

State of Alaska FY2011 Governor's Operating Budget

Department of Transportation/Public Facilities Planning Results Delivery Unit Budget Summary

Planning Results Delivery Unit

Contribution to Department's Mission

The mission of Transportation Planning is to optimize state investment in transportation by means of data-driven recommendations and meet federal and state requirements through effective data collection, analysis, planning, public involvement and documented decisions.

Core Services

- Develop statewide and area transportation plans to guide transportation infrastructure development over the next 20 years and fulfill federal and state requirements.
- Coordinate the development, submission, and monitoring of the Needs List (a statewide list of transportation needs), and the federally required Statewide Transportation Improvement Program (STIP), as well as the annual capital budget. Provide key analyses to department management on critical issues regarding capital funding for Alaska's transportation and public facility needs.
- Provide federally required highway data collection and analyses to state, federal and local agencies.
- Provide Geographic Information System (GIS) and Global Positioning System (GPS) data collection and analysis, as well as cartographic and other technical services.
- Develop and maintain the Statewide Transportation Plan and Public Involvement Plan.
- Provide administration of the Scenic Byways Program, Safe Routes to Schools, Federal Transit Program and Federal Railroad Administration grants.
- Provide administration of the Alaska Highway Safety Office and related funding from the National Highway Safety Administration.
- Provide administration of Urban Planning and State Planning Programs, as well as general accounting and administrative support.
- Develop and administer the Strategic Highway Safety Plan.
- Administer planning for resource and community access roads program.
- Develop and maintain the department's financial interaction with the Denali Commission transportation program.
- Oversee the web and phone 511 Highway Information System and the Road Weather Information System.

Results at a Glance

(Additional performance information is available on the web at <http://omb.alaska.gov/results>.)

END RESULT A: Access optimal federal funds for highway construction projects.

- The division's objective of producing a timely STIP update was delayed by the fact that the federal transportation legislation renewal was not complete by summer of 2009.
- The updated Statewide Long-range Plan was successfully completed and adopted on February 29, 2008.

Status of Strategies to Achieve End Result

- The processing time for federal-aid agreements and modifications decreased by 28.7% between 2008 and 2009 resulting in a 7.2 day turnaround.

END RESULT B: Achieve measurable improvement in highway safety.

- In 2007, the state experienced 418 fatal and major injury crashes resulting in a 3.2 % decrease from the prior year, well below the 5-year average of 514.6.

Status of Strategies to Achieve End Result

- The state experienced a 3.03% increase between 2007 and 2008 and another 1% increase between 2008 and 2009 in the voluntary use of seatbelts which was surveyed at approximately 86.1%, and is higher than the 5-year average trend of 81.1% between 2004 and 2008.
- The department completed the strategic highway safety plan according to Federal Highway Administration (FHWA) guidelines.

Major Activities to Advance Strategies

- Target driver behavior issues: high-risk youth and young drivers, in areas of traffic congestion.

Major Activities to Advance Strategies

- Evaluate any lapses of federal funds and identify the cause. Compare as a percentage of all funds that are administered by the division.
- Create electronic tracking tools to enable a community to follow the history of each project through the STIP process.
- Create an overall communication strategy and related tools to enable faster and more thorough communications of changes occurring in the STIP.
- Provide design/build contract for HAR (highway advisory radio) and VMS (variable message signs) to enhance driver awareness of critical conditions.
- Ensure public awareness of the travel information system to ensure drivers are advised of changing highway conditions.

Key RDU Challenges

Passage of the 1991, 1998 and 2005 surface transportation bills, most recently known as 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. As a result, the statewide and regional planning staff must participate in a greatly expanded public involvement program that includes holding multiple meetings throughout the region and other outreach communications with local government, tribal organizations and the general public. Planning staff then evaluate and present all projects to a statewide review team that uses a systematic scoring process and other means to identify the highest priority projects competing statewide for federal highway and transit funding. SAFETEA-LU contained a large number of earmarks along with many significant policy and legal standards and requirements attached to the funding.

The next surface transportation bill or reauthorization is due in 2010, but may well take until 2011 or longer. There is much talk about a need to significantly reform the federal transportation program, with emerging ideas ranging from a focus on greenhouse gases and reduced driving to a national evaluation process before any project is funded. The draft bill that has emerged from these national priorities is complicated, voluminous, very restrictive and very different from the status quo. It remains to be seen how fast it can move through Congress. Thus, while there is a small chance that 2010 will result in major new transportation legislation, it appears more likely that any significant change will occur after this year.

The other key challenge for planning is the “disconnect” between what Alaskans desire for their transportation system and what is financially possible with current revenue streams. The 2030 statewide transportation plan used a “bottoms up” methodology to identify the funding needed for all transportation modes and the adequacy of current streams of revenue for both maintenance and operations as opposed to capital expansion and improvements. In a macro view, these funding streams are about one-half of what is actually needed, with the needs most acute in highways, ferries and harbor systems. Much of the problem can be explained by the recent high level of construction inflation, which has been much higher than any period since 1950 or before.

In 2008 alone, asphalt cement used in paving runways and roads has more than doubled in cost. As the economy struggled in 2009, project costs declined allowing the department to gain slightly on the backlog of projects. While bids have appeared to stabilize in 2009, this may be a short term result of the economic stimulus package. The fact remains that continued high construction costs with no additional funding have reduced the spending power of the limited federal dollars. With the addition of the stimulus funds the department was able to couple the stimulus funds with existing funds to enable more projects to advance to construction such as the Gustavus Causeway, Shore Avenue in Kotzebue and address a significant number of miles of rutted pavement mileage in Anchorage and the Matanuska Susitna Valley.

A related issue is the ever expanding array of special categories (e.g., Safe Routes to Schools, Recreational Trails, etc.) These federal diversions are in most respects mandatory and they result in fewer dollars being available for the core mission. Yet, there remains a strong public attitude that the problem relates to the decisions on where funding is being used, and less on the inadequacy of available funding. As Planning is a key part of the department’s communication and outreach, the task of communicating falls heavily on this component.

New federal planning regulations issued on February 14, 2007, dictate the need for changes in the state planning regulations. These regulations emphasize visualization tools to communicate the status of funding and projects in development, and impacts to the overall program when project costs increase and schedules change resulting in a shuffling of projects. Implementation of the new planning regulations increased the number of minor amendments (now

called “administrative modifications”) to adjust the STIP without causing delays in project delivery. The number of amendments (both minor and major) is expected to increase as fund sources or schedules change to meet project delivery.

The Division of Program Development along with the regional planning units will be completing work on the long-range transportation plan for Interior Alaska and a reevaluation of the Southwest Alaska transportation plan. These plans develop the 20-year transportation investment strategies for road, ferry, rail and air modes using extensive local public involvement. It is anticipated that updates for regional transportation plans in the Y-K and NW regions will be initiated prior to 2013. A new Surface Transportation Improvement Program (STIP) for the years 2010 to 2013 was prepared under the more demanding federal regulations enacted in 2007. An update to the over-arching Statewide Long Range Transportation Plan, known as 2030, is also underway at this time.

Two major federal issues will strongly impact the development of the new STIP. First, an essential input to the process is a best estimate of future federal funding. The division is facing virtually no real information as to what this funding level would yield to the state. With no work on reauthorization yet complete and widely diverging ideas of how the surface transportation program should be reformed, we are entering an era with almost a complete lack of foundational information upon which to build an estimate. This means the STIP may need subsequent modification to reconcile what we eventually use as an estimate with the ultimate outcome in the legislative process.

A second major issue is an updated Federal Highway Administration (FHWA) policy regarding projects known as “time traps”. In June 2008 the FHWA issued new guidance regarding a provision of federal law that requires that all projects using federal funds must be completed within a given time frame or the state must reimburse the federal treasury for the funds used on incomplete projects. Of utmost importance, unlike the past interpretation, the new policy lacks any relief for projects that fall out of favor or simply become too expensive. A review of what this policy means to the large number of started but not yet completed projects is underway. At a minimum we would expect it will be a major “driver” focusing limited federal funds on those projects which are past the time trap due date.

A relatively new federal requirement, known as Project Financial Plans, is also adding to the complexity in the management of federal transportation funds. In brief, every project with a total cost in excess of \$100 million must include a detailed financial plan and time line. These plans must be based on the cash flow needed to complete the project and are to be based on rigorous standards of fiscal reliability and scheduling. Projects in excess of \$500 million need an even more detailed financial plan; the larger projects financial plans are subject to federal approval as well. Perhaps as many as 8 to 10 financial plans will be needed in the coming fiscal year.

The department must demonstrate it has adequate land interests at the airports before federal funds can be used to purchase equipment (10 years), replace buildings or improve the airports (20 years). The department has insufficient land interests at many rural airports where existing leases are expired or nearing expiration. Planning staff is facilitating resolution of this issue through its coordination with the Right-of-Way and Design Sections.

Significant inflation and a leveling in the amount of available federal Airport Improvement Program (AIP) funding to the state has resulted in a decrease in the number of projects that can be accomplished each year. In addition, several Alaskan airports are in need of basic improvements that are either ineligible for, or do not compete well for AIP funding. To help bring the state’s airport system up to minimum design standards and to meet forecasted demand, additional sources of financing is needed that incorporate participation from the Denali Commission, local governments, regional economic cooperatives and the private sector.

EPA has designated Fairbanks as a non-attainment area for particulate matter below 2.5 microns in size. Since the Clean Air Act uses the federal transportation program as a “stick” to force state and local compliance, the role of transportation planners in evaluating transportation projects for their air quality impacts will expand. This will require additional efforts to coordinate with state and local air quality staff, prepare necessary memorandums of understanding, new modeling, area and specific project evaluations.

Potential federal legislation addressing climate change and greenhouse gases could add substantially to the RDU’s workload in FY 2011. Various bills are moving in Congress that would impact transportation planning significantly. In both the House and Senate versions, each state DOT would be responsible for a new “emissions plan” intended to reduce the amount of greenhouse gas emissions from the transportation sector. The work to prepare such plans is very significant, including a statewide travel model (not in place today) which could be used to predict the change in emissions, based on a wide variety of potential measures that might be implemented. The measures include changes in vehicle propulsion, manner of driving, land use controls, employment practices, and new costs added to the use of

automobiles in order to reduce the level of overall driving. Obviously, these bills are being tracked very carefully and if some version is passed into law, steps will need to be taken to meet the schedules required of each state.

Significant Changes in Results to be Delivered in FY2011

No significant changes are anticipated.

Major RDU Accomplishments in 2009

- Completed the 2009 federally required, major amendment #18 to the Statewide Transportation Improvement Program (STIP) for 2009 to include projects for funding by the American Recovery and Reinvestment Act (ARRA) commonly referred to as the “stimulus” act and other adjustments.
- Completed the second annual review of the multi-agency Strategic Highway Safety Plan which resulted in significant highway safety dollars being available to the state. The Strategic Highway Safety Plan successfully finished its first year as measured by the decline in traffic fatalities and increased use of seat belts.
- Received a much improved audit of the Highway Safety Office by the lead federal agency, National Highway Traffic Safety Administration (NHTSA).
- Expanded statewide traffic enforcement through the creation of a Bureau of Highway Patrol within the Alaska State Troopers.
- Completed and submitted all required federal highway and aviation reporting to permit continued funding to the State of Alaska.
- Completed the second year of a new tool that provides up to 1,200 digital photographs of each mile of the state highway network, accessible over the web.
- Completed 75 - 90% of an inventory of roadside features (depending upon the feature being inventoried), using the above mentioned photograph library. Much of this data has never before been available on a systematic basis.
- Successfully completed the conversion of \$48 million of obligation limitation from restrictive fund sources into regular funds thus eliminating the potential loss of \$48 million dollars of obligation limitation that would have been lost during the 2009 rescissions.
- Despite additional process requirements and two federal rescissions of funds, the division was able to obligate core program funds and ARRA funds required to be obligated by mid-June without the loss of any federal funds or project delays.
- Seat belt usage increased from 84.9% in 2008 to 86.1% in 2009.
- Traffic fatalities decreased from 82 in 2007 to 63 in 2008.
- Between 1996-2006 and 2006-2009, fatal and major injury crashes per year dropped by 39% on the Seward Highway Traffic Safety Corridor, and by 44% on the Parks Traffic Safety Corridor.
- Between 1996-2006 and 2006-2009, major injury crashes per year dropped by 65% on the Seward Highway Traffic Safety Corridor, and by 63% on the Parks Traffic Safety Corridor.
- Major improvements on the Dalton, Richardson and Alaska Highway corridors for gas line construction were identified and prioritized. Several of these projects such as the work between Dalton Highway MP 175 to 197 and MP 260 and 321 were funded for construction.
- Efforts continued on the Western Access Planning Study to study road corridors to western Alaska from the contiguous highway system.
- Initiated the Foothills West Recon Study to access potential Gas Fields and Access to NPR-A near Umiat was initiated.

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Planning
RDU Financial Summary by Component

All dollars shown in thousands

	FY2009 Actuals				FY2010 Management Plan				FY2011 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												
Program	271.8	0.0	3,424.7	3,696.5	556.5	0.0	4,196.0	4,752.5	540.0	0.0	4,199.8	4,739.8
Development												
Central Region	62.1	0.0	1,653.7	1,715.8	109.6	0.0	1,759.6	1,869.2	109.6	0.0	1,759.6	1,869.2
Planning												
Northern Region	0.0	0.0	1,393.2	1,393.2	114.4	0.0	1,707.6	1,822.0	114.4	0.0	1,707.6	1,822.0
Planning												
Southeast Region	3.8	0.0	511.9	515.7	15.1	0.0	593.5	608.6	15.1	0.0	593.5	608.6
Planning												
Totals	337.7	0.0	6,983.5	7,321.2	795.6	0.0	8,256.7	9,052.3	779.1	0.0	8,260.5	9,039.6

Planning
Summary of RDU Budget Changes by Component
From FY2010 Management Plan to FY2011 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2010 Management Plan	795.6	0.0	8,256.7	9,052.3
Adjustments which will continue current level of service:				
-Program Development	0.4	0.0	3.8	4.2
Proposed budget decreases:				
-Program Development	-16.9	0.0	0.0	-16.9
FY2011 Governor	779.1	0.0	8,260.5	9,039.6