



Alaska Department of Transportation & Public Facilities

Department Overview House Finance Subcommittee

Marc Luiken, Commissioner
Amanda Holland, Administrative Services Director

January 24, 2017

Keep Alaska Moving through service and infrastructure



Transportation & Public Facilities

Keep Alaska Moving through service and infrastructure

The Department of Transportation & Public Facilities is responsible for providing these core services:

- **Preserve** Alaska's Transportation Infrastructure
- **Operate** Alaska's Transportation Infrastructure
- **Modernize** Alaska's Transportation Infrastructure
- **Provide** Transportation Services

Sources:

Department Home: dot.alaska.gov

Strategic Plan: dot.alaska.gov/comm/strategic_plan.shtml

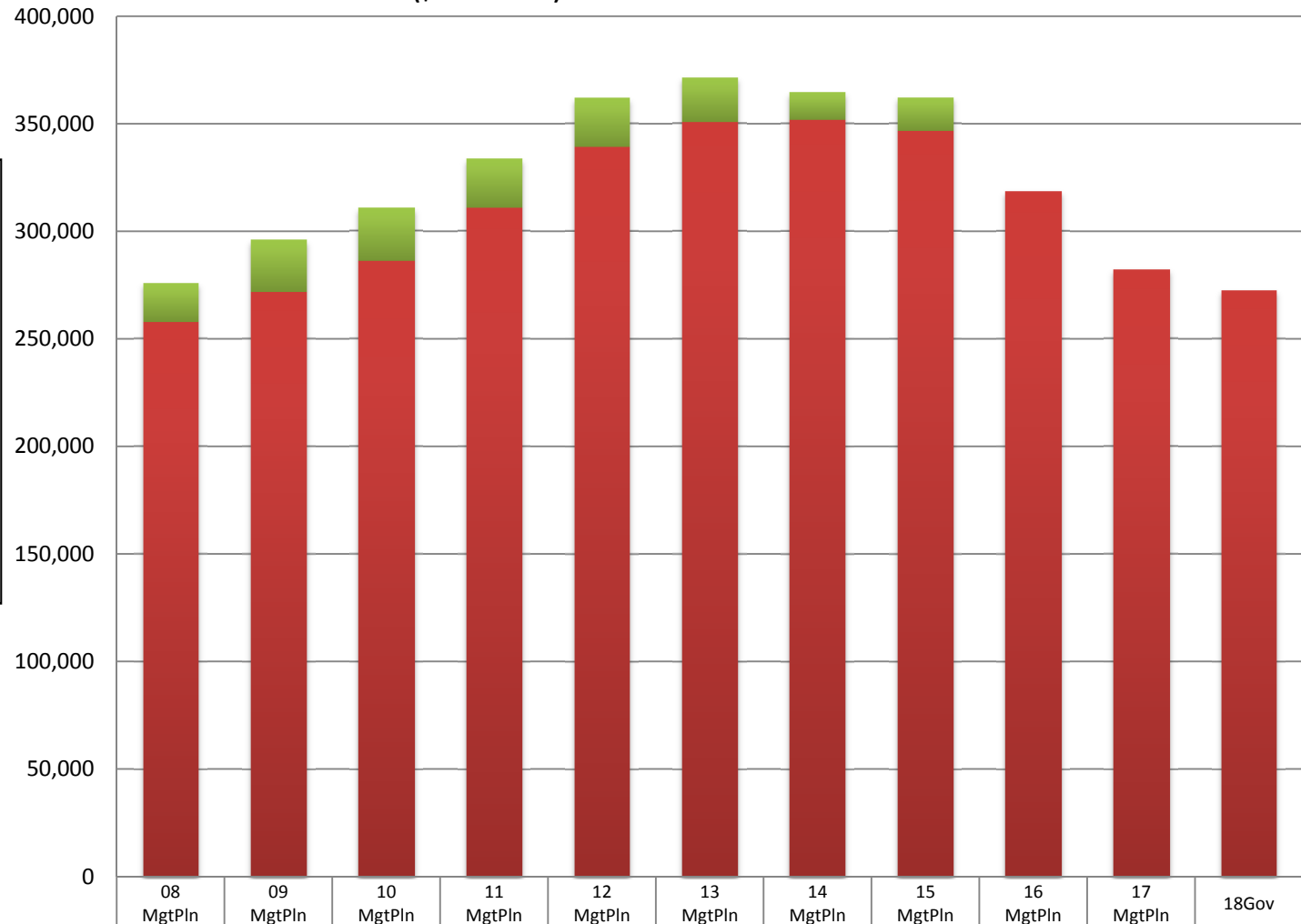
Constitutional Authority: dot.alaska.gov/comm/legislative/docs/Fact-Sheet.pdf

FY2018 Proposed Budget: www.omb.alaska.gov/html/budget-report/fy2018-budget/proposed.html

Department of Transportation & Public Facilities Share of Total Agency Operations
(GF Only)
(\$ Thousands)

Including the "Fuel Trigger" appropriation, the GF budget for DOT&PF grew from \$276 million in FY08 to a peak of \$372 million in FY13 - an increase of \$96 million (at an annual average growth rate of 6%). Since then, the budget has been reduced to \$282 million in FY17 (a decline of \$69 million from the peak). The Governor's FY18 budget proposes reductions of another \$9.7 million from the FY17 Management Plan level.

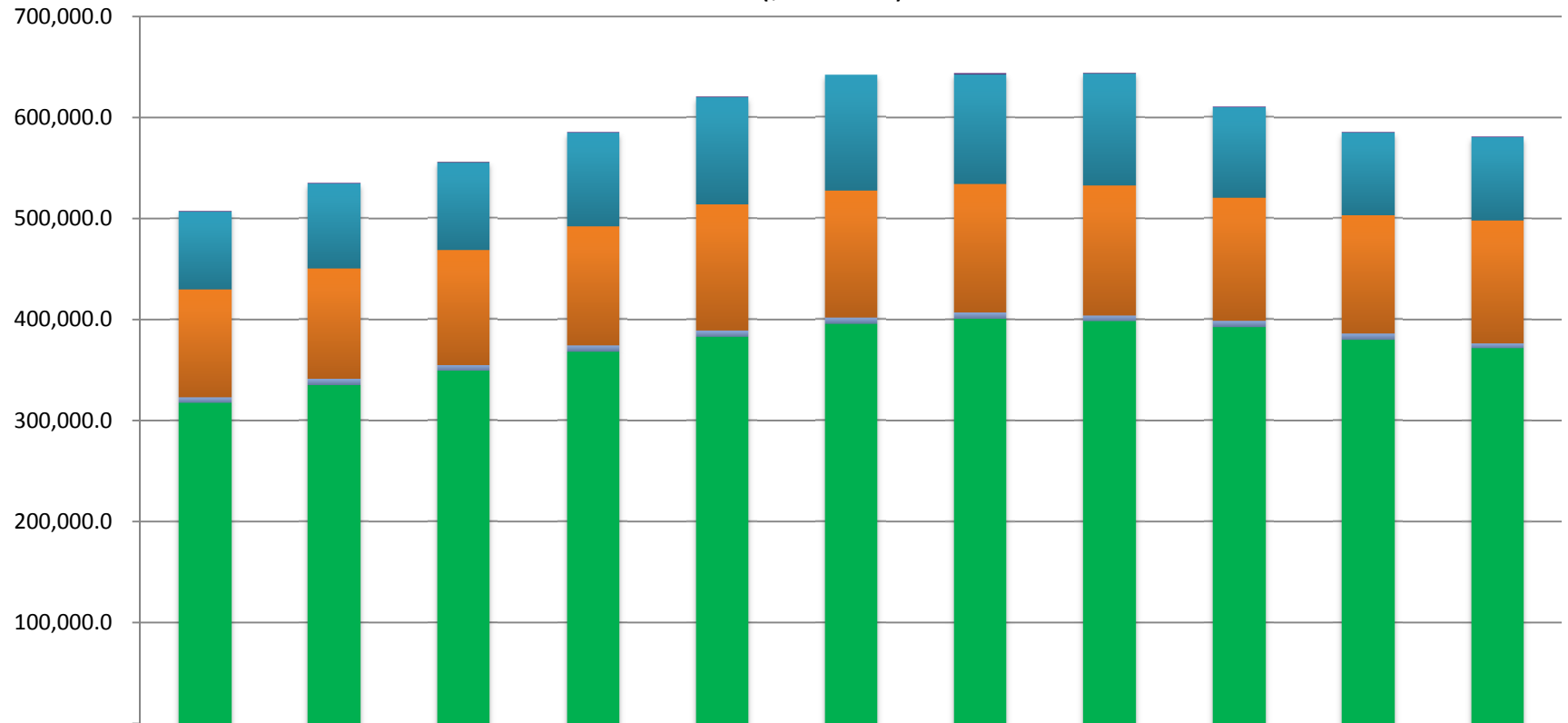
The FY18 Gov GF budget equates to \$815 per resident worker (based on 334,628 Alaskan workers).



Note: An amount for the fuel trigger appropriation has been added to the management plan of each year as necessary for an accurate comparison.

Department of Transportation & Public Facilities

Line Items
(All Funds)
(\$ Thousands)



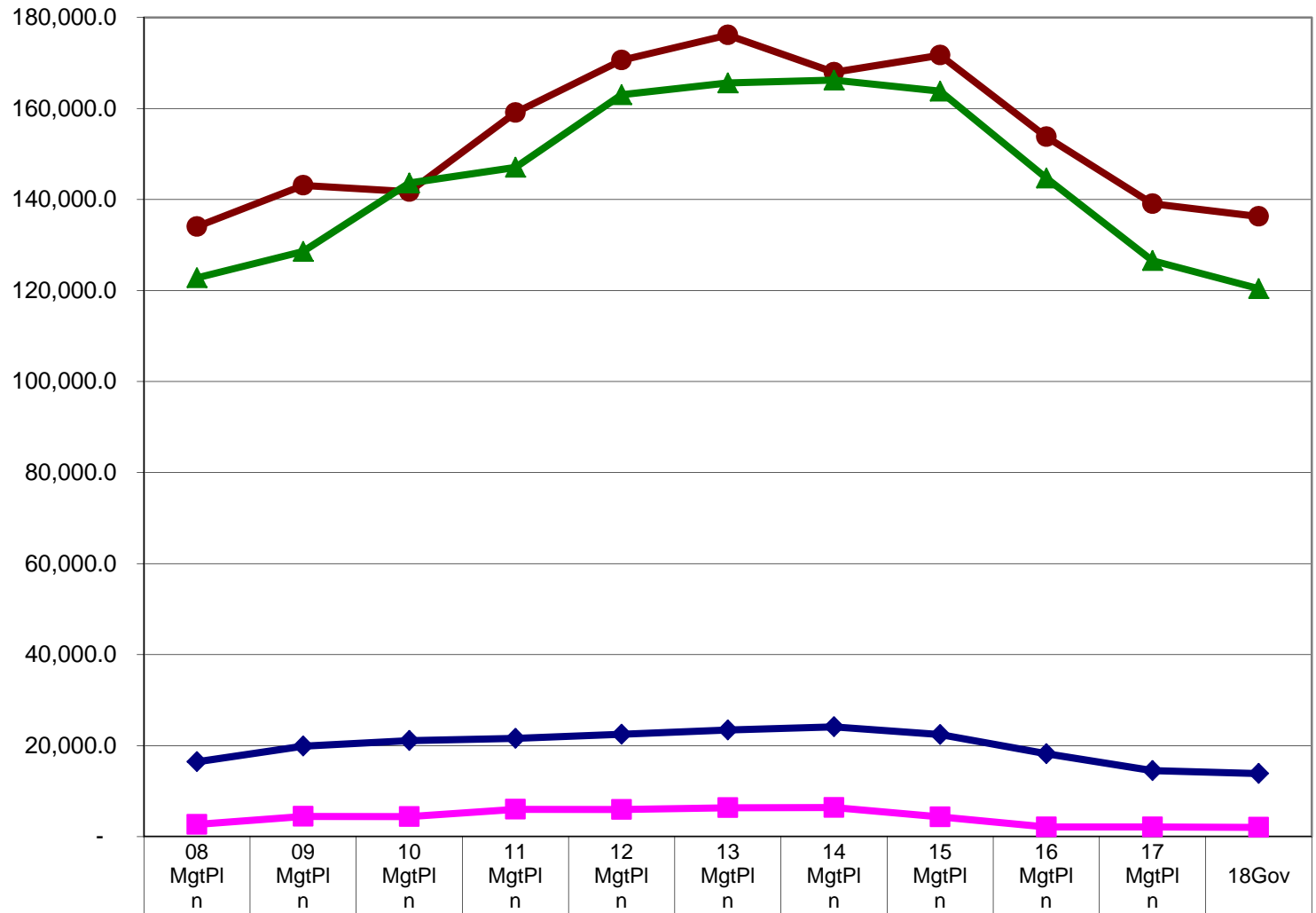
Note: The Fuel Trigger funding is added to Commodities line even though a portion should be attributed to the Services line.

Appropriations within the Department of Transportation & Public Facilities (GF Only) (\$ Thousands)

The **Alaska Marine Highway System (AMHS)** and the **Highways, Aviation and Facilities** appropriations are the two largest GF appropriations within the agency. In the FY18 Gov Request they amount to **50%** and **44%** of the budget, respectively.

Budgeted general funds to **AMHS** increased 31% (\$42 million) between FY08 and FY13 and have subsequently been reduced returning to near the FY08 level in the Governor's FY18 budget.

Budgeted GF to **Highways, Aviation and Facilities** peaked in FY14 at \$167 million declining to \$120 million in the Governor's FY18 budget (a decrease of 28%).

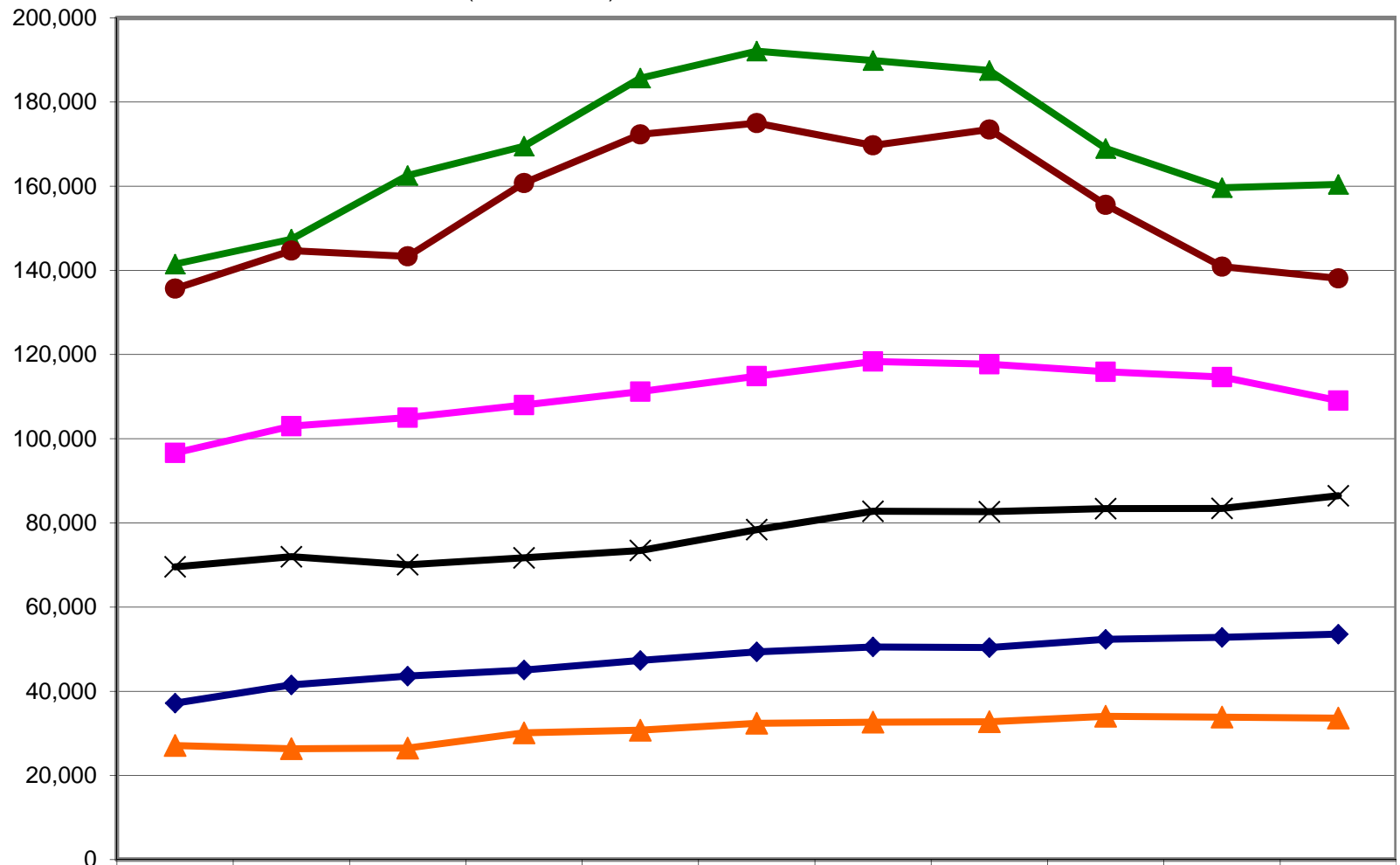


● Marine Highway System	134,026	143,099	141,704	159,086	170,601	176,127	167,935	171,703	153,757	139,062	136,261
▲ Highways, Aviation and Facilities	122,789	128,567	143,617	147,058	163,011	165,596	166,226	163,786	144,705	126,561	120,402
◆ Administration and Support	16,444.	19,879.	21,101.	21,587.	22,479.	23,428.	24,122.	22,424.	18,217.	14,503.	13,864.
■ Design, Engineering and Construction	2,685.4	4,444.2	4,395.4	6,007.4	5,961.6	6,343.5	6,390.3	4,335.9	2,111.2	2,112.6	2,036.1

Appropriations within the Department of Transportation & Public Facilities (All Funds) (\$ Thousands)

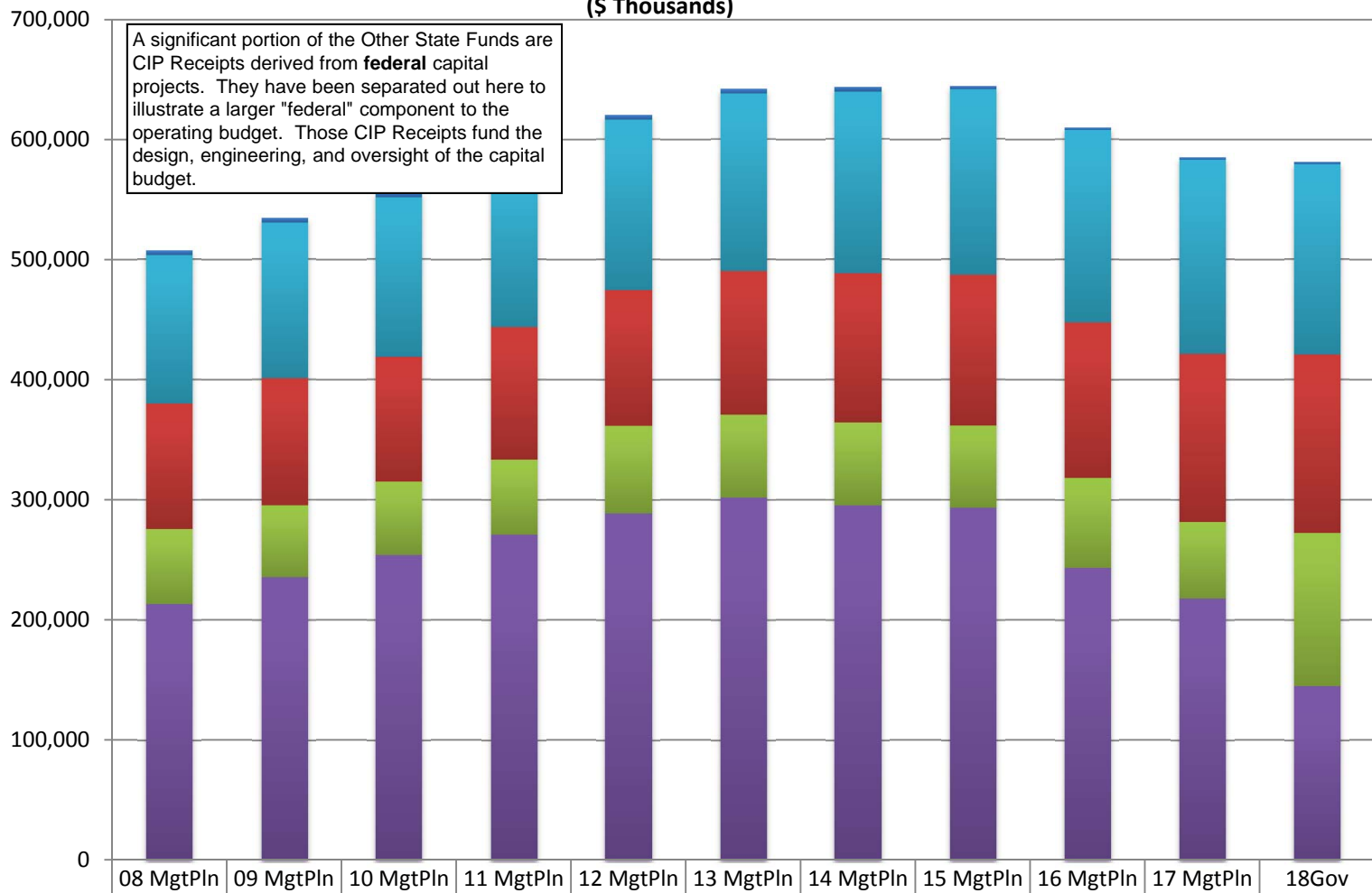
When counting all funding sources, **Highways, Aviation and Facilities** nudges **AMHS** in size (28% versus 24%). **Design, Engineering and Construction** rounds out 3rd at 19%. CIP Receipts via the capital budget (primarily federal) comprise this appropriation.

The **International Airport System** comes in 4th at 15% of the budget.



	08 MgtPln	09 MgtPln	10 MgtPln	11 MgtPln	12 MgtPln	13 MgtPln	14 MgtPln	15 MgtPln	16 MgtPln	17 MgtPln	18Gov
Highways/Aviation & Facilities	141,508.1	147,437.3	162,569.7	169,529.3	185,707.4	192,121.5	189,879.0	187,515.9	168,983.8	159,654.6	160,439.3
Marine Highway System	135,666.2	144,702.0	143,347.5	160,774.2	172,331.0	175,012.6	169,730.9	173,499.2	155,590.8	140,897.2	138,111.3
Design, Engineering & Constr.	96,640.4	102,996.3	105,018.7	108,007.7	111,209.6	114,880.3	118,369.4	117,722.0	115,919.1	114,661.3	109,064.4
International Airports	69,559.8	71,967.4	70,053.4	71,694.7	73,439.1	78,401.3	82,758.3	82,665.5	83,402.8	83,441.2	86,459.8
Administration and Support	37,166.4	41,498.1	43,593.6	45,046.8	47,325.1	49,361.3	50,520.7	50,367.8	52,330.8	52,791.8	53,570.2
State Equipment Fleet	27,100.2	26,343.0	26,494.2	30,102.8	30,736.4	32,380.7	32,648.6	32,743.3	34,040.6	33,841.7	33,615.5

Department of Transportation & Public Facilities
Total Funding Comparison by Fund Group
(All Funds)
(\$ Thousands)

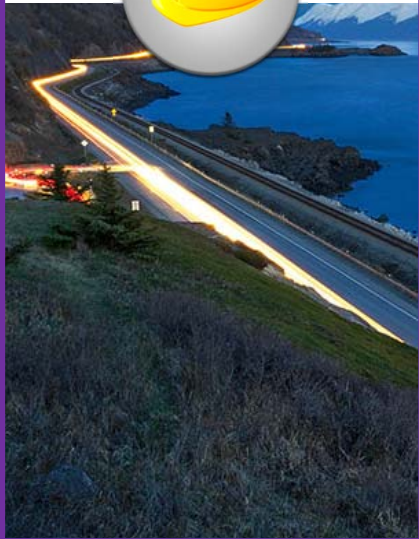


Transportation & Public Facilities

Results Based Alignment: Core Services

PRESERVE ALASKA'S TRANSPORTATION INFRASTRUCTURE

*Preserve extends the life
of existing infrastructure*



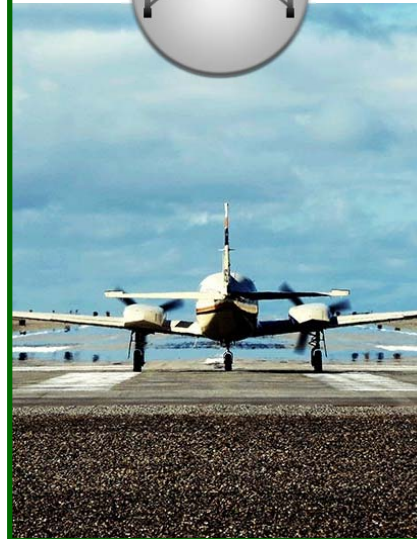
OPERATE ALASKA'S TRANSPORTATION INFRASTRUCTURE

*Operate allows
movement on existing
infrastructure*



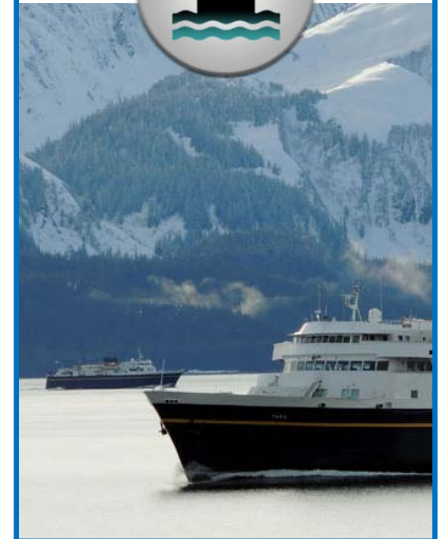
MODERNIZE ALASKA'S TRANSPORTATION INFRASTRUCTURE

*Modernize updates
infrastructure to meet
modern standards and
capacity*



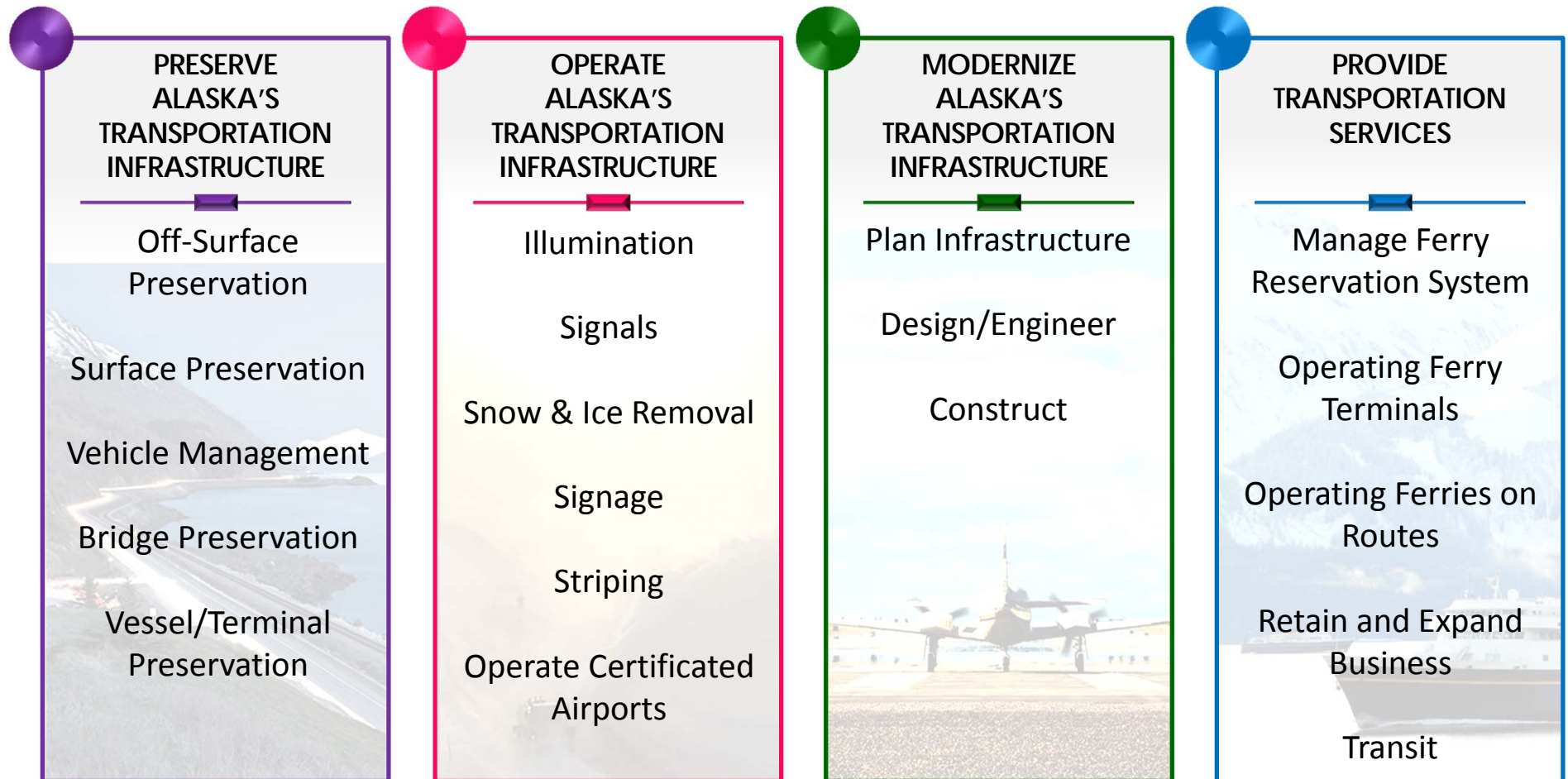
PROVIDE TRANSPORTATION SERVICES

*Services provided to
move people and goods*



Results Based Alignment: Direct Services

Keep Alaska Moving through service and infrastructure

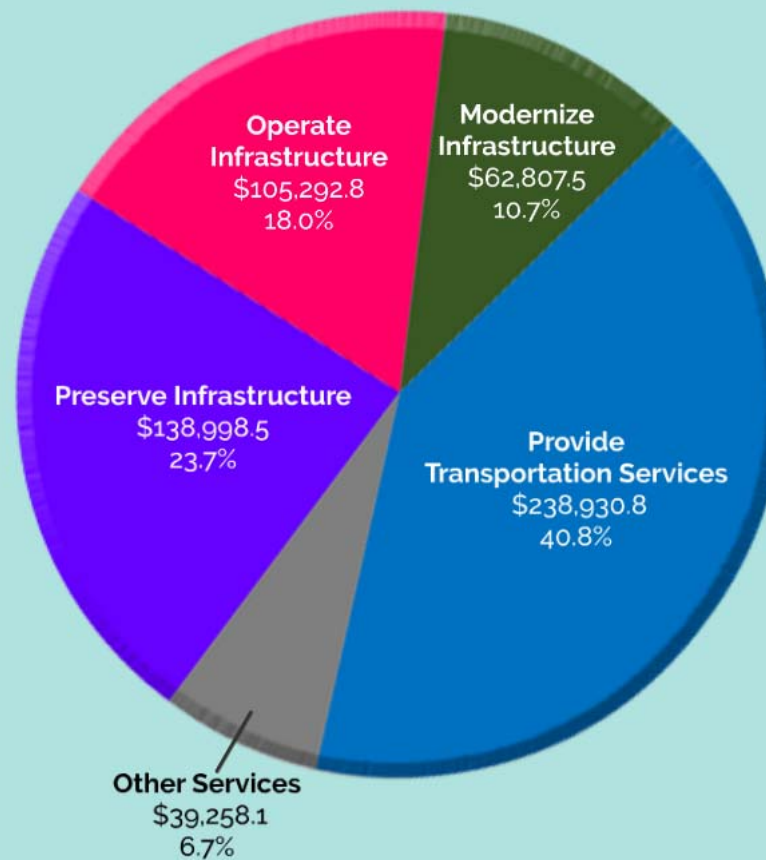


Budget Breakout by Core Service

\$585,287.7

(FY2017 Management Plan - \$ shown in thousands)

FY2017 Operating Budget



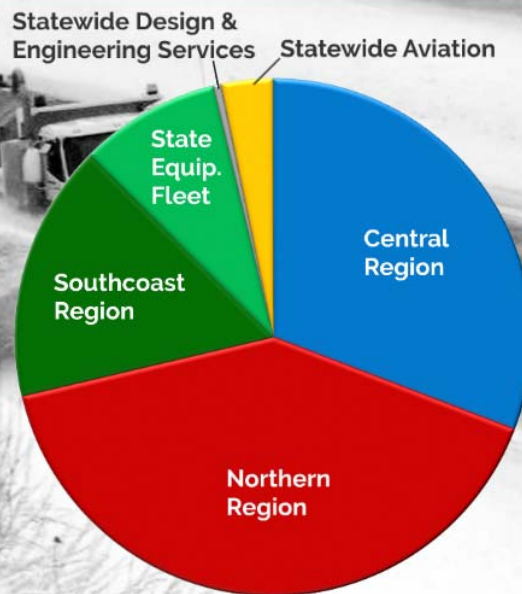
Example: Budget/Core Service Alignment

Operating Budget

CORE SERVICE

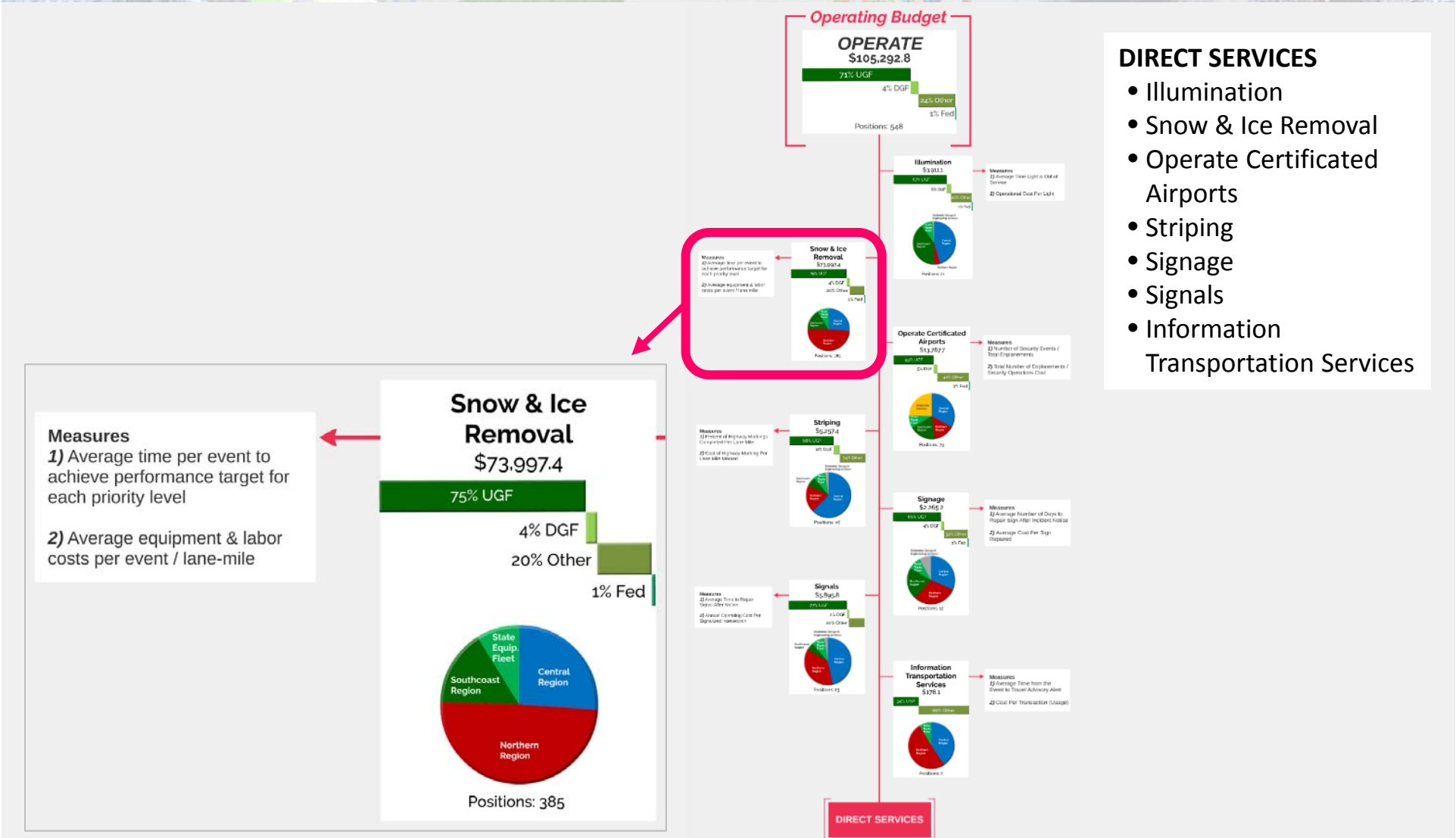
OPERATE ALASKA'S TRANSPORTATION INFRASTRUCTURE

Operate allows movement on existing infrastructure





Example: Direct Service Level



DIRECT SERVICES

- Illumination
- Snow & Ice Removal
- Operate Certificated Airports
- Striping
- Signage
- Signals
- Information

Transportation Services

- ## **DIRECT SERVICES**
- Illumination
 - Snow & Ice Removal
 - Operate Certificated Airports
 - Striping
 - Signage
 - Signals
 - Information Transportation Services

Sample Performance Data

Highway Winter Performance Targets

Percent of times
Target Condition
was achieved
within time goal

96.6%

Average
precipitation per
event in inches

Southcoast 10.0

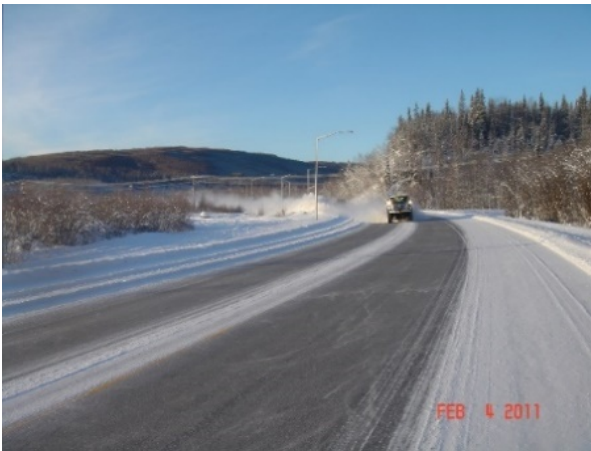
Central 5.2

Northern 4.4

Time to restore roads to Target Condition

	Time Goal	Average
Priority 1	24 Hours	9:59 Hours
Priority 2	36 Hours	13:06 Hours
Priority 3	48 Hours	19:16 Hours
Priority 4	96 Hours	31:25 Hours

Surface condition: A



Surface condition: B



Surface condition: C

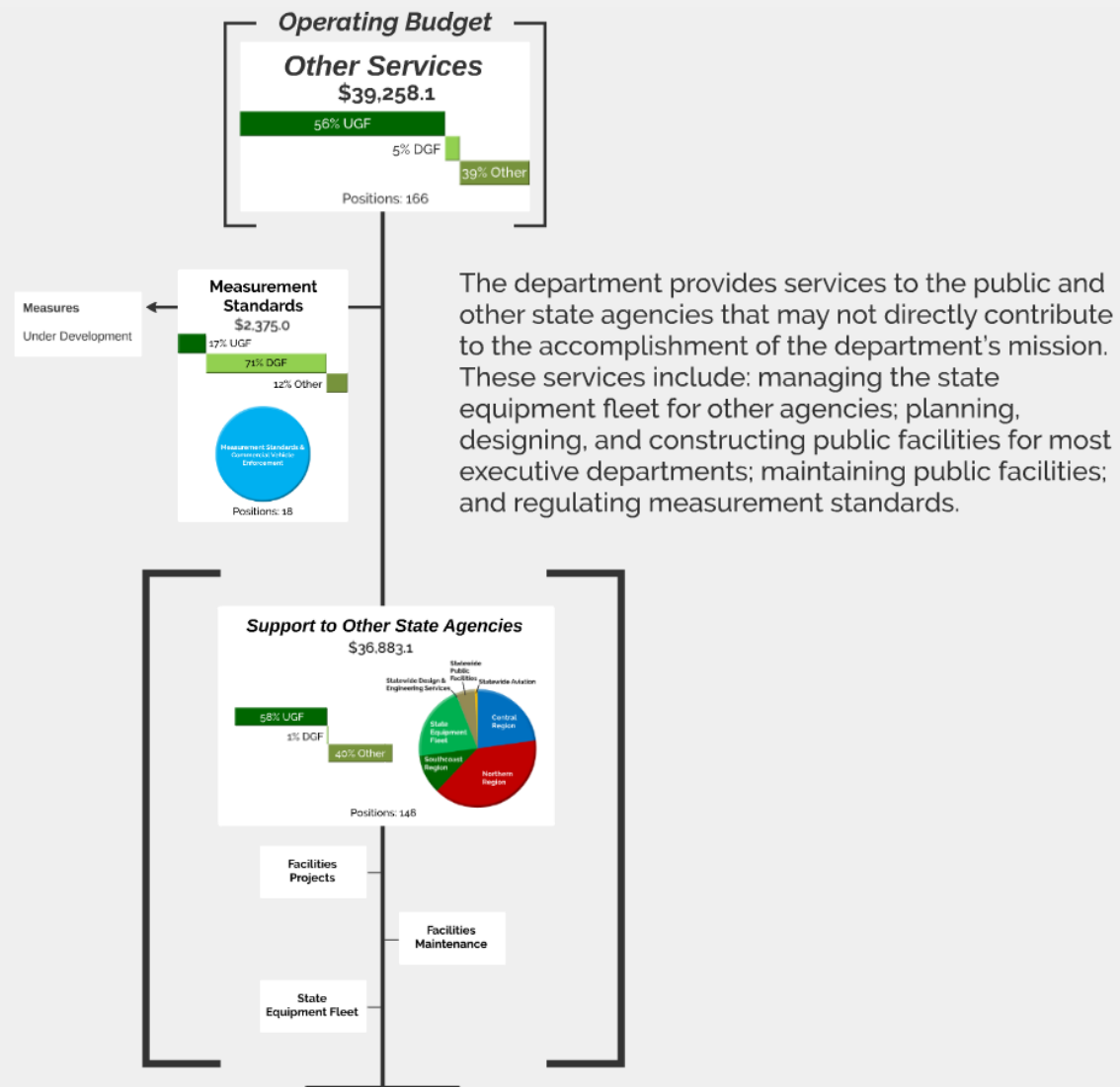


Administration & Support RDU

Component	Funding (in thousands)	# of PFT/PPT/NP Positions	# of Alaskans Served	* % Cost Through Fees	Rating of Importance to Mission	Rating of Effectiveness	Constitution Requirement	Federally Required	Required by Statute
Commissioner's Office	\$2,194.4: \$727.9 UGF; \$326.0 DGF; \$1,140.5 Other	12		0%	Critical	Effective	Yes	No	Yes-AS 02, 19, 35, 44
Contracting and Appeals	\$343.4: \$18.0 UGF; \$325.4 Other	2		0%	Important	Effective	No	No	Yes-AS 02,19, 35, 36, 44
Equal Employment and Civil Rights	\$1,191.7: \$253.0 UGF; \$938.7 Other	11		0%	Critical	Effective	No	Yes	No
Internal Review	\$791.1: Other	4		0%	Important	Effective	No	Yes	Yes-AS 19, 35, 36, 44
Statewide Administrative Services	\$10,214.7: \$1,352.8 UGF; \$1,393.3 DGF; \$7,468.6 Other	49		0%	Important	Effective	No	No	Yes-AS 02, 19, 34-37, 39, 44
Information Systems and Services	\$10,344.3: \$1,618.8 UGF; \$900.6 DGF; \$7,824.9 Other	70		0%	Important	Effective	No	No	Yes-AS 02, 19, 35, 36, 39, 44
Leased Facilities	\$2,957.7: Other	0		0%	Important	Effective	No	No	No
Statewide Procurement	\$1,248.0: \$303.2 UGF; \$707.6 DGF; \$237.2 Other	12		0%	Important	Effective	No	No	Yes-AS 36
Regional Support Services Components	\$5,183.7: \$1,712.5 UGF; \$3,3471.2 Other	42		0%	Critical	Effective	No	Yes	Yes-AS 02, 19, 36, 37, 44
Statewide Aviation	\$4,339.6: \$223.7 UGF; \$4,155.9 Other	31		78.5%	Critical	Effective	No	Yes	Yes-AS 02,19,44
Program Development and Statewide Planning	\$8,107: \$268.6 UGF; \$7,838.4 Other	66		0%	Critical	Effective	No	Yes	Yes-AS 19, 44
Measurement Standards & Commercial Vehicle Enforcement	\$6,654.6: \$1,135.5 UGF; \$2,922.7 DGF; \$2,596.4 Other	60		51.6%	Beneficial/Critical	Effective	No	Yes	Yes-AS 19, 45

DOT&PF effectively accomplishes its mission to *Keep Alaska Moving* and strives for continuous improvement.

Other Services: Measurement Standards Example



Design, Engineering & Construction RDU State Equipment Fleet RDU

Component	Funding (in thousands)	# of PFT/PPT/NP Positions	# of Alaskans Served	* % Cost Through Fees	Rating of Importance to Mission	Rating of Effectiveness	Constitution Requirement	Federally Required	Required by Statute
Statewide Public Facilities	\$4,387.8: \$101.1 UGF; \$4,286.7 Other	31		0%	Beneficial	Effective	No	No	Yes-AS 35, 36, 44
Statewide Design and Engineering Services	\$12,315.9: \$98.2 UGF; \$12,217.7 Other	69		0%	Critical	Effective	No	Yes	Yes-AS 02, 08, 19, 34, 35, 36, 36, 44
Harbor Program Development	\$298.9: UGF	1		0%	Beneficial	Effective	No	No	Yes-AS 02, 29, 30, 35, 36, 44
Regional Design and Engineering Services Components	\$48,070.5: \$350.4 UGF; \$871.5 DGF; \$46,848.6 Other	383		1.8%	Critical	Effective	No	Yes	Yes-AS 02, 08, 19, 29, 30, 34, 35, 36, 44
Regional Construction and CIP Support Components	\$43,991.3: \$316.0 UGF; \$43,675.3 Other	379		0%	Critical	Effective	No	Yes	Yes-AS 02, 08, 19, 34, 35 36, 44
State Equipment Fleet	\$33,615.5: Other	157		100%	Important	Effective	No		Yes-AS 44

DOT&PF effectively accomplishes its mission to *Keep Alaska Moving* and strives for continuous improvement.

Highways, Aviation & Facilities RDU

International Airports RDU

Marine Highway System RDU

Component	Funding (in thousands)	# of PFT/PPT/NP Positions	# of Alaskans Served	* % Cost Through Fees	Rating of Importance to Mission	Rating of Effectiveness	Constitution Requirement	Federally Required	Required by Statute
Regional Facilities Components	\$26,064.6: \$21,002.8 UGF; \$225.7 DGF; \$160.1 Fed; \$4,676.0 Other	85		0%	Critical	Effective	No	Yes	Yes-AS 35, 36, 44
Traffic Signal Management	\$1,770.4: \$1,759.3 UGF; \$11.1 Other	0		0%	Critical	Effective	No	Yes	Yes-AS 44
Regional Highways and Aviation Components	\$126,344.4: \$28,715.6 UGF; \$68,698.6 DGF; \$1,094.5 Fed; \$27,835.7 Other	606		4.1%	Critical	Effective	No	Yes	Yes-AS 02, 19, 30, 38, 44
Whittier Access and Tunnel	\$6,259.9: Other	1		30.8%	Critical	Effective	No	Yes	Yes-AS 37, 19
International Airports	\$86,459.8: \$790.7 Fed; \$85,669.1 Other	468		99.0%	Critical	Effective	No	Yes	Yes-AS 02, 18, 37, 44
Marine Highway System	\$138,111.3: \$85,435.1 UGF; \$50,826.2 DGF; \$1,850.0 Other	818		35.1%	Critical	Effective	No	No	Yes-AS 19, 23, 36, 44

DOT&PF effectively accomplishes its mission to *Keep Alaska Moving* and strives for continuous improvement.

Budget Types

CAPITAL BUDGET

- Spans multiple years
- Project focus

Capital Budget

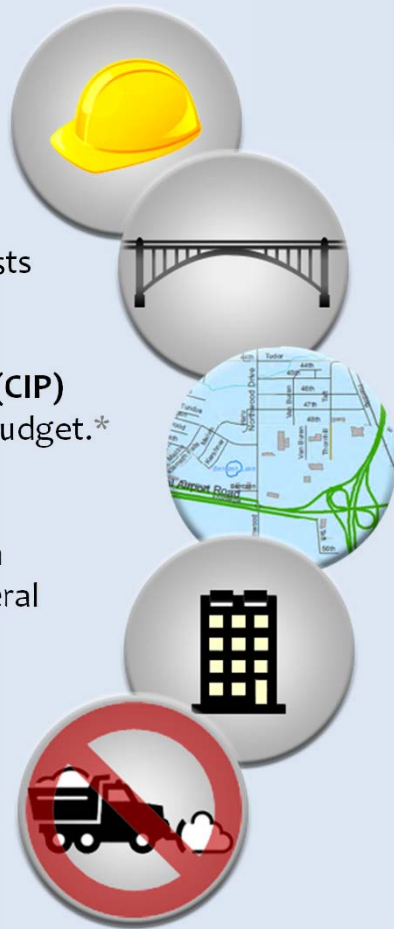
A plan for the distribution of state financial resources for items which have an anticipated life that exceeds one year and which usually costs at least \$25,000.*

Capital Improvement Project (CIP)

A project listed in the capital budget.*

Strict rules and regulations

prohibit spending capital \$s on routine maintenance and general operating budget activities.

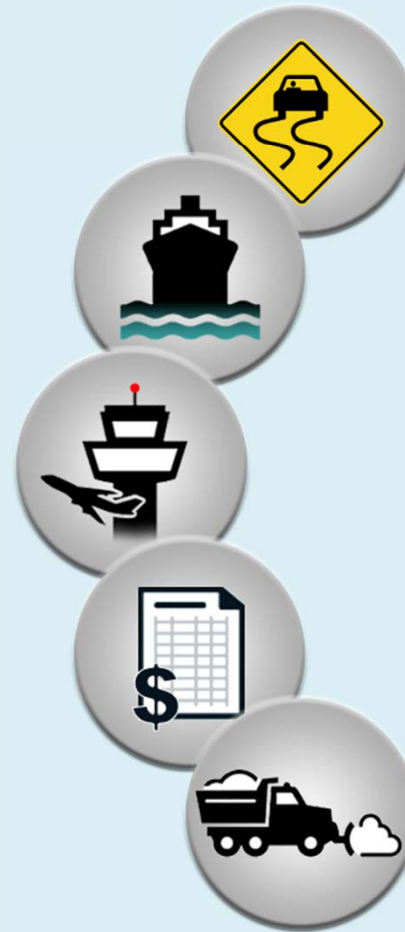


OPERATING BUDGET

- Spans single year
- Service focus

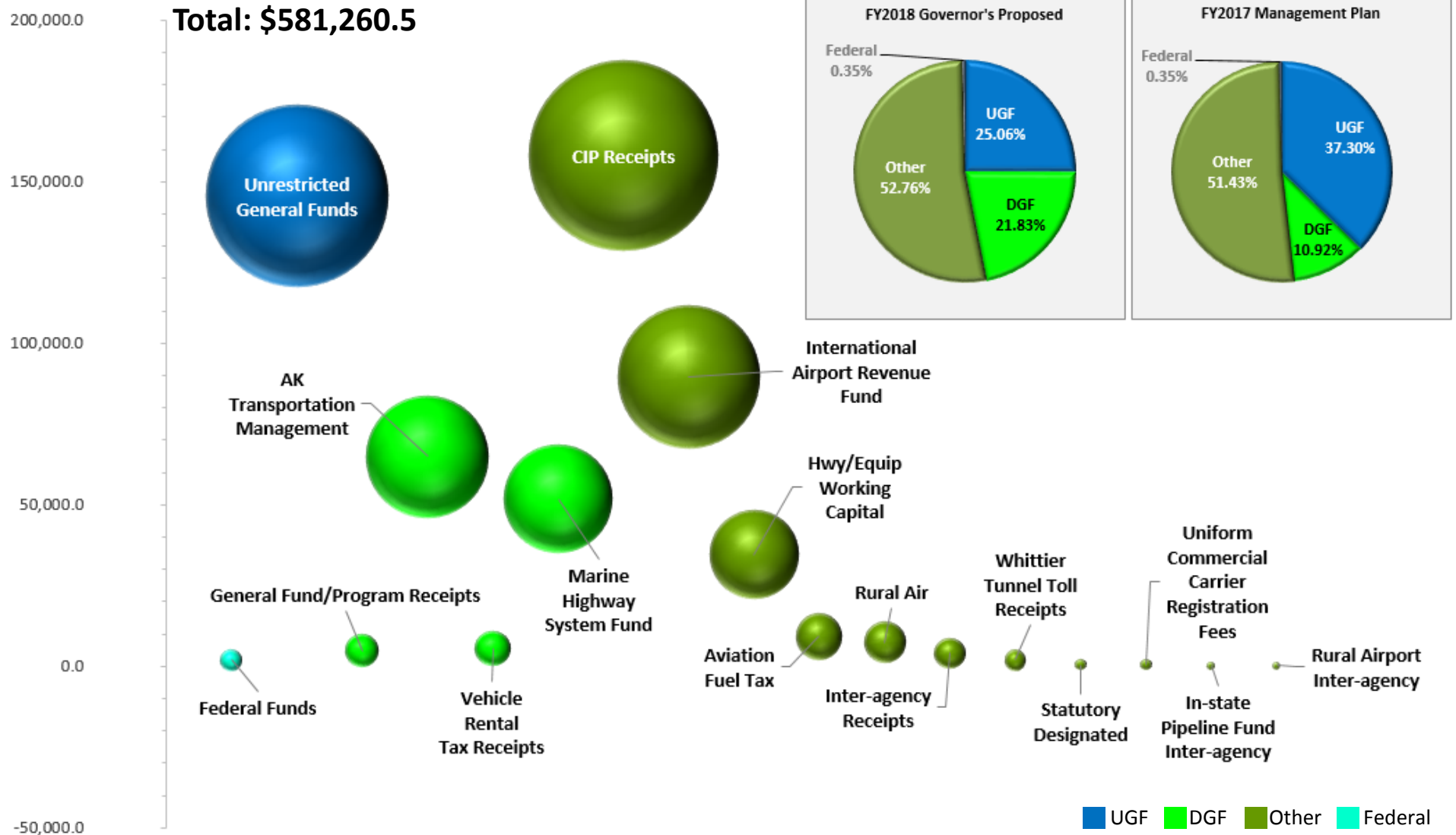
Operating Budget

A plan for the yearly distribution of state resources to cover the ongoing operations of state programs.*

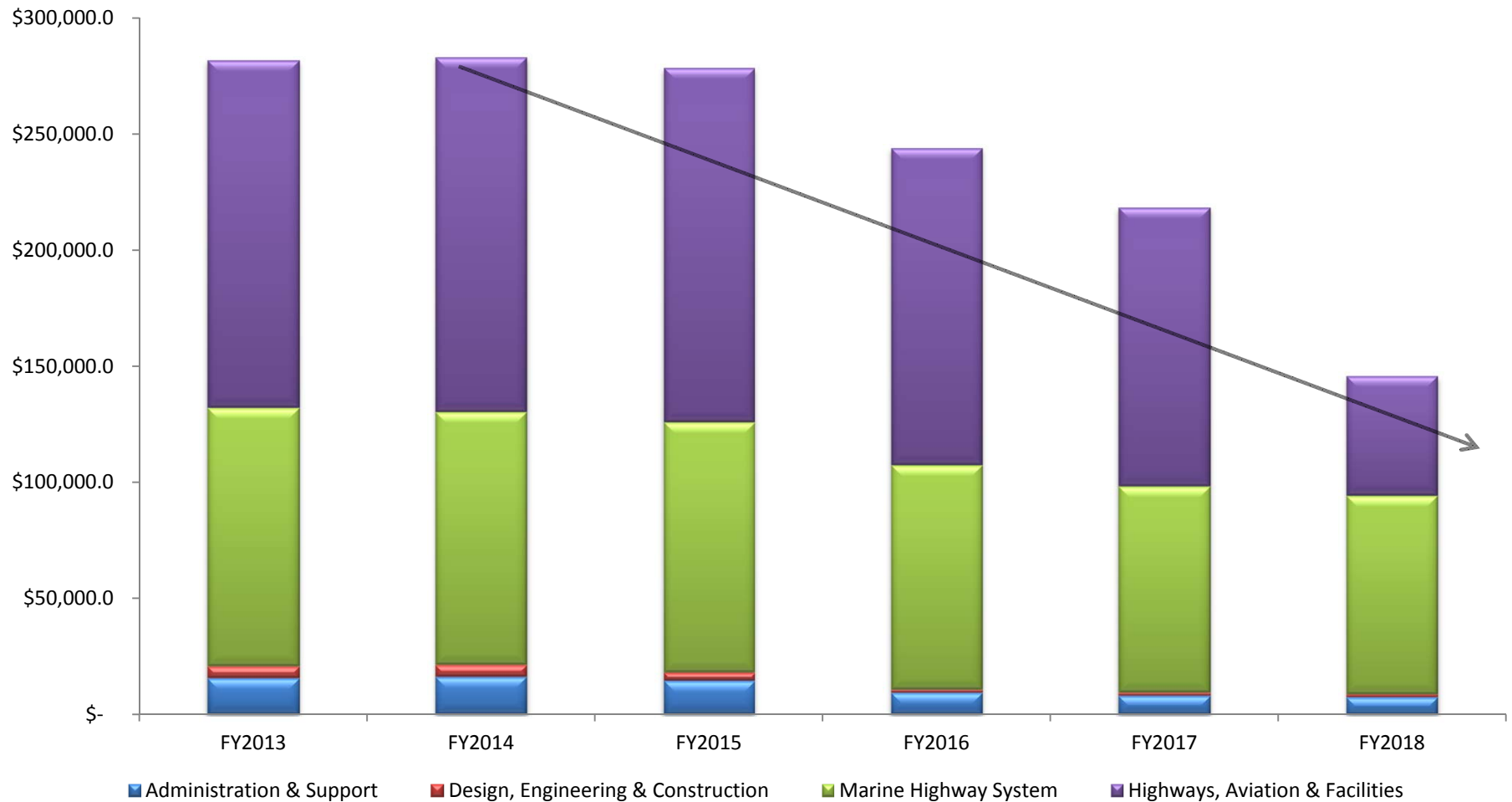


*Alaska Legislative Budget Handbook, November 2014

FY2018 Governor's Proposed Operating Budget All Funding Sources



DOT&PF Unrestricted General Fund by RDU FY2013-FY2018 Governor's Proposed



(Funding in Thousands)

FY2018 Governor's Proposed Operating Budget Changes

Increases	International Airport System increases for maintenance and security contracts, deicing chemicals, safety supplies, feasibility study (OTI) and records management (Intl Airport Fund Receipts)	\$2,590.8
	Authority for Facilities Maintenance and Operations (Inter-agency Receipt Authority)	\$286.8
	Total	\$2,877.6
One-Time Items	Reverse One-Time Appropriation of Alaska Marine Highway System Funds	(\$2,000.0)
Organizational Changes	Dissolution of Knik Arm Crossing Component	(\$736.4)
Salary Adjustments	Salary and Health Insurance Increases	\$4,037.8
	Supervisory Unit 15 Hour Furlough Contract Term Reduction	(\$171.4)
	Total	\$3,866.4
Reductions	AMHS Service Level Reductions	(\$2,501.4)
	Savings from Shared Services of Alaska Implementation	(\$271.7)
	Delete unrealizable receipt authority	(\$179.2)
	Total	(\$2,952.3)
Position Count Reductions	Delete 76 Federal Program Positions & Partial Funding	(\$4,553.3)
	Delete 12 Vacant Positions & Partial Funding	(\$529.3)
	Total	(\$5,082.6)
Agency Transfers	Transfer PCN from Alaska Court System for Maintenance of Court Facilities Transfer 35 PCNs to Dept. of Administration for Shared Services of Alaska Implementation	
Fund Source Swaps	Maintain Existing Programs With Capital Improvement Project Receipt Authority	\$1,131.1
	Maintain Existing Programs With Rural Airport Receipts	\$1,499.9
	Replace General Fund with Aviation Fuel Tax Funds	\$4,512.3
	Replace General Fund with Motor Fuel Tax Funds	\$64,821.0
	Replace General Fund Program Receipts with Rural Airport Receipts	\$12.7
	Total	\$71,977.0

(Funding in Thousands)



FY2018 Proposed Reductions

Administration & Support RDU

- Position Reduction-5 (3 PFT; 2 NP)
- Deletion of unrealizable receipt authority \$179.2

Design & Construction RDU

- Position Reduction-71 (31 PFT; 11 PPT; 29 NP)
- Dissolution of Knik Arm Crossing Component
 - Position Reduction 6 PFT

State Equipment Fleet RDU

- Position Reduction (5 PFT)

Highways & Aviation RDU

- Position Reduction-4 (1 PFT; 1 PPT; 2 NP)

International Airport System RDU

- Position Reduction (2 PFT)

Shared Services of Alaska Implementation

- Transferred 35 PCNs to Dept. of Administration
- \$271.7 reduction

Marine Highway System RDU

- (\$2,501.4) UGF
- (\$482.5) AMHS Funds
- Position Reduction (119 PFT; 24 PPT, 35 NP)
- Reduce operating weeks by 1.2 weeks
- Reduction in annual vessel operating weeks from 335.1 to 333.9
- The Taku and Chenega are not scheduled to operate at all in FY2018
- Bellingham and Prince Rupert will receive service on alternating weeks for 7.5 weeks from January 2nd through February 21st while the Kennicott is in her annual overhaul project
- No major service gaps compared to FY2017
- Service levels are approximately equal to FY2003 levels
- Reverse One-Time Appropriation of Alaska Marine Highway System Funds (\$2,000.0)



Thank You

Contact Information:

Marc Luiken

Commissioner

Marc.luiken@alaska.gov

(907) 465-3900

Amanda Holland

Administrative Services Director

Amanda.Holland@alaska.gov

(907) 465-3911

Transportation is an *economic driver*

- Preserve, operate, and modernize existing infrastructure
- Provide transportation services
- Federally funded capital improvement projects

Impacts *daily quality of life*

- Safety
- Mobility
- Connectivity



Tanana River Bridge, old and new. Photo by Jason Sakalaskas, Alaska DOT&PF