

# **State of Alaska FY2007 Governor's Operating Budget**

**Department of Transportation/Public Facilities**

**Department of Transportation/Public Facilities**

**Mission**

Provide for the movement of people and goods and the delivery of state services.

**Core Services**

Develop, maintain and operate:

- Highways
- Alaska Marine Highway System
- Airports
- Public Facilities
- Ports and harbors
- State Equipment Fleet

End Results	Strategies to Achieve Results
<p><b>A: Reduce injuries, fatalities and property damage.</b></p> <p><u>Target #1:</u> Reduce highway fatality rate by 2%</p> <p><u>Measure #1:</u> Road related fatalities on state roads per 100 million vehicle miles traveled (fatality rate).</p>	<p><b>A1: Build and improve state owned roads and highways to appropriate department standards.</b></p> <p><u>Target #1:</u> Increase to 90% the percentage of national highway system (NHS) routes meeting current department standards.</p> <p><u>Measure #1:</u> Percent of national highway system (NHS) meeting current department standards.</p> <p><u>Target #2:</u> Decrease by 5 the number of state-owned bridges that are deficient by FHWA standards (considered structurally deficient or functionally obsolete).</p> <p><u>Measure #2:</u> Number of bridges that are considered deficient by FHWA standards.</p> <p><u>Target #3:</u> Reduce the number of signalized intersections that have a level of service rating of E or F compared to three years ago by 4%.</p> <p><u>Measure #3:</u> Percent change in the level of service at signalized intersections.</p> <p><b>A2: Improve DOT&amp;PF efficiency.</b></p> <p><u>Target #1:</u> Advertise 75% of new highway and aviation construction project funding by April 30th.</p> <p><u>Measure #1:</u> Percentage of highway and aviation construction funding (determined by engineer's estimate) advertised by a given date.</p> <p><u>Target #2:</u> Reduce the percentage of administrative and engineering costs to 30% or less of total project costs.</p> <p><u>Measure #2:</u> Percent of administrative and engineering cost compared to total project cost.</p>

End Results	Strategies to Achieve Results
<p><b>B: Carry out safe DOT&amp;PF operations.</b></p> <p><u>Target #1:</u> 5% reduction in annual injury rate of department employees.  <u>Measure #1:</u> Percent change in annual injury rate per 100 department employees working one year.</p>	<p><b>B1: Improve employees' awareness of workplace safety requirements.</b></p> <p><u>Target #1:</u> 10% increase in employees successfully completing required safety training.  <u>Measure #1:</u> Percent change in employees successfully completing required safety training.</p>
End Results	Strategies to Achieve Results
<p><b>C: Improved mobility of people and goods.</b></p> <p><u>Target #1:</u> Improvement in customer satisfaction with department services.  <u>Measure #1:</u> Change in customer satisfaction based on survey of customers.</p>	<p><b>C1: Build and improve state owned airports to appropriate department standards.</b></p> <p><u>Target #1:</u> Reduce by 10% the number of airports that are closed due to seasonally soft embankments.  <u>Measure #1:</u> Percent change in number of airports that are closed seasonally.</p> <p><u>Target #2:</u> Increase by five (5) the number of medevac-dependent community airports that are built or improved to allow 24-hour civilian VFR access.  <u>Measure #2:</u> Number of airports built or improved to the 24-hour access standard.</p>
End Results	Strategies to Achieve Results
<p><b>D: Increase private investment</b></p> <p><u>Target #1:</u> Increase private investment at department airports by 2%.  <u>Measure #1:</u> Percent increase in private investment at the department airports compared to a three-year rolling average.</p>	<p><b>D1: Enhance economic activities through the construction of key transportation linkages.</b></p> <p><u>Target #1:</u> Increase by 3 the number of resource development roads under design or construction.  <u>Measure #1:</u> Number of resource development road projects actively being designed or constructed.</p>
End Results	Strategies to Achieve Results
<p><b>E: Provide the assets and facilities to enable delivery of state services.</b></p> <p><u>Target #1:</u> Achieve 80% satisfaction of government sector customers with DOT&amp;PF services.  <u>Measure #1:</u> Change in satisfaction based on survey of government sector customers.</p>	<p><b>E1: Maintain state transportation assets and facilities to department standards.</b></p> <p><u>Target #1:</u> No increases in deferred maintenance needs.  <u>Measure #1:</u> Dollar value of deferred maintenance needs.</p>

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> <li>• Design roads to appropriate standards</li> <li>• Emphasize traffic control from planning through construction</li> <li>• Increase preventative maintenance</li> <li>• Implement RWIS</li> <li>• Implement 511 System</li> <li>• Implement Land Mobile Radio System</li> <li>• Utilize more design/build contracts where it will</li> </ul>	<ul style="list-style-type: none"> <li>• Improve work zone safety by improving commuting public's awareness of hazards</li> <li>• Monitor safety compliance</li> <li>• Partner with Dept. of Labor, Occupational Safety to audit department programs and identify areas of improvement.</li> <li>• Design, procure and employ lighter, faster vessels.</li> <li>• Implement a ticket scanning system</li> </ul>

**Major Activities to Advance Strategies**

- reduce overall project costs.
- Work with federal and state agencies on streamlining permitting and regulatory processes
- Employ separate and secure staging areas of passenger loading.
- Optimize schedules

**FY2007 Resources Allocated to Achieve Results**

**FY2007 Department Budget: \$495,324,500**

<b>Personnel:</b>	
Full time	2,990
Part time	544
<b>Total</b>	<b>3,534</b>

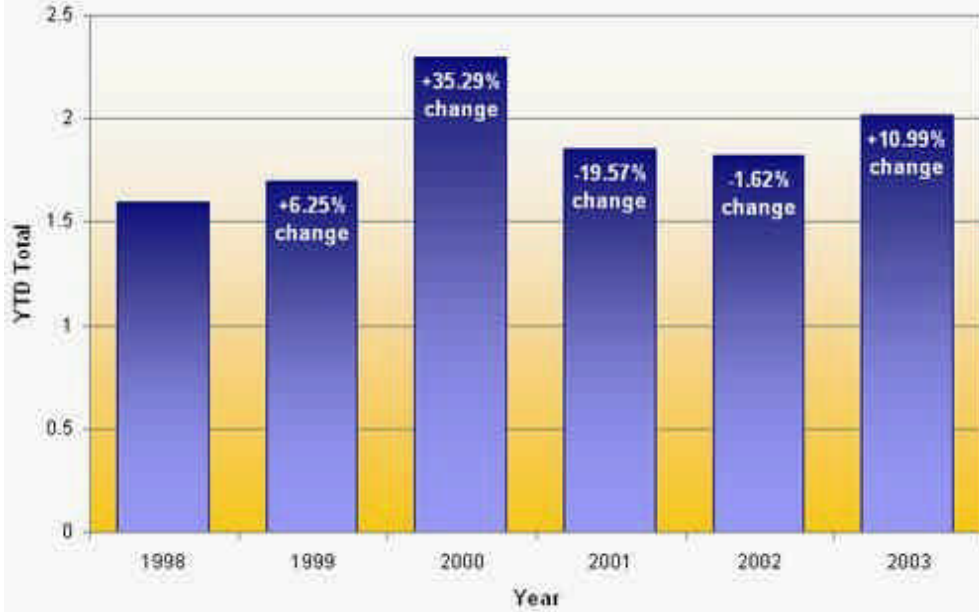
**Performance Measure Detail**

**A: Result - Reduce injuries, fatalities and property damage.**

**Target #1:** Reduce highway fatality rate by 2%

**Measure #1:** Road related fatalities on state roads per 100 million vehicle miles traveled (fatality rate).

**Fatality Rate per 100 Million Miles Traveled**



**Analysis of results and challenges:** The national fatality rate decreased annually between 1993 and 2001, from 1.75 U.S. fatalities per 100 million vehicle miles traveled (VMT) in 1993, to 1.50 U.S. fatalities/100 million VMT in 2002. Alaska's rate also decreased annually, but remained above the national rate. In 2000, Alaska's rate rose for the first time in six years, to 2.3 fatalities per 100 million VMT. It decreased to 1.85 traffic fatalities per 100 million VMT in 2001 and 1.82 fatalities per 100 million VMT in 2002 but rose again in 2003 to 2.02.

The National Highway Transportation and Safety Administration has not released state by state VMT rates for 2004.

Alaska's fatal accidents tend to occur in clusters due to weather. 85% of accidents are due to something other than the road. Historically, the most frequently cited behavioral contributors to fatal and serious injury crashes in Alaska are impaired driving, unsafe speed, and failure to heed traffic control devices. In 2002 there were 89 fatalities and 14,127 traffic crashes. In order to reduce these numbers, the agency approaches the issue through statewide outreach programs and federally funded highway safety grant projects. Motor vehicle laws which contribute to reducing the number of serious injury or fatal motor vehicle crashes in Alaska, such as blood alcohol content, and the number of troopers employed to enforce these laws are beyond the control of this program.

### **A1: Strategy - Build and improve state owned roads and highways to appropriate department standards.**

**Target #1:** Increase to 90% the percentage of national highway system (NHS) routes meeting current department standards.

**Measure #1:** Percent of national highway system (NHS) meeting current department standards.

#### **Percent of road lane miles that meet standards**

Year	YTD Total
2002	70%
2003	72%
2004	73%

**Analysis of results and challenges:** There are 1,488 miles (73%) of the NHS that meet national standards and 551 miles (27%) [including much of the Dalton Highway] which do not meet these standards. Significant progress has been made on the Sterling, Seward, Glenn and other major highways in recent years to improve our highway systems for citizens and commerce while adding to safety by converting 2-lane highways to divided highways with interchanges at high-volume locations. Several major bridges have also been upgraded since the last report.

**Target #2:** Decrease by 5 the number of state-owned bridges that are deficient by FHWA standards (considered structurally deficient or functionally obsolete).

**Measure #2:** Number of bridges that are considered deficient by FHWA standards.

#### **Number of bridges considered deficient by FHWA standards**

Year	YTD Total
2002	152
2003	161 +5.92%
2004	153 -4.97%
2005	142 -7.19%

**Analysis of results and challenges:** Biennial bridge inspections are necessary to assure the safety of the traveling public. Staff develop repair recommendations, work with Maintenance & Operations (M&O) staff to prioritize bridge repairs, design those repairs, perform load ratings on bridges, attempt to optimize hauling of overloads across bridges; post and close deficient bridges; and recommend financial programming of bridge replacements and repairs.

The number of bridges shown as deficient is dependent on the number damaged during the year, the amount of funds available for repair, and the priority placed on those repairs. Numbers also fluctuate as a result of quality assurance efforts. Total number of state highway agency owned bridges in 2005 is 778.

**Target #3:** Reduce the number of signalized intersections that have a level of service rating of E or F compared to three years ago by 4%.

**Measure #3:** Percent change in the level of service at signalized intersections.

**Percent change in the level of service at signalized intersections**

Year	YTD Total
2005	Not available

**Analysis of results and challenges:** This measure will provide information regarding congestion problems and whether intersections are moving traffic at an appropriate rate. This is an issue of national concern. Appropriate planning and design should take potential growth into account to avoid future congestion. Because traffic volumes do not typically change radically from year to year, it is not cost-effective to count traffic and compute level of service every year. It is more appropriate to collect level of service data every four years. A consultant contract will be awarded to begin the data collection and develop a traffic report.

**A2: Strategy - Improve DOT&PF efficiency.**

**Target #1:** Advertise 75% of new highway and aviation construction project funding by April 30th.

**Measure #1:** Percentage of highway and aviation construction funding (determined by engineer's estimate) advertised by a given date.

**Percent of construction contract funding advertised by April 30th**

Fiscal Year	Central Region	Northern Region	Southeast Region	YTD Total	Target
FFY 2005	31%	42%	51%	38%	75%

**Analysis of results and challenges:** Percentages are calculated by summing the engineer's estimates for all federal and general fund construction projects advertised by the target dates, then dividing that total by the total engineer's estimate amount of construction projects advertised in that federal fiscal year.

Regional project development will be accelerated to meet this target. Once the department has reached this goal, maintaining it will be little different in terms of work production than what is experienced today. The acceleration phase could result in a temporary increase in inflated construction costs due to less competition among already busy contractors.

The state's general fund program grew substantially in 2005 and is expected to account for a larger portion of the overall highway program for the next several years. The measurement of this target has been revised to include all funding sources. Delay in passage of the current highway transportation bill, SAFETEA-LU, and the subsequent decrease in federal funding levels has created uncertainty in the FFY06 construction program which will hamper the ability to attain this goal.

**Target #2:** Reduce the percentage of administrative and engineering costs to 30% or less of total project costs.

**Measure #2:** Percent of administrative and engineering cost compared to total project cost.

**Percent of administrative and engineering costs to total project costs**

Fiscal Year	Central Region	Northern Region	Southeast Region	Department Total	Target
FFY 2004	21%	26%	23%	22%	30%
FFY 2005	20%	22%	23%	21%	30%

**Analysis of results and challenges:** Ratios are calculated by summing the administrative and engineering costs of all highway construction projects that receive final acceptance in a given federal fiscal year, then comparing the total to the total project costs. This measure can only be accurately determined after a project is closed and all project charges are accounted for. Historically, contract administration costs run at about 14.5%.

This measure is always a challenge because of the remoteness of most of the projects (increasing travel and transportation costs), and because the requirements of the federal funding agencies and the expectations of the traveling public tend to increase over time. All of these factors drive administrative costs up. Performance will change from year to year based on the type and size of projects completed. Small urban projects may

require the same level of oversight, i.e., staff, as large rural projects. Projects that consist primarily of asphalt paving are typically completed in a short time resulting in low engineering costs compared to the contract value. The need to supplement regional staff with consultants will have a direct impact on future construction engineering costs.

**B: Result - Carry out safe DOT&PF operations.**

**Target #1:** 5% reduction in annual injury rate of department employees.

**Measure #1:** Percent change in annual injury rate per 100 department employees working one year.

**Number of Work-related Injuries/Injury Rate per 100 Employees**

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total	Injury Rate	Injury Rate Change
2005	45	30	not available	not available	75	0	0

**Analysis of results and challenges:** The Department of Transportation and Public Facilities employs an average of 3,000 employees during the year. Employees work in some extremely dangerous areas such as highway and airport maintenance. A department priority is to promote workplace safety.

There has been a noticeable increase in the amount of injuries within the department since FY2000. Many of the injuries are muscle stress and strain type injuries that can be directly related to an aging workforce, improper lifting practices and slips, trips and falls. In the fall of 2002 a departmental safety task force was formed to monitor all safety issues within the department. A new safety manual was developed that establishes standard practices and methods to accomplish specific tasks within the department. A large portion of the responsibility for safety has been placed on individual front line supervisors. A significant amount of time and expense is needed to complete required compliance training throughout the department.

Information gathering on injury incidence rates changed in 2004 when federal industry classification codes were changed. Also, the 2005 data now includes the Alaska Marine Highway System injuries. The department does have historical data prior to 2005 but it does not include Marine Highway statistics and would not offer a valid comparison to current data.

**B1: Strategy - Improve employees' awareness of workplace safety requirements.**

**Target #1:** 10% increase in employees successfully completing required safety training.

**Measure #1:** Percent change in employees successfully completing required safety training.

**Percent of DOT&PF employees completing required safety training**

Year	YTD Total	% change
2003	36%	
2004	34.8%	-3.3%
2005	66%	89.7%

**Analysis of results and challenges:** Seeing an increase in accidents and workers compensation claims, the department undertook a review of the safety program in 2002. The result was the production of a new safety manual that includes required safety training elements. The new manual became policy in 2003. Previously, each region, section and safety officer within the department held training events including periodic safety meetings and briefings on new equipment and procedures as needed. Increased funding will be necessary for travel, lodging and additional equipment to comply with the employee specific job training requirements. Required training is expected in other area, e.g., homeland security drills, etc.

Required safety training, as identified in the safety manual, is being implemented over a 5 year period. Through additional safety training, we expect a reduction in work related injuries and workers compensation claims.

The Safety Committee is reviewing the definition of "required" training and is gathering data as to training meetings held and employees who attended. The data shown in the associated table is based on a

compilation of Highways and Aviation, Facilities and State Equipment Fleet employees who have attended safety meetings. Future data will be more comprehensive and should reflect "required" training.

**C: Result - Improved mobility of people and goods.**

**Target #1:** Improvement in customer satisfaction with department services.

**Measure #1:** Change in customer satisfaction based on survey of customers.

**Customer Satisfaction (very satisfied and somewhat satisfied)**

Year	YTD Total
2005	80.3%

**Analysis of results and challenges:** During FY05 the department contracted with a private firm to conduct a survey to find out how DOT&PF does providing transportation services in Alaska, including roads, airports and ferry service. 1,200 people across the state participated in this survey. Even though the department has done very well, resources will be directed to mitigate those problem areas identified in the survey (e.g., congestion relief and rut repair). This measure will continue to gauge the department's success in addressing the survey issues.

**C1: Strategy - Build and improve state owned airports to appropriate department standards.**

**Target #1:** Reduce by 10% the number of airports that are closed due to seasonally soft embankments.

**Measure #1:** Percent change in number of airports that are closed seasonally.

**Percent change in number of airports that are closed seasonally.**

Fiscal Year	YTD Total	% Change
FY 2004	23	
FY 2005	21	-8.7%
FY 2006	17 to date	-19.0%

**Analysis of results and challenges:** At the beginning of FY06 there were 21 airports on the seasonal closure list. The FY06 target is a 10% improvement, which would be improvements to 2 airports. Koyukuk and Ekwok airports have been reconstructed with major projects completed in FY06. In addition, Golovin and Selawik have been improved with minor surface improvement funding in FY06, as an interim measure to specifically address the seasonal closure issues. Thus, a total of four airports or 19% of the previously identified airports with seasonal closure problems have been improved in FY06 so far, already exceeding the 10% target.

**Target #2:** Increase by five (5) the number of medevac-dependent community airports that are built or improved to allow 24-hour civilian VFR access.

**Measure #2:** Number of airports built or improved to the 24-hour access standard.

**Number of airports built or improved to the 24-hour access standard**

Fiscal Year	YTD Total
FY 2004	12
FY 2005	30 +150.00%

**Analysis of results and challenges:** This measure addresses one of the largest challenges in rural Alaska, dependable evacuation of critically injured or ill people. The upgrading of all deficient airports is essential to achieving this goal.

The medevac access focus, sometimes referred to as the "unlit airport" issue, has also received a great deal of attention from our congressional delegation and the Federal Aviation Administration. Congress has



appropriated \$28 million dollars above our normal AIP program to assist us in improving runways to this end. 24-hour civilian access requires a minimum length of 3,300 feet and runway edge lights. We are currently focused on VFR flights, but are building in facilities to support IFR where possible.

Our FY06 target is to increase by five (5) the number of medevac-dependent community airports that are built or improved to allow 24-hour civilian VFR access. The following six unlit airports had or will have permanent runway lighting installed in FY06: Chenega Bay, Clarks Point, Diomedes, Ekwok, Gustavus and Koyukuk. The lighting and runway improvements to these 6 airports will allow 24 hour civilian VFR access, exceeding our 5 airport improvement target. In addition, the following six airports had or will have temporary lighting installed in FY06: Red Devil, Takotna, Edna Bay, Psagshak, Chiniak, and Cordova - Eyak Lake. Counting both permanent and temporary lighting system installations at these 12 airports substantially exceeds our 5 airport lighting target.

**D: Result - Increase private investment**

**Target #1:** Increase private investment at department airports by 2%.

**Measure #1:** Percent increase in private investment at the department airports compared to a three-year rolling average.

**Private Investment at DOTPF airports**

Year	YTD Total	% Change
2004	\$7,829,836	
2005	\$14,532,128	86%

**Analysis of results and challenges:** Private investment and infrastructure is needed to maintain vital airport operations. Both the rural and international systems have land to lease to both aviation and non-aviation businesses. The two leasing organizations have been redirecting their attention to getting the land into production. A few simple steps have been taken, such as placing "for lease" signs on available tracts and visiting community chambers of commerce to get the word out that land is available.

The department received \$2 million in the FY06 capital budget that will be used to develop potential lease lots at rural airports. These activities will include clearing, excavation, gravel fill, land acquisition, road access, utilities, moving of roads or parking lots. Potential airports where this development could occur include Birchwood, Bethel, Haines, Hoonah Klawock, Willow, Seward, Sitka, and Yakutat. As development occurs, staff will be marketing those lots for leasing opportunities.

**D1: Strategy - Enhance economic activities through the construction of key transportation linkages.**

**Target #1:** Increase by 3 the number of resource development roads under design or construction.

**Measure #1:** Number of resource development road projects actively being designed or constructed.

**Number of resource development road projects actively being designed or constructed**

Year	YTD Total
2004	2
2005	3 +50.00%

**Analysis of results and challenges:** The Roads to Resources program began in March 2003, after a Resource Transportation Analysis (RTA) conducted for the Northwest Alaska Transportation Plan indicated several promising possibilities for transportation and resource industry partnerships to benefit Alaska's economic development, revenue and employment. DOT&PF has examined: energy and mineral projects in Northern Alaska to see if investment in transportation could accelerate resource development; access to resource sites and transport of resources to world markets; and traditional overland road and rail routes as well as new transport modes and project-specific port/road models

Two projects are in the environmental review/design stage, Bullen Pt. Road and Foothills West, and one project is under construction, Nome Glacier Creek Road. The following projects are in detailed planning-stage analysis, including reconnaissance engineering and project funding identification; Red Dog Zinc Mine Port Expansion-Delong Mountain Terminal, Deadfall Syncline Coal Mine Haul Road, Noatak Airport and Road for Red Dog Mine, Ambler Gold-Copper Access, Pebble Gold-Copper Port and Road, and improved access to the Kensington mine. Other potential projects include access to the Lucky Shot mine at Hatcher Pass, West Douglas Island industrial access, and timber access roads from Kake to Petersburg, Ketchikan to Shelter Cove, and Shelter Cove to Bradfield Canal.

A DOT&PF taskforce of senior planners, engineers, legal staff and support staff has been set up in the department to focus on industrial road projects. DOT&PF Planning staff will continue to work with the coalition of public and private groups interested in the Roads to Resources projects. They will also pursue funding packages, and legislative actions related to project streamlining processes and other public policy objectives. DOT&PF design staff will set up and manage consultant-engineering contracts for the projects.

**E: Result - Provide the assets and facilities to enable delivery of state services.**

**Target #1:** Achieve 80% satisfaction of government sector customers with DOT&PF services.  
**Measure #1:** Change in satisfaction based on survey of government sector customers.

**Government sector customer satisfaction**

Year	YTD Total
2005	partial information

**Analysis of results and challenges:** The department will periodically conduct surveys of the government sector to identify problem areas within the transportation and facilities systems. The department will then direct resources to mitigate those problem areas identified in the surveys. This measure will gauge the department's success in addressing the survey issues. This is a new measure and data will be gathered to determine a baseline.

Surveys have been conducted of State Equipment Fleet and Facilities users that include government sector customers. Results of those surveys indicated a 96% and 85%, respectively, satisfaction rating for FY05.

**E1: Strategy - Maintain state transportation assets and facilities to department standards.**

**Target #1:** No increases in deferred maintenance needs.  
**Measure #1:** Dollar value of deferred maintenance needs.

**Dollar value of deferred maintenance needs**

Year	YTD Total
2005	\$328.8 million

**Analysis of results and challenges:** The department is attempting to keep deferred maintenance needs from increasing. This is being accomplished by directing highway and airport funds to areas of most need through project evaluation and scoring systems, increasing efforts towards on-going preventative maintenance and transferring harbors to local governments.

Current deferred maintenance estimated needs are \$15 million for harbors, \$36 million for marine highway vessels, \$34 million for buildings, \$25 million for rural airports, and \$218.8 million for highways.

**Key Department Challenges**

Passage of the "Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users" (SAFETEA-LU), expanded the requirements to inform and involve the public in development of transportation plans and programs, added a new program, known as "Safe Routes to School" (SRTS), requires each state to prepare a comprehensive

highway safety plan, allows Alaska to take on oversight of National Environmental Protection Administration aspects of certain construction projects, and increased the financial oversight of state DOT's by the Federal Highway Administration (FHWA). The Financial Integrity Review and Evaluation program started by FHWA this past year requires annual certification of internal and financial controls in all aspects of the surface transportation program.

Transportation security is a major issue following the events of September 11, 2001 and continued acts of international terrorism. Requirements for security have changed to comply with the Transportation Security Administration's (TSA) mandated emergency amendments to airport, road and bridge security programs and US Coast Guard port and ship security regulations. Personnel perform mandated functions such as security management, inspection, law enforcement, access control, perimeter patrols and administrative functions. The department's role in commercial vehicle enforcement and truck weigh stations will place additional demand to monitor highway freight transport, especially at border crossings. Considerable costs continue to be incurred to provide security fences, lighting equipment, access controls and additional security vehicles. All persons who require unescorted access to aircraft secure areas now must have a fingerprint-based criminal history records check. Likewise, the Alaska Marine Highway must respond to required passenger and vehicle screening, fencing, baggage cart security system, closed-circuit television, ramp crowd control services, improved ramp lighting, and electronic ticketing and manifest development.

The fluctuating level of Federal Highway Administration (FHWA) and Federal Aviation Administration (FAA) funds nationwide has required alternative methods of delivery of construction projects. The department is anticipating delivering more jobs by the design/build method and term contracts, as well as managing construction administration of contracts through consultants, local or borough governmental agencies, Bureau of Indian Affairs (BIA), Alaska Department of Natural Resources, and in time, through contractor acceptance testing. This marks the gradual transition from active construction management by department employees, to the role of quality assurance of the management of projects by others.

In an effort to accelerate transportation development and provide significant revenue and employment opportunities to the state, the department established the Industrial Roads Program (IRP). It began when a transportation analyses showed that new North Slope oilfield and Yukon-Kuskokwim River gold field roads could achieve those results. The IRP also includes Glacier Creek Road to the Rock Creek gold mine in Nome, links on the Alaska Peninsula and Bristol Bay, and Pebble Copper prospect north of Lake Iliamna. Other promising proposals are being considered for addition to the IRP. Department of Transportation & Public Facilities (DOT&PF) planning staff continues to work closely with the Department of Natural Resources and with a coalition of public and private groups interested in these projects. They will pursue funding options and legislative actions related to project streamlining processes and other public policy objectives. DOT&PF design staff will set up and manage consultant-engineering and environmental contracts for the projects. All actions are designed to coordinate with the development of the particular resource and move projects through planning and design processes and into construction as rapidly as possible.

Protecting Alaska's investment in its transportation infrastructure is a key concern. The State's investments in facilities, 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 buildings, 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 (AMHS) 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. The Marine Transportation Advisory Board has been put into place and is providing guidance on AMHS operations and long-range planning.

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. The preliminary steps toward implementation of the Southeast Transportation Plan are underway which will eventually result in greater efficiency, and reduced costs.

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 several weigh/inspection stations.

The federal aviation program has increased from \$60 million in federal fiscal year 1999 to \$205.6 million during FFY 2004. The increase in grant funds has expanded airports around the state, putting a larger burden on maintenance and operations. Project delivery including environmental permitting, right of way, design and engineering has received greater pressure from this increasing program. The state must maximize the amount of federal Airport Improvement Program (AIP) funding available and ensure it is used to save lives, improve mobility and increase private investment.

### **Significant Changes in Results to be Delivered in FY2007**

This budget attempts to address significant facility and highway deferred maintenance and code compliance items, provide services at the same level or greater as in prior years and, at the same time, maintain general fund administrative support at prior levels.

### **Major Department Accomplishments in 2005**

- Successfully obligated \$466.2 million in federal highway and aviation projects, in spite of uncertainties of the federal highway program reauthorization. This assures that highway road and airport projects go forward that will improve the condition of our transportation system, bring the roads and airports to current standards, and improve the safety of the traveling public.
- Delivered a comprehensive program of bid ready designs and contract documents for projects across the state.
- Completed 9,931 commercial vehicle inspections representing a 27.4% increase over the previous year. 988 of those inspections were on the Kenai Peninsula which was a 47% increase. Of the 9,931 inspections, 1,050 citations were issued. Assuring commercial vehicles meet weight and size restrictions and safety requirements helps reduce fatalities and injuries to the traveling public.
- 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 construction zone speed limits.
- Maintained the International Safety Management (ISM) Code program certification required for AMHS vessels to visit Canadian ports. AMHS is the only U.S. flag, vehicle-passenger vessel fleet with overnight accommodations to have earned this certification. This certification has become the safety standard for the entire AMHS fleet.
- Negotiated construction of a \$60 million dollar consolidated rental car parking garage at the Ted Stevens Anchorage International Airport.
- Have begun design of the reconstruction of the Ted Stevens Anchorage International Airport A and B concourses and the Fairbanks International Airport terminal.
- Repaired road and highways by: applying chip seal, hot mix, or high float asphalt; applying crack sealant; and repairing various components bridges; and cutting brush.
- Negotiated and signed an agreement with the Army Corps of Engineers to place two DOT&PF environmental analysts within the Corps' office to work exclusively on DOT&PF permitting. These positions were in place February 2006.
- Finished negotiation on the Alaska Interagency Consultation and Coordination Agreement for Federal Highway Administration/DOT&PF transportation projects (ICCA). This agreement, signed last year by the heads of 4 state and 5 federal agencies lays out new guidelines and procedures for permitting and permit processing of DOT&PF highway transportation projects.

## Prioritization of Agency Programs

(Statutory Reference AS 37.07.050(a)(13))

1. Maintenance and Operations of State Transportation Systems (includes Highways and Aviation, Alaska Marine Highway System, the International Airports, and the Equipment Fleet)
2. Measurement Standards and Commercial Vehicle Enforcement
3. Transportation and Facilities Construction Program (includes Planning, Design, Construction and other federally required activities)
4. Administrative Support (includes Commissioner's Office, Administrative Services and Regional Support Offices)

### Contact Information

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**Department Budget Summary by RDU**

*All dollars shown in thousands*

	FY2005 Actuals				FY2006 Management Plan				FY2007 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
<b>Formula Expenditures</b>	None.											
<b>Non-Formula Expenditures</b>												
Administration and Support	1,006.0	170.0	2,745.8	3,921.8	1,487.2	170.0	3,143.6	4,800.8	1,457.0	170.0	3,315.9	4,942.9
Administrative Services	3,900.2	0.0	9,843.1	13,743.3	3,968.7	0.0	6,398.4	10,367.1	5,132.8	0.0	6,590.1	11,722.9
Regional Support Services	1,441.4	0.0	2,516.8	3,958.2	1,517.9	0.0	2,992.4	4,510.3	1,593.1	0.0	3,130.4	4,723.5
Statewide Aviation	0.0	0.0	1,701.7	1,701.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Aviation Planning	0.0	0.0	0.0	0.0	0.0	0.0	2,584.3	2,584.3	0.0	0.0	3,012.0	3,012.0
Measure Stnds & Comm Veh. Enf.	353.2	0.0	5,704.1	6,057.3	285.8	0.0	6,739.5	7,025.3	286.1	0.0	7,265.0	7,551.1
Design and Construction	1,606.6	0.0	3,104.0	4,710.6	1,735.4	0.0	3,518.8	5,254.2	1,949.0	0.0	3,862.3	5,811.3
Design & Eng Services	0.0	0.0	0.0	0.0	1,998.8	0.0	81,040.0	83,038.8	2,042.0	0.0	87,991.4	90,033.4
Knik Arm Bridge/Toll Authority	1,079.1	0.0	40,905.8	41,984.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Construction/CIP Support	0.0	0.0	339.6	339.6	0.0	0.0	590.1	590.1	0.0	0.0	851.3	851.3
State Equipment Fleet	551.8	0.0	34,994.3	35,546.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Statewide Facility M&O	0.0	0.0	19,823.5	19,823.5	0.0	0.0	25,541.5	25,541.5	0.0	0.0	26,385.3	26,385.3
Traffic Signal Management	10,578.8	43.6	4,498.3	15,120.7	10,998.0	172.5	4,261.4	15,431.9	12,937.7	177.0	4,597.1	17,711.8
Highways and Aviation	1,083.2	0.0	0.0	1,083.2	1,333.2	0.0	0.0	1,333.2	1,433.8	0.0	0.0	1,433.8
International Airports	81,610.0	1,391.2	13,990.0	96,991.2	88,791.0	1,033.6	17,479.5	107,304.1	99,981.2	1,072.8	16,008.7	117,062.7
Ted Stevens Airport	0.0	775.6	55,283.0	56,058.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fairbanks International Airport	0.0	0.0	0.0	0.0	0.0	2,394.1	49,503.5	51,897.6	0.0	2,394.1	52,828.3	55,222.4
Marine Highway System	0.0	0.0	0.0	0.0	0.0	20.0	12,368.5	12,388.5	0.0	20.0	12,956.8	12,976.8
<b>Totals</b>	<b>103,210.3</b>	<b>2,380.4</b>	<b>294,789.8</b>	<b>400,380.5</b>	<b>169,809.7</b>	<b>3,790.2</b>	<b>262,010.7</b>	<b>435,610.6</b>	<b>211,315.7</b>	<b>3,833.9</b>	<b>280,174.9</b>	<b>495,324.5</b>



### Funding Source Summary

*All dollars in thousands*

Funding Sources	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
1002 Federal Receipts	1,734.4	3,790.2	3,833.9
1004 General Fund Receipts	103,196.1	169,715.4	211,221.4
1005 General Fund/Program Receipts	14.2	94.3	94.3
1007 Inter-Agency Receipts	4,761.7	5,852.8	5,785.8
1026 Highways/Equipment Working Capital Fund	24,278.2	26,426.9	27,373.8
1027 International Airport Revenue Fund	56,890.4	64,032.9	68,319.5
1052 Oil/Hazardous Response Fund	825.0	825.0	
1061 Capital Improvement Project Receipts	99,740.5	109,029.5	117,027.5
1076 Marine Highway System Fund	100,479.5	47,125.0	52,773.9
1108 Statutory Designated Program Receipts	625.6	1,189.0	1,189.0
1156 Receipt Supported Services	7,188.9	7,529.6	7,705.4
1190 Adak Airport Operations	646.0		
<b>Totals</b>	<b>400,380.5</b>	<b>435,610.6</b>	<b>495,324.5</b>

### Position Summary

Funding Sources	FY2006 Management Plan	FY2007 Governor
Permanent Full Time	2,956	2,990
Permanent Part Time	533	544
Non Permanent	6	6
<b>Totals</b>	<b>3,495</b>	<b>3,540</b>



### FY2007 Capital Budget Request

Project Title	General Funds	Federal Funds	Other Funds	Total Funds
Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation	6,000,000	0	0	6,000,000
Corps of Engineers - Harbor Program	12,400,000	0	0	12,400,000
Harbor Program Development	600,000	0	0	600,000
Cordova Dock Repairs, Maintenance and Replacement	400,000	0	0	400,000
Gustavus Commercial / Sport Boat Ramp	200,000	0	0	200,000
Aleknagik Dock Deferred Maintenance and Transfer	700,000	0	0	700,000
Angoon Harbor and Dock Deferred Maintenance and Transfer	1,490,000	0	0	1,490,000
Haines Borough Harbors Deferred Maintenance and Transfer	3,400,000	0	0	3,400,000
Hydaburg Harbor Deferred Maintenance and Transfer	2,200,000	0	0	2,200,000
Kake Harbor Deferred Maintenance and Transfer	2,970,000	0	0	2,970,000
Loring Float Deferred Maintenance and Transfer	310,000	0	0	310,000
Port Lions Harbor Deferred Maintenance and Transfer	2,750,000	0	0	2,750,000
Tatitlek Dock Deferred Maintenance and Transfer	330,000	0	0	330,000
Capital Improvement Program Equipment Replacement	0	0	1,500,000	1,500,000
State Equipment Fleet Replacement and Highways and Aviation Vehicle Replacement Shortage	0	0	15,000,000	15,000,000
Material Stockpiles	1,250,000	0	0	1,250,000
Emergency and Non-Routine Repairs	250,000	0	0	250,000
Emergency Bridge Replacement Components	1,000,000	0	0	1,000,000
Departmentwide Alaska Land Mobile Radios	1,387,800	0	0	1,387,800
Coordinated Transportation and Vehicles	0	0	400,000	400,000
Statewide Federal Programs	90,425,000	58,066,500	12,000,000	160,491,500
Airport Improvement Program	0	167,198,901	139,661,700	306,860,601
Surface Transportation Program	0	234,758,700	400,000	235,158,700
Congressional Earmarks	0	408,648,750	0	408,648,750
Transportation Initiative	148,500,000	0	0	148,500,000
Adak Airport Operations - Demolition and Replacement of Buildings	0	4,500,000	0	4,500,000
Corps of Engineers - Gastineau Channel / Dry Straits Dredging	7,000,000	0	0	7,000,000
Akutan Harbor Road Project	600,000	0	0	600,000
Tokiak / Twin Hills Bridge Design and Engineering	500,000	0	0	500,000
<b>Department Total</b>	<b>284,662,800</b>	<b>873,172,851</b>	<b>168,961,700</b>	<b>1,326,797,351</b>

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

## Summary of Department Budget Changes by RDU

From FY2006 Management Plan to FY2007 Governor

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2006 Management Plan</b>	<b>169,809.7</b>	<b>3,790.2</b>	<b>262,010.7</b>	<b>435,610.6</b>
<b>Adjustments which will continue current level of service:</b>				
-Administration and Support	-207.1	-170.0	146.4	-230.7
-Administrative Services	329.1	0.0	162.8	491.9
-Regional Support Services	62.9	0.0	121.2	184.1
-Aviation	0.0	0.0	102.6	102.6
-Planning	-0.7	0.0	372.6	371.9
-Measure Stnds & Comm Veh. Enf.	165.0	0.0	87.2	252.2
-Design and Construction	21.2	0.0	5,398.7	5,419.9
-Knik Arm Bridge/Toll Authority	0.0	0.0	27.9	27.9
-State Equipment Fleet	0.0	0.0	717.0	717.0
-Statewide Facility M&O	473.3	3.8	170.5	647.6
-Highways and Aviation	2,598.7	45.8	-1,646.2	998.3
-Ted Stevens Airport	0.0	0.0	1,529.2	1,529.2
-Fairbanks International Airport	0.0	0.0	520.0	520.0
-Marine Highway System	5,842.5	0.0	479.3	6,321.8
<b>Proposed budget decreases:</b>				
-Regional Support Services	0.0	0.0	-4.3	-4.3
-Highways and Aviation	0.0	-15.0	0.0	-15.0
-Ted Stevens Airport	0.0	0.0	-105.1	-105.1
-Fairbanks International Airport	0.0	0.0	-18.1	-18.1
-Marine Highway System	-688.0	0.0	-230.7	-918.7
<b>Proposed budget increases:</b>				
-Administration and Support	176.9	170.0	25.9	372.8
-Administrative Services	835.0	0.0	28.9	863.9
-Regional Support Services	12.3	0.0	21.1	33.4
-Aviation	0.0	0.0	325.1	325.1
-Planning	1.0	0.0	152.9	153.9
-Measure Stnds & Comm Veh. Enf.	48.6	0.0	256.3	304.9
-Design and Construction	22.0	0.0	1,552.7	1,574.7
-Knik Arm Bridge/Toll Authority	0.0	0.0	233.3	233.3
-State Equipment Fleet	0.0	0.0	126.8	126.8
-Statewide Facility M&O	1,466.4	0.7	165.2	1,632.3
-Traffic Signal Management	100.6	0.0	0.0	100.6
-Highways and Aviation	8,591.5	8.4	175.4	8,775.3
-Ted Stevens Airport	0.0	0.0	1,900.7	1,900.7
-Fairbanks International Airport	0.0	0.0	86.4	86.4
-Marine Highway System	21,654.8	0.0	5,282.5	26,937.3
<b>FY2007 Governor</b>	<b>211,315.7</b>	<b>3,833.9</b>	<b>280,174.9</b>	<b>495,324.5</b>