



# **Alaska Department of Transportation & Public Facilities**

## **Senate Finance Committee**

### **Statewide Transportation Improvement Plan (STIP)**

### **Capital Budget – Advance Construction**

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Ben White, Program Development & Planning Director

March 25, 2021

Our mission is to ***Keep Alaska Moving*** through service and infrastructure.

# How we'll walk you through it

STIP

CAPITAL BUDGET

ADV. CONSTRUCTION

IMPROVEMENTS

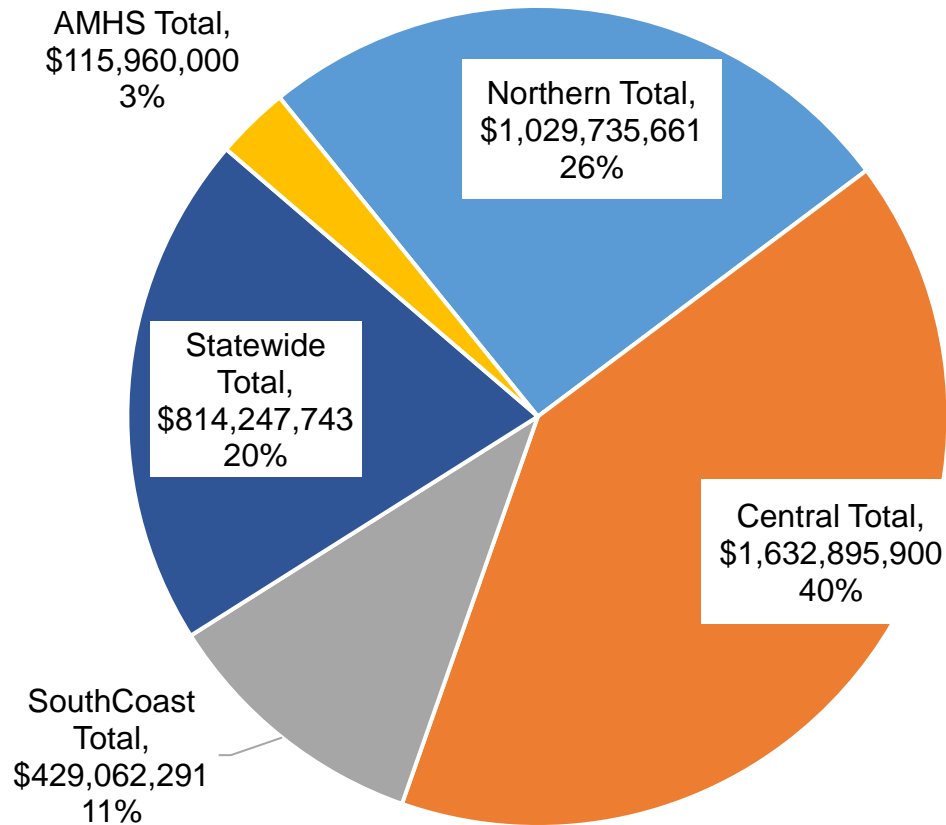


# Statewide Transportation Improvement Plan (STIP)

- The STIP is a 4-year plan that is required by federal regulations (23 USC 135 & 23 CFR 450) that lists out all the federally funded, and regionally significant surface transportation projects within the state.
- Must be fiscally constrained.
- Required to be developed with a public process
- Approved by Federal Highway Administration (FHWA) or the Federal Transit Administration (FTA)
- Failure to comply with federal regulations and requirements will jeopardize federal funding for transportation infrastructure in Alaska.



# 2020 – 2023 Planned Funding Distribution

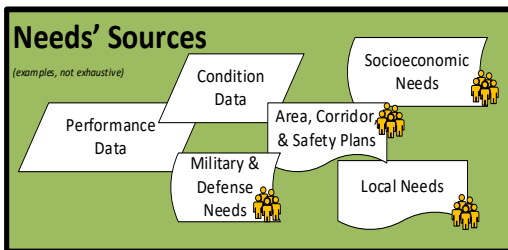


- 261 Projects in the current STIP
- \$4B total programmed in the current 4 year STIP, or ~\$1B/Year
  - \$660M-\$700M/year Highways
- Development of 2022-2025 STIP starts this Fall.





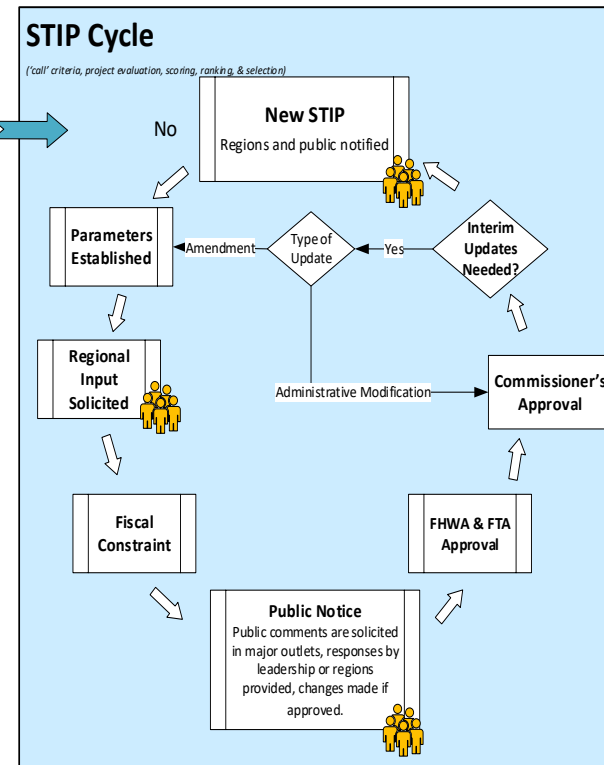
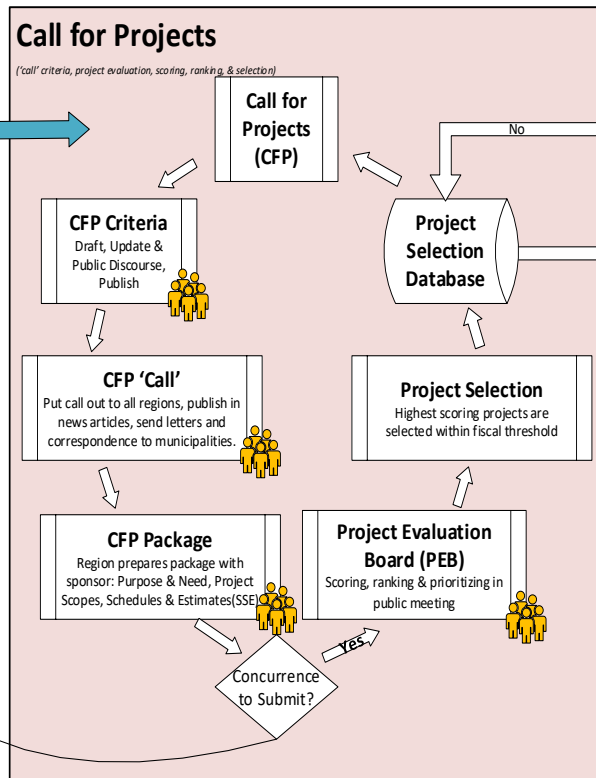
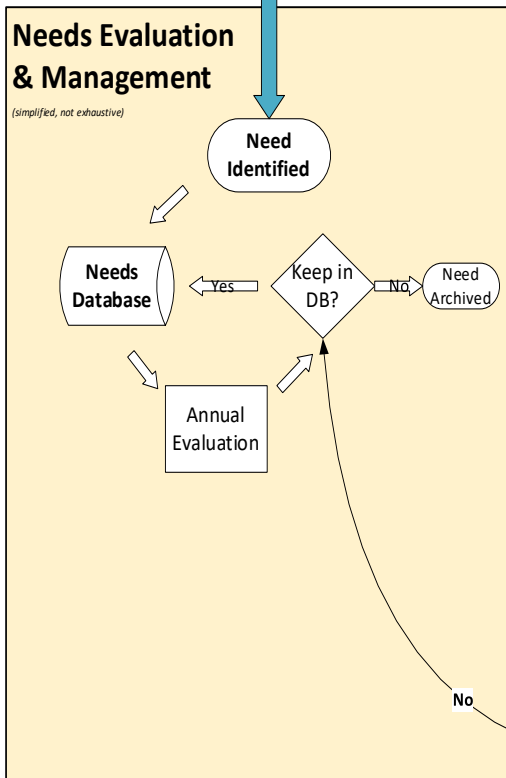
# The STIP Process



The simplified, but not exhaustive steps in project development



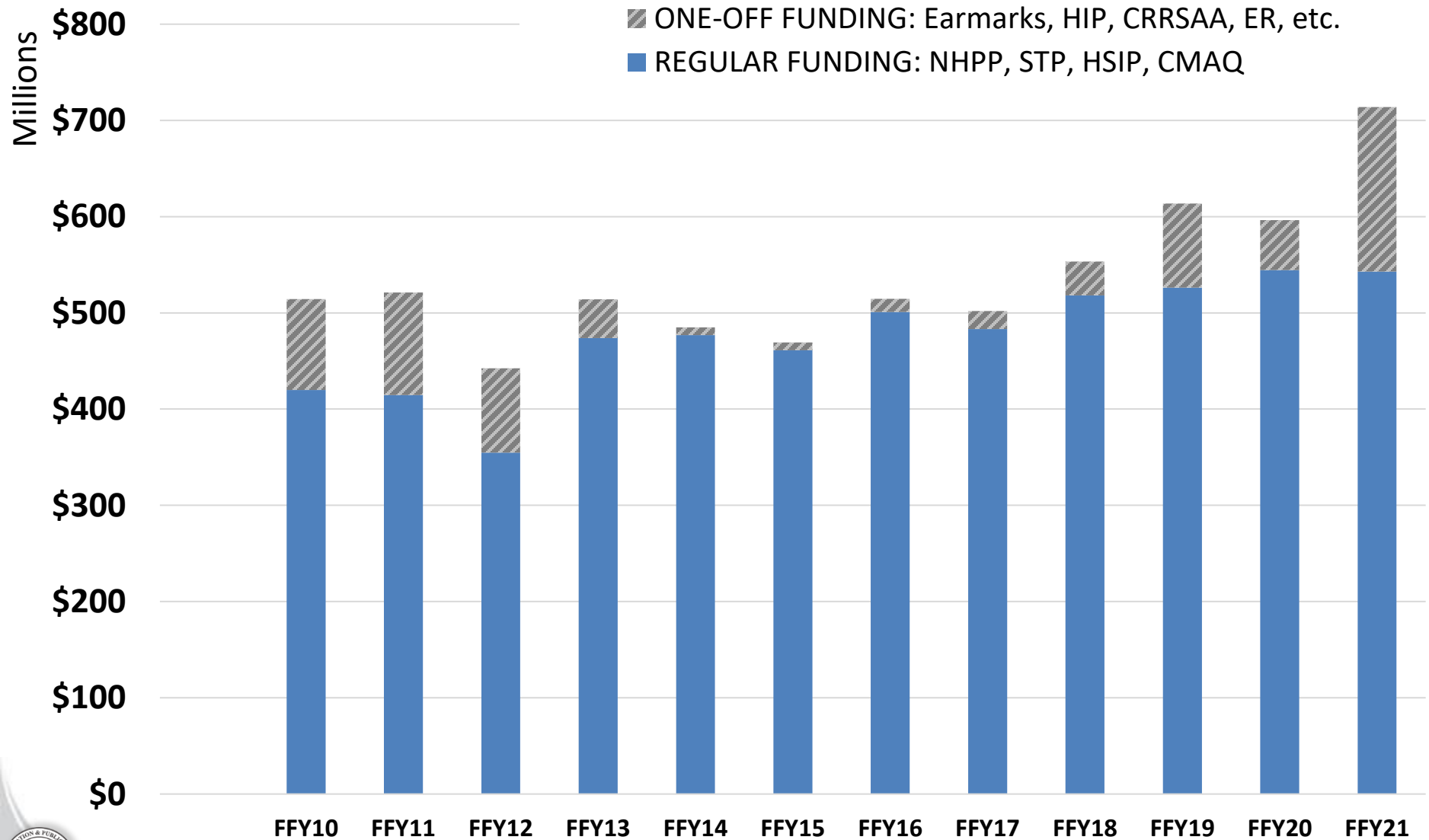
*Represents times when the public is notified, solicited, or otherwise involved in the development process*







# Federal Limitation Over Time





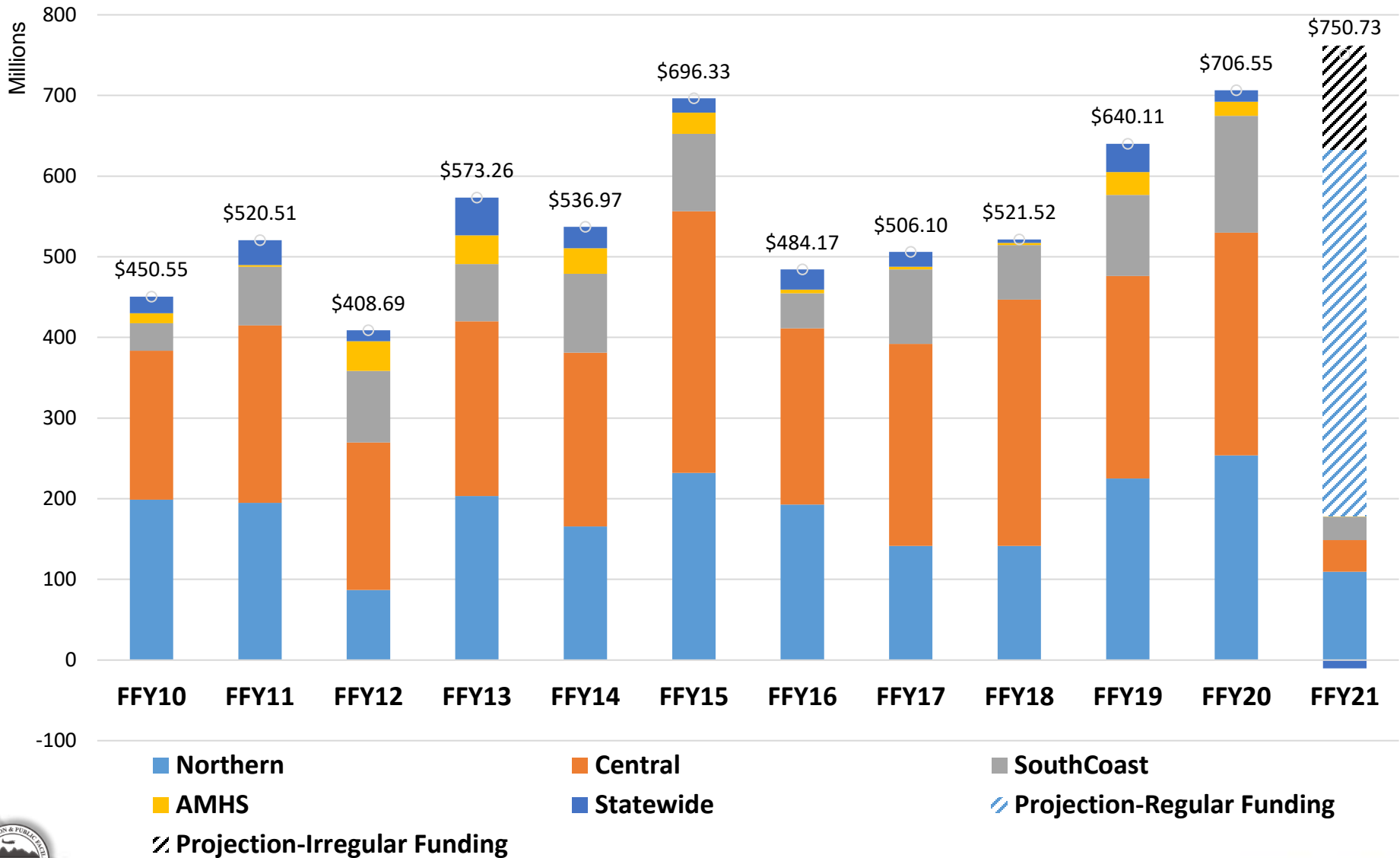
# Federal Funds Distribution

FFY2021 (est.)

Apportionment Program Name	Federal Funds	Distribution
NATIONAL HIGHWAY PERF FAST	287,065,329	51.7%
PROJECTS TO REDUCE PM 2.5 EMISSIONS	2,134,659	0.4%
REDISTRIBUTION CERTAIN AUTH FAST	3,190,212	0.6%
STBG-URBANIZED >200K FAST	28,165,146	5.1%
STBG 5-200K POP FASTG	22,366,968	4.0%
STBG <5K POP - FAST	30,424,118	5.5%
STBG FAST OFF-SYSTEM BRIDGE	4,212,769	0.8%
SURFACE TRANSP BLOCK GRTS-FLEX	95,449,370	17.2%
TRANSPORTATION ALTERNATIVES FLEX	2,680,269	0.5%
TRANSPORTATION ALTERNATIVES >200K	948,140	0.2%
TRANSPORTATION ALTERNATIVES 5-200K	736,245	0.1%
TRANSPORTATION ALTERNATIVES 5K AND UNDER	988,254	0.2%
CONGESTION MITIGATION	10,670,156	1.9%
METROPOLITAN PLANNING	2,494,580	0.4%
NATIONAL HWY FREIGHT PROGRAM	9,504,995	1.7%
STATEWIDE PLANNING FAST	8,395,061	1.5%
RESEARCH DEVT AND TECH FAST	2,798,354	0.5%
RECREATIONAL TRAILS FAST	1,542,896	0.3%
HIGHWAY SAFETY IMP PROG FAST	15,506,340	2.8%
SEC 154 PENALTIES HSIP FAST	11,916,321	2.1%
SEC 164 PENALTIES HSIP FAST	11,916,321	2.1%
RAIL HWY CROSS HAZARD ELM FAST	624,750	0.1%
RAIL HWY PROTECT DEV FAST	624,750	0.1%
HRRR SPECIAL RULE FAST	918,000	0.2%
<b>TOTAL</b>	<b>544,386,280</b>	



# Federal Obligations by Year





# Funds Management - Challenges

**Inconsistency in federal funding availability**

**Multiple years of projects to manage in the STIP, several phases**

**Project delivery is fraught with delays and slippage**

**Project funding follows delivery, but is temperamental**

**Maximizing flexibility absorbs this slippage**

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# Advance Construction (AC): Purpose and Need

- AC is a critical financing and funds management tool for DOT&PF
- US DOT gives States the authority to use AC
  - No obligation of funds & authorizes work
- Supports Effective, Efficient, & Continuous Project Delivery
- Bridges gaps in delay in federal budget or State & Federal fiscal year overlap
- Assists with STIP fiscal constraint by spreading large projects over several years, similar to amortization
- Maximizes available funding
- Alaska DOT&PF uses “Planned AC” and “Managed AC”



# Planned Advance Construction (AC)

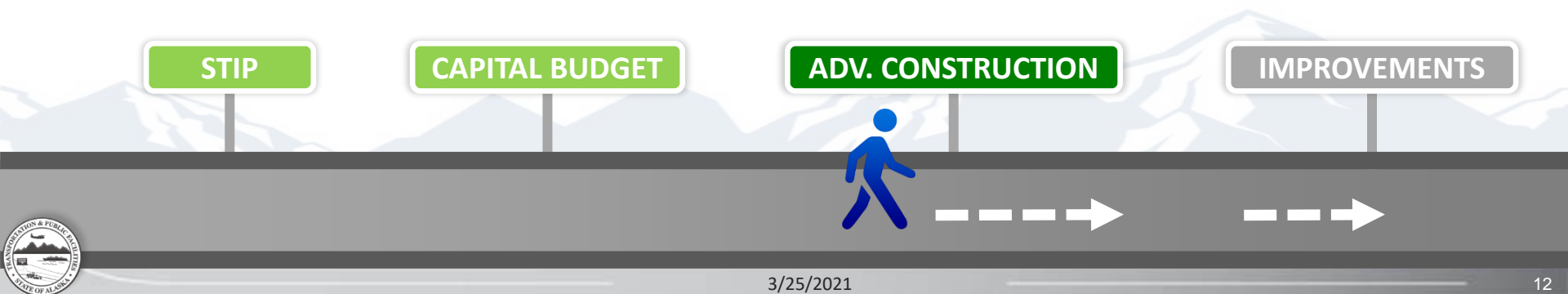
- Programmed in the STIP with “payback” or conversions
- Project phases must be fully obligated all at one time
  - Causes issues with very large projects, Examples:
    - Tustumena @ \$200M+ (33% of 1 year program)
    - Cooper Landing @ \$500M+ (92% of 1 year program)
  - Using AC allows the State to smooth out the effect to obligation authority
- Project can proceed without committing federal *or* State funds
  - As expenditures begin to accrue, those are converted to Federal funds
- Supports Effective, Efficient, & Continuous Project Delivery
- Maximizes funds available



# Managed Advance Construction (AC)

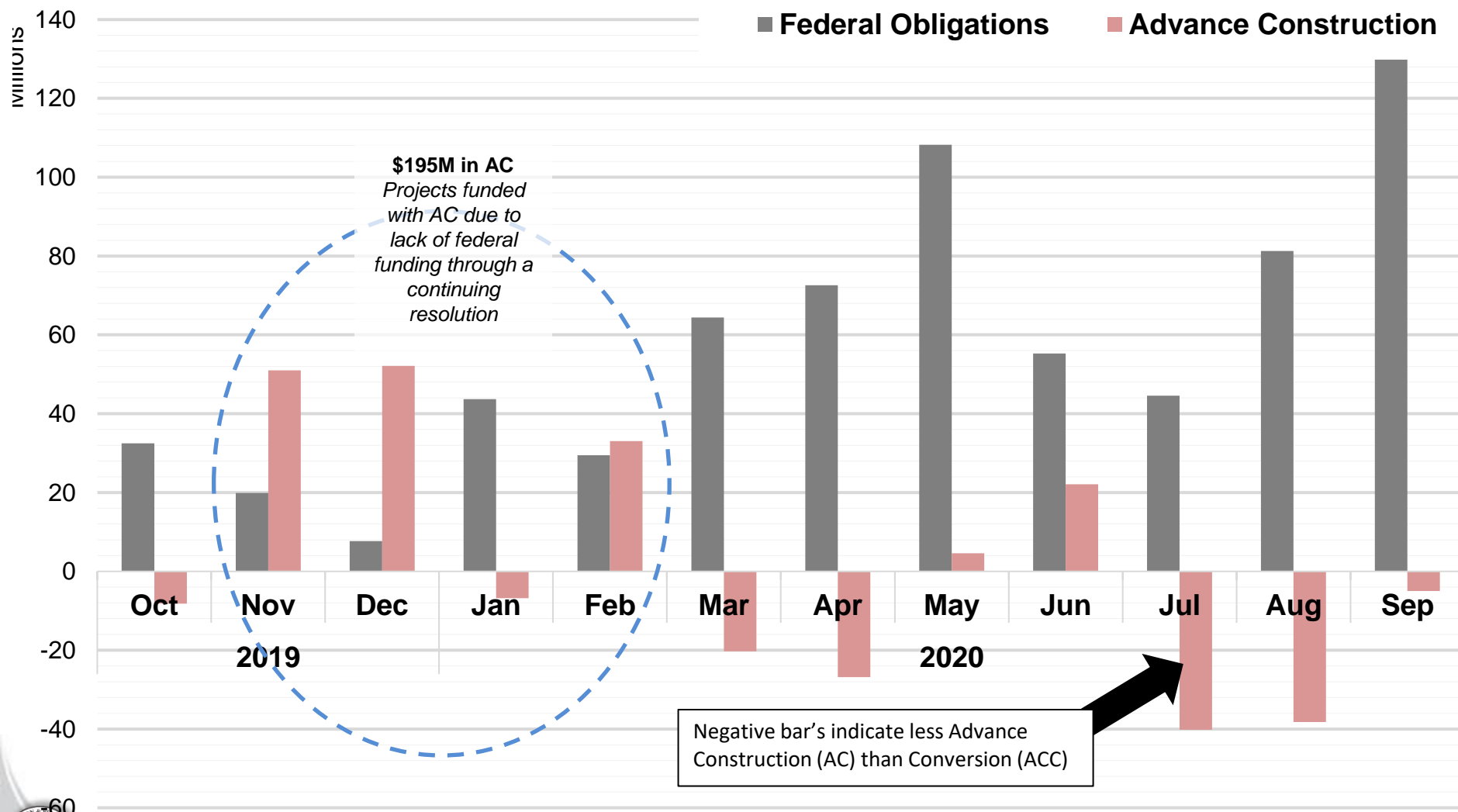
Managed AC is typically not included in the STIP and does not have planned AC paybacks. This is AC that is programmed and converted typically in a fiscal year.

- **Supports Effective, Efficient, & Continuous Project Delivery**
- **Bridges gaps due to delay in federal budget**
- **Maximizes funds available**





# FFY20 Net Use of Advance Construction (AC)



# AC Year-End Balances, by type

(in millions)

AC Type	FY16	FY17	FY18	FY19	FY20
Surface Transportation	\$43.0	\$75.7	\$51.2	\$64.8	\$55.3
Highway Safety	\$39.4	\$28.9	\$21.0	\$64.4	\$18.4
High-Risk Rural Road	\$0.0	\$0.1	\$2.5	\$1.5	\$2.0
Rail-Highway Crossing	\$0.0	\$0.0	\$0.0	\$0.6	\$0.1
National Highways	\$169.3	\$149.5	\$163.5	\$134.4	\$198.6
Other AC	\$26.5	\$18.1	\$6.8	\$7.8	\$12.6
Year End AC Balance	\$278.1	\$272.4	\$245.0	\$273.4	\$286.9

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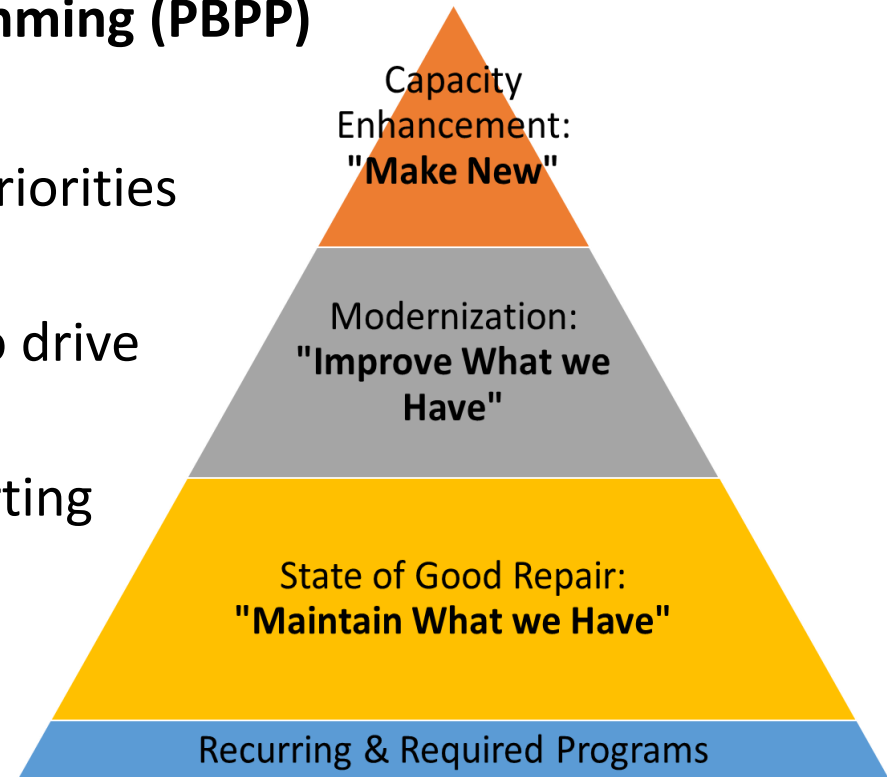




# Improvements to Program Development

## Performance Based Planning & Programming (PBPP)

- Data-driven decision making
- Establish performance targets and priorities
- Uses asset condition, performance, socioeconomic, and other metrics to drive investment decisions
- Creates a hierarchy of authority, starting with the Long Range Transportation Plan (LRTP), Policy & Procedure, the STIP, etc.



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# Improvements to Program Development

**eSTIP:** Technological solution to expedite STIP development and update data.

- Leveraging innovative solutions
- Public Involvement Portal with all projects mapped
- Information Systems within the Department linked:
  - This allows us to automate tasks - increasing efficiency
  - Connects STIP to Federal funding system for more real-time data/status
  - Enhanced reporting

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# Thank You. Questions?

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*Mat-Su Valley seen from Independence Mine (May 2017). Photo by Chuck Eldridge*

