 SLA2012 P176 L4 SB160 \$4,896,872

Project Description/Justification:

As authorized December 12, 1980, by 42 USC Chapter 78, Sections 6501-6508, the federal government, through the US Department of the Interior, Bureau of Land Management (BLM) manages and allows the exploration and development of oil and gas within the NPR-A. In accordance with 42 USC § 6508, 50 percent of the money received by the federal government from the “sales, rentals, bonuses, and royalties on leases issued . . .” within the NPR-A is paid to the State of Alaska.

As required by AS 37.05.530, regulations (3 AAC 150.010 – 150.090) were adopted establishing the NPR-A Impact program which allow municipalities impacted by oil and gas development in the NPR-A

to apply for grant assistance to alleviate the impact. Grant applications are considered in accordance with:

- AS 37.05.530(c), participation is limited to municipalities.
- AS 37.05.530(c), (d), and (e), municipalities must demonstrate present impact or the need to determine or plan for future impact.
- AS 37.05.530(c), priority is given to municipalities that are experiencing or will experience the most direct or severe impact from oil and gas development.
- AS 37.05.530(e), municipalities may use the funds to alleviate the impact of the oil and gas development only for the following activities and services: (1) planning; (2) construction, maintenance, and operation of essential public facilities by the municipality; and (3) other necessary public services provided by the municipality.
- AS 37.05.530(f), funds may not be used for the retirement of municipal debt.
- 3 AAC 150.050(c), impact is defined as an effect reasonably attributable to NPR-A oil and gas activities under 42 USC § 6508 on (1) population; (2) employment; (3) finances; (4) social and cultural values; (5) air and water quality; (6) fish and wildlife habitats; (7) the ability to provide essential public services, including health care, public safety, education, transportation, utilities, and government administration; and (8) other things of demonstrable importance to the applicant or the applicant's residents.

As required by Alaska Statute (AS) 37.05.530(g), NPR-A funds received that are not appropriated for the NPR-A Impact program are deposited as follows: (1) 25 percent to the principal of the Alaska Permanent Fund; (2) .5 percent to the Public School Trust Fund (AS 37.14.110); and (3) the remaining amount may be appropriated to the Power Cost Equalization and Rural Electric Capitalization Fund (AS 42.45.100).

City of Barrow - Local Government Operations

FY2018 Request: \$899,392
Reference No: AMD 59127

AP/AL: Allocation
Category: Development
Location: Barrow
Impact House District: Arctic (HD 40)
Estimated Project Dates: 07/01/2017 - 06/30/2022
Appropriation: National Petroleum Reserve - Alaska Impact Grant Program

Project Type: Life / Health / Safety
Recipient: City of Barrow
House District: Arctic (HD 40)
Contact: Catherine Reardon
Contact Phone: (907)465-2506

Brief Summary and Statement of Need:

This request amends the original Governor’s FY2018 capital budget request by adding allocation level funding of \$899,392. This change is due to the timing of approval of individual National Petroleum Reserve – Alaska grants. This project is to continue providing essential public and municipal services to Barrow residents: cemeteries, recreation facilities and activities, business licensing, alcohol registration services, taxicab regulation services, community boat ramps, multi-use facilities and gathering places, Department of Motor Vehicles (DMV) services, passport services, and municipal monitoring of laws and regulations pertaining to aboriginal Inupiat lands.

Funding:	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Total
1063 NPR Fund	\$899,392						\$899,392
Total:	\$899,392	\$0	\$0	\$0	\$0	\$0	\$899,392

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

See appropriation for prior funding history.

Project Description/Justification:

This project will also foster and protect Inupiat cultural traditions and increase the city’s capacity and administrative capability.

As authorized December 12, 1980, by 42 USC Chapter 78, Sections 6501-6508, the federal government, through the US Department of the Interior, Bureau of Land Management (BLM) manages and allows the exploration and development of oil and gas within the NPR-A. In accordance with 42 USC § 6508, 50 percent of the money received by the federal government from the “sales, rentals, bonuses, and royalties on leases issued . . .” within the NPR-A is paid to the State of Alaska.

As required by AS 37.05.530, regulations (3 AAC 150.010 – 150.090) were adopted establishing the NPR-A Impact program which allow municipalities impacted by oil and gas development in the NPR-A

to apply for grant assistance to alleviate the impact. Grant applications are considered in accordance with:

- AS 37.05.530(c), participation is limited to municipalities.
- AS 37.05.530(c), (d), and (e), municipalities must demonstrate present impact or the need to determine or plan for future impact.
- AS 37.05.530(c), priority is given to municipalities that are experiencing or will experience the most direct or severe impact from oil and gas development.
- AS 37.05.530(e), municipalities may use the funds to alleviate the impact of the oil and gas development only for the following activities and services: (1) planning; (2) construction, maintenance, and operation of essential public facilities by the municipality; and (3) other necessary public services provided by the municipality.
- AS 37.05.530(f), funds may not be used for the retirement of municipal debt.
- 3 AAC 150.050(c), impact is defined as an effect reasonably attributable to NPR-A oil and gas activities under 42 USC § 6508 on (1) population; (2) employment; (3) finances; (4) social and cultural values; (5) air and water quality; (6) fish and wildlife habitats; (7) the ability to provide essential public services, including health care, public safety, education, transportation, utilities, and government administration; and (8) other things of demonstrable importance to the applicant or the applicant's residents.

As required by Alaska Statute (AS) 37.05.530(g), NPR-A funds received that are not appropriated for the NPR-A Impact program are deposited as follows:(1) 25 percent to the principal of the Alaska Permanent Fund; (2) .5 percent to the Public School Trust Fund (AS 37.14.110); and (3) the remaining amount may be appropriated to the Power Cost Equalization and Rural Electric Capitalization Fund (AS 42.45.100).

AP/AL: Allocation
Category: Development
Location: Wainwright
Impact House District: Arctic (HD 40)
Estimated Project Dates: 07/01/2017 - 06/30/2022
Appropriation: National Petroleum Reserve - Alaska Impact Grant Program

Project Type: Life / Health / Safety
Recipient: City of Wainwright
House District: Arctic (HD 40)
Contact: Catherine Reardon
Contact Phone: (907)465-2506

Brief Summary and Statement of Need:

This request amends the original Governor’s FY2018 capital budget request by adding allocation level funding of \$222,123. This change is due to the timing of approval of individual National Petroleum Reserve – Alaska grants. This project is to supplement the operations and maintenance costs necessary to successfully operate the local government of Wainwright: to provide continued municipal services to Wainwright residents, to provide staff support and meeting space for industry and town meetings, and to organize and support cultural and recreational activities.

Funding:	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Total
1063 NPR Fund	\$222,123						\$222,123
Total:	\$222,123	\$0	\$0	\$0	\$0	\$0	\$222,123

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

See appropriation for prior funding history.

Project Description/Justification:

As authorized December 12, 1980, by 42 USC Chapter 78, Sections 6501-6508, the federal government, through the US Department of the Interior, Bureau of Land Management (BLM) manages and allows the exploration and development of oil and gas within the NPR-A. In accordance with 42 USC § 6508, 50 percent of the money received by the federal government from the “sales, rentals, bonuses, and royalties on leases issued . . .” within the NPR-A is paid to the State of Alaska.

As required by AS 37.05.530, regulations (3 AAC 150.010 – 150.090) were adopted establishing the NPR-A Impact program which allow municipalities impacted by oil and gas development in the NPR-A to apply for grant assistance to alleviate the impact. Grant applications are considered in accordance with:

- AS 37.05.530(c), participation is limited to municipalities.

- AS 37.05.530(c), (d), and (e), municipalities must demonstrate present impact or the need to determine or plan for future impact.
- AS 37.05.530(c), priority is given to municipalities that are experiencing or will experience the most direct or severe impact from oil and gas development.
- AS 37.05.530(e), municipalities may use the funds to alleviate the impact of the oil and gas development only for the following activities and services: (1) planning; (2) construction, maintenance, and operation of essential public facilities by the municipality; and (3) other necessary public services provided by the municipality.
- AS 37.05.530(f), funds may not be used for the retirement of municipal debt.
- 3 AAC 150.050(c), impact is defined as an effect reasonably attributable to NPR-A oil and gas activities under 42 USC § 6508 on (1) population; (2) employment; (3) finances; (4) social and cultural values; (5) air and water quality; (6) fish and wildlife habitats; (7) the ability to provide essential public services, including health care, public safety, education, transportation, utilities, and government administration; and (8) other things of demonstrable importance to the applicant or the applicant's residents.

As required by Alaska Statute (AS) 37.05.530(g), NPR-A funds received that are not appropriated for the NPR-A Impact program are deposited as follows: (1) 25 percent to the principal of the Alaska Permanent Fund; (2) .5 percent to the Public School Trust Fund (AS 37.14.110); and (3) the remaining amount may be appropriated to the Power Cost Equalization and Rural Electric Capitalization Fund (AS 42.45.100).

AP/AL: Allocation
Category: Development
Location: Anaktuvuk Pass
Impact House District: Arctic (HD 40)
Estimated Project Dates: 07/01/2017 - 06/30/2022
Appropriation: National Petroleum Reserve - Alaska Impact Grant Program

Project Type: Life / Health / Safety
Recipient: City of Anaktuvuk Pass
House District: Arctic (HD 40)
Contact: Catherine Reardon
Contact Phone: (907)465-2506

Brief Summary and Statement of Need:

This request amends the original Governor’s FY2018 capital budget request by adding allocation level funding of \$256,831. This change is due to the timing of approval of individual National Petroleum Reserve – Alaska grants. This project is to support the general operations of the City of Anaktuvuk Pass, enabling the city to continue to build capacity for effective and efficient local government operation during a period of increased NPR-A related oil and gas development.

Funding:	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Total
1063 NPR Fund	\$256,831						\$256,831
Total:	\$256,831	\$0	\$0	\$0	\$0	\$0	\$256,831

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

See appropriation for prior funding history.

Project Description/Justification:

As authorized December 12, 1980, by 42 USC Chapter 78, Sections 6501-6508, the federal government, through the US Department of the Interior, Bureau of Land Management (BLM) manages and allows the exploration and development of oil and gas within the NPR-A. In accordance with 42 USC § 6508, 50 percent of the money received by the federal government from the “sales, rentals, bonuses, and royalties on leases issued . . .” within the NPR-A is paid to the State of Alaska.

As required by AS 37.05.530, regulations (3 AAC 150.010 – 150.090) were adopted establishing the NPR-A Impact program which allow municipalities impacted by oil and gas development in the NPR-A to apply for grant assistance to alleviate the impact. Grant applications are considered in accordance with:

- AS 37.05.530(c), participation is limited to municipalities.
- AS 37.05.530(c), (d), and (e), municipalities must demonstrate present impact or the need to determine or plan for future impact.

- AS 37.05.530(c), priority is given to municipalities that are experiencing or will experience the most direct or severe impact from oil and gas development.
- AS 37.05.530(e), municipalities may use the funds to alleviate the impact of the oil and gas development only for the following activities and services: (1) planning; (2) construction, maintenance, and operation of essential public facilities by the municipality; and (3) other necessary public services provided by the municipality.
- AS 37.05.530(f), funds may not be used for the retirement of municipal debt.
- 3 AAC 150.050(c), impact is defined as an effect reasonably attributable to NPR-A oil and gas activities under 42 USC § 6508 on (1) population; (2) employment; (3) finances; (4) social and cultural values; (5) air and water quality; (6) fish and wildlife habitats; (7) the ability to provide essential public services, including health care, public safety, education, transportation, utilities, and government administration; and (8) other things of demonstrable importance to the applicant or the applicant's residents.

As required by Alaska Statute (AS) 37.05.530(g), NPR-A funds received that are not appropriated for the NPR-A Impact program are deposited as follows:(1) 25 percent to the principal of the Alaska Permanent Fund; (2) .5 percent to the Public School Trust Fund (AS 37.14.110); and (3) the remaining amount may be appropriated to the Power Cost Equalization and Rural Electric Capitalization Fund (AS 42.45.100).

Fairbanks PM2.5 Nonattainment Area Voluntary Heating Device Change Out Program

FY2018 Request: \$2,477,250
Reference No: AMD 61721

AP/AL: Appropriation
Category: Health/Human Services
Location: Fairbanks (Areawide)
Impact House District: Fairbanks Areawide (HD 1-5)
Estimated Project Dates: 07/01/2017 - 06/30/2022

Project Type: Life / Health / Safety
House District: Fairbanks Areawide (HD 1-5)
Contact: Denise Koch
Contact Phone: (907)463-5105

Brief Summary and Statement of Need:

This project continues a voluntary heating device change-out program for residents in the Fairbanks North Star Borough's fine particulate matter (PM2.5) nonattainment area. The program is aimed at minimizing particulate matter emissions and improving air quality in the Borough. The Borough has the highest recorded levels of PM2.5 in the nation. Federal grant funds are anticipated from the Environmental Protection Agency (EPA) through the Targeted Air Shed Program.

Funding:	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Total
1002 Fed Rcpts	\$2,477,250						\$2,477,250
Total:	\$2,477,250	\$0	\$0	\$0	\$0	\$0	\$2,477,250

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

Sec1 Ch18 SLA2014 P10 L12 SB119 \$1,000,000
 Sec36 Ch18 SLA2014 P120 L25 SB119 \$1,000,000
 Sec1 Ch17 SLA2012 P23 L32 SB160 \$2,500,000
 Sec1 Ch17 SLA2012 P47 L23 SB160 \$850,000
 Sec1 Ch5 SLA2011 P30 L33 SB46 \$3,000,000

Project Description/Justification:

The Fairbanks North Star Borough (FNSB) has the highest recorded levels of fine particulate matter air pollution (PM2.5) in the nation. Wood smoke is the primary source of the PM2.5 pollution. EPA has proposed to reclassify the FNSB from a moderate to a serious nonattainment area. As a result of that reclassification, EPA will require the FNSB and State to implement stricter air pollution controls in the area.

Changing out older, more polluting home heating devices is an effective way to reduce air pollution. The voluntary program allows residents with older and more polluting home heating devices to replace those devices with a low emitting home heating device that is appropriately sized and installed. The list of replacement devices includes EPA-certified devices, masonry heaters, and

**Fairbanks PM2.5 Nonattainment Area Voluntary Heating
Device Change Out Program**

**FY2018 Request: \$2,477,250
Reference No: AMD 61721**

devices powered by home heating oil, natural gas, propane, electricity, and district hot water where available. The Department of Environmental Conservation estimates that 630 solid fuel (e.g. wood, coal, etc.) fired heating devices would be replaced, removed, or repaired through this voluntary program. Based upon information from the FNSB's 2015 and 2016 change out program, program participants qualified for an average reimbursement of approximately \$3,800.

The Division of Air Quality applied for this project through a nation-wide competitive grant program called the Targeted Air Shed Grant. EPA has provided the Department with notification that this project application has been selected for award. The Department expects to receive the grant. However, the award will not be official until EPA issues a final notice of award approval. There is no state fund match required for this federal grant. If authorized to receive this federal grant money, the Department plans to partner with the Department of Commerce, Community, and Economic Development and the FNSB to run the Change Out Program detailed in the grant application.

State Equipment Fleet Replacement

FY2018 Request: \$15,000,000

Reference No: AMD 30628

AP/AL: Appropriation
Category: Transportation

Project Type: Equipment / Commodities

Location: Statewide
Impact House District: Statewide (HD 1-40)

House District: Statewide (HD 1-40)

Estimated Project Dates: 07/01/2017 - 06/30/2022

Contact: Mike Vigue
Contact Phone: (907)465-4070

Brief Summary and Statement of Need:

This project is for replacement and/or refurbishment of equipment and vehicles which have reached the end of their useful life cycles, and continued conversion of vehicles to alternate fuel and related alternate fuel program expenses. Replacing assets with high operational costs or safety concerns with new assets maintains the overall health of the fleet and keeps rental rates that are charged to agencies low.

Funding:	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Total
1026 Hwy Capitl	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$90,000,000
Total:	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$90,000,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Prior Funding History / Additional Information:

Sec1 Ch2 SLA2016 P7 L29 SB138 \$20,000,000
 Sec1 Ch38 SLA2015 P7 L10 SB26 \$15,000,000
 Sec1 Ch18 SLA2014 P64 L3 SB119 \$15,000,000
 Sec1 Ch16 SLA2013 P79 L15 SB18 \$15,000,000
 Sec1 Ch17 SLA2012 P136 L28 SB160 \$15,000,000

Project Description/Justification:

The State Equipment Fleet is a shared service. Its mission is to supply state agencies with a safe and effective fleet of vehicles and equipment in a manner that is economically defensible. In general, older equipment is more expensive to maintain than newer equipment. As parts and components wear out or are damaged through normal use, the annual maintenance cost of certain equipment can exceed what it costs to replace. The State Equipment Fleet tracks and monitors equipment costs closely and identifies high cost equipment to use the annual capital appropriation for replacement when it makes economic sense.

The economic life of equipment is constantly monitored to obtain the lowest life-cycle cost possible. Indefinite delay in the established replacement program can result in higher operating costs including increased risk of equipment failure and expensive repairs that are not recoverable in the remaining

State Equipment Fleet Replacement**FY2018 Request: \$15,000,000****Reference No: AMD 30628**

equipment life. The replacement program also contributes to the safety of the operators in providing the latest technological advances in the industry.

The total backlog of all replacement-eligible equipment is \$49.0 million, representing over 1,000 pieces of equipment. This project of \$15.0 million will be used to replace the most aged, deteriorated and costly equipment, some of which was originally brought into service in the 1980s and 1990s. Approximately 125 pieces of equipment will be replaced, avoiding an estimated \$1.9 million in maintenance cost increases in the operating budget. Throughout the state, replacement timelines have been extended significantly and only the most urgent replacements will be made. By every metric (age, hours of operation, and mileage), equipment is being operated longer before replacement is considered. Statewide, the planned replacement of over 500 assets has been extended and the Department of Transportation and Public Facilities' maintenance and operations components have recently extended their replacement timelines by 20 percent, generating \$2.5 million in operating budget savings.

While the State Equipment Fleet's replacement program is a much leaner program than a number of years ago, its mission remains important in tight economic times. Maintaining a healthy fleet, and replacing equipment when prudent, will drive down costs in the long run by preventing increasing maintenance costs. These savings are reflected in the rates that each agency pays to the fleet.