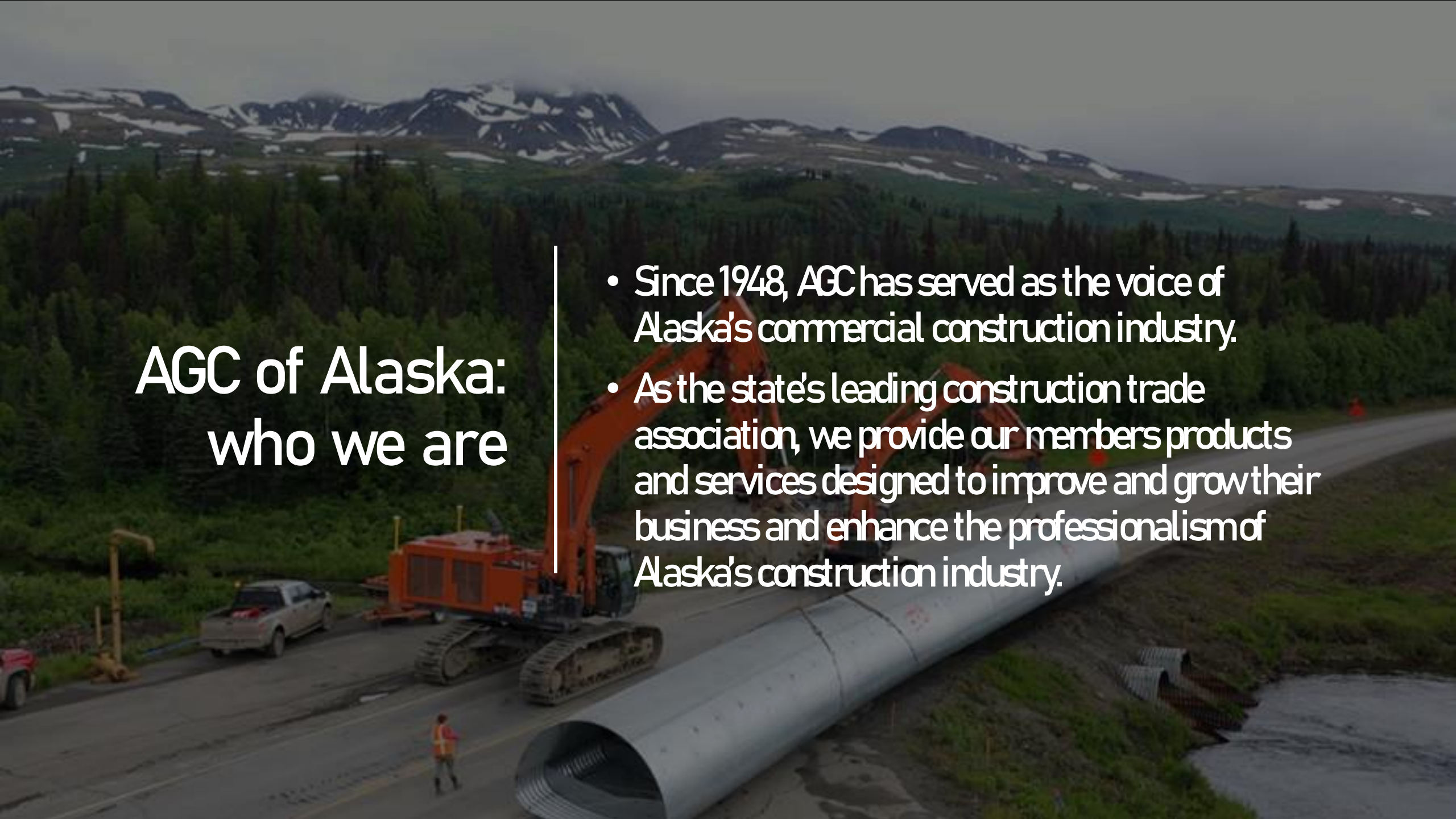




AGC of Alaska

Alicia Amberg, Executive Director
Associated General Contractors of Alaska

An aerial photograph of a construction site in a mountainous, forested region of Alaska. A large, grey, corrugated metal pipe lies horizontally across the lower half of the frame. To the left of the pipe, an orange tracked excavator is positioned on a paved road. A silver pickup truck is parked nearby. A construction worker in an orange safety vest is visible in the lower left. In the background, there are dense evergreen forests and snow-capped mountains under a cloudy sky.

AGC of Alaska: who we are

- Since 1948, AGC has served as the voice of Alaska's commercial construction industry.
- As the state's leading construction trade association, we provide our members products and services designed to improve and grow their business and enhance the professionalism of Alaska's construction industry.



PARTNERING AGREEMENT

The Alaska Department of Transportation and Public Facilities and the AGC of Alaska mutually recognize the importance of providing an efficient, high quality, responsive transportation system for the people of Alaska. Therefore, we are committed to working together in a spirit of mutual respect, trust, honesty, common sense, and fairness through cooperation, open communication and mutual commitment to achieve the following partnership goals.

- Ensure a commitment to continuing communication between ADOT&PF and AGC at all levels in a manner that fosters trust and understanding.
- Encourage joint support on statewide and national issues.
- Encourage the use of the most cost-effective design, construction, administrative, and management techniques to provide a safe, effective, and environmentally sound, transportation system for our families, statewide commerce, and economic development.
- Maintain a safe work environment.
- Promote quality through continuous improvement and communication.
- Promote fair and consistent treatment that fosters an open and competitive contracting environment.
- Develop and maintain an educational program to enhance the perception of the highway design & construction team and encourage Alaskans to enter that industry.
- Promote a cooperative relationship for compliance with Alaska Pollutant Discharge Elimination System requirements and strive for zero violations.



Construction program down significantly in 2024, continuing trend in 2025

STIP & FHWA challenges



AGC advocacy efforts from 2023-now



CONSTRUCTION COMPANIES



DIRECT IMPACTS

Construction company spending
with Alaska businesses



DIRECT IMPACTS

Construction company wages
paid to employees



INDIRECT IMPACTS

Vendor spending
impacts on jobs and payroll



INDUCED IMPACTS

Employee spending impacts
on jobs and payroll

Construction Industry-Related Jobs and Labor Income Impacts in Alaska

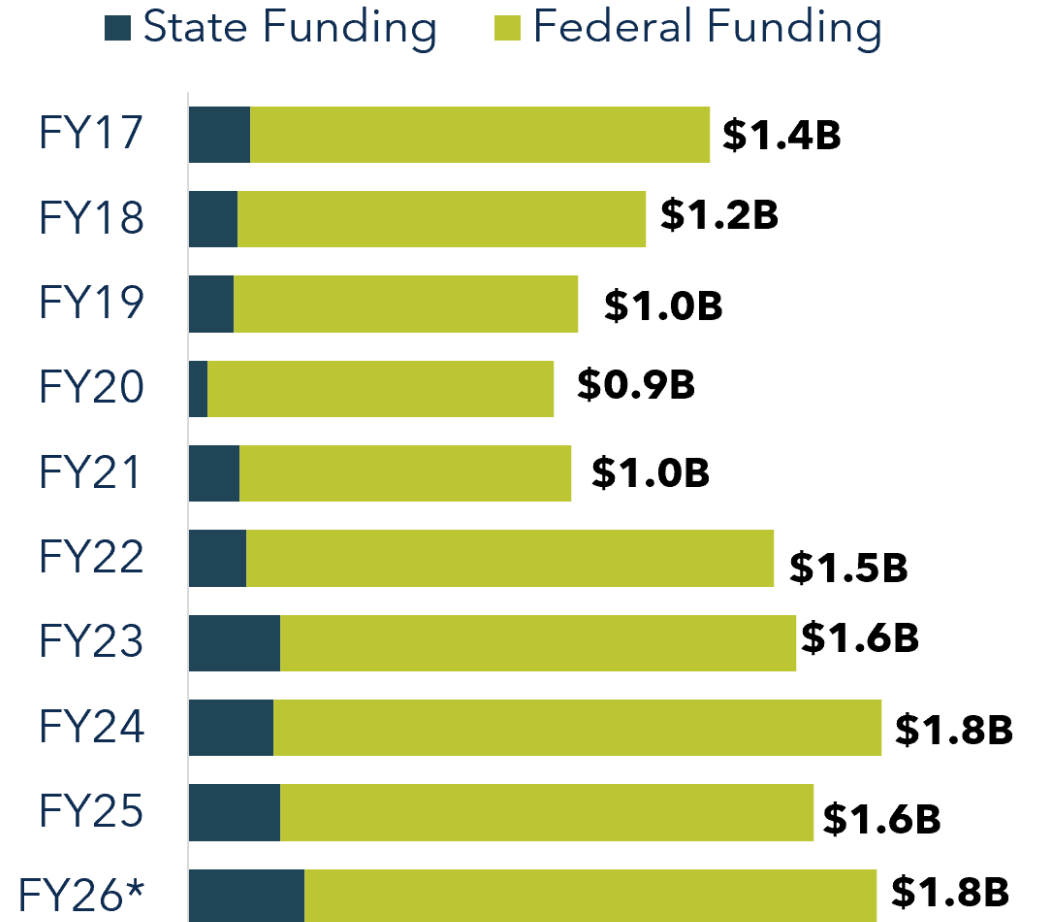
	Jobs	Labor Income
Direct	25,200	\$2.5 BILLION
Indirect & Induced	16,700	\$1.1 BILLION
TOTAL	41,900	\$3.6 BILLION

Direct impacts, U.S. Bureau of Economic Analysis, U.S. Census Bureau, and Alaska Department of Labor and Workforce Development; Indirect and Induced impacts, McKinley Research Group estimates.

State of Alaska Transportation Funding

- Statewide Transportation Improvement Program (STIP) FY24-FY27
 - Rejected by FHA Feb 2024
 - Partial federal approval March 2024
 - Amendments and public comment
 - Amended STIP approved
- Federal DOT&PF capital appropriations decreased between FY24 and FY25 by ~\$200 million
- Inflationary pressure impacting projects

Alaska DOT&PF Capital Appropriations, FY17-FY25 Enacted, FY26 Proposed



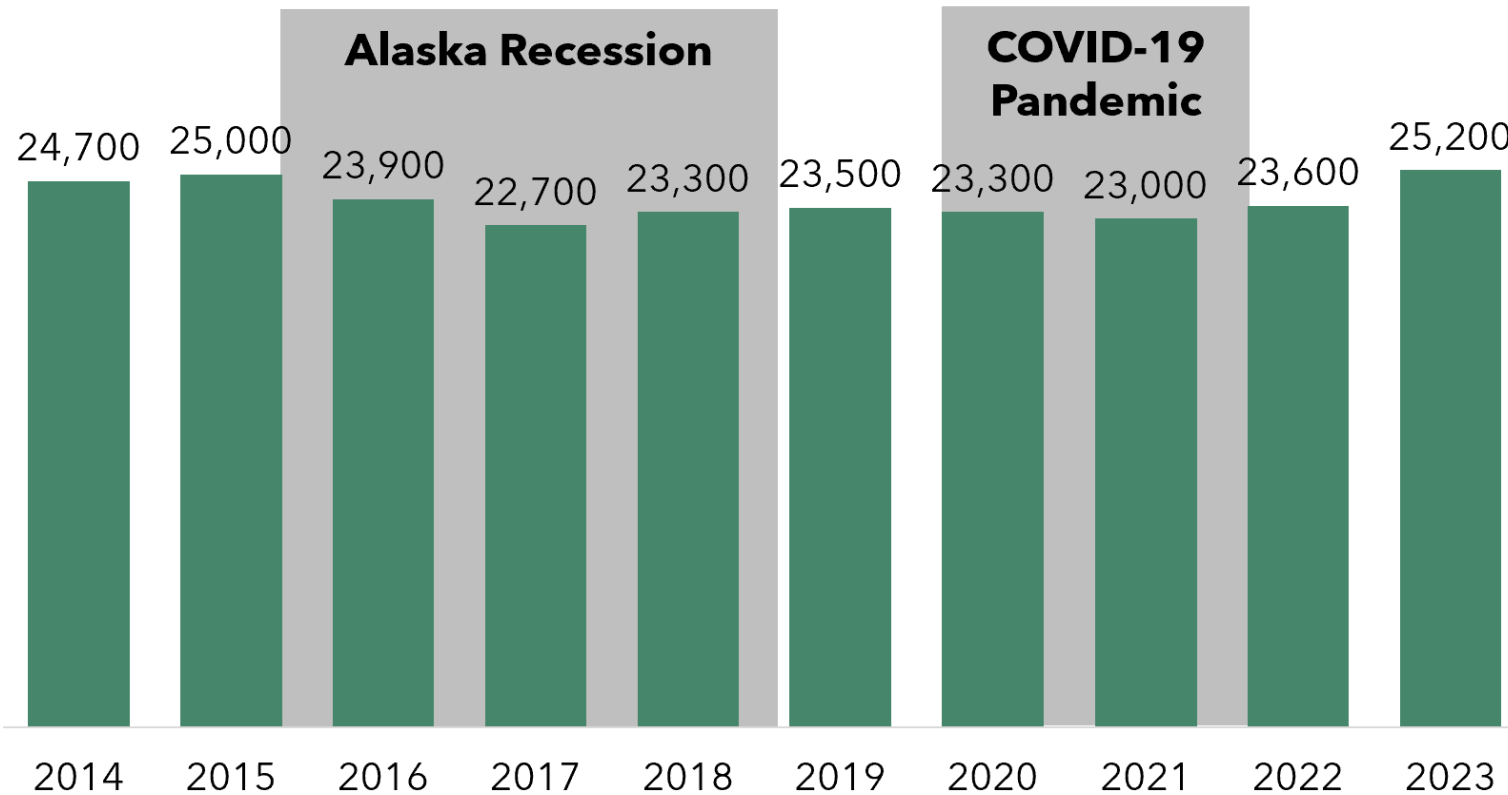
Industry Concerns

- Dozens of meetings with DOT leadership regarding the STIP, upcoming projects, and negative trends since late 2023
- Met with the administration in Sept 2024 to elevate and emphasize our concerns and trickledown impacts
- Tentative advertising list continues to slip, creating the perfect storm
- This is an alarming and unprecedented circumstance for our industry and the Alaskan economy, especially considering the tremendous potential amount of federal funding our state has the opportunity to receive during this historic period infrastructure funding available at the federal level. The Alaska public and contracting community, including subcontractors, DBEs, and suppliers, and their families , heavily depend on Alaska DOT&PF's ability to deliver a stable and reliable construction program.



AMERICAN COUNCIL OF ENGINEERING COMPANIES
of Alaska

Alaska Construction Employment



2023 Employment

- ~ 200 jobs *above* 2015
- 7% increase over 2019 **and** 2022 (+1,600-1,700 jobs)

2024 Employment

- Up 10% based on early data (+2,500 jobs)

2025 Employment

- Expected to be up 8% (+2,200 jobs)

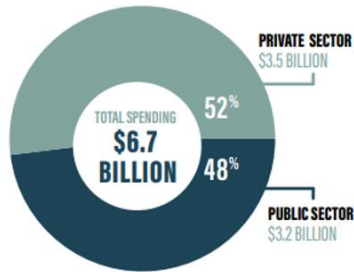
Want to know more?

Download the Economic Benefits and Construction Spending Forecast Reports:
www.agcak.org



Federal infrastructure funding and work on significant oil development projects will continue to drive statewide construction spending higher in 2025. Work has continued on Alaska's North Slope as expected, while Alaska's tourism appeal continues to drive interest in cruise-related dock projects and the state's operating mines invest to extend operating life. Projects funded through the federal Infrastructure Investment and Jobs Act (IIJA) are increasingly reaching the construction stage in Alaska. Three years into the IIJA funding authorization, defense, water/wastewater, energy, broadband, and recreation funding will translate into increased construction spending. The federal government still has funding to deploy, and grant recipients will continue to offer new project opportunities. Construction costs remain high, putting upward pressure on total spending and potentially posing risks to project development.

Construction Spending Forecast



2025 Alaska Construction Spending Forecast Summary (\$ Million)

Category	Total Spending	% of Total Spending
Private Construction Spending	\$3,505	52%
Oil and Gas	\$1,490	22%
Utilities	\$710	10%
Residential	\$415	6%
Hospitals/Health Care	\$260	4%
Mining	\$135	2%
Other Basic Industry	\$120	2%
Other Commercial	\$375	6%
Public Construction Spending	\$3,205	48%
National Defense	\$340	14%
Highways and Roads	\$600	9%
Airports, Ports/Harbors, Railroad	\$470	7%
Education	\$240	4%
Other State and Local Government	\$515	8%
Other Federal Government	\$440	6%
TOTAL	\$6,710	100%



The construction industry is a critical component of Alaska's economy. It is integral to all industrial, commercial, residential, and infrastructure development in Alaska. Its economic reach spans the entire state, from the smallest village to the largest city.

CONSTRUCTION INDUSTRY BY THE NUMBERS

25,200

NUMBER OF ALASKA CONSTRUCTION WORKERS, INCLUDING WAGE AND SALARY AND SELF-EMPLOYED WORKERS

1 in 20

SHARE OF JOBS IN ALASKA'S ECONOMY THAT WERE IN THE CONSTRUCTION SECTOR

\$2.5 BILLION

TOTAL LABOR INCOME OF CONSTRUCTION WORKERS, INCLUDING SELF-EMPLOYED WORKERS

\$93,500

AVERAGE ANNUAL CONSTRUCTION WORKER WAGE

↑37%

PERCENTAGE OF CONSTRUCTION WORKER WAGE ABOVE THE AVERAGE WAGE FOR ALL ALASKA WORKERS

82%

PERCENTAGE OF CONSTRUCTION JOBS HELD BY ALASKA RESIDENTS

88%

PERCENTAGE OF CONSTRUCTION WAGES PAID TO ALASKA RESIDENTS

2,663

NUMBER OF CONSTRUCTION INDUSTRY EMPLOYERS IN ALASKA

41,900

TOTAL NUMBER OF STATEWIDE CONSTRUCTION-RELATED JOBS, INCLUDING MULTIPLIER EFFECTS

9%

PERCENTAGE OF ALL ALASKA JOBS RELATED TO CONSTRUCTION ACTIVITY

\$3.6 BILLION

TOTAL STATEWIDE LABOR INCOME IMPACT, INCLUDING MULTIPLIER EFFECTS

10%

PERCENTAGE OF ALL ALASKA INCOME RELATED TO CONSTRUCTION ACTIVITY

↑10.8%

PREDICTED GROWTH IN CONSTRUCTION TRADES BETWEEN 2020 AND 2030

\$6.7 BILLION

ESTIMATED 2025 CONSTRUCTION SPENDING, UP FROM 2024 SPENDING FORECAST



ASSOCIATED GENERAL CONTRACTORS OF ALASKA
WWW.AGCAL.ORG

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Thank you!

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