

State of Alaska FY2004 Governor's Operating Budget

Department of Transportation/Public Facilities

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Department Mission

To improve the quality of life for Alaskans by cost effectively providing, operating and maintaining safe, environmentally sound and reliable transportation systems and public facilities.

Department Goals and Strategies

Improve the way Alaska builds and maintains its transportation system, with a significant commitment to public participation in development of the State Transportation Improvement Program (STIP) and capital budget.

- Bring Alaska's portion of the National Highway System up to national design standards.
- Competitively select community transportation projects on a statewide-needs basis through an objective system, developed with community participation.
- Evaluate new transportation segments that might support significant economic development.
- Incorporate trails, recreational facilities, scenic enhancements and visitor services in our transportation program.
- Propose the use of different funding mechanisms for additional large construction projects.

Protect Alaska's investment in infrastructure by maintaining and operating over 14,000 lane miles of state roads, almost 600 buildings, 261 rural airports and 73 ports and harbors.

- Invest federal construction funds in projects that reduce maintenance costs.
- Use regional maintenance equipment pools, directed to the highest need, to reduce the number of maintenance vehicles.
- Implement a management structure which will identify and transfer cost saving maintenance techniques to other regions.
- Encourage local governments to assume ownership of local facilities.
- Work toward implementing a stable funding base for operation, maintenance and improvements of facilities.

Operate the Alaska Marine Highway System to meet the surface transportation needs of Southeast, Southwest and Southcentral Alaska communities.

- Refurbish and maintain vessels to allow for continued operation.
- Reduce financial losses for vessel services that are not required for safety reasons.
- Work with communities to promote system use.
- Develop and implement regional plans, which increase efficiency while improving services to the public.

Maintain, operate and promote Anchorage and Fairbanks International Airports, which are vital to the state's economy.

- Maintain and construct infrastructure to give Alaska a competitive market advantage, especially for international and domestic cargo traffic and tourism.
- Maintain and construct infrastructure to meet both required safety standards and capacity demands.
- Promote passenger service between Alaska and international destinations.
- Provide facilities that support efficient operations and continued economic growth.
- Provide a safe and secure airport environment for both air and ground operations

Key Department Issues for FY2003 – 2004

The current Surface Transportation Act (called TEA-21) expires on October 1, 2003. TEA-21 allocates most highway and transit funding generated through gas taxes by formula to the states. It is critical that Alaska monitor this process closely as it will significantly affect Alaska's transportation construction funding. In TEA-21, Alaska received a sizable increase in its annual federal funding, from about \$220 million per year to about \$400 million. The state of the federal budget will likely prohibit another large increase in a new transportation act. The key elements of reauthorization that nearly all states have agreed with are to increase the funding for the surface transportation program, increasing funding

for all states, and to maintain the "firewalls" established with TEA-21 that commit the highway gas taxes to transportation uses only. Alaska will need to be vigilant to make sure that increases to other states' programs do not come at Alaska's expense. Since Alaska has the highest return on federal gas tax of all the 50 states, the Commissioner's role in the reauthorization legislation is critical.

Airport security is a major issue following the events of September 11, 2001. Requirements for security have changed to comply with the Transportation Security Administration's (TSA) mandated emergency amendments to airport security programs. Additional personnel are needed to perform mandated functions such as security management, inspection, law enforcement, access control, and perimeter patrols, and administrative functions. Along with additional personnel, considerable costs will be incurred to provide security fences, lighting equipment, access controls and additional security vehicles. The Aviation Security Act will help define federal requirements for added security and specify whether federal funds will be available. All persons who require unescorted access to aircraft secure areas now must have a fingerprint-based criminal history records check.

The FY2003 operating budget was underfunded by \$6.5 million resulting in the closure of maintenance stations, dismissal of equipment operators, and the return of equipment. All of this reduced the amount of road maintenance performed throughout the region. We were faced with major policy decisions, such as waiting times for snow removal, maintenance prioritization on regional roads, frequency of sidewalk snow removal, etc. This budget request restores the department's capabilities to maintain highways and airports at prior year levels.

Protecting Alaska's investment in its transportation infrastructure is a key concern. The State's investments in roads, harbors and airports are eroding each year due to insufficient maintenance. As the transportation infrastructure continues to age, we are faced with an ever-increasing list of deferred maintenance work. Other demands include increases in the cost of labor, materials, electricity and fuel; cost of maintaining new infrastructure such as airport taxiways and lighting systems and highway traffic signals; and finally, the increasing burden of new laws and regulations. The budget has not kept up with these increased demands and is inadequate to sustain basic preventative maintenance of our roads and airports. Adequate and stable funding is mandatory to properly maintain our infrastructure and provide a suitable level of service to the public.

Implementation of the Southeast Alaska Transportation Plan, and the Alaska Marine Highway System improvements recommended in the Prince William Sound and Southwest Alaska Transportation Plans are critical to the department. The recommendations contained in the regional plans represent only the beginning of a process that needs to be supported by further operational analysis, development of a logical implementation schedule, refined project scopes, and a funding program. New information developed during the ongoing implementation process may lead to additional public and community involvement and plan addendum. Also of importance is coordination with the Inter-island Ferry Authority (IFA) in the implementation of the Southeast Alaska Transportation Plan and programming improvements, such as construction of an additional transfer berth at the Ketchikan Ferry Terminal to facilitate IFA ferry service.

The Governmental Accounting Standards Board (GASB) statement No. 34 adopted in June 1999 requires the reporting of infrastructure in the state's annual financial reports. The first step was the reporting of FY02 infrastructure costs, which was accomplished using the traditional method. The department took the lead on reporting infrastructure capital assets put into service in FY02, the depreciation associated with those assets and the land acquired as part of the right of way acquisition process. A continuing challenge will be the process of inventorying the infrastructure of the state for full implementation of historical infrastructure reporting in FY06.

Maintenance and Operations:

The State Equipment Fleet (SEF) operates 44 shops and has more than 150 employees that provide general and preventative maintenance and all parts supply. There are approximately 7,600 vehicles accounted for in the fleet information system, with 4,800 vehicles comprised of light duty, heavy duty and attachments under SEF management. The Department contracted with a private fleet management consulting firm to take a broad review and a detailed performance and productivity evaluation of the delivery of fleet services. In January 2001, an in-depth status report on the management and maintenance of the State's fleet and list of recommendations was completed. Implementation of approved recommendations will take time and resources, but should result in more efficient fleet operations.

Measurement Standards and Commercial Vehicle Enforcement:

The department has received Federal Highway Administration funding to develop intelligent transportation systems for commercial vehicle operations (ITS/CVO). The ITS/CVO program is focused on the use of technology to streamline state regulatory, enforcement and motor carrier practices increasing levels of safety and productivity for both states and carriers. A business plan has been developed and has been approved by the Federal Motor Carrier Safety

Administration. Funding has been identified for bringing commercial vehicle safety information to commercial vehicle inspectors at the roadside, developing a system to enable motor carriers to submit applications for oversize and overweight permits electronically, and installing weigh in motion systems at the Glenn Outbound Weigh/Inspection Stations.

Alaska Marine Highway System:

Many changes are occurring in the fleet of the Alaska Marine Highway System (AMHS). A contract was awarded and construction has begun on two new fast vehicle ferries expecting delivery dates in 2004 and 2005. Also, the new Metlakatla shuttle ferry is expected in the spring 2004. As a result of this new shuttle in Southeast, the Aurora will be transferred to the Prince William Sound area and the Bartlett will be surplus. The addition of the new ferries will require many changes in how we do business. Crews will need to be trained under the demanding High Speed Craft Code.

The Department needs to take a more aggressive approach toward increasing ridership and revenue generation to support the AMHS. An independent marketing and fee study was completed that identified 80,000 potential customers available to the AMHS. Recommendations in the study will be analyzed and implemented where possible. Web based ticket procurement will be further refined during this fiscal year. The preliminary steps towards implementation of the Southeast Transportation Plan are underway which will eventually result in greater efficiency, and reduced costs.

International Airport System:

The "Gateway Alaska" program at the Ted Stevens Anchorage International Airport is a revitalization program to improve access to the airport. Of significant statewide importance, the Gateway Alaska initiative includes the airport terminal project and infrastructure improvements on roads leading to the airport. Design changes are necessary to incorporate security needs resulting from the September 11, 2001 attacks. Security-related enhancements such as blast protection, INS expansion, close circuit TV, and passenger screening changes have led to significant terminal redesign. These adaptations and their potential funding sources are at the forefront of near-term airport management focus.

Major Department Accomplishments in 2002

- Delivered a comprehensive program of bid ready designs and contract documents for projects across the state and, as a result, received an additional \$4.1 million in Federal Highway Administration funding.
- Completed a comprehensive overhaul of our right-of-way regulations, policies and procedures culminating in a new on-line system for permitting, bringing the various sections of permitting available within DOT&PF into one easy to access central location.
- Coordinated with borough governments to "Pave and Transfer" small roads. Traded maintenance responsibilities for 28.1 road miles with local city and borough governments to more efficiently sand and plow snow, paint streets, and clean out storm drains.
- Expanded the electronic payment program to small contractors and vendors who receive standard monthly payments.
- Implemented an email capability on each AMHS vessel and provided for email delivery when near a wireless bridge.
- Received FHWA approval of Internal Annual Assurances/Affirmative Action Plan with no findings.
- Increased Commercial Vehicle Safety field inspection personnel, trained all personnel to perform North American Standard (NAS) driver and vehicle inspections, achieved National Certification of all field personnel by the Commercial Vehicle Safety Alliance (CVSA); trained all personnel to perform hazardous materials inspections and cargo tank inspections.
- Emphasized safety awareness through greater communication with public, through various forms of media (public exhibits, workshops, newspaper advertisements). The Department entered into agreements with local police departments for officer presence at construction sites during peak traffic hours, enforcing compliance with speed limits.
- Applied chip seal, hot mix, or high float asphalt to 462 lane miles of road.
- Awarded the contract for the development of a maintenance management system that will best meet the department's current and future needs. Detailed design efforts began to modify the program to meet the unique requirements of the department.
- 16.2 billion pounds (all cargo landed weight) transited or transferred through Ted Stevens Anchorage International Airport.
- Awarded a contract and began construction on two new fast vehicle ferries expecting delivery dates in 2004 and 2005.
- Prepared update to the Statewide Long Range Transportation Plan called Vision 2020.

- Completed the development of regional transportation plans for Yukon-Kuskokwim Delta and Southwest Alaska.
- Continued implementation of SE Alaska Transportation Plan. The plan encompasses construction of new roads, ferries, and terminals to enhance transportation in SE Alaska. As part of the plan, an RFP was developed for the first fast vehicle ferry in Alaska.

Governor's Key Department-wide Performance Measures for FY2004

Measure:

Design and Engineering Services - The percentage of federal highway funds obligated in the previous federal fiscal year.

Sec 144(b)(1) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

100% of federal highway funds were obligated. Our performance placed the Department in a position to receive an additional \$ 4.1 million in funding from the Federal Highway Administration compared to an additional \$2.2 million in FY2001. The additional funds were available because other states were not as well prepared and were unable to obligate their full allocation of federal-aid.

Benchmark Comparisons:

All states attempt to achieve 100%.

Background and Strategies:

The department strives to obligate all federal funds that are available to the state for highway projects. The staff continue to work diligently on that front, reporting regularly on their projects to the Division management, and through a computerized management reporting system, to ensure that projects are delivered on time.

Measure:

Measurement Standards and Commercial Vehicle Safety - Commercial vehicle safety inspections per full-time equivalent employee of the division.

Sec 148(b)(1) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

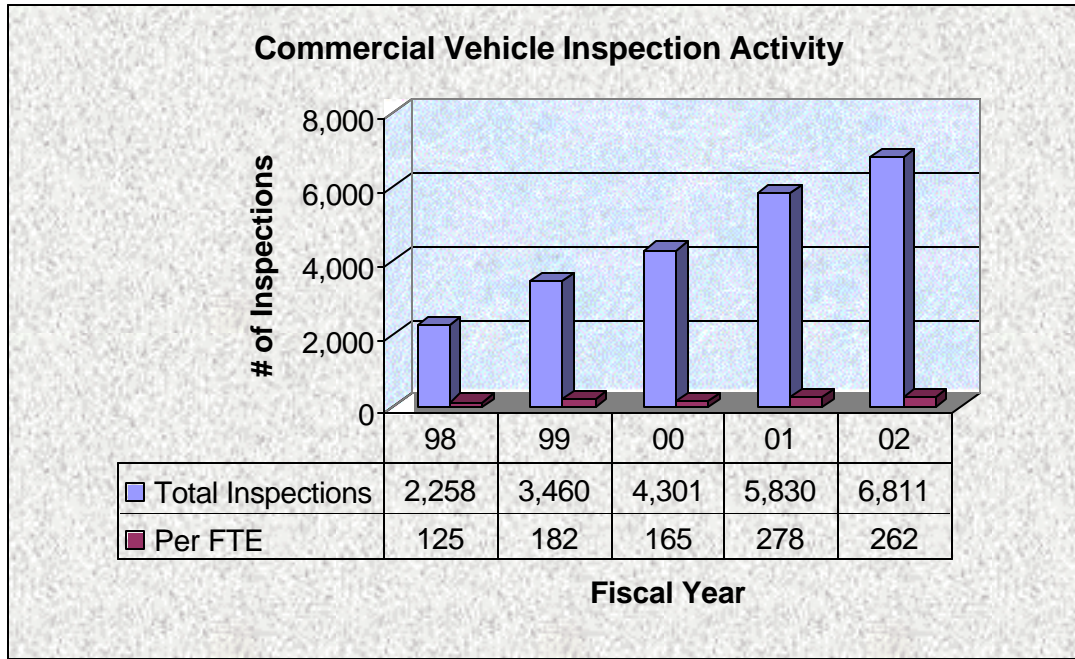
During FY2002 actual performance was 262 inspections per full-time-equivalent employee of the division compared to 278 per full-time-equivalent employee in FY01. The Division completed 6,811 inspections during FY2002.

Benchmark Comparisons:

To date, there is no established national standard for this performance measure, although the Department's goal is to reach 8,000 – 10,000 inspections per year.

Background and Strategies:

The division anticipates further efficiencies through streamlining the inspection process by implementing electronic inspection reporting at the field level. A total of ten laptops and all of the fixed weigh stations have been deployed with the new safety reporting system software. During FY02, 15 employees were trained in North American Standards Hazardous Materials inspection methods. This specific training allows the inspector to expand the inspection process by including commercial vehicles carrying hazardous material loads traveling on Alaska highways.



During FY02, the division purchased a mobile IRIS (Infra-Red Inspection System) Van. The intent of the new IRIS Van is to increase the number and accuracy of brake inspections. Evaluation of the IRIS system is underway to establish its accuracy and dependability in detecting faulty brakes, exhaust leaks, over-inflated tires, and other mechanical problems during arctic winter conditions. Commercial Vehicle Enforcement Officers using the IRIS van have completed a total of 979 brake screenings in Anchorage, Fairbanks and on the Kenai Peninsula during the period March 1 - October 28, 2002. Although relatively new, the van has increased efficiency by reducing unnecessary manual inspection of vehicles with brake systems that are operational. Inspectors are able to make accurate, on the spot determinations of malfunctioning braking systems irrespective of season and weather in areas away from weigh stations.

Measure:

The percentage of highway and airport lane miles per full-time-equivalent employee compared to the average of member states of the Western Association of State Highway and Transportation Officials
 Sec 149(b)(2) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

	FY01	FY02	FY03	FY04
Central Region	37.0	37.0	42.1	37.0
Northern Region	42.1	42.2	45.9	42.2
Southeast Region	35.3	35.3	37.0	35.3
WASHTO Average	21.7	29.3	29.3	

Northern Region Maintenance and Operations, Highways and Aviation maintains highway and airport lane miles with 45.9 (42.2 – FY02) lane miles per full-time equivalent position. Southeast Region averages 37.0 (35.3 – FY02) highway and airport lane miles per full-time equivalent. And, Central Region M&O maintains highway and airport lane miles with an average of 42.1 (37.0 – FY02) lane-miles per FTE position.

Benchmark Comparisons:

Fifteen states average 29.3 lane miles per full-time equivalent position (Data Source: OKDOT Survey, 1999 & 2001 results from 15 WASHTO States) as follows:

Arizona	29.89	
California	10.33	(1999)
Colorado	15.98	(1999)
Hawaii	8.86	(1999)

Idaho	29.50	
Montana	35.25	
Nevada	33.30	
New Mexico	30.39	
North Dakota	46.55	(1999)
Oklahoma	39.30	
Oregon	16.77	
South Dakota	42.86	
Texas	40.61	
Utah	41.59	
Washington	18.49	(1999) Average 29.31

Background and Strategies:

At the current levels of lane miles per full-time equivalent, the Department is not able to provide an adequate level of service. There is a long list of “deferred maintenance” work – jobs that have not been completed due to lack of personnel and other resources. Staff are required to concentrate on critical needs, such as snow removal, rock slides, flooding, and erosion of roadbeds, and are able to devote less attention to preventive maintenance, such as crack sealing, ditching, and brush cutting. Work on priority maintenance items is scheduled when time and resources permit, and federal funds are used to improve the transportation infrastructure to minimize future maintenance needs.

The Department plans to implement an Alaskan maintenance management system that will establish specific maintenance criteria (roadway surface, drainage, snow and ice control, traffic services, etc.) with defined service levels and associated cost to identify to the public and legislature meaningful performance measures. Use of the maintenance management system will identify specific maintenance areas (e.g., guardrail repair, brush cutting, etc.) lacking in necessary resources. To reduce the average lane miles per employee, lane miles could be eliminated from state highway and aviation systems by transferring to communities, develop new funding sources, or encourage FHWA to make eligible more maintenance items under the federal aid highway program.

Measure:

The percentage of applicable rural airports that maintain the pavement condition index (PCI) at 70 for runways and 60 for taxiways and aprons.

Sec 150(b)(1) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

Out of those runways, aprons and taxiways inspected, 24% in Central Region, 18% in Northern Region and 85% in Southeast Region have exceeded the pavement condition index identified in this measure. All airports have been surveyed in the last three years except Galena (managed by the U.S. Air Force), McGrath, Unalaska, and Yakutat. Yakutat Airport is scheduled for a major pavement renewal project in FY2004. Sitka and Wrangell airports do not meet the PCI criteria for runways. These deficiencies will be addressed in future capital improvement projects. In the mean time maintenance personnel address pavement deficiencies through daily maintenance and minor pavement repair projects. PCI values are only averages for the entire airport. It may be misleading to assume that the airport pavement conditions are fine if average conditions meet the measures. If, for example, an airport has several new pavement sections and the rest are old and worn, the average condition may meet the criteria, but it is not representative of true conditions.

Benchmark Comparisons:

PCI 70 for runways; PCI 60 for taxiways and aprons. Preventive and routine maintenance such as crack sealing and patching is recommended when pavement conditions exceed the minimum PCI values that are set forth. Corrective maintenance or pavement rehabilitation are recommended on areas with PCI values from 55 to the minimum values. Reconstruction is recommended when PCI values fall below 55. Recommendations are for specific pavement sections and are presented annually. Lack of funding and personnel to do the work often prevent the recommendations from being followed.

Background and Strategies:

The PCI is a quantitative indicator of overall pavement condition that, as part of a pavement management system, helps us to determine maintenance and rehabilitation needs at airports. It also helps us to determine priorities when scheduling major pavement projects. However, a PCI score is only part of the story. The Department's goal is to maintain airports' required operational capability through effective staffing, equipment, maintenance, and management practices that ensure our airports are safe and open for business whether they have new pavement or are due for rehabilitation. However, lack of funding for pavement maintenance like crack sealing and patching is a continual problem. Project funding for pavement rehabilitation and reconstruction is also inadequate.

Measure:

Alaska Marine Highway System - The revenue per rider mile divided by the operational costs per rider mile.

Sec 151(B)(2) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

	With Fuel	Without Fuel
FY00	.51	not available
FY01	.48	not available
FY02	.51	.56

It is important to see what drives the changes to these ratios. The following reflects those.

Revenues

FY00	.62
FY01	.64
FY02	.64

Expenditures

FY00	1.22
FY01	1.34
FY02	1.27

The FY02 ratio was obtained by dividing the revenue per rider mile of \$.64 by the cost per rider mile that was \$1.27.

Benchmark Comparisons:

The Washington State Ferry System reports a ratio of .60. The British Columbia Ferry Corporation reports a ratio of .81. Their cost per rider mile is about the same as the Alaska Marine Highway System. However, their revenue per mile is much higher since they adjust their tariffs to reflect increased expenditures.

Background and Strategies:

The Alaska Marine Highway System is on par when compared to the other ferry systems. The exception is the AMHS has lower revenue per rider mile when compared to the British Columbia system. Along these lines, the AMHS implemented a tariff increase effective May 1, 2001 and an additional summer increase effective May 1, 2003 .

This performance measure is influenced by several variables, i.e., seasonal demand, service routes, number of voyages per week between ports and the fluctuation in fuel prices.

Measure:

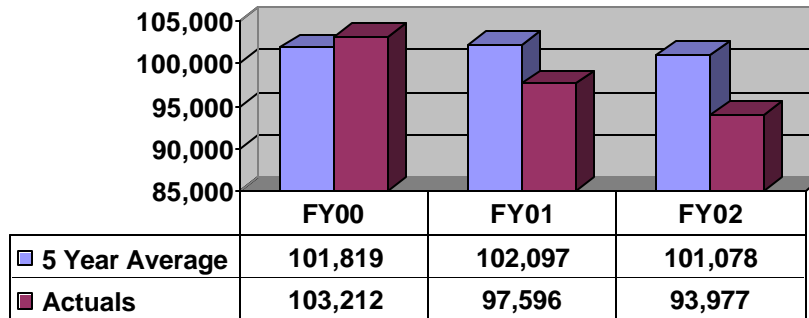
Alaska Marine Highway System - The total ridership, including passengers and vehicles, compared to the five-year ridership average.

Sec 151(B)(3) Ch 124 SLA 2002(HB 515)

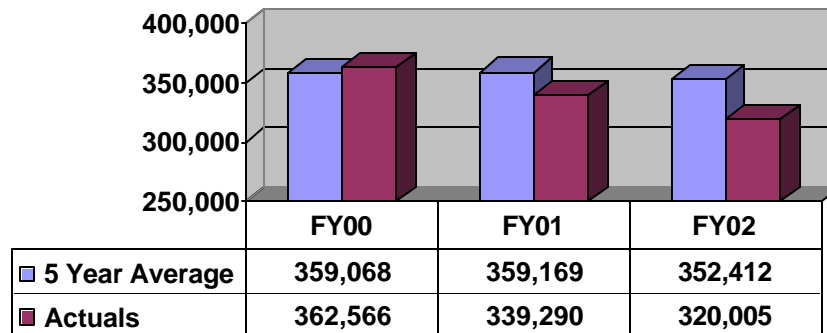
Alaska's Target & Progress:

The AMHS established a goal to increase ridership by 3% per year. The System experienced a passenger decrease of 9.2% and a vehicle decrease of 7.0% in FY02. Of this decrease, 3% on the passenger side and 3.8% on the vehicle side is directly attributed to AMHS turning the Hollis route over to the Inter-Island Ferry Authority.

Vehicles



Passengers



Benchmark Comparisons:

There is no good benchmark for this performance measure. The BC Ferries and Washington State Ferries carry substantially more passengers and vehicles because both are short haul and commuter type systems.

Background and Strategies:

The Alaska Marine Highway System brought a ninth vessel on line and introduced cross Gulf service in FY99. This measure is a ridership comparison with a nine vs. eight-vessel fleet. A marketing manager was hired in FY01 to increase ridership. Many marketing efforts are being undertaken to promote Marine Highway ridership. Unfortunately, there are events beyond the Department's control that can and have resulted in ridership reductions (e.g., blockades, strikes, fires, etc.).

Measure:

The percentage of total project costs spent on project development by department and by private contractors performing design and engineering services.

Alaska's Target & Progress:

For FY2001, the Division reported 14.39% of total project costs spent on project development. For FY2002, we are at 13.15%.

Benchmark Comparisons:

There are no comparable benchmarks. A lower percentage is always desirable. Responding to public comments, environmental concerns and permitting requirements will always drive the percentage up. Our goal is achieving the right balance. Setting a number would be an oversimplification.

Background and Strategies:

The Division is developing management reporting tools to aid in its efforts to control project development costs. We have also instituted additional program codes to more carefully track right of way and utilities expenditures. We will use the available management tools to track our costs, and improve our performance.

Department Budget Summary by BRU

All dollars in thousands

	FY2002 Actuals				FY2003 Authorized				FY2004 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Formula Expenditures												
None.												
Non-Formula Expenditures												
Commissioner's Office	0.0	0.0	0.0	0.0	575.8	170.0	303.0	1,048.8	0.0	0.0	0.0	0.0
Administration and Support	988.6	852.1	2,017.3	3,858.0	261.4	18.0	563.0	842.4	891.8	0.0	988.6	1,880.4
Equal Employment/Civil Rights	302.2	0.0	218.9	521.1	296.7	0.0	367.6	664.3	267.0	0.0	406.5	673.5
Internal Review	58.7	0.0	593.1	651.8	56.7	0.0	697.0	753.7	51.0	0.0	721.6	772.6
Administrative Services	3,794.3	0.0	5,844.7	9,639.0	3,614.3	0.0	6,304.6	9,918.9	1,746.2	0.0	7,924.6	9,670.8
Regional Support Services	1,914.7	0.0	2,097.2	4,011.9	1,848.7	0.0	2,179.5	4,028.2	1,670.8	0.0	2,199.8	3,870.6
Statewide Aviation	470.5	0.0	193.4	663.9	180.3	0.0	487.0	667.3	0.0	0.0	463.6	463.6
Planning	341.6	0.0	5,294.1	5,635.7	331.1	0.0	5,860.3	6,191.4	298.2	0.0	6,013.5	6,311.7
Design & Eng Services	1,749.6	0.0	35,194.0	36,943.6	1,417.7	0.0	36,876.6	38,294.3	1,287.7	0.0	38,016.6	39,304.3
Construction/CI P Support	732.4	0.0	27,911.3	28,643.7	717.6	0.0	31,101.8	31,819.4	647.0	0.0	31,850.6	32,497.6
Statewide Facility M&O	11,364.8	37.2	4,975.0	16,377.0	8,854.2	167.8	4,096.8	13,118.8	9,775.6	167.8	4,716.5	14,659.9
Traffic Signal Management	0.0	0.0	0.0	0.0	1,447.4	0.0	0.0	1,447.4	1,289.7	0.0	0.0	1,289.7
State Equipment Fleet	0.0	0.0	18,621.6	18,621.6	0.0	0.0	20,346.4	20,346.4	0.0	0.0	20,362.7	20,362.7
Measure Stnds & Comm Veh. Enf.	2,058.2	0.0	2,016.1	4,074.3	1,947.5	0.0	2,891.7	4,839.2	1,733.6	0.0	2,929.5	4,663.1
Highways and Aviation	73,528.0	1,110.0	9,156.2	83,794.2	72,095.3	2,587.2	11,322.0	86,004.5	77,239.4	2,408.2	14,770.8	94,418.4
Northern Region Road	0.0	0.0	0.0	0.0	306.0	0.0	0.0	306.0	0.0	0.0	0.0	0.0

	FY2002 Actuals				FY2003 Authorized				FY2004 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Openings												
North Kenai Maintenance Station	385.4	0.0	0.0	385.4	370.4	0.0	0.0	370.4	0.0	0.0	0.0	0.0
International Airports	0.0	0.0	288.5	288.5	0.0	3,407.3	46,198.9	49,606.2	0.0	0.0	393.5	393.5
Ted Stevens Airport	0.0	310.6	31,963.5	32,274.1	0.0	0.0	0.0	0.0	0.0	2,340.0	35,141.4	37,481.4
Fairbanks International Airp.	0.0	169.1	10,244.0	10,413.1	0.0	0.0	0.0	0.0	0.0	293.7	11,555.6	11,849.3
Marine Highway System	0.0	0.0	77,563.5	77,563.5	0.0	0.0	85,163.1	85,163.1	0.0	0.0	85,123.7	85,123.7
Totals	97,689.0	2,479.0	234,192.4	334,360.4	94,321.1	6,350.3	254,759.3	355,430.7	96,898.0	5,209.7	263,579.1	365,686.8

Funding Source Summary

All dollars in thousands

Funding Sources	FY2002 Actuals	FY2003 Authorized	FY2004 Governor
1002 Federal Receipts	2,479.0	6,350.3	5,209.7
1004 General Fund Receipts	94,298.0	94,300.1	96,877.0
1005 General Fund/Program Receipts	3,391.0	21.0	21.0
1007 Inter-Agency Receipts	6,862.0	4,562.1	5,210.8
1026 Highway Working Capital Fund	21,761.6	23,662.1	23,696.9
1027 International Airport Revenue Fund	44,110.5	47,907.2	48,813.1
1052 Oil/Hazardous Response Fund	700.0	700.0	700.0
1061 Capital Improvement Project Receipts	78,445.4	83,368.6	90,744.4
1076 Marine Highway System Fund	78,562.6	86,135.4	86,236.8
1108 Statutory Designated Program Receipts	490.0	1,095.5	1,101.5
1139 AHFC Dividend	1,276.0		
1156 Receipt Supported Services	1,984.3	7,328.4	7,075.6
Totals	334,360.4	355,430.7	365,686.8

Position Summary

Funding Sources	FY2003 Authorized	FY2004 Governor
Permanent Full Time	2,968	2,983
Permanent Part Time	591	591
Non Permanent	12	18
Totals	3,571	3,592

FY2004 Capital Budget Request

Project Title	General Funds	Federal Funds	Other Funds	Total Funds
Alaska Marine Highway System - Vessel Overhaul and Rehabilitation	4,900,300	0	0	4,900,300
Material Stockpiles - Dalton Highway, Glenn Highway, Richardson Highway and Tok Cutoff	600,000	0	0	600,000
Airport Deferred Maintenance	850,000	0	0	850,000
Highway Deferred Maintenance	1,500,000	0	0	1,500,000
Facilities Deferred Maintenance and Critical Repairs	1,000,000	0	0	1,000,000
Emergency and Non-Routine Repairs	700,000	0	0	700,000
Chandalar Maintenance Station Replacement	4,352,000	850,000	0	5,202,000
Corps of Engineers - Harbors Program Formulation	200,000	0	0	200,000
Corps of Engineers - Harbors Program Construction	8,250,000	0	0	8,250,000
Bethel Dock Deferred Maintenance and Transfer	600,000	0	0	600,000
Community Access Roads	4,000,000	1,000,000	0	5,000,000
Industrial Development Roads	5,000,000	0	0	5,000,000
State Equipment Fleet Replacement	0	0	15,000,000	15,000,000
State Equipment Fleet Equipment Management System Replacement	0	0	2,000,000	2,000,000
Weights and Measures Testing Unit Replacement	75,000	0	0	75,000
Statewide Federal Programs	54,283,500	65,975,000	13,912,500	134,171,000
Airport Improvement Program	0	143,581,163	12,468,800	156,049,963
Anchorage Metropolitan Area Transportation System (AMATS) Projects	0	68,734,000	0	68,734,000
Surface Transportation Program	1,000,000	414,742,600	350,000	416,092,600
Federal aid highway program match from bond interest earnings	0	0	2,250,000	2,250,000
Department Total	87,310,800	694,882,763	45,981,300	828,174,863

This is an appropriation level summary only. For allocations and the full project details see the capital budget.

Overview of Departmental Budget Changes

This budget attempts to provide services at the same level as in prior years and, at the same time, reduce administrative support by approximately 10%. The initial step of implementing the department's reorganization along transportation modes is included in this budget. Greater reliance on non-general funds is also reflected here.

Summary of Department Budget Changes by BRU

From FY2003 Authorized to FY2004 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2003 Authorized	94,321.1	6,350.3	254,759.3	355,430.7
Adjustments which will continue current level of service:				
-Administration and Support	79.6	-188.0	114.3	5.9
-Equal Employment/ Civil Rights	-29.7	0.0	33.6	3.9
-Internal Review	0.0	0.0	24.6	24.6
-Administrative Services	-1,556.1	0.0	78.3	-1,477.8
-Regional Support Services	1.8	0.0	20.3	22.1
-Statewide Aviation	-76.7	0.0	-13.4	-90.1
-Planning	0.2	0.0	11.7	11.9
-Design & Eng Services	0.7	0.0	421.0	421.7
-Construction/CIP Support	1.2	0.0	389.1	390.3
-Statewide Facility M&O	473.5	0.0	66.0	539.5
-State Equipment Fleet	0.0	0.0	16.3	16.3
-Measure Stnds & Comm Veh. Enf.	0.9	0.0	37.8	38.7
-Highways and Aviation	1,592.0	-179.0	4.5	1,417.5
-Northern Region Road Openings	-306.0	0.0	0.0	-306.0
-North Kenai Maintenance Station	-370.4	0.0	0.0	-370.4
-International Airports	0.0	0.0	2.3	2.3
-Ted Stevens Airport	0.0	0.0	80.7	80.7
-Fairbanks International Airp.	0.0	-773.6	798.6	25.0
-Marine Highway System	0.0	0.0	-39.4	-39.4
Proposed budget decreases:				
-Administration and Support	-25.0	0.0	0.0	-25.0
-Internal Review	-5.7	0.0	0.0	-5.7
-Administrative Services	-312.0	0.0	-65.0	-377.0
-Regional Support Services	-179.7	0.0	0.0	-179.7
-Statewide Aviation	-103.6	0.0	-10.0	-113.6
-Planning	-33.1	0.0	0.0	-33.1
-Design & Eng Services	-130.7	0.0	-84.1	-214.8
-Construction/CIP Support	-71.8	0.0	0.0	-71.8
-Statewide Facility M&O	0.0	0.0	-46.3	-46.3
-Traffic Signal Management	-157.7	0.0	0.0	-157.7
-Measure Stnds & Comm Veh. Enf.	-214.8	0.0	0.0	-214.8
-Highways and Aviation	-291.4	0.0	-178.7	-470.1
Proposed budget increases:				
-Administration and Support	0.0	0.0	8.3	8.3
-Equal Employment/ Civil Rights	0.0	0.0	5.3	5.3
-Administrative Services	0.0	0.0	1,606.7	1,606.7
-Planning	0.0	0.0	141.5	141.5
-Design & Eng Services	0.0	0.0	803.1	803.1
-Construction/CIP Support	0.0	0.0	359.7	359.7
-Statewide Facility M&O	447.9	0.0	600.0	1,047.9
-Highways and Aviation	3,843.5	0.0	3,623.0	7,466.5
-International Airports	0.0	0.0	10.0	10.0
FY2004 Governor	96,898.0	5,209.7	263,579.1	365,686.8