



AGC of Alaska

Alicia Amberg, Executive Director
Associated General Contractors of Alaska

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

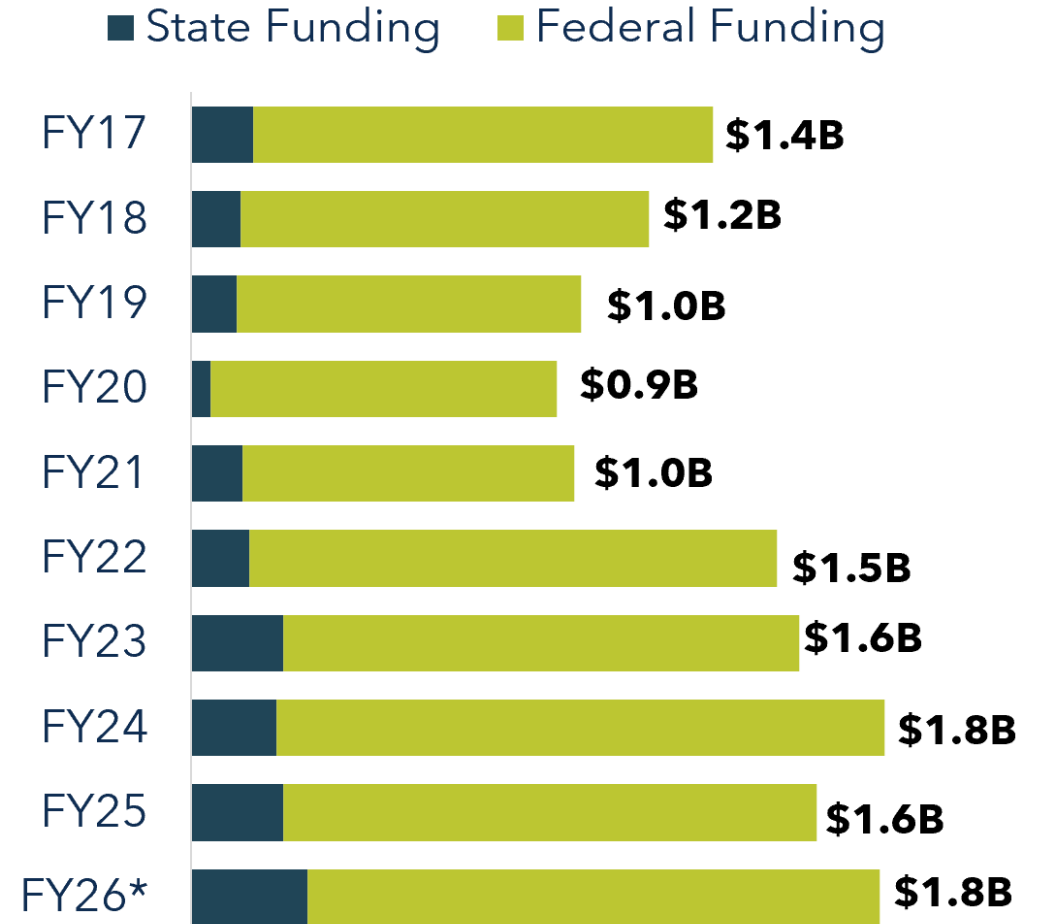
	Jobs	Labor Income
Direct	25,200	\$2.5 BILLION
Indirect & Induced	16,700	\$1.1 BILLION
TOTAL	41,900	\$3.6 BILLION

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



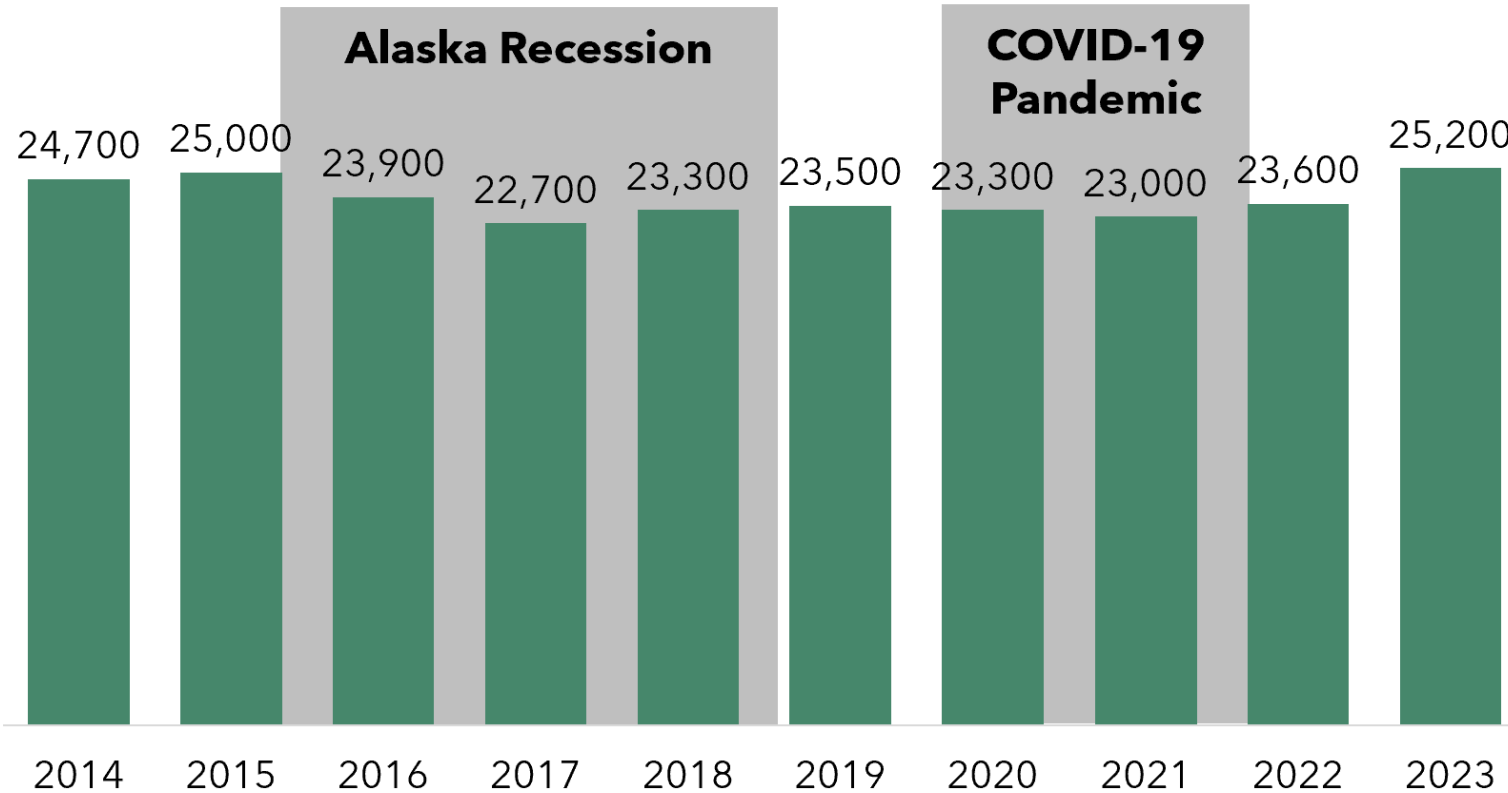
Industry Concerns

- 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



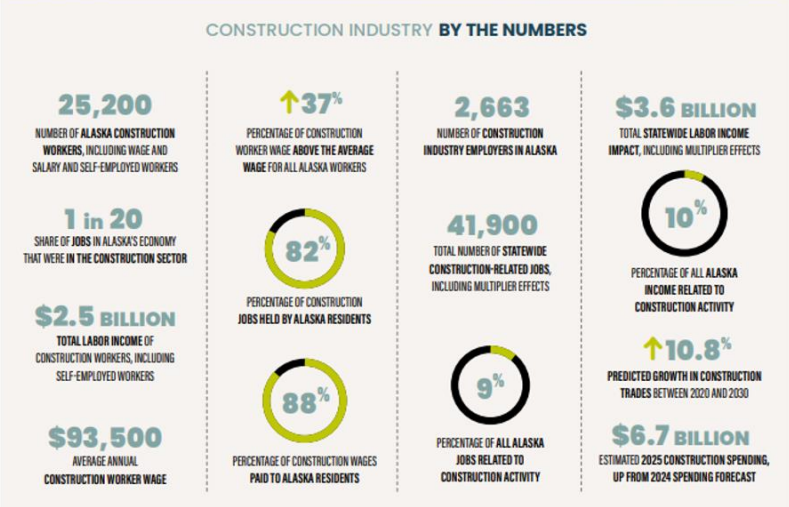
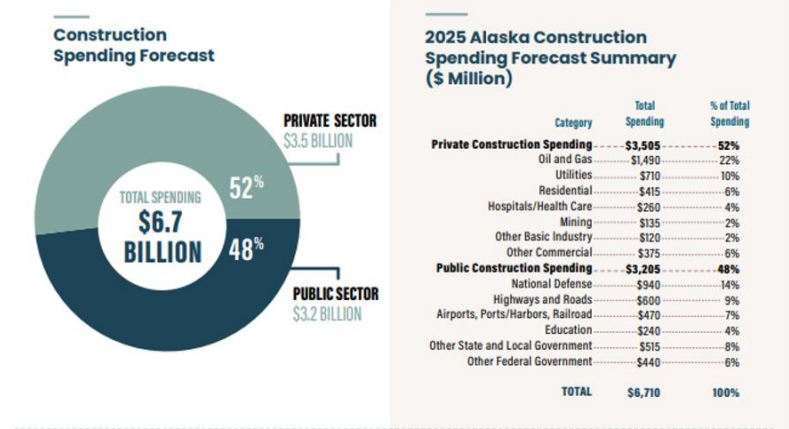
Alaska's 2025 Construction Spending Forecast
 January 2025

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.



The Economic Benefits of Alaska's Construction Industry
 January 2025

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.



Thank you!

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