

Change Record Detail with Description (1716)
Department of Corrections

Scenario: FY2017 Supplemental Amends Mar27 (14244)

Component: Physical Health Care (2952)

RDU: Health and Rehabilitation Services (638)

Title: Increased Costs for Nursing Shortages, Medical Fees, Chronic Disease, and Pharmaceuticals

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
Y	Suppl	2,000.0	0.0	0.0	2,000.0	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	2,000.0										

Health care costs for FY2017 are higher than expected due to chronic conditions and emergency situations which are inherently unpredictable.

The Department requested \$11.8 million to cover a projected shortfall in Physical Health Care and \$3.1 million in Population Management. It is still possible that the Population Management shortfall can be avoided but, based on recent health care costs, the original shortfall projected in the Physical Health Care appropriation is likely.

Initially only \$8 million of the projected \$11.8 million shortfall in Physical Health Care was requested to continue to monitor spending to see if the rate of spending would decline. However, based on recent expenditures, the shortfall is projected to be between \$9.8 and \$10.3 million. Language providing the amount necessary, estimated to be \$2.0 million in unrestricted general funds, is being requested now to avoid a ratification.

Sec. 8. DEPARTMENT OF CORRECTIONS. The amount necessary, estimated to be \$10,000,000 [\$8,000,000], 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, 2017.

FY2017 Management Plan: \$29,986.0
 FY2017 Total Supplementals: \$10,010.9
 FY2017 Total: \$39,996.9

Change Record Detail with Description (1716)
Department of Health and Social Services

Scenario: FY2017 Supplemental Amends Mar27 (14244)

Component: Health Care Medicaid Services (2077)

RDU: Medicaid Services (595)

Title: Medicaid Services Federal Claiming

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
Y	Suppl	238,500.0	0.0	0.0	0.0	0.0	0.0	238,500.0	0.0	0	0	0
	1002 Fed Rcpts	238,500.0										

Increases to federal claiming are associated with Medicaid reform, business redesign, and corrective actions taken to remedy the Alaska Medicaid Health Enterprise System conversion defects. The impact of the reprocessing of paid service claims associated with the Alaska Medicaid Health Enterprise System defects are being corrected by the Medicaid fiscal agent through their corrective action plans. This reprocessing is an ongoing process and requires additional federal authority.

Additional federal authority is needed in FY2017 for both Medicaid Expansion Services and Tribal Reclaiming Initiatives, this is the first full operating year for these programs, and both result in 100 percent Federal Medical Assistance Percentage (FMAP). The FY2017 spending patterns will provide the department with a more accurate baseline to assess both provider and recipient impact to the Medicaid program.

Sec. X. DEPARTMENT OF HEALTH AND SOCIAL SERVICES. Federal receipts received for Medicaid services, estimated to be \$238,500,000, are appropriated to the Department of Health and Social Services Medicaid Services appropriation for the fiscal year ending June 30, 2017.

FY2017 Management Plan: \$976,104.6
 FY2017 Total Supplementals: \$281,672.7
 FY2017 Total: \$1,257,777.3

Change Record Detail with Description (1716)
Special Appropriations

Scenario: FY2017 Supplemental Amends Mar27 (14244)

Component: Judgments, Claims and Settlements (3008)

RDU: Judgments, Claims and Settlements (615)

Title: Judgments and Settlements

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
Y	Suppl	153.1	0.0	0.0	153.1	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	153.1										

This request is necessary to provide funding for judgments and settlements incurred after January 30, 2017.

DEPARTMENT OF LAW. (a) The sum of \$1,251,477 [\$1,098,413] is appropriated from the general fund to the Department of Law, civil division, deputy attorney general's office, for the purpose of paying judgments and settlements against the state for the fiscal year ending June 30, 2017.

\$129,000.00 - Murran v. SOA, DHSS, OCS

\$3,544.59 - UltraStar Exploration, LLC v. SOA, DNR

\$20,000.00 - Alaska Dispatch News and Alaska Public Media v. Parnell

\$519.15 - Rush v. Alaska State Commission on Human Rights

FY2017 Management Plan: \$0

FY2017 Total Supplementals: \$14,991.5

FY2017 Total: \$14,991.5

Change Record Detail with Description (1716)
Special Appropriations

Scenario: FY2017 Supplemental Amends Mar27 (14244)
Component: Judgments, Claims and Settlements (3008)
RDU: Judgments, Claims and Settlements (615)
Title: Flint Hills Settlement (FY17-FY18)

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
Y	MultiYr	5,740.0	0.0	0.0	5,740.0	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund	5,740.0										

This supplemental request is necessary to provide funding for the State to fulfill obligations incurred under the Flint Hills settlement.

The State has settled its lawsuit against Flint Hills Resources, LLC and Flint Hills's counterclaims against the State over the North Pole Refinery soil and groundwater contamination. The State Department of Natural Resources leased the property to the prior owner Williams Alaska Petroleum, Inc. As a landowner, the State has potential liability for the spills and releases during Williams's thirty years of refinery operations. Releases of refinery wastewater containing the industrial chemical sulfolane polluted the drinking water wells of hundreds of residents beyond the refinery property. Under the settlement, Flint Hills will fund 80% and the State will fund 20% of a piped water system project on an interim funding basis while parties pursue their litigation against former refinery operator Williams. The amount to be paid in FY2017 and FY2018 is \$5.74 million.

DEPARTMENT OF ENVIROMENTAL CONSERVATION. The sum of \$5,740,000 is appropriated from the general fund to the Department of Environmental Conservation for the purpose of fulfilling the terms of the settlement in State of Alaska v. Williams Alaska Petroleum, Inc. et al. with respect to the piped water system project for the fiscal years ending June 30, 2017 and June 30, 2018.

FY2017 Management Plan: \$0

FY2017 Total Supplementals: \$14,991.5

FY2017 Total: \$14,991.5

Change Record Detail with Description (1716)
Fund Transfers

Scenario: FY2017 Supplemental Amends Mar27 (14244)
Component: Power Project Fund (2617)
RDU: Loan Funds (621)
Title: Reappropriation from Power Project Fund to the General Fund

Language	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
Y	Suppl	-10,000.0	0.0	0.0	0.0	0.0	0.0	0.0	-10,000.0	0	0	0
	1004 Gen Fund	-10,000.0										

The unexpended and unobligated balance, estimated to be \$10,000,000, of the appropriation made in sec. 28, ch. 14, SLA 2013, page 88, lines 25 – 30 is reappropriated for deposit in the general fund.

In FY2014, a fund transfer from the general fund to the power project fund (AS 42.45.010) of \$10,000.0 was made for the specific purpose of providing a loan to the Cordova Electric Cooperative for the Humpback Creek hydroelectric project. The appropriation was contingent on approval of a loan by the Alaska Energy Authority (AEA), which AEA's Board approved in December 2013. AEA and Cordova Electric Cooperative worked to create legal and closing documents that would satisfy both parties on a loan agreement up until Cordova Electric Cooperative withdrew their interest in June 2015. There is no longer an active loan application for the project and the funds cannot be used for the purpose appropriated. This appropriation will return the funds from the power project fund to the general fund.

FY2017 Management Plan: \$0
 FY2017 Total Supplementals: (\$10,000.0)
 FY2017 Total: (\$10,000.0)

Reappropriation for the Arctic Strategic Transportation and Resources (ASTAR) Project **FY2017 Request: \$0**
Reference No: AMD 61738

AP/AL: Appropriation **Project Type:** Research / Studies / Planning
Category: Development
Location: Statewide **House District:** Statewide (HD 1-40)
Impact House District: Statewide (HD 1-40) **Contact:** Fabienne Peter-Contesse
Estimated Project Dates: 06/30/2017 - 06/30/2021 **Contact Phone:** (907)465-2422

Brief Summary and Statement of Need:

The unexpended and unobligated balance, not to exceed \$7,798,000, remaining after the appropriation made in section 11(b) of this act of the appropriation made in sec. 19, ch. 29, SLA 2008, page 186, line 8 as amended by sec. 35(b)-(e), ch. 5, FSSLA 2011, page 165, lines 13-29 is reappropriated to the Department of Natural Resources for the Arctic Strategic Transportation and Resources (ASTAR) Project.

Funding:	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>	<u>FY2021</u>	<u>FY2022</u>	<u>Total</u>
1004 Gen Fund							\$0
Total:	\$0	\$0	\$0	\$0	\$0	\$0	\$0

<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.

Funding is available for reappropriation because a portion listed in sec. 19, ch. 29, SLA 2008 will be federalized and added to the Statewide Transportation Improvement Program, allowing federal highway funds to be used rather than unrestricted general funds.

Project Description/Justification:

The goal of ASTAR, the Arctic Strategic Transportation and Resources project, is to examine, evaluate, plan, prepare, and progress numerous North Slope infrastructure opportunities that have community improvement and resource development potential. The benefits of this plan include increased community connectivity, reduction in costs to North Slope communities for dry goods, fuel and consumables, decreased cost for rehabilitation of legacy wells in the National Petroleum Reserve-Alaska (NPR-A), more efficient development of state and federal hydrocarbon resources and increased economic activity providing job opportunities for the region.

ASTAR will provide recommendations for rapid development of “shovel ready” projects fostering economic investment in the North Slope region, and will create the framework for collaboration with the new federal administration as they develop their national infrastructure package. The plan will

provide a positive offset to the Bureau of Land Management’s studies and focus on impacts to development in the region. ASTAR is not just a Department of Natural Resources project but will involve stakeholders throughout the region, such as:

- Local communities
- Alaska Native Claims Settlement Act regional and village corporations
- Local businesses
- State agencies charged with resource and transportation management
- Transportation providers
- Infrastructure providers
- Oil and gas explorers

ASTAR is estimated as a three-year project that requires the addition of long-term nonpermanent staff and the hiring of resource specific contractors. Due to the diverse collection of stakeholders and the wide range of opinions regarding community access and resource development, significant interaction with the communities and corporations will be necessary to develop a shared vision for the region. Staff and contactors will need to have continuous face-to-face interaction with the stakeholders to develop this vision. Without consensus from the stakeholders, implementation of the strategies developed through ASTAR is unlikely to come to fruition.

The project funds the initial planning, design and preparatory work needed to advance priority projects to implementation. The project provides community connectivity and access for resource development and remediation. The project will:

- Use a landscape approach to identify and evaluate strategic arctic resources in the North Slope region, specifically community infrastructure, resource development potential and other regional needs;
- Connect communities through the expansion of current roadways;
- Work collaboratively with communities, the North Slope Borough, and other key stakeholders in the region to develop a shared vision and support for responsible infrastructure development;
- Identify potential development opportunities that offer the most benefit to the region, its' people and the state, and advance those projects to pre-implementation stage;

Budget Estimate

FY2018	FY2019	FY2020
3,250,000	3,250,000	1,298,000
4 PCNs	4 PCNs	4 PCNs

Item	FY2018	FY2019	FY2020
Natural Resource Specialist III (R18) (PCN: LTNP)	81,500	81,500	81,500
Natural Resource Specialist III (R18) (PCN: LTNP)	81,500	81,500	81,500
Natural Resource Specialist III (R18) (PCN: LTNP)	81,500	81,500	81,500
Natural Resource Specialist III (R18) (PCN: LTNP)	81,500	81,500	81,500
Line 1000 – Total Personal	326,000	326,000	326,000

Reappropriation for the Arctic Strategic Transportation and Resources (ASTAR) Project

FY2017 Request: \$0
Reference No: AMD 61738

Services:			
Travel for Stakeholder Meetings	50,000	50,000	25,000
Line 2000 – Travel:	50,000	50,000	25,000
RSAs - Multiple Departments/Divisions	1,500,000	1,500,000	510,000
Contractual Services	1,324,000	1,324,000	400,000
Other Services	25,000	25,000	20,000
Line 3000 – Services:	2,849,000	2,849,000	930,000
Computers	5,000		
Office Supplies	20,000	25,000	17,000
Line 4000 – Commodities:	25,000	25,000	17,000
Fiscal Year Totals:	3,250,000	3,250,000	1,298,000
FY18–FY20 Supplemental Total:	7,798,000		

Personal Services

Four long-term nonpermanent Natural Resource Specialists (range 18) will be required for the life of the project.

Travel

Because collaboration with the stakeholders is critical to the success of the project, public meetings will be held in communities throughout the ASTAR development process and will be required to ensure that the communities agree with the direction of the plan and that their concerns have been adequately addressed. Multiple stakeholder meetings are anticipated throughout plan development and adoption phases of ASTAR.

Services

Multiple state agencies will cooperate in the development of ASTAR. The project will be relying on Alaska Department of Fish and Game to provide wildlife population and migration information; Alaska Department of Transportation and Public Facilities to work with the project to help determine route feasibility and provide expertise in design and construction; Division of Oil and Gas to provide oil and gas resource data and studies; and Alaska Department of Environmental Conservation to review water quality issues and the effects of construction and development.

Contractual services include resource identification; wetlands delineation; legacy well location; remediation alternatives; analysis of the effects on subsistence; geotechnical data collection and analysis for proposed routes and crossings. Due to the compressed timeline for completing the development of ASTAR, limited state assets will be available to be diverted to the projects. Therefore, expertise in these areas will be contracted to collect and analyze the required data within the established project time.

Commodities

Office equipment is required for the long-term nonpermanent positions assigned to this project as well as the specialized materials that will be used to produce the final work product. The project will work to minimize costs by using intra-departmental assets to produce the graphics necessary, but special photographic papers and inks will be required to produce the high-resolution documents anticipated

Reappropriation for the Arctic Strategic Transportation and Resources (ASTAR) Project **FY2017 Request:** **\$0**
Reference No: **AMD 61738**

as the final product of ASTAR. Specialized mapping products are also anticipated for use in the harsh arctic environment.