

House Transportation Committee

Department of Transportation & Public Facilities

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Advance Construction and Federal-Aid Overview
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Advance Construction

What is Advance Construction (AC)?

- Federal Highway Administration authorized tool that allows projects to advance before federal aid is formally obligated (23 USC § 115 and 23 CFR §§ 630.701-709)
- State initially funds project with non-federal dollars
- Federal reimbursement occurs later when obligation authority is available
- Commits future federal funds

Why is AC an important tool for delivery projects in Alaska?

- Transportation needs exceed federal funding
- Short construction seasons and high mobilization costs
- Shift in project timing and increases to project costs
- Enables obligation of suballocations of challenging fund-types over multiple years.



Major Phases of the Transportation Project

Phase 2 - Scoping, Preliminary Engineering, Environmental, and Final Design

Phase 3 - Right-of-Way (ROW) Acquisition

Phase 4 - Construction

Phase 7 - Utilities Coordination and Relocation

When Advance Construction is Typically Utilized:

- AC is most commonly applied during Construction to advance when next steps are ready
- AC allows DOT&PF to advance construct or preconstruction phases without waiting for obligation authority, then convert later

Authorities

23 USC §115. Advance Construction

- “The Secretary may authorize a State to proceed with a project authorized under this title (1) without the use of Federal funds; and (2) in accordance with all procedures and requirements applicable to the project [. . .]”
- “The Secretary, on the request of a State and execution of a project agreement, may obligate all or a portion of the Federal share of a project authorized to proceed under this section from any category of funds for which the project is eligible.”
- “The Secretary may approve an application for a project under this section only if the project is included in the transportation improvement program of the State.”

23 CFR 630.701-709

“The State Department of Transportation may submit a written request to the FHWA that a project be converted to a regular Federal-aid project at any time provided that sufficient Federal-aid funds and obligation authority are available.”

49 USC 5304(g)(9)

“Modifications to project priority. - Notwithstanding any other provision of law, action by the Secretary shall not be required to advance a project included in the approved transportation improvement program in place of another project in the program.”



Limitations of Advance Construction

Federal: Limited Programmatic Restrictions

Federal statutory caps on a state's total Advance Construction (AC) balance were removed in 1995.

FHWA may authorize AC for eligible projects provided the project:

- Is included in the approved Statewide Transportation Improvement Program (STIP); and
- Complies with all applicable federal requirements, including environmental, design, right-of-way, and procurement regulations.

Conversion of AC to a federally funded project occurs only when sufficient federal funds and obligation authority are available.

State: Appropriations and Match Requirements

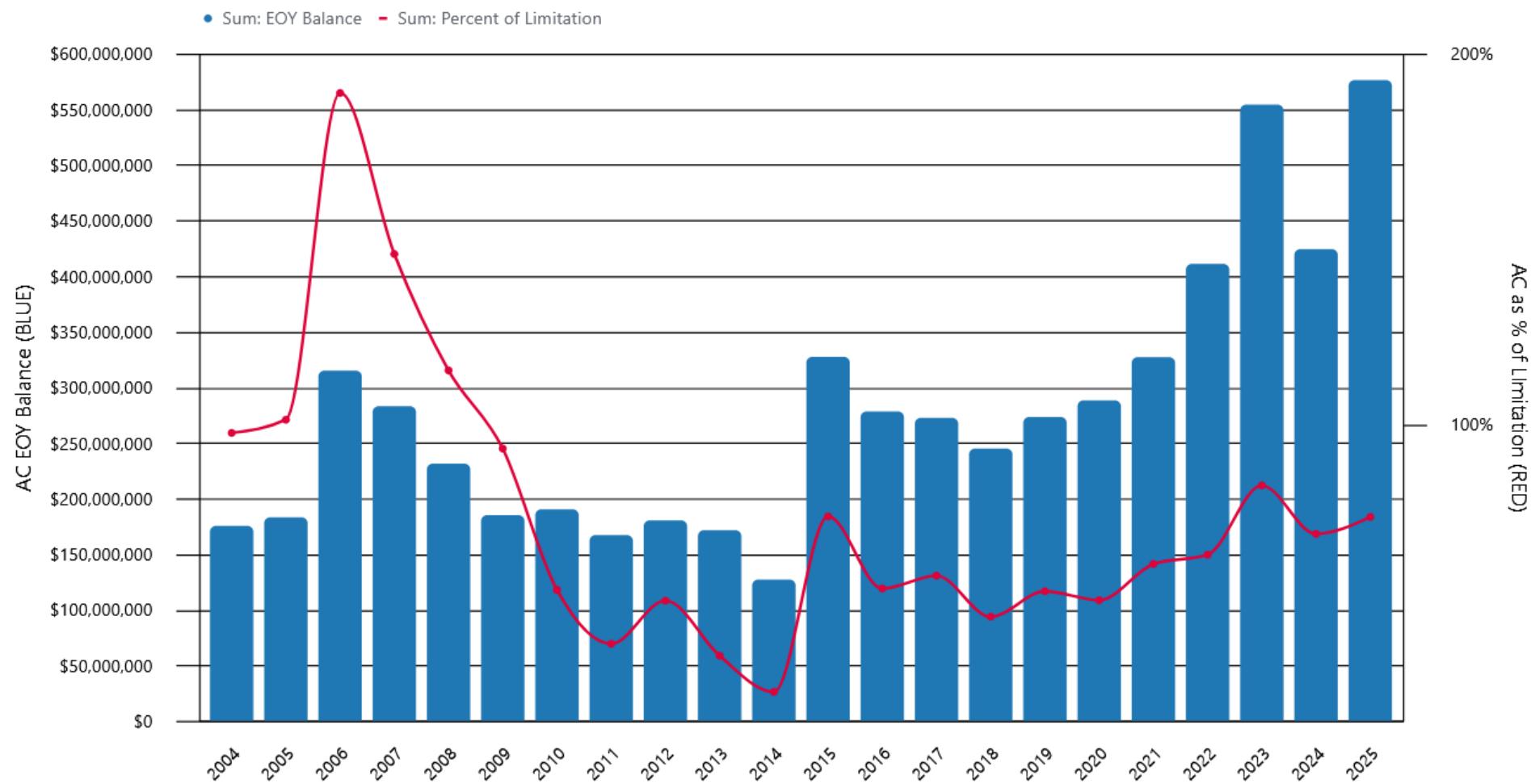
The State of Alaska must have legislative appropriation authority in place to cover:

- The non-federal share (match); and
- Any state funds advanced prior to federal reimbursement.

Upon receipt of Authority to Proceed from the Federal Highway Administration, DOT&PF is required to encumber state funds consistent with existing appropriations to support project delivery until federal obligation and reimbursement occur.



History of AC vs. Annual Funding



Typical DOT&PF Project Funding Sources

- Surface Transportation (Re)Authorization Acts enacted by Congress and the President
- Highway Trust Fund revenues (motor fuel taxes)
- General federal appropriations
- Discretionary grant programs (e.g., MARAD, FTA, USDOT)
- Community Project Funding / Congressionally Directed Spending
- State capital budget appropriations for specific projects

Surface Transportation Authorization History

- Federal transportation funding authorized in multi-year acts of Congress
- Most recent authorizations:
 - **TEA-21** — Transportation Equity Act for the 21st Century (FFY1998–FFY2003)
 - **SAFETEA-LU** — Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (FFY2005–FFY2009)
 - **MAP-21** — Moving Ahead for Progress in the 21st Century Act (FFY2013–FFY2014)
 - **FAST Act** — Fixing America's Surface Transportation Act (FFY2016–FFY2020)
 - **IIJA / BIL** — Infrastructure Investment and Jobs Act (a.k.a. Bipartisan Infrastructure Law, FFY2022–FFY2026)

Some gaps due to continuing resolutions or short-term extensions, not full reauthorizations – one reason tools like AC matter for states like Alaska.



Federal Highway Administration (FHWA) Programs

- **National Highway Performance Program (NHPP)** Supports construction, preservation, and performance of the National Highway System, including the Interstate
- **Surface Transportation Block Grant Program (STBG)** Flexible funding for highways, bridges, bike / pedestrian, transit capital, and local transportation priorities
- **Highway Safety Improvement Program (HSIP)** Funds infrastructure projects that reduce fatalities and serious injuries on public roads
- **Congestion Mitigation and Air Quality Improvement Program (CMAQ)** Supports projects that reduce congestion and improve air quality in designated nonattainment or maintenance areas
- **National Highway Freight Program (NHFP)** Improves freight movement on the National Highway Freight Network and critical freight corridors
- **Metropolitan Planning (PL)** Provides funding to states and MPOs for transportation planning and programming activities



Federal Highway Administration (FHWA) Programs

IIJA New or Expanded Formula Programs

- **Carbon Reduction Program**
Funds projects that reduce transportation greenhouse gas emissions, including EV infrastructure and traffic operations
- **PROTECT Formula Program**
Supports resilience and adaptation projects to protect transportation assets from climate and natural hazards

Federal Lands, Tribal, and Safety Programs

- **Tribal Transportation Program**
Provides funding for transportation facilities that provide access to and within tribal lands
- **Federal Lands Transportation Program**
Funds transportation improvements serving federal lands such as parks, forests, and refuges
- **Railway–Highway Crossings Program**
Improves safety at public railway-highway crossings



Federal Highway Administration (FHWA) Programs

IIJA Discretionary & Pilot Programs

- **Safe Streets and Roads for All**
Funds local and state safety action plans and implementation projects to reduce roadway fatalities
- **Rural Surface Transportation Grant Program**
Competitive grants for highway, bridge, and freight projects in rural areas
- **Reconnecting Communities Program**
Supports projects that reconnect communities divided by major transportation infrastructure
- **Wildlife Crossings Pilot Program**
Funds infrastructure to reduce wildlife-vehicle collisions and improve habitat connectivity
- **Reduction of Truck Emissions at Port Facilities Program**
Targets emissions reductions at ports and freight hubs

Federal Transit Administration (FTA) Core Programs

Federal Transit Administration — Formula Transit Funds

- **Section 5307 – Urbanized Area Formula**
Funds capital, planning, and limited operating assistance for transit systems in urbanized areas
- **Section 5311 – Rural Area Formula**
Supports public transportation in rural areas, including operating and capital assistance
- **Section 5339 – Bus and Bus Facilities**
Funds bus purchases, maintenance facilities, and related capital improvements

Federal Transit Administration — IIJA Competitive Transit Programs

- **Low- or No-Emission Vehicle Program**
Competitive grants for zero-emission and low-emission transit vehicles and charging infrastructure
- **Capital Investment Grants (CIG)**
Supports major transit capital projects such as fixed guideway and bus rapid transit (BRT) expansions
- **Passenger Ferry Grant Programs**
Funds capital improvements to public ferry systems, including vessels and terminals



Federal Aviation Administration (FAA) Core Programs

- **Airport Improvement Program**
Formula and discretionary grants for airport safety, capacity, and infrastructure projects
- **Airport Infrastructure Grants**
IIJA-funded grants for major airport infrastructure, sustainability, and resilience projects
- **Airport Terminal Program**
Funds terminal development and modernization projects at eligible airports
- **FAA Contract Tower Program**
Supports operation of air traffic control towers at eligible non-federal airports



Key Takeaways



Advance Construction is a cash-flow and timing tool, not new spending

Federal-aid programs are diverse and highly structured

DOT&PF uses these tools to deliver projects efficiently and responsibly



Thank You.

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Cover photos by Alaska DOT&PF Staff:

Sunset departure, Anchorage International Airport. By Christopher Cummins

Alaska Range from the Richardson Highway. By Dennis Bishop

Aboard the MV LeConte sailing Lynn Canal to Juneau from Haines. By Andrea Deppner



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