

State of Alaska FY2012 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 process 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.

Major Activities to Advance Strategies

- Target driver behavior issues: high-risk youth and young drivers, in areas of traffic congestion.
- 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; many of these earmarked projects remain active and continue to demand much staff attention.

The next surface transportation bill or reauthorization was due in 2010, but may well take until 2013 or longer. There is much talk about a need to significantly reform the federal transportation program, with emerging ideas ranging from a focus on climate change 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 with obvious funding challenges. It remains to be seen how fast it can move through Congress. There is a small chance that 2011 will result in major new transportation legislation.

Despite the lack of new legislation, the post-SAFETEA-LU era is anything but stable. At the end of 2009 a large rescission of federal aid was invoked. This resulted in the state losing over \$15 million in funds previously allocated, and also greatly reduced the flexibility in the future. Thereafter, in 2010 Congress reversed the rescission, except for the funds that were taken back, which at least returned the flexibility in project selection. Subsequently, in mid-2010 Congress again attached a rescission and took back funding again. This on-off-on approach to funding puts tremendous strain on the process of identifying likely projects and managing the program, as the funds available, and the rules attached to them is constantly changing. Along with these rapid changes, comes a need to keep stakeholders informed, and to explain the arcane rules that must be followed. This instability is likely to continue as the new leadership in the House of Representatives has openly stated they do not wish to raise taxes nor continue to supplement the federal transportation program with general fund revenue. This position, if followed, will lead to large reductions in federal aid in 2012 and beyond.

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 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 and 2010, this may be a short term result of the economic recession. Even with lower bids recently, the fact remains that continued high construction costs with no additional funding have reduced the spending power of the limited federal dollars.

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. A replacement STIP for 2012 to 2015 is now being prepared. An update to the over-arching Statewide Long Range Transportation Plan, known as 2030, is also underway at this time.

Another major effort has been a statewide review of port and harbor needs, in concert with the Alaska Division of the Army Corps of Engineers and the Denali Commission. This effort is nearing completion in early 2011 and it has identified a large number of desired but unfunded projects throughout the state. Given the importance of resource development to the state, the need for ports to serve as export portals is significant. One outcome of the port study is a task force to review the use of public-private partnerships as a means of financing some port needs. This effort will begin in 2011 and continue forward with all three involved agencies participating.

Three major federal rules have added new urgency to the need for a long term fiscal plan for transportation. The first is a requirement that all projects in a STIP must be fiscally constrained to the levels of current and future funding. At its simplest, the fiscal constraint requirement will not allow projects to be undertaken, if there is not a credible means of financing the full work contemplated. With state funding highly variable, this means the only projects we can undertake are those based on likely federal funding.

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.

Thirdly, 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. Financial plans are required to be updated annually, and this continues over what can be a 10 or more year life to any given project. Currently the department has at least 10 projects that must fulfill this requirement.

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. DEC’s evaluation of the sources of t PM2.5 (particulate matter) in Fairbanks area show that it is largely not from transportation sources; nevertheless the federal laws will continue to require that transportation decisions be strongly linked to strategies that would reduce PM 2.5.

Climate change legislation aimed at curbing greenhouse gases now appears less likely to emerge from the new Congress given the change in leadership and membership following the 2010 election. However, the Environmental Protection Agency, using authority under the Clean Air Act appears intent on implementing significant new regulatory requirements in this realm. For example, they recently released mileage standards for the year 2024 that are extremely strict (62 miles per gallon, on average). It is not yet known if EPA will require the detailed air modeling and transportation sector planning to reduce greenhouse gas emissions, but they have been keen to see this aspect of the prior legislation enacted, so it remains a real possibility. This could find the state required to enact measures such as 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, this rule making by EPA is 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 FY2012

No significant changes are anticipated.

Major RDU Accomplishments in 2010

- Reached the 100% obligated milestone for projects funded by the American Recovery and Reinvestment Act (ARRA) commonly referred to as the “stimulus” act. All ARRA funded construction projects have been advertised and contracts awarded.
- The Strategic Highway Safety Plan successfully finished its second year as measured by the decline in traffic fatalities and increased use of seat belts.
- Successfully closed out the recent Management Review of the Highway Safety Office by the lead federal agency, National Highway Traffic Safety Administration (NHTSA). All items in the corrective action plan have

been satisfactorily resolved.

- Launched the New Generation 511 web site (<http://511.alaska.gov/>) and telephone traveler information services. Prepared the GIS transportation network and features for the 511 backbone.
- Completed the 2010 Certified Public Road Mileage Report for the 2009 roads that are maintained by the State, municipalities, local government, and federal agencies.
- Completed the 2010 Highway Performance Monitoring System (HPMS) report for the 2009 transportation information. This included new curve and grade information that was captured during the photolog data collection. Developed plans and priorities to meet the new 2010 HPMS reporting requirements that include data model changes, increased data collection, migration from the legacy transportation database, and expanded network coverage.
- Expanded statewide traffic enforcement in cooperation with the Bureau of Highway Patrol within the Alaska State Troopers. This effort has substantially increased the public visibility of enforcement efforts in targeted areas.
- In conjunction with the Department of Public Safety, Highway Safety Road Reviews were completed on Knik-Goose Bay Road and the Parks, Seward, and Sterling Highways.
- Completed and submitted all required federal highway and aviation reporting to permit continued funding to the State of Alaska.
- Despite additional process requirements and federal rescissions of funds, the division was able to obligate core program funds without the loss of any federal funds or project delays.
- Seat belt usage increased from 86.1% in 2009 to 86.8% in 2010.
- Traffic fatalities involving unbelted vehicle occupants decreased from 55% in 2008 to 32% in 2009.
- Deployed the first generation Web Statewide Transportation Improvement Program (STIP) viewer application. The application interacts with the current STIP and allows basic query capabilities from a web-based GIS application through the ArcServer software.
- Tested and finalized the enterprise geodatabase (EGDB) deployment in a production environment. The deployment included three database schemas (development, internal edit, and Publish) and loading of the transportation network links and nodes. Mapped the following communities for the Initiative for Accelerated Infrastructure Development (AIID): Koyukuk, Manley Hot Springs, McGrath, Minto, Nenana, Nikalai, Takotna, and Tanana.
- Focused the photolog data collection on non-state routes that are functionally classified higher than a local road. The network is being expanded to meet the upcoming HPMS requirements and for the transition from a legacy mainframe transportation database to a GIS-enabled highway data warehouse.
- Expanded the capture of transportation features using the photolog project to meet the transportation asset management needs. Features include signs, culverts, bridges, and environmental points, e.g., RWIS sites.
- Developed a tool to streamline the process for assigning a linear reference system milepoint measures to selected features. This tool snaps GPS or other spatial locations to the enterprise geodatabase centerline network.
- Deployed the first generation real-time system management information system data collection system on the Glenn ITS Corridor and the Knik-Goose Bay Traffic Safety Corridor. The real-time speed, volume, and occupancy information is available on the Department's Highway Data Port.
- Deployed a framework for the Highway Data Port that establishes common report format. This allows rapid development of new reports and provides both HTML and PDF output formats.
- Completed the principal components and action plan for the upcoming Data Business Plan. The Plan will establish how our transportation data programs support the Department's and Program Development Division's mission and core services. The components include: Data Governance, Standards, and Knowledge Management; Real-Time Operational Data; Assessing the Value of Department Data Programs; and Data Sharing, Data Delivery Methods, and Tools.
- Major improvements on the Dalton, Richardson and Alaska Highway corridors for gas line construction were identified and prioritized. There are several projects with ongoing construction efforts including replacement of the Tanana River Bridge near Tok, Dalton Highway rehabilitation between mileposts 175-197 and Alaska Highway rehabilitation between mileposts 1222-1235.
- Developed community clustering multi-accounts analysis model for estimating benefits and costs associated with connecting remote communities by road across federal and state agency programs.
- Draft Interior Alaska Transportation Plan released for public review and comment.
- Emphasized bridges as a critical asset in the selection of projects for federal funds over the 2012 to 2016 period. Ongoing inspection data reveals a number of bridges with serious deficiencies and given the sparse network in Alaska bridges must be in good condition to ensure continuity of access.

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Planning
RDU Financial Summary by Component

All dollars shown in thousands

	FY2010 Actuals				FY2011 Management Plan				FY2012 Governor			
	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds
Formula Expenditures None.												
Non-Formula Expenditures												
Program Development	656.5	3,649.4	0.0	4,305.9	543.7	4,347.4	0.0	4,891.1	707.7	4,547.9	0.0	5,255.6
Central Region Planning	81.2	1,777.2	0.0	1,858.4	110.9	1,818.5	0.0	1,929.4	113.7	1,933.2	0.0	2,046.9
Northern Region Planning	80.1	1,489.8	0.0	1,569.9	116.9	1,765.9	0.0	1,882.8	117.9	1,803.7	0.0	1,921.6
Southeast Region Planning	15.1	522.8	0.0	537.9	15.1	618.5	0.0	633.6	15.1	657.7	0.0	672.8
Totals	832.9	7,439.2	0.0	8,272.1	786.6	8,550.3	0.0	9,336.9	954.4	8,942.5	0.0	9,896.9

Planning
Summary of RDU Budget Changes by Component
From FY2011 Management Plan to FY2012 Governor

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2011 Management Plan	786.6	0.0	8,550.3	0.0	9,336.9
Adjustments which will continue current level of service:					
-Program Development	99.7	0.0	119.7	0.0	219.4
-Central Region Planning	2.8	0.0	114.7	0.0	117.5
-Northern Region Planning	1.0	0.0	37.8	0.0	38.8
-Southeast Region Planning	0.0	0.0	39.2	0.0	39.2
Proposed budget increases:					
-Program Development	64.3	0.0	80.8	0.0	145.1
FY2012 Governor	954.4	0.0	8,942.5	0.0	9,896.9