



# Transportation Infrastructure Fund

# Alaska's Transportation Challenges

- \* Aging transportation system
  - \* 40-50 year old highways
  - \* Population growth = congestion
  - \* Aging AMHS ferry vessels
  - \* Airport upgrades and major maintenance
  - \* Deteriorating harbors in disrepair
  - \* Limited access to natural resources
  - \* \$20 B backlogged projects & deferred maintenance



# Alaska's Transportation Challenges

- \* Declining transportation funds
  - \* Federal funding not keeping up with the demand
    - \* Rural highway traffic ↑ 23%\*
    - \* Vehicle miles traveled ↑ 35%\*
    - \* \$65 Billion/year lost to traffic congestion\*
    - \* Fuel tax revenues can't keep up with inflation
- \* State GF consumed by growing healthcare, corrections and education costs- little left for transportation

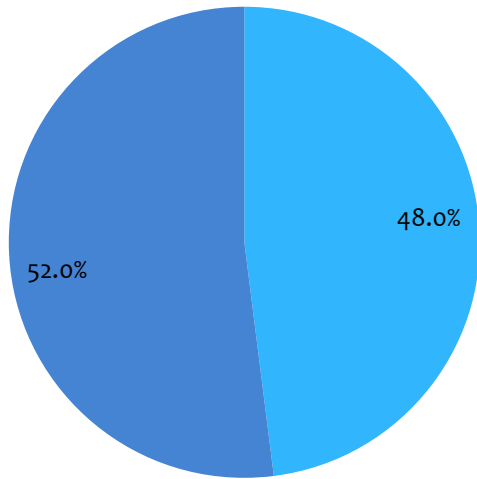


# Federal Funding Challenges

- \* Map-21 reduces flexibility for use of funds
  - \* Emphasis on main highways and safety
    - \* Alaska has 4 on the National Highway System
    - \* Safety \$\$ must be spent on highways with high crash incidence
  - \* National Highway System funds now driven by performance
  - \* Community road funding is by population
  - \* Federal Highway Trust fund will be at zero 2015

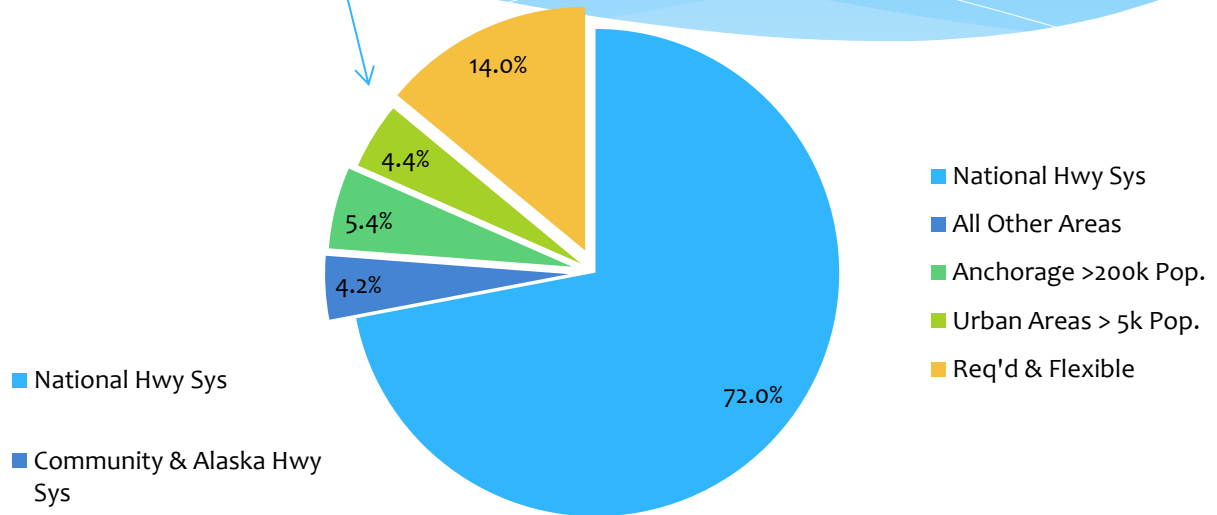
# Funds Before & After MAP-21

Pre MAP-21



All non-NHS roads must now rely on only 28% of total funding.

MAP-21



MAP-21 reduces funding from 52% to 28% to non-National Highway System and creates several sub-categories based on population.

# Transportation Infrastructure needs a Boost

- \* Re-direction of how federal funds may be used with Map-21
- \* Aging Infrastructure
- \* Open new access to resources
- \* Plans for the future



# House Transportation Comm. Actions

- \* 3 years of Committee hearings
- \* Viewed, first hand, rural and urban problems
- \* Examined funding options
  - \* National experts
  - \* State experts
  - \* Infrastructure bank experts
- \* Rejected options which committed future GF

# ATIF Solution

- \* Re-instate dedicated Alaska Transportation Infrastructure Fund
  - \* Our constitution contained 2 transportation funds
  - \* Requires a vote of the people
- \* Maintain existing funding
  - \* Operational and capital budgets remain the same
  - \* Key element to improving Alaska infrastructure
- \* More 100% state funded projects
  - \* Reduced costs
  - \* Reduced schedule



# Funding ATIF

- \* \$2B endowment from legislature and
- \* Annual revenue
  - \* Motor fuel tax
  - \* Tire taxes
  - \* Vehicle rental tax
  - \* Vehicle registrations and drivers license fees
  - \* New transportation related fees or taxes

# ATIF Appropriation

- \* DOR will manage the fund
  - \* Profits will be reinvested
- \* Figuring the appropriation amount
  - \* 5% market value averaged over previous 5 years plus
  - \* 50% tax and fee revenue from previous year
- \* Follows regular budgetary process
  - \* Legislative approval
  - \* Gubernatorial approval



# 2Panel – 2 Step Process

- \* 7 Member Alaska Transportation Panel (**ATP**)
  - \* 5 Public members appointed by Governor
    - \* 1 from Anchorage, 1 From Fairbanks, 1 rural interior, 1 rural coastal
  - \* Commissioner, DOT/PF
  - \* DOT's STIP Board Member
  - \* Alaska Infrastructure Commission member
- \* Evaluates the projects submitted to DOT/PF using DOT/PF developed guidelines.
- \* Submits projects to either the Federalized STIP process or to the ATIF process for prioritization
- \* Takes politics out of decision process

# 2Panel – 2 Step Process

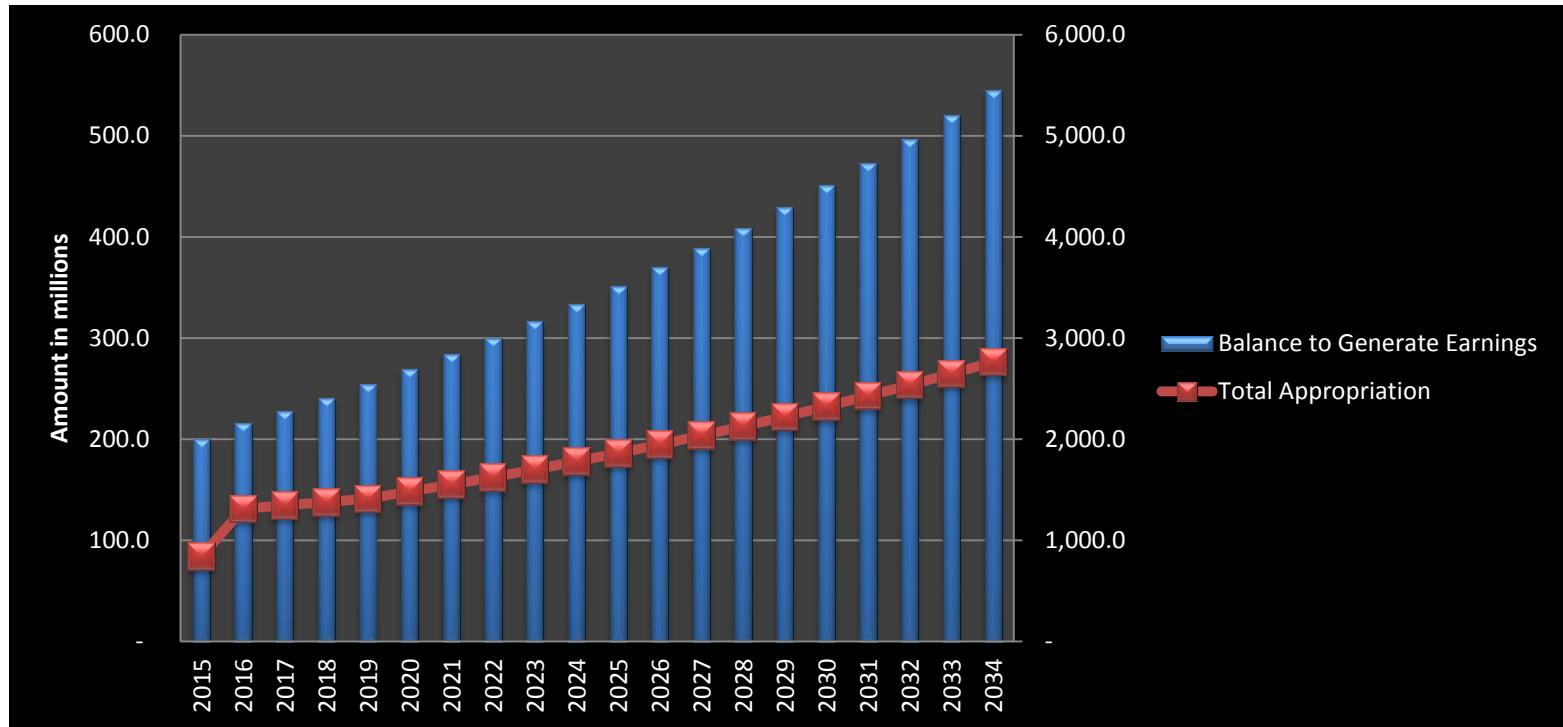
- \* 9 member Alaska Infrastructure Commission (**AIC**)
  - \* 6 public members, 1 from each judicial district and 2 members at large
  - \* 2 non-voting legislative members
  - \* Commissioner of DOT/PF
- \* Prioritizes ATIF projects using weighted point system developed by DOT

# ATIF Projects

- \* Limited to capital transportation and major maintenance projects
  - \* Highways and roads
  - \* Aviation
  - \* Marine highway system
  - \* Harbors and harbor matching grant fund
  - \* Community transportation and transit
  - \* Trails and bike paths
- \* Federalized projects not more than 20%
  - \* Incentive to do more state funded projects
  - \* State funded projects are cheaper and faster



# ATIF Projections



# ATIF ...

- \* Plans for the future
  - \* Decrease transportation backlog
  - \* Decrease deferred maintenance
  - \* Decrease dependence on federal funding
  - \* Increase number of new jobs
  - \* Increase safety
  - \* Increase Alaska's economy
  - \* Increase access to Alaska's resources
  - \* Ensure stable annual transportation budget



# ATIF Summary

- \* Alaska Transportation issues:
  - \* Declining funds
  - \* Aging transportation system
- \* Move HJR 10, Put the constitutional amendment on the ballot in November 2014
  - \* Let the people decide
- \* Pass HB 123 and HB 122 out of committee to implement ATIF.

