

Alaska Department of Transportation & Public Facilities

FY2024 Operating Budget Overview

Ryan Anderson, P.E., Commissioner
Dom Pannone, Administrative Services Director

February 27, 2023

Our mission is to *Keep Alaska Moving* through service and infrastructure.



DOT & PF Organization

14 Divisions

Commissioner's Office

Administrative Services Division

Northern Region

Central Region

Southcoast Region

Program Development & Statewide Planning

Statewide Design & Engineering Services

Alaska Marine Highway

Measurement Standards & Commercial Vehicle Compliance

Statewide Aviation

Statewide Equipment Fleet

Facilities Services

Anchorage International Airport

Fairbanks International Airport





DOT & PF Structure

Operating Budget Structure

19 Funds Sources, 7 Appropriations
52 Allocations

Fund Codes

- 1002 Federal Receipts
- 1004 General Fund Receipts
- 1005 General Fund/Program Receipts
- 1007 Interagency Receipts
- 1026 Highways/Equipment Working Capital Fund
- 1027 International Airport Revenue Fund
- 1061 Capital Improvement Project Receipts
- 1076 Marine Highway System Fund
- 1108 Statutory Designated Program Receipts
- 1147 Public Building Fund
- 1200 Vehicle Rental Tax Receipts
- 1214 Whittier Tunnel Toll Receipts
- 1215 Uniform Commercial Registration fees
- 1232 In-state Pipeline Fund Interagency
- 1239 Aviation Fuel Tax Revenue
- 1244 Rural Airport Receipts
- 1245 Rural Airport Receipts I/A
- 1249 Motor Fuel Tax Receipts
- 1265 Non-specific COVID Fed

Administration and Support

- Central Support Services
- Commissioner's Office
- Contracting and Appeals
- EE/Civil Rights
- Highway Safety Office
- Information Systems and Services
- Internal Review
- Leased Facilities
- Measurement Standards
- Northern Support Services
- Program Development
- Southcoast Support Services
- Statewide Admin Services
- Statewide Aviation
- Statewide Procurement
- Statewide Safety & Emergency Management

Design, Engineering and Construction

- Central Construction & CIP
- Central Design & Engineering Services
- Northern Design, Engineering & Const
- Southcoast Design & Engineering Services
- Southcoast Region Construction
- SW Design & Engineering Services

Facilities Services

- Facilities Services
- Leases

State Equipment Fleet

- State Equipment Fleet

Highways, Aviation and Facilities

- Abandoned Vehicle Removal
- Central Highways and Aviation
- Central Region Facilities
- Northern Highways & Aviation
- Northern Region Facilities
- Southcoast Highways & Aviation
- Southcoast Region Facilities
- Traffic Signal Management
- Whittier Access and Tunnel

International Airports

- AIA Administration
- AIA Facilities
- AIA Field & Equipment Maintenance
- AIA Operations
- AIA Safety
- FIA Administration
- FIA Facilities
- FIA Field & Equipment Maintenance
- FIA Operations
- FIA Safety
- International Airport Systems

Marine Highway System

- Marine Engineering
- Marine Shore Operations
- Marine Vessel Fuel
- Marine Vessel Operations
- Overhaul
- Reservations and Marketing
- Vessel Operations Management



DOT & PF Services

Services of Department

Modernizing Alaska's Infrastructure

- Project Delivery
- Obtain Right of Way
- Project Design
- Utilities Identification & Coordination
- Environmental Permitting
- Advertise for Bids
- Construction Administration
- Project Close Out

Operating Alaska's Infrastructure

- Traffic Signal Management
- Assure Functional Traffic
- Timing Optimization & Adjustment
- Snow & Ice Management
- Removal of Snow
- Application of Traction Aides
- Avalanche Mitigation
- Traffic Operations
- Responding to Illumination Outages
- Surface Marking
- Surface Sweeping
- Visibility Management
- Provide Travel Information to Drivers/Public
- Operate Certificated Airports
- Rural Airport Safety and Security
- Wayside Maintenance & Management

Preserve Alaska's Infrastructure

- Abandoned Vehicle Removal
- Infrastructure Repair
- Incident and Disaster Response
- Routine Preservation (signage, lighting, guardrail replacement, drainage, pothole repair, lighting repair, brush-cutting)
- Bridge Inspection & Preservation
- Regulatory Compliance

Providing Transportation Services

- Alaska Marine Highway System
- Anchorage International Airport
- Fairbanks International Airport
- Airline Terminal Facilities & Services
- Airport Concessions
- Airport Parking
- Business Marketing and Acquisition
- Passenger Services
- Rural Airport Leasing
- Whittier Tunnel Operation
- Commercial Permitting
- Measurement Device Certification

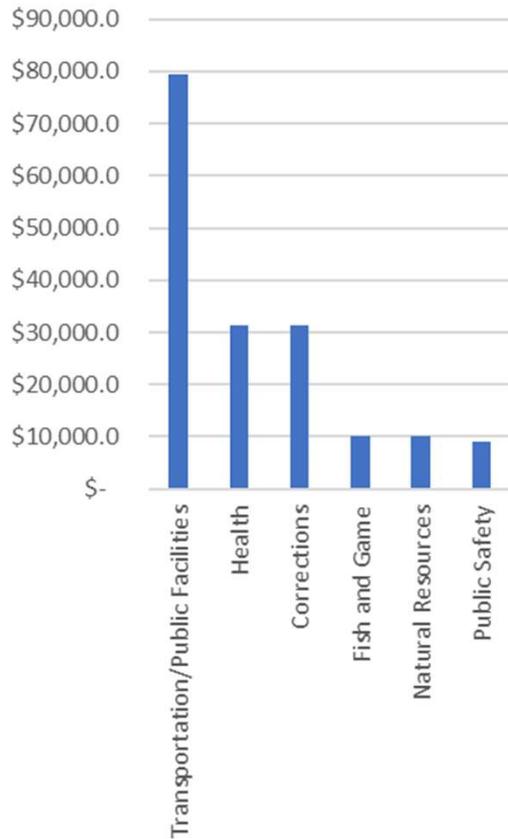
Shared Services

- Statewide Equipment Fleet
- Division of Facilities Services

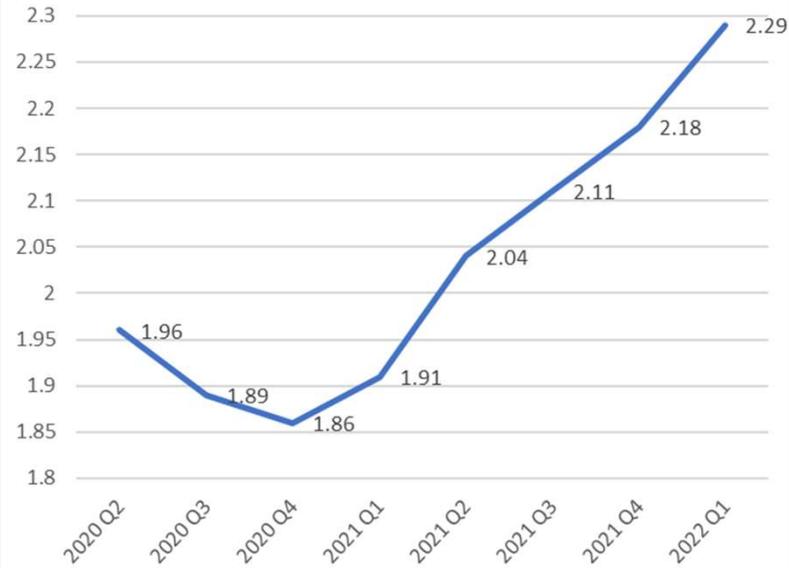


COMMODITIES

Commodities Line
FY2023 Management
Plan



National Highway Construction Cost Index



Since the pandemic, highway construction costs have increased **16.8%**. The components of this index align and closely with elements of highway maintenance & operations.

FY2022 saw fuel increases of \$2/gallon on average, creating a \$1.4M increase fuel costs for facilities and \$3.9M in fuel for equipment.

- Grading and Excavation
- Bridge
- Asphalt
- Concrete Pavement
- Concrete-Miscellaneous
- Concrete-Culverts
- Base Stone
- Drainage-Pipe
- Drainage-Inlets/Catch Basins
- Underdrain
- Traffic Control
- Guard Rail
- Fencing
- Signs-Permanent
- Striping/Pavement Marking
- Signalization
- Lighting
- Roadway Lighting/Electrical
- Grassing
- Erosion Control
- Retaining Wall
- Miscellaneous Stone/Riprap
- Clearing
- Painting Structures
- Buildings/ Miscellaneous Structures
- Utility-Water
- Utility-Gas
- Utility-Sewer
- Equipment/Labor

NHCCI COMPONENTS



Vacancy Rates

Vacancy Rates* for Highways & Aviation LTC Positions

Annual rate, sampled monthly for calendar year 2022

Constantly changing

Only one part of the staffing challenges

Doesn't capture turnover, other absences, experience

| Southcoast Region | 88 | 13% |
|-------------------|----|-----|
| ADAK | 2 | 0% |
| AKUTAN | 3 | 6% |
| COLD BAY | 4 | 21% |
| GUSTAVUS | 2 | 0% |
| HAINES | 5 | 8% |
| HOONAH | 2 | 29% |
| ILIAMNA | 3 | 8% |
| JUNEAU | 14 | 21% |
| KALSIN BAY | 2 | 13% |
| KETCHIKAN | 4 | 2% |
| KING SALMON | 6 | 28% |
| KLAWOCK | 5 | 22% |
| KODIAK | 8 | 2% |
| PETERSBURG | 4 | 0% |
| SAND POINT | 1 | 0% |
| SITKA | 8 | 10% |
| SKAGWAY | 4 | 21% |
| UNALASKA | 3 | 14% |
| WRANGELL | 3 | 8% |
| YAKUTAT | 5 | 10% |

| Central Region | 159 | 16% |
|------------------|-----|-----|
| ANCHORAGE | 45 | 14% |
| ANIAK | 2 | 29% |
| BETHEL | 8 | 14% |
| CASCADE | 4 | 42% |
| CHULITNA | 5 | 12% |
| CROWN POINT | 5 | 22% |
| DILLINGHAM | 7 | 8% |
| GIRDWOOD | 6 | 33% |
| HOMER | 11 | 13% |
| MCGRATH | 1 | 0% |
| NINILCHIK | 4 | 0% |
| NORTH KENAI CAMP | 4 | 10% |
| PALMER | 22 | 23% |
| QUARTZ CREEK | 4 | 0% |
| SELDOVIA | 1 | 0% |
| SILVERTIP | 5 | 0% |
| SOLDOTNA | 18 | 20% |
| TALKEETNA | 2 | 0% |
| WILLOW | 5 | 8% |

| Northern Region | 287 | 22% |
|--------------------|-----|-----|
| BIRCH LAKE | 3 | 0% |
| CANTWELL | 9 | 21% |
| CHANDALAR CAMP | 8 | 5% |
| CHITINA | 4 | 15% |
| COLDFOOT CAMP | 5 | 5% |
| CORDOVA | 6 | 40% |
| DEADHORSE | 12 | 4% |
| DELTA JUNCTION | 8 | 15% |
| EAGLE | 3 | 22% |
| ERNESTINE | 4 | 17% |
| FAIRBANKS | 53 | 23% |
| GALENA | 2 | 0% |
| HEALY | 5 | 45% |
| JIM RIVER | 4 | 10% |
| KOTZEBUE | 7 | 31% |
| LIVENGOOD | 7 | 12% |
| MANLEY HOT SPRINGS | 6 | 7% |
| MONTANA CREEK | 5 | 15% |
| NELCHINA | 4 | 0% |
| NENANA | 6 | 17% |
| NOME | 17 | 43% |
| NORTHWAY | 5 | 15% |
| PAXSON | 5 | 15% |
| SAG RIVER | 6 | 6% |
| SAINT MARYS | 3 | 6% |
| SEVEN MILE CAMP | 4 | 2% |
| SLANA | 6 | 10% |
| SOUTH FORK | 4 | 17% |
| TAZLINA | 19 | 34% |
| THOMPSON PASS | 8 | 38% |
| TOK | 10 | 20% |
| TRIMMS CAMP | 4 | 40% |
| UNALAKLEET | 3 | 11% |
| UTQIAGVIK | 5 | 0% |
| VALDEZ | 11 | 31% |

*As provided to the Legislature by OMB

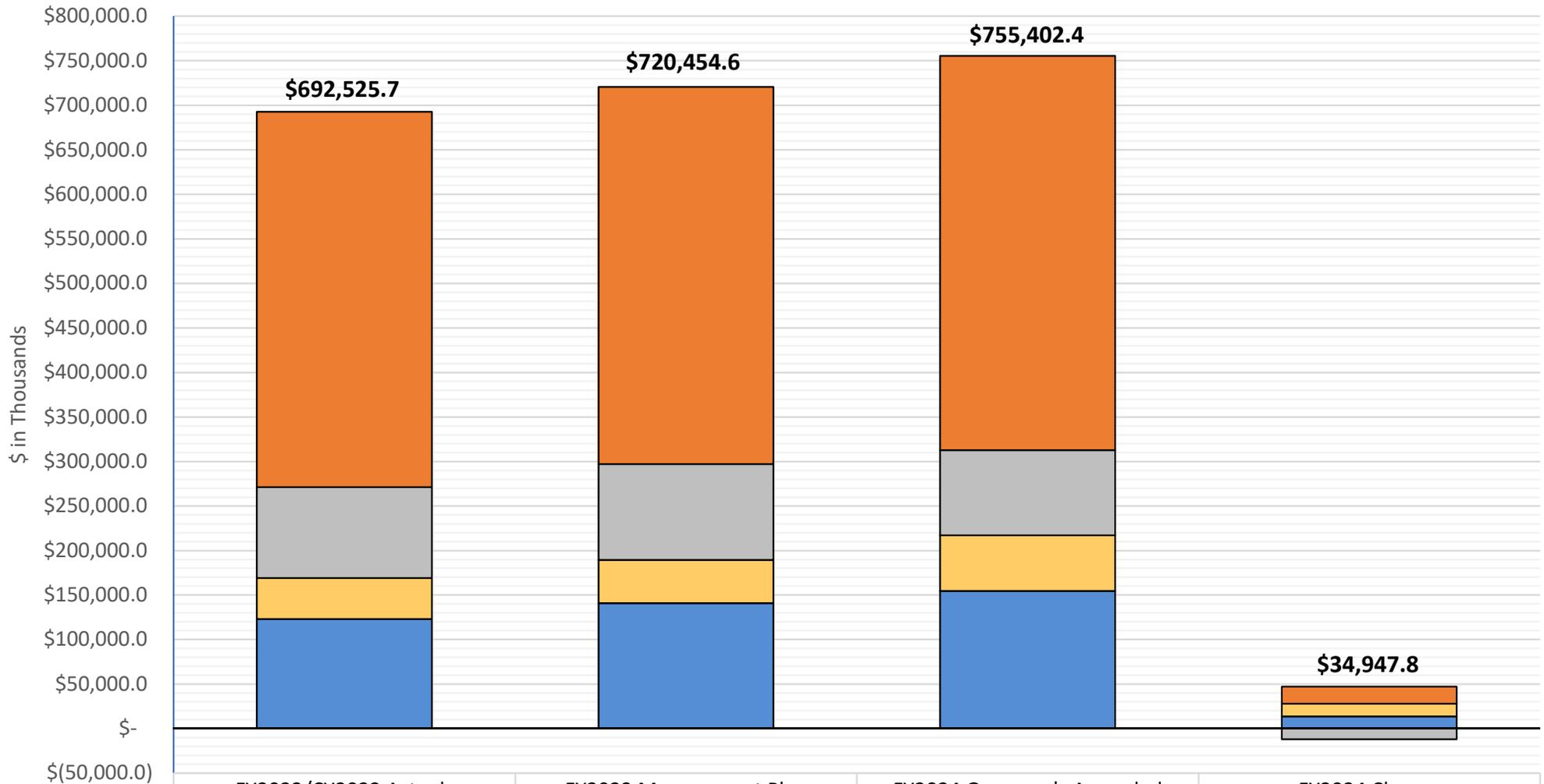
Table Columns: Region | Total PCNs | CY2022 Vacancy Rate



Vacancy Rates: Tracking

| DISTRICT | % VACANT | SAMPLE DATE |
|---------------|----------|-------------|
| ANC INT | 14% | 1/27/2023 |
| ANC INT FAC | 15% | 2/3/2023 |
| CR ANCHORAGE | 17% | 2/3/2023 |
| CR MATSU | 23% | 2/3/2023 |
| CR PENNINSULA | 23% | 2/3/2023 |
| CR SOUTHWEST | 6% | 2/3/2023 |
| DFS | 19% | 2/3/2023 |
| FAI AIRPORT | 6% | 2/3/2023 |
| NR DALTON | 21% | 2/3/2023 |
| NR DENALI | 26% | 2/3/2023 |
| NR FAIRBANKS | 21% | 2/3/2023 |
| NR TAZLINA | 24% | 2/3/2023 |
| NR TOK | 26% | 2/3/2023 |
| NR VALDEZ | 42% | 2/3/2023 |
| NR WESTERN | 32% | 1/27/2023 |
| SEF | 21% | 2/3/2023 |
| SR KODIAK | 16% | 2/3/2023 |
| SR SOUTHEAST | 13% | 2/3/2023 |

Budget Scenario Comparisons



| | FY2022/CY2022 Actuals | FY2023 Management Plan | FY2024 Governor's Amended | FY2024 Change |
|-------|-----------------------|------------------------|---------------------------|---------------|
| Other | \$421,071.7 | \$423,343.0 | \$442,420.6 | \$19,077.6 |
| Fed | \$102,444.6 | \$107,848.6 | \$95,755.0 | \$(12,093.6) |
| DGF | \$45,970.6 | \$48,558.9 | \$62,776.8 | \$14,217.9 |
| UGF | \$123,038.8 | \$140,704.1 | \$154,450.0 | \$13,745.9 |

\$ in thousands unless denoted otherwise



FY2024 Governor's Amended

Administration & Support

- Highway Safety Office
\$805.4 (CIP/OTHER)
- Statewide Safety & Emergency Management,
Program Coordinator
\$150.0 (OTHER)
- Public Employee Retirement System (PERS) rates, Health
Insurance and Salary Increases
\$893.7 (\$514.8 CIP/OTHER, \$116.0 UGF)

17 components (allocations)

Functions

Management & Oversight
 Program Development & Planning
 Finance & Budget
 Human Resources
 Information Technology
 Measurement Standards
 Commercial Vehicle Compliance
 Safety Programs

| Positions | 352 |
|-----------|-----|
| NP | 19 |
| PFT | 333 |

| | FY2022 Actuals | FY2023 Management Plan | FY2024 Governor Amended | Difference FY2023 to FY2024 |
|--------------------|-------------------|------------------------|-------------------------|-----------------------------|
| UGF | \$9,486.5 | \$8,320.4 | \$8,203.3 | -\$117.1 |
| DGF | \$2,521.1 | \$5,092.7 | \$5,269.4 | \$176.7 |
| Fed | \$180.9 | \$19.9 | \$0.0 | -\$19.9 |
| Other | \$43,472.2 | \$39,913.2 | \$41,225.2 | \$1,312.0 |
| Grand Total | \$55,660.7 | \$53,346.2 | \$54,697.9 | \$1,351.7 |

\$ in thousands unless denoted otherwise



FY2024 Governor's Amended

Design, Engineering & Construction

6 components (allocations)

Functions

Statewide Engineering Standards
 Environmental Analysis
 Engineering & Design
 Construction & Project Management
 Bridge Management & Inspection

- Public Employee Retirement System (PERS) rates, health insurance and salary increases
\$2.7M (CIP/OTHER)
- Transfer of authority within Northern Region for Public Information Officer
\$130.0 (CIP/OTHER)
- FY2023: Combined “Northern Design, Engineering & Construction Component”

| Positions | 842 |
|-----------|-----|
| NP | 40 |
| PFT | 656 |
| PPT | 146 |

| | FY2022 Actuals | FY2023 Management Plan | FY2024 Governor Amended | Difference FY2023 to FY2024 |
|--------------------|--------------------|------------------------|-------------------------|-----------------------------|
| UGF | \$2,787.7 | \$658.3 | \$666.7 | \$8.4 |
| DGF | \$820.8 | \$1,161.9 | \$1,185.2 | \$23.3 |
| Fed | \$0.0 | \$35.5 | \$0.0 | -\$35.5 |
| Other | \$121,748.0 | \$119,720.7 | \$122,252.5 | \$2,531.8 |
| Grand Total | \$125,356.5 | \$121,576.4 | \$124,104.4 | \$2,528.0 |

\$ in thousands unless denoted otherwise



FY2024 Governor's Amended

Highways, Aviation & Facilities

7 components (allocations)

Functions

Highway Maintenance & Operation
 Rural Airport Maintenance & Operation
 Whittier Tunnel Operation
 Traffic Signal Management
 Abandoned Car Removal
 Department Facilities

- Reversals of other one time federally funded swaps, and Rural Airport Paint Striping
- Rural Aviation use of Federal COVID Relief Funds, UGF swap
\$9.8M (FED)
- Commodities increases for road maintenance
\$1.3M (UGF)
- Maintained increment for Chitna, Birch Lake, Silvertip
\$1.4M (UGF)
- King Salmon Airport federal authority
\$868.0 (FED)
- Maintained increment for ice roads
\$200.0 (UGF)
- Sitka Airport Fund Swap
\$350.0 (UGF), -\$350.0 (IARF)
- Wayside Maintenance Improvements
\$385.0 (UGF)
- Maintained Increment for Dalton 2x2 Shift
\$1.3M (UGF)

| Positions | 605 |
|-----------|-----|
| NP | 36 |
| PFT | 507 |
| PPT | 62 |

| | FY2022 Actuals | FY2023 Management Plan | FY2024 Governor Amended | Difference FY2023 to FY2024 |
|--------------------|--------------------|------------------------|-------------------------|-----------------------------|
| UGF | \$58,660.1 | \$70,606.7 | \$84,184.5 | \$13,577.8 |
| DGF | \$38,727.3 | \$41,981.8 | \$42,435.1 | \$453.3 |
| Fed | \$34,902.2 | \$23,681.5 | \$11,506.5 | -\$12,175.0 |
| Other | \$37,629.9 | \$32,081.7 | \$32,325.1 | \$243.4 |
| Grand Total | \$169,919.5 | \$168,351.7 | \$170,451.2 | \$2,099.5 |

\$ in thousands unless denoted otherwise



FY2024 Governor's Amended

Facilities Services

- Facilities Services & Leases was reduced from six to two components
- Public Employee Retirement System (PERS) rates, health insurance and salary increases
\$538.0 (OTHER)

2 components (allocations)

Functions

Facilities Maintenance Services
Facilities Maintenance Contracts
Deferred Maintenance Program
Energy Program
Capital Improvement Projects
Vertical Construction

| Positions | 150 |
|-----------|-----|
| NP | 1 |
| PFT | 144 |
| PPT | 5 |

| | FY2022 Actuals | FY2023 Management Plan | FY2024 Governor Amended | Difference FY2023 to FY2024 |
|--------------------|-------------------|------------------------|-------------------------|-----------------------------|
| UGF | \$1,306.3 | \$938.9 | \$948.8 | \$99.9 |
| DGF | \$284.3 | \$322.5 | \$322.5 | \$0.0 |
| Fed | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Other | \$90,433.8 | \$98,674.2 | \$99,202.6 | \$528.4 |
| Grand Total | \$92,024.4 | \$99,935.6 | \$100,473.9 | \$538.3 |

\$ in thousands unless denoted otherwise



FY2024 Governor's Amended

Statewide Equipment Fleet

- Public Employee Retirement System (PERS) rates, health insurance and salary Increases
\$587.0 (OTHER)
- 1 additional non-perm mechanic
\$64.0 (OTHER)

1 components (allocations)

Functions

Fleet Management
Equipment Procurement
Maintenance & Repairs
Rate Development
Replacement & Lifecycle Planning
Fuel Card and Fuel Billing

| Positions | 159 |
|-----------|-----|
| NP | 1 |
| PFT | 158 |

| | FY2022 Actuals | FY2023 Management Plan | FY2024 Governor Amended | Difference FY2023 to FY2024 |
|--------------------|-------------------|------------------------|-------------------------|-----------------------------|
| UGF | \$888.9 | \$29.2 | \$29.2 | \$0.0 |
| DGF | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Fed | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Other | \$33,246.0 | \$36,301.0 | \$36,952.1 | \$651.1 |
| Grand Total | \$34,134.9 | \$36,330.2 | \$36,981.3 | \$651.1 |

\$ in thousands unless denoted otherwise



FY2024 Governor's Amended

International Airport System

11 components (allocations)

Functions

Maintenance & Operations of System
 Fairbanks International Airport
 Anchorage International Airport
 Airports Safety & Fire
 Lake Hood Seaplane Base
 Capital Improvement Program
 Passenger and Cargo Carrier Relations
 Concession Services Management

- Funding for 25 new positions to meet business needs
\$2.7M (IARF/OTHER)
- Business operations and administration expenses
\$463.1 (IARF/OTHER)
- Contracted snow removal outside of tarmac and airfield and operational areas
\$450.0 (IARF/OTHER)
- Mission critical incentive pay for Emergency Services Dispatch, Maintenance Specialists, Equipment Operators
\$3.7M (IARF/OTHER)
- Commodities & energy cost Increases
\$3.9M (IARF/OTHER)

| Positions | 520 |
|-----------|-----|
| PFT | 492 |
| PPT | 28 |

| | FY2022 Actuals | FY2023 Management Plan | FY2024 Governor Amended | Difference FY2023 to FY2024 |
|--------------------|-------------------|------------------------|-------------------------|-----------------------------|
| UGF | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| DGF | \$0.0 | \$0.0 | \$0.0 | \$0.0 |
| Fed | \$208.8 | \$871.6 | \$1,008.4 | \$136.8 |
| Other | \$93,569.5 | \$95,782.1 | \$109,577.5 | \$13,795.4 |
| Grand Total | \$93,778.3 | \$96,653.7 | \$110,585.9 | \$13,932.2 |

\$ in thousands unless denoted otherwise



FY2024 Governor's Amended

Marine Highway System (CY2024)

7 components (allocations)

Functions

System Administration & Management
 Vessel Operation
 Reservations & Scheduling
 Marketing
 Engineering & Capital Improvement

- Budgeted for consistent service levels to communities throughout the year
- Increases in operational costs
\$13.5M (AMHS Revenue / DGF)
- Federal Backfill Language, Marine Highway System Fund, HB 39 Sec. 20

| Positions | 794 |
|-----------|-----|
| NP | 51 |
| PFT | 697 |
| PPT | 46 |

| | FY2022 Actuals | FY2023 Management Plan | FY2024 Governor Amended | Difference FY2023 to FY2024 |
|--------------------|--------------------|------------------------|-------------------------|-----------------------------|
| UGF | \$49,909.3 | \$60,150.6 | \$60,417.5 | \$266.9 |
| DGF | \$3,617.1 | \$0.0 | \$13,564.6 | \$13,564.6 |
| Fed | \$67,152.7 | \$83,240.1 | \$83,240.1 | \$0.0 |
| Other | \$972.3 | \$870.1 | \$885.6 | \$15.5 |
| Grand Total | \$121,651.4 | \$144,260.8 | \$158,107.8 | \$13,847.0 |

\$ in thousands unless denoted otherwise



End of Presentation

Contact Details

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