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The Honorable Bert Stedman
Senate Finance Subcommittee: DOT&PF
Alaska State Legislature

February 10, 2021

Senator Stedman,

Alaskans depend on DOT&PF to support our economy and ways of life. We have included a number of resolutions that we have produced over these last two years in response to Departmental actions. These include: 1) Support for an adequately funded Alaska Marine Highway System – the State’s policy of reduced schedules has only resulted in higher costs for residents and businesses, fewer benefits to communities, fewer tourist opportunities, and lower quality of life for Alaskans; and 2) Opposition to Department cost-shifting through increased indirect rates that resulted in higher local matches and higher cost projects.

We also expect the State to honor its agreement with local governments, who assumed ownership of the majority of ports and harbors in Alaska expecting the State to continue funding some portion of capital improvements and maintenance. The Harbor Facilities Matching Grant Program should be fully funded every year. While we’re glad it is somewhere, we were surprised to see it in the general obligation bond package.

We suggest inclusion in the budget of a finding of Legislative Intent to require DOT&PF to amend its agreement with the Federal Highways Administration (FHWA) to develop criteria and a process by which local governments may administer federally funded projects. This is a good example of an opportunity to leverage local capacity where it exists. Senator, please find attached recent comments we delivered to DOT&PF, which highlight our expectations of cooperation with local governments.

We would request clarification from the Department about the Statewide Utility Policy Review RFP (<https://aws.state.ak.us/OnlinePublicNotices/Notices/Attachment.aspx?id=125588>), which may suggest shifting costs to local governments for work currently performed using federal funds.

Finally, we understand that DOT&PF has recently received an additional \$130 million (approx) in funding as part of the second round of COVID relief funding. The department should be requested to detail how the funding will be allocated across the state. Additionally, this new funding should in turn free up already obligated funding for projects. The department should detail how any of these funds are being applied or reallocated. The same is true for an accounting of how CARES Act funds have been used.

Thank you for your consideration of these questions and the needs of Alaska’s local governments.

Respectfully,

Nils Andreassen
Executive Director