

State of Alaska FY2009 Governor's Operating Budget

Department of Transportation/Public Facilities Northern Region Highways and Aviation Component Budget Summary

Component: Northern Region Highways and Aviation

Contribution to Department's Mission

Provide an efficient transportation system for the movement of people and goods and the delivery of state services.

Core Services

Control winter snow and ice: snow plowing, snow removal, sanding, de-icing, avalanche and drifting control, ice paving, snow fencing, and culvert thawing. Provide an active avalanche prevention and response program. Provide statewide winter road and weather reporting on the Internet via the statewide-recorded messaging system, and through faxes to state troopers, trucking firms, and others.

Perform summer road and airport maintenance including: grading, pothole patching, crack sealing, leveling of heaves and dips, brush clearing, sweeping, dust control, drainage cleaning and repair, erosion control, bike path maintenance, fence and guardrail repair, bridge painting and repair, and sign maintenance.

Maintain road and airport lighting systems: maintenance of traffic signals, intersection and road illumination, runway and taxiway lights, beacons, and wind cones.

Provide emergency response to both man-made and natural disasters in order to keep our transportation infrastructure intact.

Control roadside litter and carry out trash removal at rest areas, turnouts and campgrounds.

Control encroachment on driveways, access roads, signs, utilities, and other state rights-of-way.

Safely maintain and operate 104 state-owned certificated and non-certificated airports in compliance with state and federal regulations. This includes maintaining security at state airports through access controls, criminal history checks and badging of those with access to restricted areas, security fencing, communications and law enforcement. Provide Airport Rescue and Firefighting services at six certificated airports.

Operate the Adopt-a-Highway program.

FY2009 Resources Allocated to Achieve Results

FY2009 Component Budget: \$60,488,300	Personnel:	
	Full time	257
	Part time	74
	Total	331

Key Component Challenges

The primary challenge continues to be protecting Alaska's significant investment in its transportation infrastructure. There is a constant upward pressure on the maintenance budget as the existing transportation infrastructure ages and the public pressure for enhancements to the system increases. Much of Alaska's highway system is growing old, resulting in larger, more complex maintenance projects. Lack of adequate funding over much of the previous decade has limited the extent of Maintenance and Operations (M&O's) preventative maintenance program resulting in continuing deterioration of the existing highway system. Increased traffic volumes and truck weights are causing increased deterioration and driving up costs at maintenance work sites. New environmental regulations and restrictions require

costlier practices and significantly constrained timelines for repairs.

Other challenges include accommodating increases in the cost of labor and materials. Certain materials such as culverts, signs, and guardrail have increased significantly due to national steel shortages. Additional budget pressure arises from increased electricity and fuel costs as well as the addition of new fees that must be paid to other state and federal agencies. Although the Highways and Aviation (H&A) budget has increased recently, it has not kept up with these increasing demands and is currently inadequate to sustain an acceptable level of basic preventative maintenance of our roads and airports.

M&O is constantly challenged to improve services, save money, and meet ever-increasing customer expectations. Increased costs have been offset to some degree through increased productivity and other efficiencies. M&O has taken advantage of improving technologies to better manage the transportation system in a cost effective and efficient manner. Northern Region Highways and Aviation has made maximum use of federal highway and federal aviation major maintenance funding to achieve valuable repairs and improvements to road and airport surfaces. Unfortunately these federal funds come with limitations and cannot be used to address all categories of deferred maintenance needs. Federal funding scope limitations and general fund budget shortfalls have resulted in decreased striping, gravel surface grading, snow removal, and other road maintenance activities in outlying areas.

Warming climate trends are having major impacts on the transportation infrastructure in the Northern Region. Permafrost is found beneath most of the Northern Region and supports much of the state's transportation system. Thawing of ice-rich discontinuous permafrost has already damaged roads, airports, and buildings and has resulted in increased maintenance costs in order to address the damage caused by the melting permafrost. Thawing and melting are likely to continue to bring widespread changes in ecosystems, increased erosion, and damage to buildings, roads, airports and other infrastructure increasing the financial burden faced by Northern Region Highways and Aviation. Another significant challenge faced by Highways and Aviation is replacing its aging workforce as large numbers of employees are reaching, or are about to reach, retirement age. Private sector competition and national shortages of qualified and skilled heavy equipment operators are presenting us with major employee retention and replacement issues for the near future.

Significant Changes in Results to be Delivered in FY2009

Meeting the need to cover increased fuel, utilities, chemicals, commodities, and rural airport maintenance contracts will ensure the existing level of service is maintained.

Northern Region needs to deal with a variety of environmental compliance issues. Those include demolition and removal of abandoned buildings, replacement of aboveground fuel tanks, spill cleanups, and cleanup of abandoned fuel tanks, crashed aircraft and heavy-duty equipment on state land.

Major Component Accomplishments in 2007

Applied chip seal, hot mix, or high float asphalt to 178 lane miles of road.

Applied surface crack seal treatment to 19,910 lineal feet of paved highways.

Cut approximately 4,921 lane miles of brush and trees along our highway, side road and bike path rights-of-way. Brush cut the entire length of both the Nabesna Road (44 miles) and the Lake Louise Road (16 miles) for the first time in well over 10 years. The H&A staff used the services of Southeast Alaska Guidance Association (SAGA) to hand clear 29 acres of roadside brush along 15 miles of interior and south central area roadways.

Completed approximately 20-30 culvert replacements throughout the Northern Region. Installed, replaced or raised existing guardrail by 7,106 lineal feet as a safety enhancement for the traveling public throughout the Northern Region.

Performed repairs on 12 bridges throughout the Northern Region and cleaned another 16 bridges at the request of Bridge Design. Work consisted of bridge deck and structural repairs including sliding expansion joints, bridge rail supports, erosion repair to bridge abutments, spalling concrete, cracks, exposed reinforcing steel on concrete bridge decks and replacement of timbers on wooden decked bridges.

Re-stripped 1,385 centerline miles of highways within Northern Region. Provided assistance to Southeast Region by sending our regional paint crew to Haines and Skagway to stripe all state maintained roads in the maintenance area.

Responded to the October 2007 flood event that impacted and severely damaged the Richardson, Edgerton and Copper River Highways as well as the McCarthy Road, Dayville Road, and Mineral Creek Road. Performed emergency repairs at 65 damaged sites including emergency repairs to reopen the Richardson, Edgerton, and Copper River Highways as well as the McCarthy Road. Performed emergency repairs to the Tonsina, Teikel, Stuart, and Lakina River Bridges.

Responded to and cleaned up 4 avalanches in the Thompson Pass area on the Richardson Highway.

Restored access to the Klutina Lake recreation area by completing the emergency repairs to the Brenwick-Craig Road that was closed due to a mass-wasting event.

Established seven aggregate crushing contracts for over 285,500 cubic yards of aggregate material stockpiles for current and future surface repairs by federal and state projects. Established riprap contract to provide for 3,000 cubic yards of riprap stockpiles on the Copper River Highway for emergency use.

Statutory and Regulatory Authority

AS 02 – Aeronautics
AS 30 – Harbors and Shipping
AS 38 – Motor Vehicles
AS 44 – State Government
AAC 13 – Public Safety
AAC 14 – Public Works
AAC 17 – DOT&PF
CFR 14 – Aeronautics
CFR 49 - Airport Security
CRF 23 - Highways

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Northern Region Highways and Aviation Component Financial Summary

All dollars shown in thousands

	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	27,010.1	29,379.8	30,621.6
72000 Travel	531.5	593.5	613.5
73000 Services	17,803.1	20,367.8	19,180.2
74000 Commodities	9,923.9	10,280.6	10,001.4
75000 Capital Outlay	1,239.9	0.0	71.6
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	56,508.5	60,621.7	60,488.3
Funding Sources:			
1002 Federal Receipts	178.4	468.1	328.1
1004 General Fund Receipts	50,642.2	53,290.6	53,048.0
1005 General Fund/Program Receipts	15.1	33.0	33.0
1007 Inter-Agency Receipts	177.5	77.5	138.6
1026 Highways/Equipment Working Capital Fund	15.8	0.0	0.0
1052 Oil/Hazardous Response Fund	125.0	0.0	0.0
1053 Investment Loss Trust Fund	180.0	0.0	0.0
1061 Capital Improvement Project Receipts	4,161.2	5,554.8	5,722.9
1108 Statutory Designated Program Receipts	20.6	231.4	231.4
1156 Receipt Supported Services	992.7	966.3	986.3
Funding Totals	56,508.5	60,621.7	60,488.3

Estimated Revenue Collections

Description	Master Revenue Account	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Unrestricted Revenues				
Receipt Supported Services	51073	3.9	0.0	0.0
Unrestricted Total		3.9	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	178.4	468.1	328.1
Interagency Receipts	51015	177.5	77.5	138.6
General Fund Program Receipts	51060	15.1	33.0	33.0
Statutory Designated Program Receipts	51063	20.6	231.4	231.4
Receipt Supported Services	51073	992.7	966.3	986.3
Capital Improvement Project Receipts	51200	4,161.2	5,554.8	5,722.9
Restricted Total		5,545.5	7,331.1	7,440.3
Total Estimated Revenues		5,549.4	7,331.1	7,440.3

Summary of Component Budget Changes From FY2008 Management Plan to FY2009 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Management Plan	53,323.6	468.1	6,830.0	60,621.7
Adjustments which will continue current level of service:				
-FY 09 Health Insurance Increases for Exempt Employees	0.2	0.0	0.0	0.2
-FY 09 Bargaining Unit Contract Terms: General Government Unit	83.0	4.3	29.1	116.4
-Correct Unrealizable Fund Sources for Salary Adjustments: GGU	14.4	-4.3	-10.1	0.0
-FY 09 Bargaining Unit Contract Terms: Labor Trades and Crafts Unit	404.5	5.5	113.0	523.0
-Correct Unrealizable Fund Sources for Salary Adjustments: LTC	18.3	-5.5	-12.8	0.0
-Reverse First FY2008 Fuel/Utility Funding Distribution	-413.3	0.0	0.0	-413.3
-State Equipment Fleet rate adjustments - transfer to Central and Southeast Highways and Aviation	-427.6	0.0	0.0	-427.6
-Leased Facilities transferred into one component	-87.0	0.0	0.0	-87.0
-Provide funds for administrative position in Support Services	-25.8	0.0	0.0	-25.8
-Realign federal receipt authority to accept grants for rural airport security requirements	0.0	-140.0	0.0	-140.0
Proposed budget decreases:				
-State Equipment Fleet rate adjustments - net decrement after transfers	-191.9	0.0	0.0	-191.9
-State Equipment Fleet facility maintenance funding adjustments - net zero GF adjustments	-707.2	0.0	0.0	-707.2
-Reduce state share of cost for airport security requirement at rural certificated airports	-203.2	0.0	0.0	-203.2
Proposed budget increases:				
-Equipment Operator Apprenticeship Program - add six non-perm positions	405.0	0.0	0.0	405.0
-Increased Bike Path Maintenance	250.0	0.0	0.0	250.0
-Environmental Cleanup and Compliance	200.0	0.0	0.0	200.0
-Galena Airport Transfer of Responsibility	250.0	0.0	0.0	250.0
-Snow and Avalanche Program	23.0	0.0	0.0	23.0
-Trims Maintenance Station - add funding for additional staffing	50.0	0.0	50.0	100.0

**Summary of Component Budget Changes
From FY2008 Management Plan to FY2009 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
-Increased cost of urea for airport de-icing	20.0	0.0	0.0	20.0
-Wayside and Pullout Maintenance	95.0	0.0	0.0	95.0
-Highway damage repair and reimbursement program	0.0	0.0	20.0	20.0
-Add inter-agency receipt authority for maintenance services provided to other agencies	0.0	0.0	60.0	60.0
FY2009 Governor	53,081.0	328.1	7,079.2	60,488.3

Northern Region Highways and Aviation Personal Services Information

Authorized Positions			Personal Services Costs	
	<u>FY2008</u> <u>Management</u> <u>Plan</u>	<u>FY2009</u> <u>Governor</u>		
Full-time	257	257	Annual Salaries	18,416,890
Part-time	74	74	COLA	616,287
Nonpermanent	14	20	Premium Pay	2,128,431
			Annual Benefits	10,929,781
			Less 4.58% Vacancy Factor	(1,469,786)
			Lump Sum Premium Pay	0
Totals	345	351	Total Personal Services	30,621,603

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Tech II	0	1	0	0	1
Administrative Assistant	0	5	0	2	7
Administrative Assistant II	0	0	0	1	1
Administrative Clerk II	0	0	0	1	1
Administrative Clerk III	0	4	0	4	8
Administrative Manager II	0	1	0	0	1
Analyst/Programmer II	0	1	0	0	1
Division Director	0	1	0	0	1
Eng Tech Sub Journey II	0	1	0	0	1
Eng Tech Sub Journey III	0	0	0	1	1
Engineer/Architect III	0	1	0	0	1
Engineering Assistant II	0	1	0	0	1
Engineering Assistant III	0	1	0	0	1
Engineering Associate	0	1	0	0	1
Environ Impact Analyst II	0	1	0	0	1
Environ Program Spec III	0	1	0	0	1
Equip Operator Foreman II	0	0	0	1	1
Equip Operator Journey I	0	19	0	14	33
Equip Operator Journey II	0	28	0	134	162
Equip Operator Jrny III/Lead	0	2	0	47	49
Equip Operator Sub Journey I	0	7	0	15	22
Equip Operator Sub Journey II	0	2	0	13	15
Equipment Operator Foreman I	0	5	0	10	15
Equipment Operator Foreman II	0	1	0	0	1
Maint & Operations Manager	0	1	0	0	1
Maint & Operations Super	0	3	0	5	8
Maint Gen Sub - Journey II	0	0	0	1	1
Maint Spec Etrician Journey II	0	1	0	2	3
Maint Spec Tces Jrny II	0	3	0	0	3
Mech Auto Adv Journey	0	0	0	1	1
Regnl Saf&Arpt Sec Off	0	1	0	0	1
Rural Airport Foreman	0	0	0	5	5
Safety Officer	0	1	0	0	1
Totals	0	94	0	257	351