



# Alaska Department of Transportation & Public Facilities

## Senate Finance Subcommittee Highways & Aviation Budget

Dom Pannone, Administrative Services Director

March 28, 2022

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

# FY2023 Governor's Amended Operating Budget

## High Level Overview:

- Decrease over last year -\$70,306.0 (-\$58,701.7 UGF)
- No service level reductions
- Continued use of federal covid relief funds\* in place of UGF
- Service level increase for the Alaska Marine Highway System (AMHS)
- Federal Infrastructure Investment & Jobs Act (IIJA) funds in AMHS
- Other IIJA/BIL provisions & impacts unknown, not included



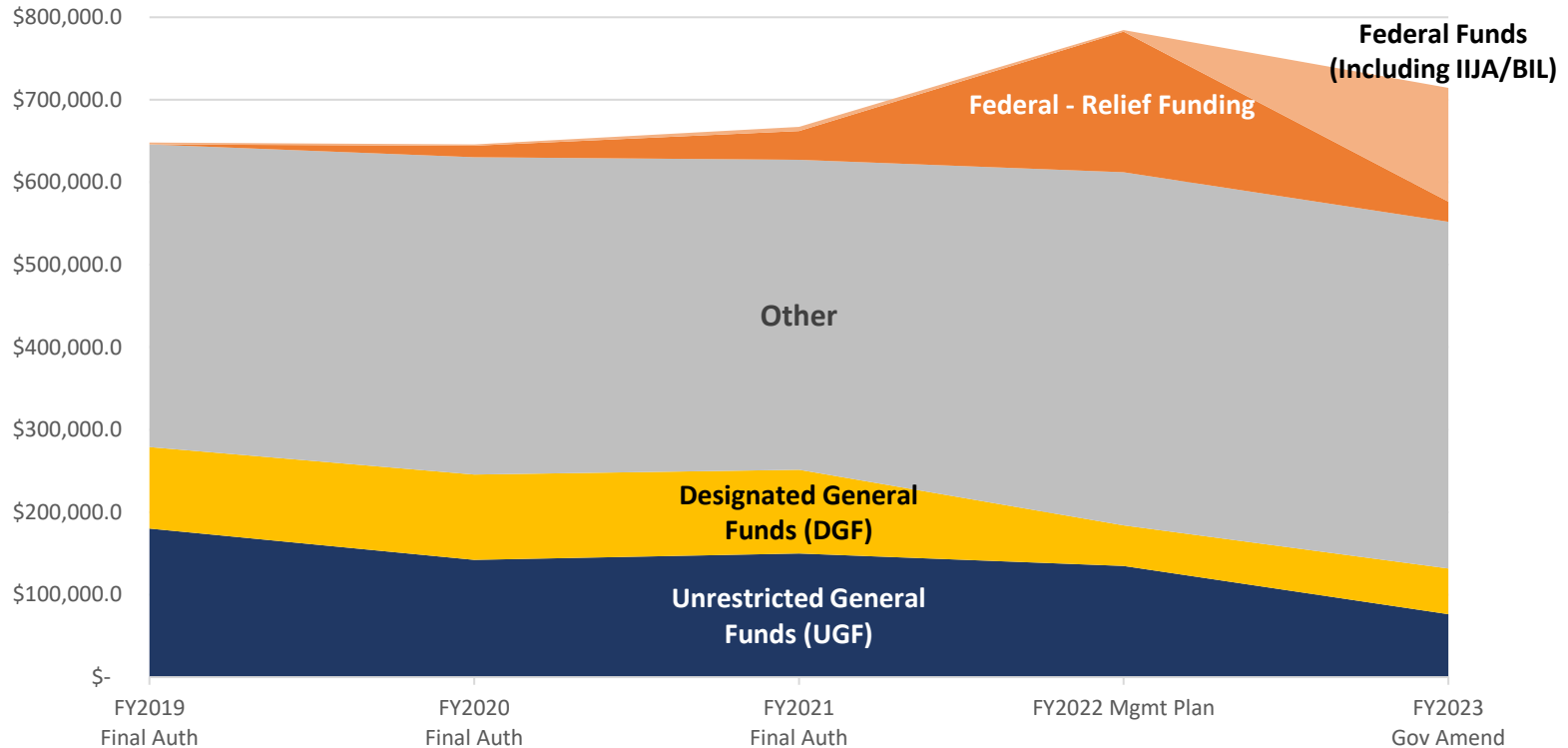
### \* Federal covid relief funds:

- The Coronavirus Aid, Relief, and Economic Security Act (CARES)
- The Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA)
- The American Rescue Plan Act (ARPA)

\*\* The Infrastructure Investment and Jobs Act (IIJA) is referred to as the BIL by our federal partners



# Budget History



Fund Source	FY2019 Final Auth	FY2020 Final Auth	FY2021 Final Auth	FY2022 Mgmt Plan	FY2023 Gov Amend
<b>Unrestricted General Funds (UGF)</b>	\$ 179,988.7	\$ 142,107.7	\$ 149,963.0	\$ 134,943.4	\$ 76,241.7
<b>Designated General Funds (DGF)</b>	\$ 98,821.1	\$ 103,419.1	\$ 101,422.8	\$ 49,131.7	\$ 55,666.5
<b>Other</b>	\$ 367,061.7	\$ 384,622.1	\$ 375,619.8	\$ 427,871.7	\$ 420,056.0
<b>Federal - Relief Funding</b>	\$ -	\$ 14,000.0	\$ 35,000.0	\$ 170,638.2	\$ 24,319.1
<b>Federal Funds (Including IIJA/BIL)</b>	\$ 2,135.1	\$ 1,617.1	\$ 4,871.1	\$ 1,932.0	\$ 137,927.7
<b>TOTAL</b>	\$ 648,006.6	\$ 645,766.0	\$ 666,876.7	\$ 784,517.0	\$ 714,211.0

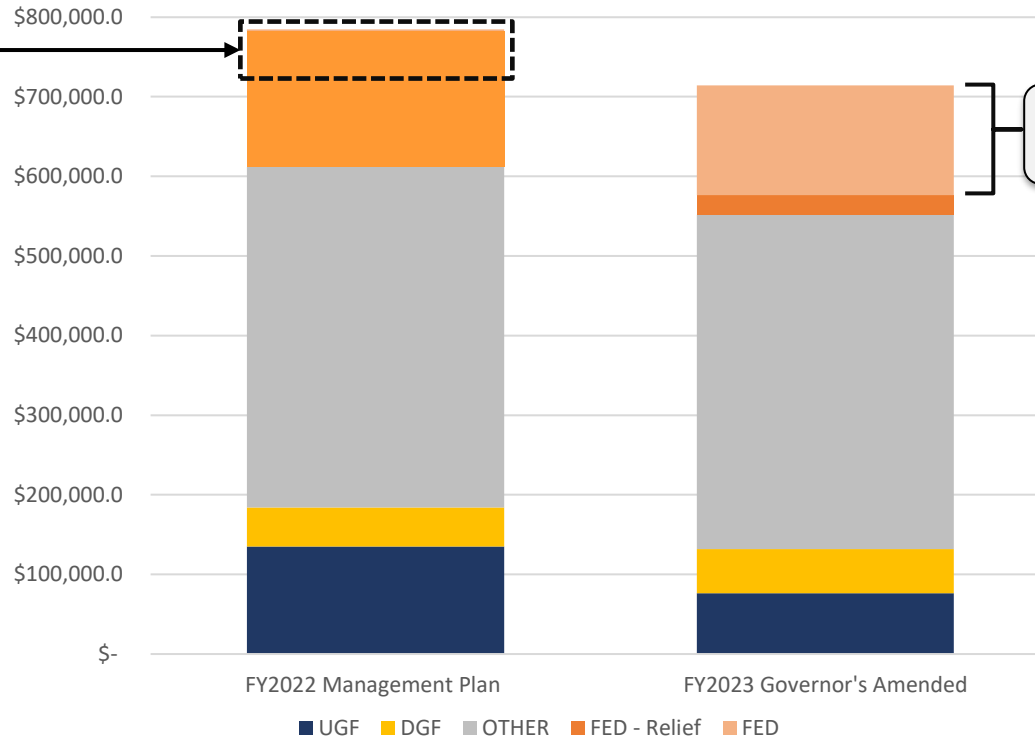
**i** Note: FY2022 Mgmt Plan includes \$64,236.1 for AMHS forward funding.

\$ in Thousands (1,000)

# FY2022, FY2023 Comparison



\$64M of AMHS  
One-Time Forward Funding



\$135M of AMHS  
Federal Funding



	FY2022 Management Plan	FY2023 Governor's Amended	\$ Difference FY2022 and FY2023	% Difference FY2022 and FY2023
<b>UGF</b>	\$ 134,943.4	\$ 76,241.7	\$ (58,701.7)	-44%
<b>DGF</b>	\$ 49,131.7	\$ 55,666.5	\$ 6,534.8	13%
<b>OTHER</b>	\$ 427,871.7	\$ 420,056.0	\$ (7,815.7)	-2%
<b>FED - Relief</b>	\$ 170,638.2	\$ 24,319.1	\$ (146,319.1)	-86%
<b>FED</b>	\$ 1,932.0	\$ 137,927.7	\$ 135,995.7	7039%
<b>TOTAL</b>	\$ 784,517.0	\$ 714,211.0	\$ (70,306.0)	-9%

\$ in Thousands (1,000)



# FY2023 RDU Funding Level Comparison

- Office of Information Technology, -\$399.2
- Information Systems & Services +/- \$3.9M
- Federal Funding Reversals, -\$20.3M
- Division of Facilities Services technical, -\$11.5M
- AMHS service increase, no budgetary layups

Function	FY2022 Mgmt Plan	FY2023 Gov Amend	Change
Facilities Services	\$ 111,030.1	\$ 99,681.8	\$ (11,348.3)
Admin & Support	\$ 69,319.8	\$ 51,972.2	\$ (17,347.6)
Design, Engineering and Construction	\$ 124,643.8	\$ 118,819.9	\$ (5,823.9)
State Equipment Fleet	\$ 35,670.2	\$ 36,209.7	\$ 539.5
Highways, Aviation and Facilities	\$ 165,513.2	\$ 167,531.4	\$ 2,018.2
International Airports	\$ 95,436.3	\$ 96,008.6	\$ 572.3
Alaska Marine Highway System (AMHS )	\$ 182,903.6	\$ 141,777.6	\$ (41,126.0)
AMHS less Forward Funding	\$ 118,667.5	\$ 141,776.6	\$ 23,109.1

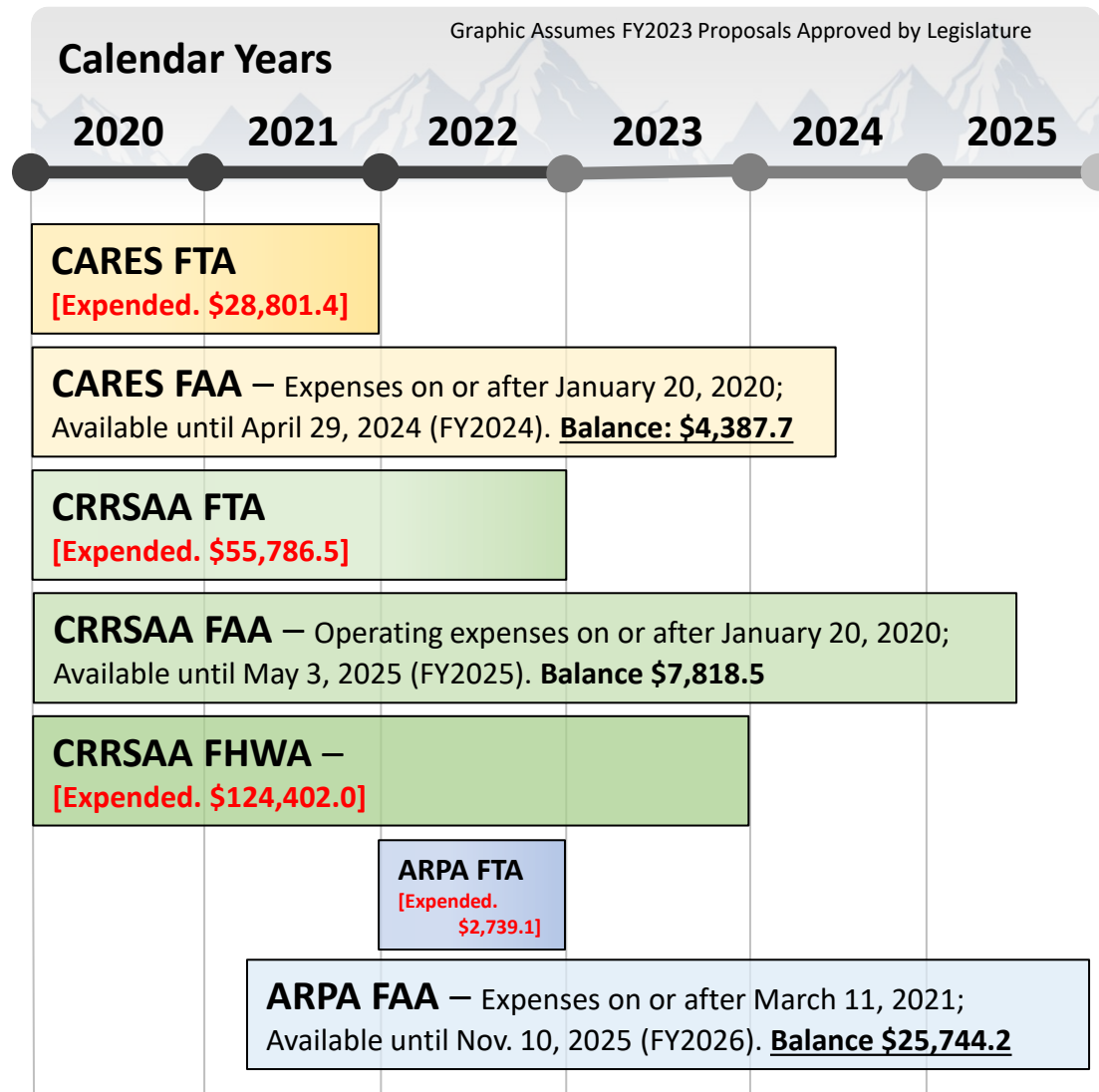




# Direct Federal COVID Relief Funding Timelines

FY2023 PROPOSALS	
CARES	\$ 7,379.3
CRRSAA	\$ 8,168.5
ARPA	\$ 9,019.4

CARES	\$ 4,387.7
CRRSAA	\$ 7,815.5
ARPA	\$ 25,744.2



\$ in Thousands (1,000)

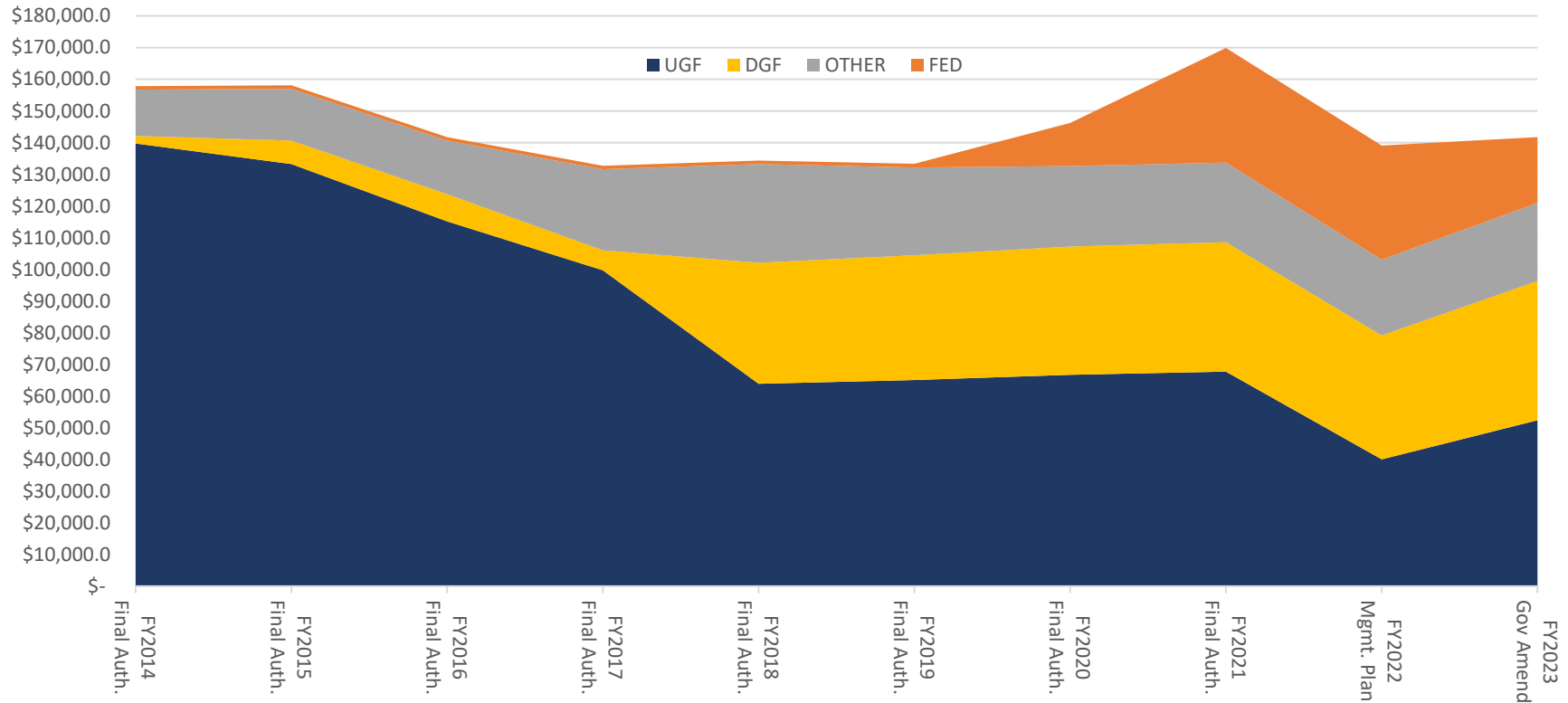
# Federal Funding Uses, Operating Budget

		FY2022	FY2023	NET
1	ARP Federal Transit Administration Grants	\$ 2,739.1	\$ -	\$ (20,333.6)
2	CRRSAA Federal Transit Administration Grants	\$ 7,786.3	\$ -	
3	CRRSAA FHWA Grant to Inter-Island Ferry Authority	\$ 6,000.0	\$ -	
4	CRRSAA FTA Pass-Through to Fairbanks	\$ 3,808.2	\$ -	
5	Airport Security Plan (FAA CARES)	\$ 181.0	\$ -	\$ (181.0)
6	Non-Perm Accountants for Federal Accounting (FHWA CRRSAA)	\$ 343.7	\$ -	\$ (343.7)
7	Replace Marine Highway Receipt Authority with FHWA CRRSAA	\$ 1,953.7	\$ -	\$ (1,953.7)
8	Cover Aviation Fuel Tax Shortfall (FAA CARES)	\$ 276.4	\$ -	\$ (276.4)
9	Dalton District Shift Change 2x2 (FHWA CRRSAA)	\$ 1,298.6	\$ 1,298.6	\$ -
10	Maintenance Station Reopenings (FHWA CRRSAA)	\$ 1,414.6	\$ 1,414.6	
11	Replace GF with FHWA CRRSAA in Highways M&O	\$ 17,803.0	\$ -	\$ (17,803.0)
12	Replace GF with FAA CRRSAA	\$ 11,507.9	\$ -	\$ 6,848.3
13	One-Time Fund Source Swap for Ketchikan Airport FAA CRRSAA	\$ 502.0	\$ -	
14	Replace GF with FAA CRRSAA / ARPA ( Includes Ketchikan Airport)	\$ -	\$ 14,668.0	
15	Replace GF with FAA CARES	\$ -	\$ 4,190.2	
16	Funding Marine Highway System CRRSAA FTA	\$ 48,000.2	\$ -	\$ 23,126.7
17	Funding Marine Highway System CRRSAA FHWA	\$ 64,767.8	\$ -	
18	Funding Marine Highway System IJJA	\$ -	\$ 135,894.7	
19	Maintenance & Operations for Rural Airport Paint Striping (FAA CARES)	\$ 2,302.3	\$ 2,719.3	\$ 417.0
20	Reimbursement from Federal Agencies for Maintenance	\$ 1,077.0	\$ 786.8	\$ (290.2)
21	Revenue from Federal Drug Enforcement Agency Confiscated Property	\$ 808.4	\$ 808.4	
Total:		\$ 172,570.2	\$ 161,780.6	\$ (10,789.6)

\$ in Thousands (1,000)



# Regional Highways & Aviation: Budget History

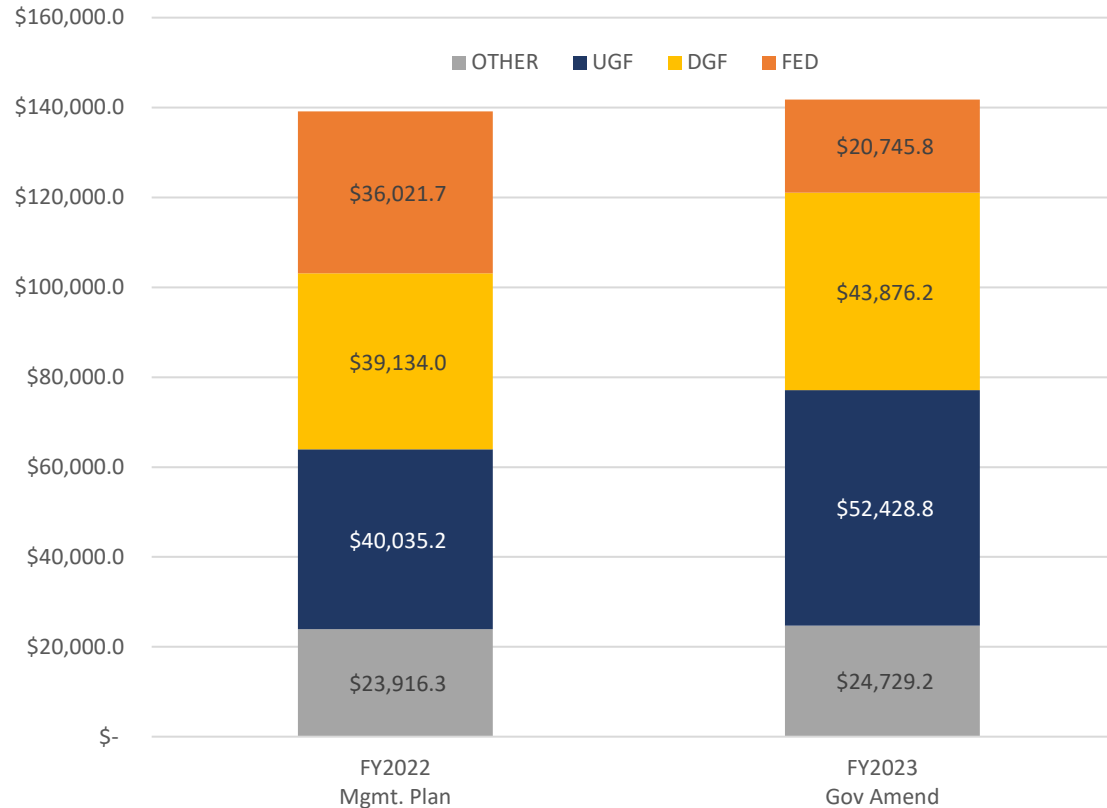


	FY2014 Final Auth.	FY2015 Final Auth.	FY2016 Final Auth.	FY2017 Final Auth.	FY2018 Final Auth.	FY2019 Final Auth.	FY2020 Final Auth.	FY2021 Final Auth.	FY2022 Mgmt. Plan	FY2023 Gov Amend
<b>FED</b>	\$ 1,091.8	\$ 1,094.3	\$ 1,094.3	\$ 1,092.1	\$ 1,094.5	\$ 1,163.4	\$ 13,649.0	\$ 36,212.6	\$ 36,021.7	\$ 20,745.8
<b>OTHER</b>	\$ 14,645.6	\$ 16,376.4	\$ 16,928.8	\$ 25,609.2	\$ 31,152.3	\$ 27,700.9	\$ 25,384.2	\$ 25,126.4	\$ 23,916.3	\$ 24,729.2
<b>DGF</b>	\$ 2,362.5	\$ 7,447.9	\$ 8,604.4	\$ 6,222.9	\$ 38,225.4	\$ 39,390.3	\$ 40,513.9	\$ 40,822.7	\$ 39,134.0	\$ 43,876.2
<b>UGF</b>	\$139,769.6	\$133,236.7	\$115,154.8	\$ 99,768.4	\$ 63,867.8	\$ 65,116.5	\$ 66,716.4	\$ 67,758.2	\$ 40,035.2	\$ 52,428.8
<b>Total</b>	<b>\$157,869.5</b>	<b>\$158,155.3</b>	<b>\$141,782.3</b>	<b>\$132,692.6</b>	<b>\$134,340.0</b>	<b>\$133,371.1</b>	<b>\$146,263.5</b>	<b>\$169,919.9</b>	<b>\$139,107.2</b>	<b>\$141,780.0</b>

\$ in Thousands (1,000), Includes Traffic Signal Management



# Regional Highways & Aviation: FY2022 / FY2023 Compare



	FY2022 Mgmt. Plan	FY2023 Gov Amend	Change
<b>FED</b>	\$ 36,021.7	\$ 20,745.8	\$ (15,275.9)
<b>DGF</b>	\$ 39,134.0	\$ 43,876.2	\$ 4,742.2
<b>UGF</b>	\$ 40,035.2	\$ 52,428.8	\$ 12,393.6
<b>OTHER</b>	\$ 23,916.3	\$ 24,729.2	\$ 812.9
<b>Total</b>	\$ 139,107.2	\$ 141,780.0	\$ 2,672.8

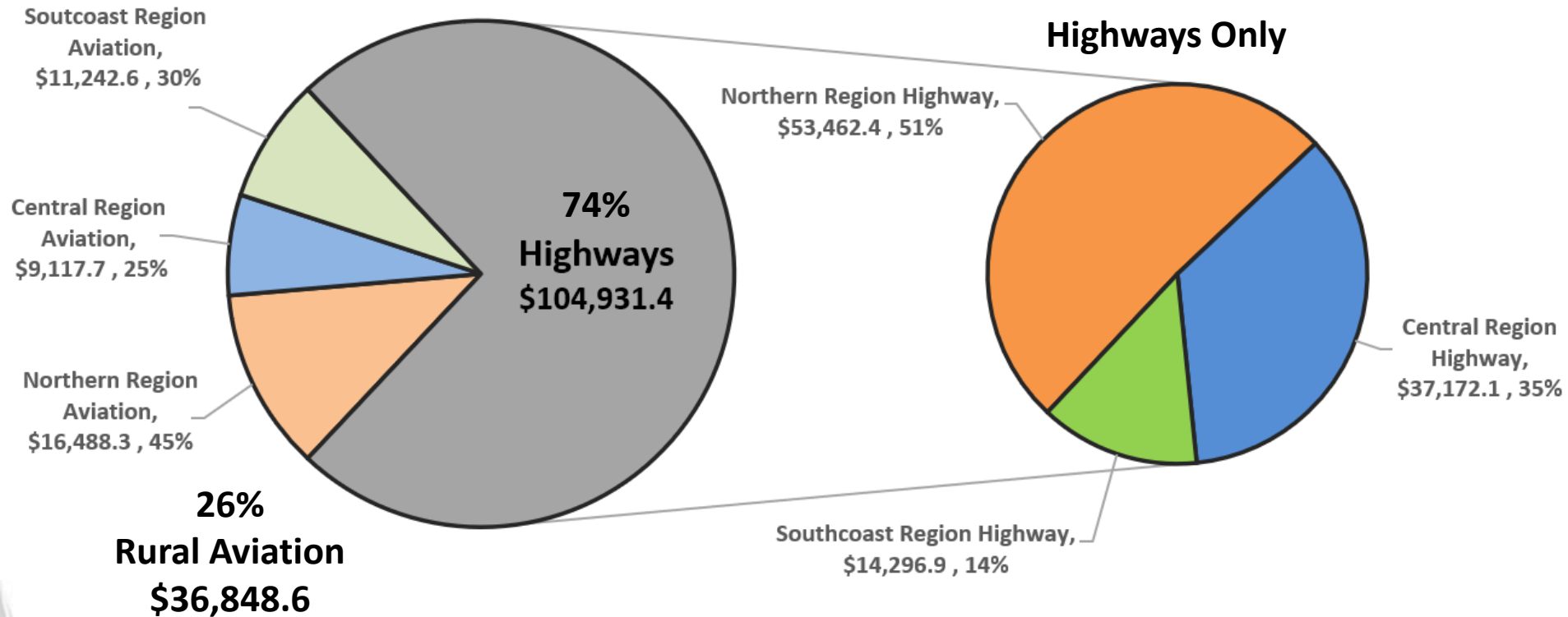
\$ in Thousands (1,000), Includes Traffic Signal Management

# FY2023 Regional Highways & Aviation (\$141,780.0)

Northern Region

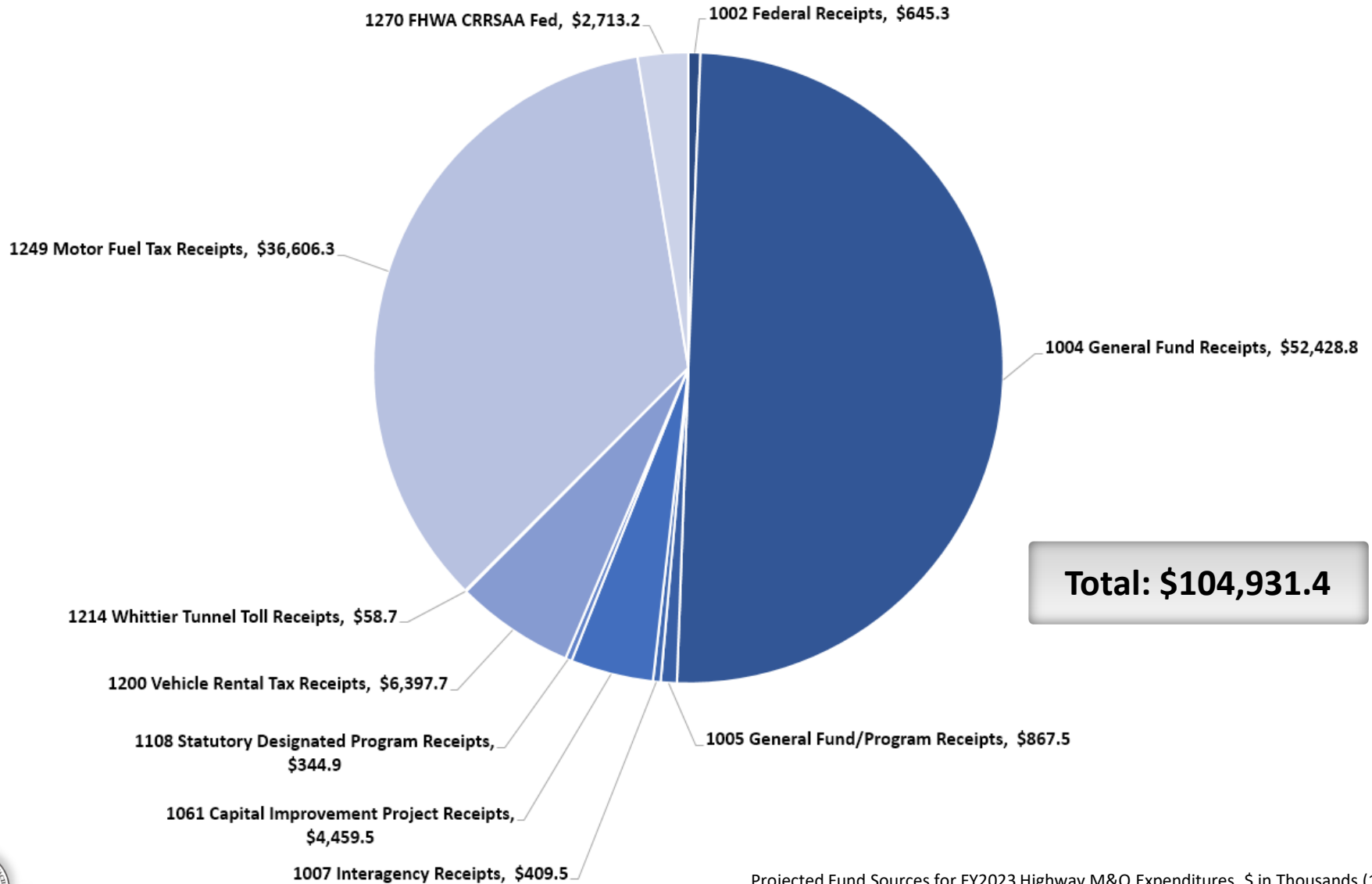
Central Region

Southcoast Region



\$ in Thousands (1,000), Figures Include Traffic Signal Management, Excludes Marine Highway, Aviation Amounts Derived from FY2021 Actuals

# FY2023 Governor's Amended Highways Maintenance & Operations Funding



Projected Fund Sources for FY2023 Highway M&O Expenditures, \$ in Thousands (1,000)

# FY2023 Highways Budgetary Actions

\$17,756.4 UGF (Fund Change)

*Reverse One-Time Fund Source Change:* used FHWA CRRSAA Funding to Displace UGF

\$620.0 FHWA CRRSAA (One Time)

*One Time Item:* Federal relief funding will be utilized to support ongoing maintenance and operating costs for the Silvertip maintenance station in FY2023

\$794.6 FHWA CRRSAA (One-Time)

*One Time Item:* Federal relief funding will be utilized to support ongoing maintenance and operating costs for the Birch Lake and Chitina maintenance stations in FY2023

\$1,298.6F FHWA CRRSAA (One-Time)

*One Time Item:* Federal relief funding will be utilized to support Dalton District shift change in FY2023.

\$4,119.9 Motor Fuel Tax (Fund Change)

Use of federal funds to support Marine Highway operations makes motor fuel tax receipt authority available for use to support highway maintenance.

# FY2023 Highways Budgetary Actions

\$16.5 UGF (Decrement)

Cost Savings Realized Through OIT PBX Phone Rate Decreases. (*\$399.2 of savings Department wide*)

\$150.0 UGF (Increment)

Increase to Cover Transfer of Responsibility Agreement (TORA)

\$85.0 UGF, \$21.2 CIP (Transfer)

Transfer Safety Officer position to Central Region Support Services to align with reporting structure and reflect regional wide role.

\$1,004.2 UGF, \$617.6 DGF, -\$318.2 FED, \$562.4 OTHER (Salary Adjustments)

Net increase of PERS Actuarial Rate and Other Salary and Benefit Adjustments. Total Increment \$1,866



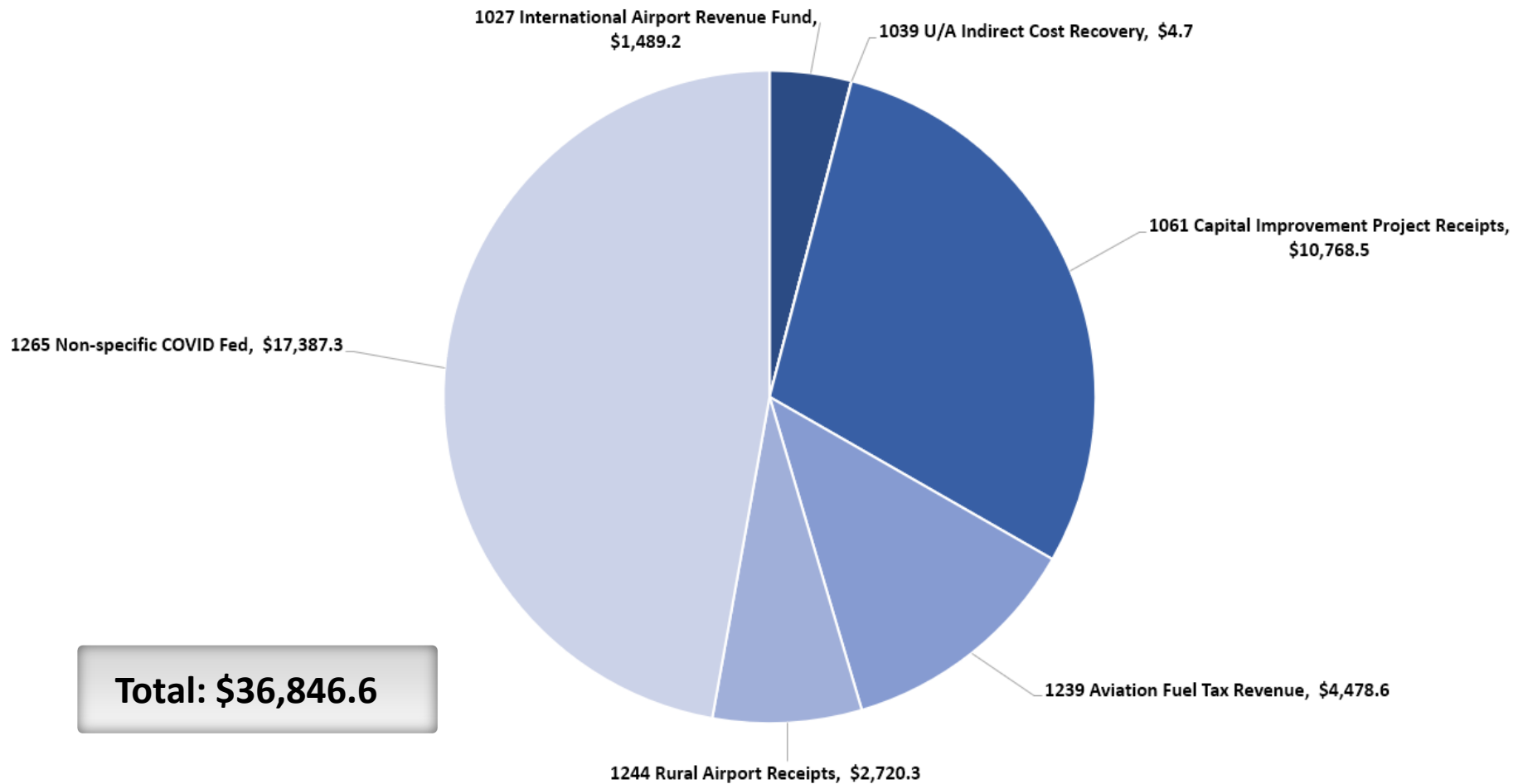
# Vacant Operator Positions

## 61 Vacant Equipment Operator Positions

<b>CRD-Anchorage District</b>	<b>8</b>	<b>NRD-Dalton District</b>	<b>1</b>
ANCHORAGE	5	LIVENGOOD	1
GIRDWOOD	3	<b>NRD-Denali District</b>	<b>2</b>
<b>CRD-MatSu District</b>	<b>6</b>	HEALY	2
CASCADE	1	<b>NRD-Fairbanks District</b>	<b>6</b>
CHULITNA	1	FAIRBANKS	6
PALMER	4	<b>NRD-Tazlina District</b>	<b>12</b>
<b>CRD-Peninsula District</b>	<b>5</b>	CHITINA	4
HOMER	3	ERNESTINE	2
NORTH KENAI CAMP	1	TAZLINA	6
SOLDOTNA	1	<b>NRD-Tok District</b>	<b>1</b>
<b>CRD-Southwest District</b>	<b>1</b>	TRIMMS CAMP	1
DILLINGHAM	1	<b>NRD-Valdez District</b>	<b>3</b>
<b>SRD-Kodiak/Aleutian District</b>	<b>1</b>	CORDOVA	3
KALSIN BAY	1	<b>NRD-Western District</b>	<b>10</b>
<b>SRD-Southeast District</b>	<b>5</b>	KOTZEBUE	2
JUNEAU	3	NOME	8
KODIAK	1		
SKAGWAY	1		

Full Time Regular Positions. *Source: IRIS HRM 3/16/2022*

# FY2023 Governor's Amended Rural Airport System Funding



Projected Fund Sources for FY2023 Highway M&O Expenditures, \$ in Thousands (1,000)

# Continuation of UGF Offset (from FY2022)

FY2023 Governor's Budget		
Replace GF with FAA CRRSAA / ARPA	\$	14,668.0
Replace GF with FAA CARES	\$	4,190.2
Maintenance & Operations for Rural Airport Paint Striping (FAA CARES)	\$	2,719.3
<b>FY2023 Total:</b>	<b>\$</b>	<b>21,577.5</b>

## Breakout

Rural Airport Paint Striping (formerly an AIP eligible activity)		
Central Region	\$	500.0
Northern Region	\$	390.0
Southcoast Region	\$	1,829.3
<b>Paint Striping Subtotal:</b>	<b>\$</b>	<b>2,719.3</b>

Rural Aiport Maintenance & Operations		
Northern Region Highways and Aviation	\$	6,505.6
Central Region Highways and Aviation	\$	4,157.9
Southcoast Region Highways and Aviation	\$	4,004.5
Northern Region Facilities	\$	2,621.0
Southcoast Region Facilities	\$	1,569.2
<b>Rural Aiport Maintenance &amp; Operations Subtotal:</b>	<b>\$</b>	<b>18,858.2</b>

\$ in Thousands (1,000)



# Rural System Review

## SFY 2021 Actuals

- Operating Cost = \$41.0M (plus \$8.5M in FFY 2021 AIP federal funds for Surface Maintenance and Snow Removal Equipment)
  - A CARES Act grant for \$49.4M was received and applied to Rural Airport operational costs for FFY 2020 and beyond.
- Revenue = \$10.4M (\$6.6M Leasing + \$3.8M fuel taxes)
  - Fuel Tax = \$4.0M less \$.2M shared with Local Sponsors

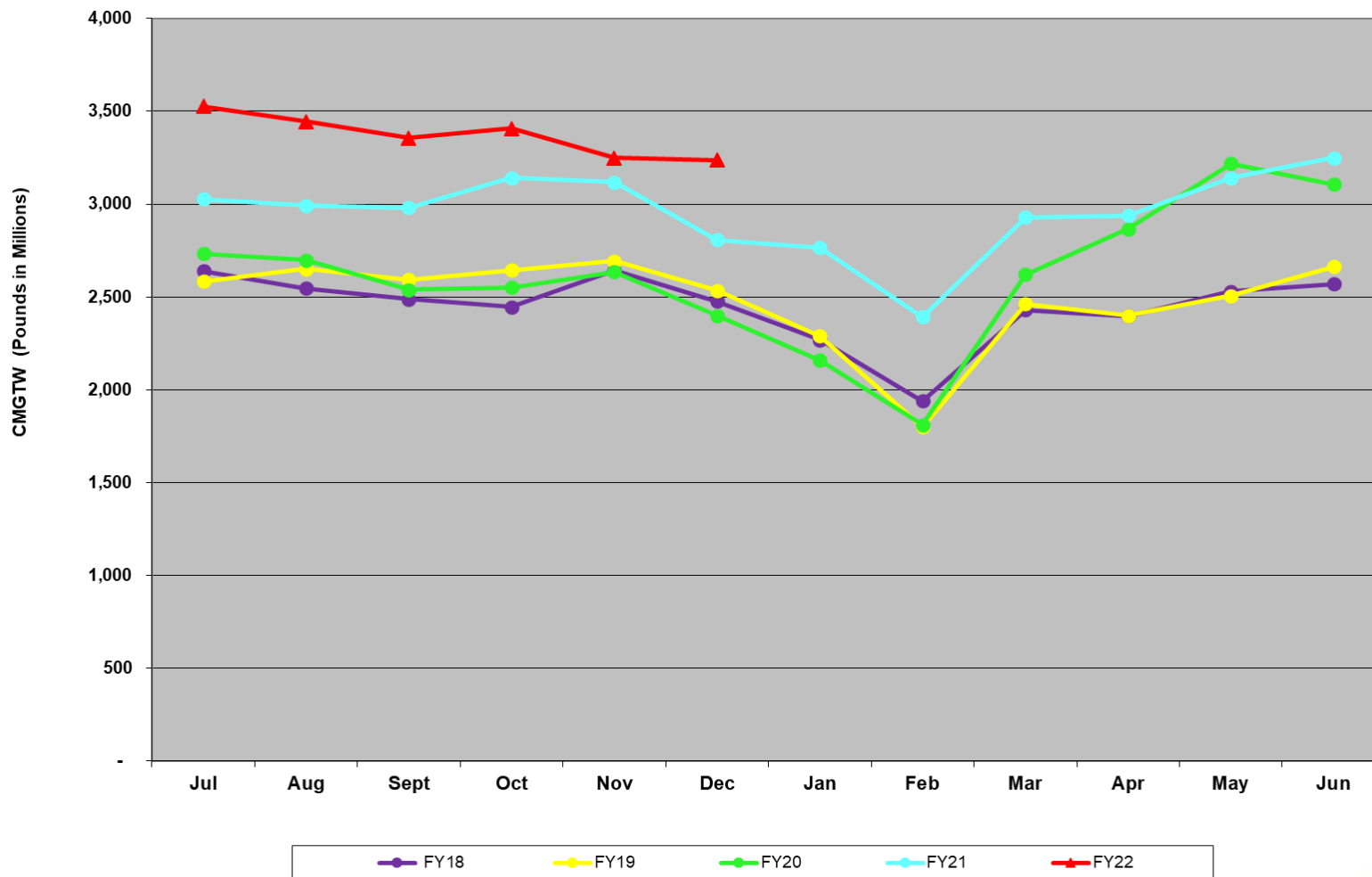
# International Airport System Review

## Primary Revenue Driver - Airfield Activity (CMGTW): Up 13.2% FY21 / Up 11.9% FY22 YTD



AIAS  
FY18 - FY22 YTD  
Monthly Reported Combined Cargo - Pax CMGTW  
As of December 31, 2021

CMGTW = certified maximum gross take-off weight





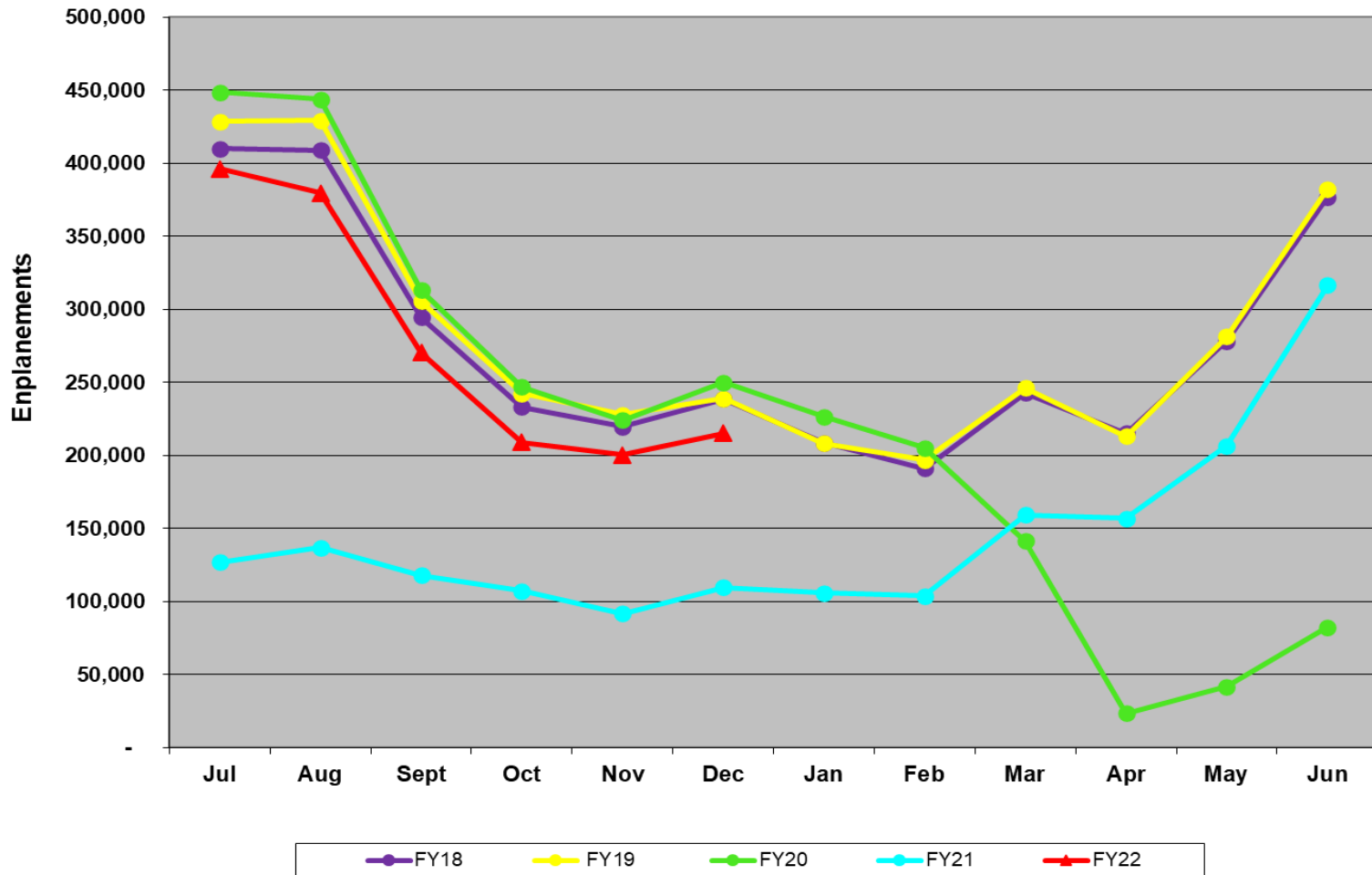
# International Airport System Review

## Passenger Activity

### Down 34.3% FY21 / Up 141.9% FY22 ytd



AIAS  
FY18 - FY22 YTD  
Monthly Passenger Enplanements  
As of December 31, 2021



# Thank You.

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*Bald Airstrip, Eklunna Lake. Photo by Chuck Eldridge, Alaska DOT&PF  
Mat-Su valley seen from Independence Mine. Photo by Chuck Eldridge, Alaska DOT&PF*

