

**State of Alaska
FY2005 Governor's Operating Budget**

**Department of Transportation/Public Facilities
Southeast Region Construction
Component Budget Summary**

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Component: Southeast Region Construction

Contribution to Department's Mission

Construct safe, reliable, and cost effective highways, airports, harbors, docks, and buildings.

Core Services

- Provide overall management of the division's activities.
- Administer construction contracts for all modes of transportation and public facilities.
- Provide field inspection and construction oversight.
- Modify contracts to adjust to field conditions or to ensure compliance with intended function.
- Provide quality assurance that construction documentation and materials are in conformance with contract requirements during construction and closeout of projects
- Report on Disadvantaged Business Enterprises/Minority Business Enterprise activity on construction projects.
- Review construction documents.
- Prepare bid packages.
- Advertise and award construction contracts.
- Coordinate, solicit, select, prepare and administer Professional Services Agreements.
- Adhere to procurement practices defined in Alaska statutes, regulations and as defined by relevant federal agencies.

FY2005 Resources Allocated to Achieve Results		
FY2005 Component Budget: \$5,022,500	Personnel:	
	Full time	34
	Part time	27
	Total	61

Key Component Challenges

TEA-21 increased the level of Federal Highway Administration (FHWA) funds nationwide, creating competition across the country for trained and experienced engineering personnel. The State's engineer salary level has made it difficult to hire and retain experienced personnel. Although a wage increase in 2000 helped fill entry level positions, we are still having trouble recruiting and retaining journey level engineers.

At this point in time, Congress has not passed a new federal highway bill. This has created uncertainty in our level of funding and could present unforeseen challenges.

Environmental issues continue to be a challenge. Environmental constraints in our coastal environment require extreme diligence on the part of our field staff, and complicate nearly every contract modification being contemplated.

Increased security measures at airports will involve a more detailed and costly screening process prior to security badges being issued for all personnel that work on the airport. This will involve all state personnel assigned to airport projects, as well as contractors.

Significant Changes in Results to be Delivered in FY2005

No significant change in service level for FY2005.

Major Component Accomplishments in 2003

- Received approximately \$47 million in federal highway, federal aviation, general fund, and reimbursable construction authorization in FFY 03.
- Paid out approximately \$35 million in contractor payments.
- Completed significant road improvements in Juneau (Fish Creek Road, Back Loop Road).
- Completed a 60,000 cubic yard Roller Compacted Concrete embankment in Ketchikan (Third Avenue Extension Completion) that drew national engineering interest.
- Completed a modification to the Metlakatla ferry terminal to accommodate a new AMHS vessel.
- Completed TRAAK projects in Juneau (Mendenhall Multi-use Path, Phases I and II), Skagway (Skagway River Pedestrian Bridge), and Ketchikan (Totem Bight Wayside).
- Completed major expansions at the Ketchikan Airport and the Sitka Airport.
- Completed significant upgrades to the boy's dormitory at Mt. Edgecumbe High School and the roof at the Lemon Creek Correction Center.
- Completed a significant harbor upgrade in Hyder.
- Closed out 37 completed construction contracts totaling \$50.0 million.
- Maintained our emphasis on quality by obtaining materials testing certifications for 3 new technicians, and requalifying 7 engineers under the Western Alliance for Quality in Transportation Construction program.
- Emphasized safety awareness through greater communication with public, through various forms of media (public workshops, newspaper advertisements).
- Continued training staff to meet the requirements of the new Construction Contracting Warrant System.

Statutory and Regulatory Authority

AS 02 Aeronautics
 AS 08 Business and Professions
 AS 19 Highways and Ferries
 AS 34 Property
 AS 35 Public Buildings, Works
 AS 36 Public Contracts
 AS 44 State Government
 USC CFR 14 Aeronautics
 USC CFR 23 Highways
 USC CFR 41 Contracts
 USC CFR 43 Lands
 USC CFR 49 Transportation

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Southeast Region Construction Component Financial Summary

All dollars shown in thousands

	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	3,809.0	4,477.1	4,698.8
72000 Travel	57.1	6.5	6.5
73000 Contractual	834.3	132.2	132.2
74000 Supplies	121.5	185.0	185.0
75000 Equipment	0.8	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	4,822.7	4,800.8	5,022.5
Funding Sources:			
1004 General Fund Receipts	169.3	140.0	128.2
1007 Inter-Agency Receipts	700.0	0.0	0.0
1061 Capital Improvement Project Receipts	3,953.4	4,660.8	4,894.3
Funding Totals	4,822.7	4,800.8	5,022.5

Estimated Revenue Collections

Description	Master Revenue Account	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Unrestricted Revenues				
Unrestricted Fund	68515	18.7	13.0	13.0
Unrestricted Total		18.7	13.0	13.0
Restricted Revenues				
Interagency Receipts	51015	700.0	0.0	0.0
Capital Improvement Project Receipts	51200	3,953.4	4,660.8	4,894.3
Restricted Total		4,653.4	4,660.8	4,894.3
Total Estimated Revenues		4,672.1	4,673.8	4,907.3

**Summary of Component Budget Changes
From FY2004 Authorized to FY2005 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2004 Authorized	140.0	0.0	4,660.8	4,800.8
Adjustments which will continue current level of service:				
-Changes to Retirement and Other Personal Services Benefits	0.0	0.0	233.5	233.5
Proposed budget decreases:				
-\$11.8 GF Reduction resulting in an increased vacancy requirement	-11.8	0.0	0.0	-11.8
FY2005 Governor	128.2	0.0	4,894.3	5,022.5

**Southeast Region Construction
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2004</u> <u>Authorized</u>	<u>FY2005</u> <u>Governor</u>		
Full-time	34	34	Annual Salaries	2,926,839
Part-time	27	27	Premium Pay	571,830
Nonpermanent	0	0	Annual Benefits	1,440,066
			<i>Less 4.86% Vacancy Factor</i>	<i>(239,935)</i>
			Lump Sum Premium Pay	0
Totals	61	61	Total Personal Services	4,698,800

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Tech I	0	0	1	0	1
Administrative Clerk III	0	0	2	0	2
Division Director	0	0	1	0	1
Eng Tech Journey	0	0	4	11	15
Eng Tech Sub Journey I	0	0	0	1	1
Eng Tech Sub Journey II	0	0	3	3	6
Eng Tech Sub Journey III	0	0	0	5	5
Engineer/Architect III	0	0	1	0	1
Engineer/Architect IV	0	0	2	0	2
Engineer/Architect V	0	0	1	0	1
Engineering Assistant II	0	0	7	0	7
Engineering Assistant III	0	0	6	3	9
Engineering Associate	0	0	5	2	7
Procurement Spec II	0	0	1	0	1
Procurement Spec IV	0	0	1	0	1
Supply Technician II	0	0	1	0	1
Totals	0	0	36	25	61