H B 79

HOUSE COMMITTEE ON STATE AFFAIRS

RECAP OF
HB 79

Operating Costs of Capital Improvements

Received January 11, 1989
by Rep. M. Davis

Heard March 8, 1989

Committee Substitute adopted March 8, 1989

Passed Out of Committee March 8, 1989
4 Do Pass
1 No Recommendation

TABLE OF CONTENTS

HB 79: Operating Costs of Capital Improvements

HOUSE COMMITTEE REPORT

(5)
Date Referred: January 11, 1989 FURTHER REFERRALS: FINANCE

Date of Committee Action: _____

The STATE AFFAIRS Committee recommends that:

HOUSE BILL NO. 79 [OPERATING COSTS OF CAPITAL IMPROVEMENTS]
"An Act relating to projected operating and maintenance costs of capital improvements."

[X] be replaced with CS HB 79 (SA) [X] the same title
[ ] a new title

[ ] have attached amendment(s)

[X] do pass
[ ] do not pass
[ ] no recommendation
[ ] individual recommendations
[ ] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):

[ ] fiscal impact
[ ] zero fiscal note
[X] zero with analysis DOT/PF, CRA, UAFA

APPROVES PREVIOUS:

[ ] fiscal note(s) published:

_____

[ ] zero fiscal notes(s) published:

_____

SIGNING DO PASS:

Pete Dawley

SIGNING OTHER THAN DO PASS:
(Do Not Pass, No Recommendation, Amend)

Alyce Hanley - No-Rec

Chairman's signature

Item 2

Alaska State Legislature

Representative Mike Davis District 19

P.O. Box V
Juneau, Alaska 99811
(907) 465-4930/4941

Interim Office
P.O. Box 81435
Fairbanks, Alaska 99708
(907) 456-8161

TO: House State Affairs Committee

FROM: Rep. Mike Davis

DATE: February 28, 1989

SUBJECT: HB 79:
Operating and Maintenance Costs of Capital Projects

In an era of decreasing revenue, it is essential that the legislature and the public know the ongoing costs associated with capital projects.

HB 79 requires that fiscal notes be attached to appropriation bills for capital improvements, identifying the projected annualized O & M costs and the entities responsible for payment.

Under the provisions of HB 79, it is the responsibility of the legislature to ensure that bills proposing capital improvements be accompanied by O & M projections at the time of introduction. The governor is required to provide the information for each project in his capital improvements program.

Passage of HB 79 will provide the legislature, municipalities, and non-profits with information necessary for the consideration of capital projects and long range financial planning.

At the same time, O & M projections should not be costly or difficult to obtain. State agencies and some municipalities already calculate the operating and maintenance costs of their capital improvement requests. The Department of Community and Regional Affairs has the authority to assist unincorporated communities with this work.

I urge your support for this legislation.

Item 3

6-0335Ab
Utermohle

A M E N D M E N T

OFFERED IN THE HOUSE

BY M.DAVIS

TO: HB 79

Page 1, line 15:

Delete "improvement,"

Insert "improvement including the cost of preventive maintenance,"

Page 4, line 17, following "condition":

Insert "; "operating and maintenance costs" includes the cost of preventive maintenance"

Item 4

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: HB 79
PUBLISH DATE: 1/11/89

FISCAL NOTE

REQUEST:

Revision Date:
Title: Projected Operating and Mtnce. Costs for Capital Impr.
Sponsor: M. Davis
Requestor: M. Davis

Agency Affected: DOT&PF
BRU:
Component:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

The department provides maintenance and operations estimates for our capital projects submitted as a part of the capital budget. Assuming that the capital budget forms filed by the Governor suffice for the fiscal note requirement, our concerns in this legislation are for those appropriations introduced by the legislative branch.

(CONTINUED)

Prepared by: Ron R. Lind
Phone: 465-2171
Division: Mtnce. Programs & Budget
Date: 2/27/89

Approved by Commissioner: Mark S. Hickey
Date: 3/1/89
Agency: Department of Transportation and Public Facilities

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. HB 79

If the fiscal note request is given in a timely manner, allowing the department five days for its preparation, there will be no additional cost to the department of providing maintenance and operating costs for capital improvements appropriated to the department. The analysis assumes that appropriations for repair and restoration related to items which already exist are not capital improvements and that last minute changes to appropriation bills with a major number of improvements are not covered by this legislation. Otherwise, substantial overtime costs could be incurred by personnel in an attempt to respond with fiscal notes in the time available.

2/27/89

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: HB 79
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act..projected operating and maintenance costs..capital improvements."
Sponsor: Rep. M. Davis
Requestor: _____

Agency Affected: Community &Regional Affairs
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Jim Plasman

Prepared by: Jim Plasman, Deputy Director
Phone: 465-4750
Division: Municipal & Regional Assistance
Date: 2-28-89

Approved by Commissioner: _____
Date: 2-28-89
Agency: Community & Regional Affairs

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Brian Rogers
Vice President for Finance
(907) 474-7448

University of Alaska
Fairbanks, Alaska 99775-5260

March 2, 1989

The Honorable Mike Davis
P. O. Box V
Juneau, Alaska 99811

RE: Fiscal Note for House Bill 79

Dear ~~Representative~~ Mike Davis:

Enclosed is a copy of the University's fiscal note for House Bill 79. The University expects zero fiscal impact for the proposed legislation.

If you have any questions about the note, please do not hesitate to contact me or Marsha Hubbard, Director for Statewide Budget at 474-7593.

Sincerely,

Brian Rogers
Vice President for Finance

Enclosure

cc: Gina Spartz, Administrative Assistant for Legislative Finance
Alison Elgee, Division Director for Office of Management & Budget

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: HB79 Finance
PUBLISH DATE: 1-11-89

FISCAL NOTE

REQUEST:

Revision Date: -0-
Title: Projected Operating and Maintenance Costs of Capital Improvement
Sponsor: Representative Mike Davis
Requestor:

Agency Affected: University of Alaska
BRU:
Components:

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL						
CONTRACTUAL			0	0	0	0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: John Nickles
Phone: 474-7591
Division: Facilities Planning and Construction
Date: 2/23/89

Approved by Commissioner: Ken Rogers
Date: 3/1/89
Agency: Vice President, University of Alaska

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Item 5

Alaska Municipal League

Policy Statement

1989

Alaska MUNICIPAL League

Adopted at the Business Meeting
of the 38th Annual Local Government Conference
of the
ALASKA MUNICIPAL LEAGUE
Fairbanks, Alaska
November 18, 1988

F. FISCAL NOTES/GOVERNMENTAL MANDATES

1. Fiscal Notes: The League supports enactment of legislation requiring the State to prepare, in consultation with the impacted local governments, notes assessing the fiscal impact on local government of any proposed bill or regulation, including pass-through grants.

Numerous bills are introduced each year that would have an impact on the cost of the operation of the local governments. However, it appears that no analysis and little thought are given to the actual impact such legislation would have on affected municipalities. In order to assist the municipalities and the Legislature in making informed decisions about such legislation, fiscal notes assessing the fiscal impact on local government of such bills are necessary.

2. Governmental Mandates: The League urges passage of legislation that would require the transferring governmental agency to reimburse municipalities for costs they incur in programs or activities mandated or transferred by the State or federal government at other than the request of the municipalities.

Proposals are occasionally made to require municipalities to undertake programs or activities for which there is either inadequate or no reimbursement. Proposals that shift the burden of such programs to municipalities should provide adequate reimbursement to the municipalities for the administration of such programs.

G. FEDERAL ISSUES

1. Federal Assistance: The League supports federal recognition of the federal-local partnership in providing governmental services to citizens through federal assistance to local governments.

2. Outer Continental Shelf (OCS) Revenue Sharing: The League endorses enactment by the United States Congress of an OCS revenue sharing program, to be funded annually from the proceeds of the oil and gas lease sales on the OCS at a fair and equitable level. The League also endorses an automatic direct pass-through of a fair and equitable amount of the State's allocation under this program to communities affected by OCS activities. Further, the League endorses the concept that the State's and communities' allocation of OCS revenue sharing funds be used for coastal planning, resource protection programs, construction of capital infrastructure resulting from direct OCS activity, and health and social service needs resulting from OCS activity.

For the past several years, federal Ocean and Coastal Resource Management has expected state coastal districts to rewrite portions of their plans making concessions to accommodate the oil and gas industry. This creates extra work for state agencies and coastal districts developing coastal plans at the same time federal funding is being cut. Coastal districts have accommodated the industry as much as possible, often compromising their plans more than they would have liked in order to obtain federal approval. Since the compromises to oil and gas made by coastal districts will enable

Item 6

Alaska State Legislature

Representative Mike Davis

P.O. Box V
Juneau, Alaska 99811
(907) 465-4930/4941

Interim Office:
P.O. Box 81435
Fairbanks, Alaska 99708

MEMORANDUM

To: House Members

From: Rep. Mike Davis

Date: April 15, 1987

Re: CSHB 9 (Fin); Relating to projected operating and maintenance costs of capital improvements.

The passage of CSHB 9 would provide budgetary reform in the drafting of the state's capital budget. This bill would create greater fiscal responsibility in the state by providing legislators with an assessment of the projected operating and maintenance costs of a capital improvement under consideration. CSHB 9 applies only to capital improvements that have been submitted in legislation.

CSHB 9 requires that projected operating and maintenance costs, annualized over the life of the capital improvement, be included in a fiscal note attached to an appropriation bill before the bill is passed out of the first committee of referral. The fiscal note must also include the source of funding for the operating and maintenance costs. CSHB 9 also requires that this information be included in the governor's economic data and projections for use in evaluating the state's capital improvements program.

Under the provisions of CSHB 9, ultimate responsibility for providing the projected O&M costs in the fiscal note resides with the legislator requesting the capital improvement through legislation. Projected O&M costs would be received by asking that this information be provided by the party requesting the capital improvement.

This legislation is not expected to be costly or burdensome to requestors of state grants for capital improvements, and projected O&M costs could be determined at the same time that that the cost is determined for the capital improvement itself. State agencies and some municipalities already provide projected O&M costs in their capital improvement requests.

— 24.08.210)

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Sec. 24.08.030. Appropriation bills. Bills for appropriation shall be confined to appropriations and shall include the amount involved and the purpose, method, manner and other related conditions of payment. (§ 31 ch 157 SLA 1959)

Revisor's notes. — Formerly AS 24.30.030. Renumbered in 1985.

Sec. 24.08.035. Fiscal notes on bills. (a) Before a bill or resolution, except an appropriation bill, is reported from the committee of first referral, there shall be attached to the bill a fiscal note containing an estimate of the amount of the appropriation increase or decrease which would result from enactment of the bill for the current fiscal year and five succeeding fiscal years or, if the bill has no fiscal impact, a statement to that effect shall be attached. The fiscal note or statement shall be prepared in conformity with the requirements of this section by the department or departments affected and may be reviewed by the office of management and budget. The fiscal note or statement shall be delivered to the committee requesting it within five days of the request or within two days if the request is made after the 90th day of a regular session, or during a special session of the legislature. If the bill is presented by the governor for introduction in accordance with AS 24.08.060(b) and the uniform rules of the legislature, the fiscal note or statement shall be attached to the bill before the bill is introduced. An amendment or a substitute bill proposed by a committee of referral that changes the fiscal impact of a bill shall be explained in a revised fiscal note or statement attached to the bill.

(b) In addition to the fiscal note required by this section, the sponsor of a bill or resolution may prepare a fiscal note in conformity with the requirements of this section and submit it to the committee of first referral or the finance committee. A committee may prepare an additional fiscal note in conformity with the requirements of this section.

(c) A fiscal note for a bill or resolution must contain the following information:

(1) the fiscal impact on existing programs;

(2) the fiscal impact of new programs or activities;

(3) a line item detail of the fiscal impact;

(4) the source of funds expected to be utilized by general fund source, federal fund source, or other identified source;

(5) the number of new positions which may be required, identified as full-time, part-time, or temporary;

(6) an analysis of how the figures in the fiscal note were derived;

(7) additional information necessary to explain the fiscal note;

(8) a fiscal impact projection for the current fiscal year and for the succeeding five fiscal years; and

(9) formal information consisting of

(A) the bill or resolution number,

(B) the name of the prime sponsors,

(C) the date the fiscal note was prepared,

(D) the name of the committee requesting the fiscal note,

(E) the name and phone number of the person who prepared the fiscal note, and

(F) the budget request unit, program, or subprogram affected.

(d) The original of a fiscal note shall be submitted to the Division of Legislative Finance and copies shall be sent to the prime sponsor, the committee requesting the fiscal note, and the office of management and budget. (§ 1 ch 153 SLA 1968; am § 1 ch 20 SLA 1972; am § 1 ch 42 SLA 1976; am § 2 ch 60 SLA 1979; am §§ 3, 4 ch 63 SLA 1983)

Revisor's notes. — Formerly AS 24.30.035. Renumbered in 1985.

Effect of amendments. — The 1983 amendment designated the existing language as subsection (a) and added subsections (b), (c), and (d); and in present subsection (a), in the first sentence inserted "or resolution, except an appropriation bill," following "Before a bill" and substituted "current fiscal year and five succeeding fiscal years" for "ensuing fiscal year and at least two succeeding fiscal years", in the second sentence inserted "in conformity with the requirements of this section" and added the language beginning "and may be reviewed", and inserted the present third sentence.

Sec. 24.08.036. Fiscal notes on bills affecting state retirement systems. Before a bill which would have an effect on the retirement systems of the state is reported to the rules committee, there shall be attached to the bill an analysis of the long-term and short-term costs to the state if the bill is adopted, as well as the impact of the bill on the actuarial soundness of the fund. The analysis is in addition to the fiscal note requirements of AS 24.08.035. (§ 2 ch 130 SLA 1977; am § 3 ch 60 SLA 1979; am § 81 ch 6 SLA 1984)

Revisor's notes. — Enacted as AS 24.30.037. Renumbered as AS 24.30.036 in 1977. Renumbered again in 1985.

Effect of amendments. — The 1984 amendment deleted "shall be prepared by the Legislative Board of Retirement Benefits and" following "analysis" in the second sentence.

Sec. 24.08.037. General obligation bond bills. A bill authorizing the issuance of general obligation bonds creating a state debt for capital improvements shall contain a statement of the scope of each project included in the proposed bond issue. The statement shall include a brief description of each capital improvement project, its location, and, in dollars, that portion of the total bond issue to be allocated to the project. (§ 2 ch 70 SLA 1973; am § 30 ch 197 SLA 1975)

Revisor's notes.
24.30.037. Renumber
Cross references
relating to the respo

Sec. 24.08.040
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(§ 32 ch 157 SL

Revisor's notes.
24.30.040. Renumbe

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Revisor's note
24.30.050. Renumb

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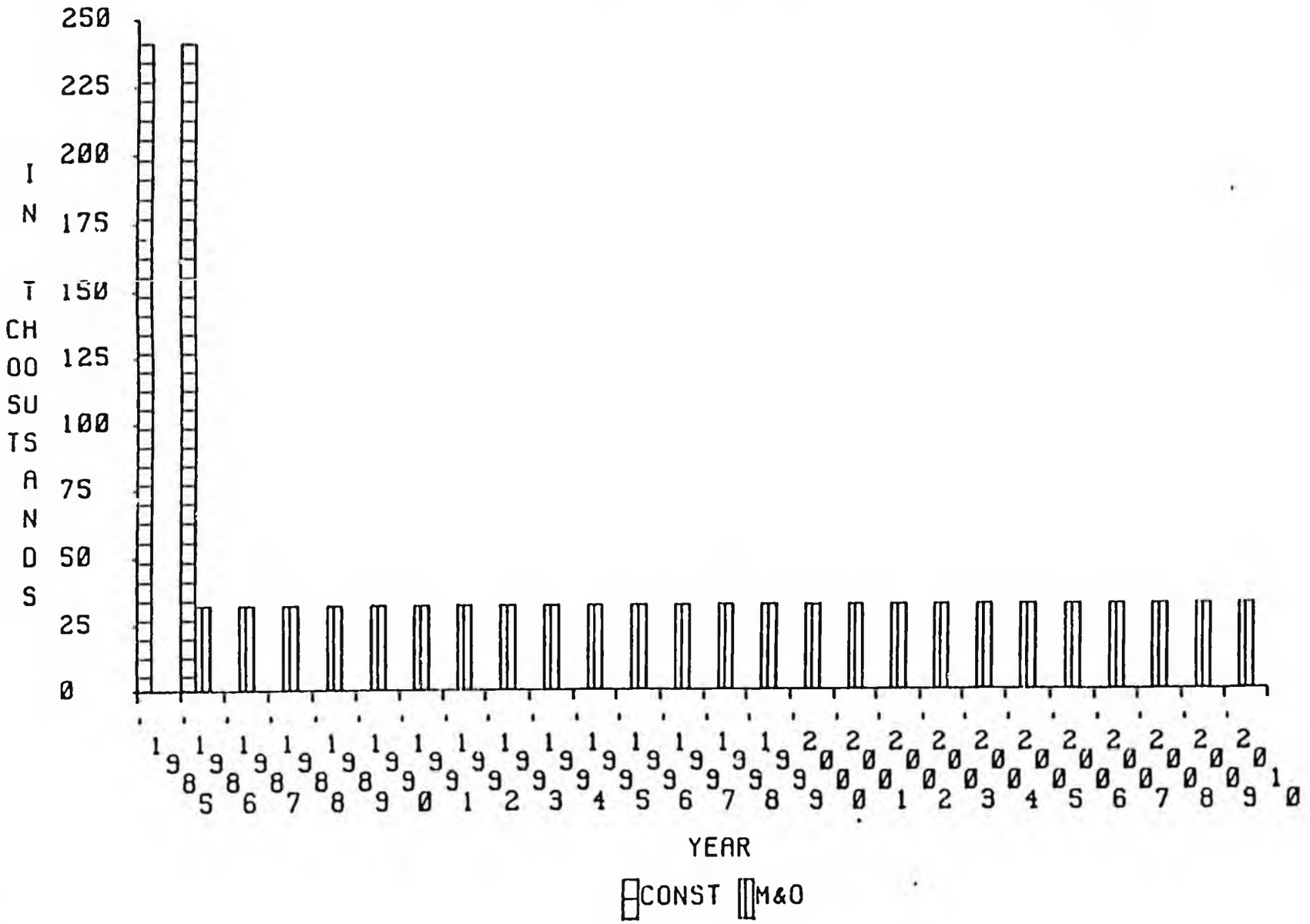
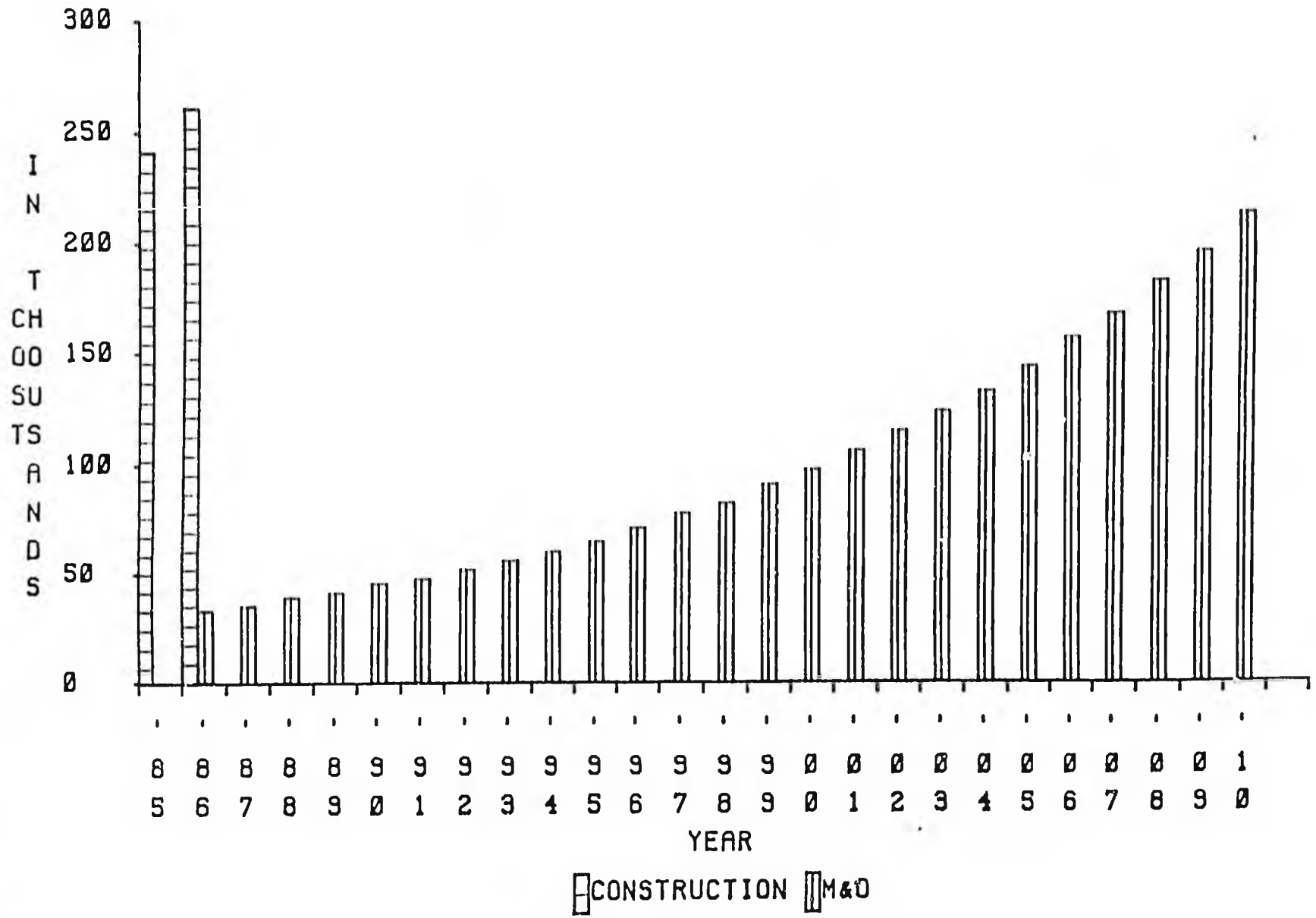
(13) HB4

Handout to CRA Com by A.W. Longacre., DCRA 3/6/87

CONSTRUCTION VS M&O
WITH ZERO INFLATION




COMPARISON OF
CONSTRUCTION VS. M&O
WITH EIGHT PERCENT INFLATION
IN THOUSANDS
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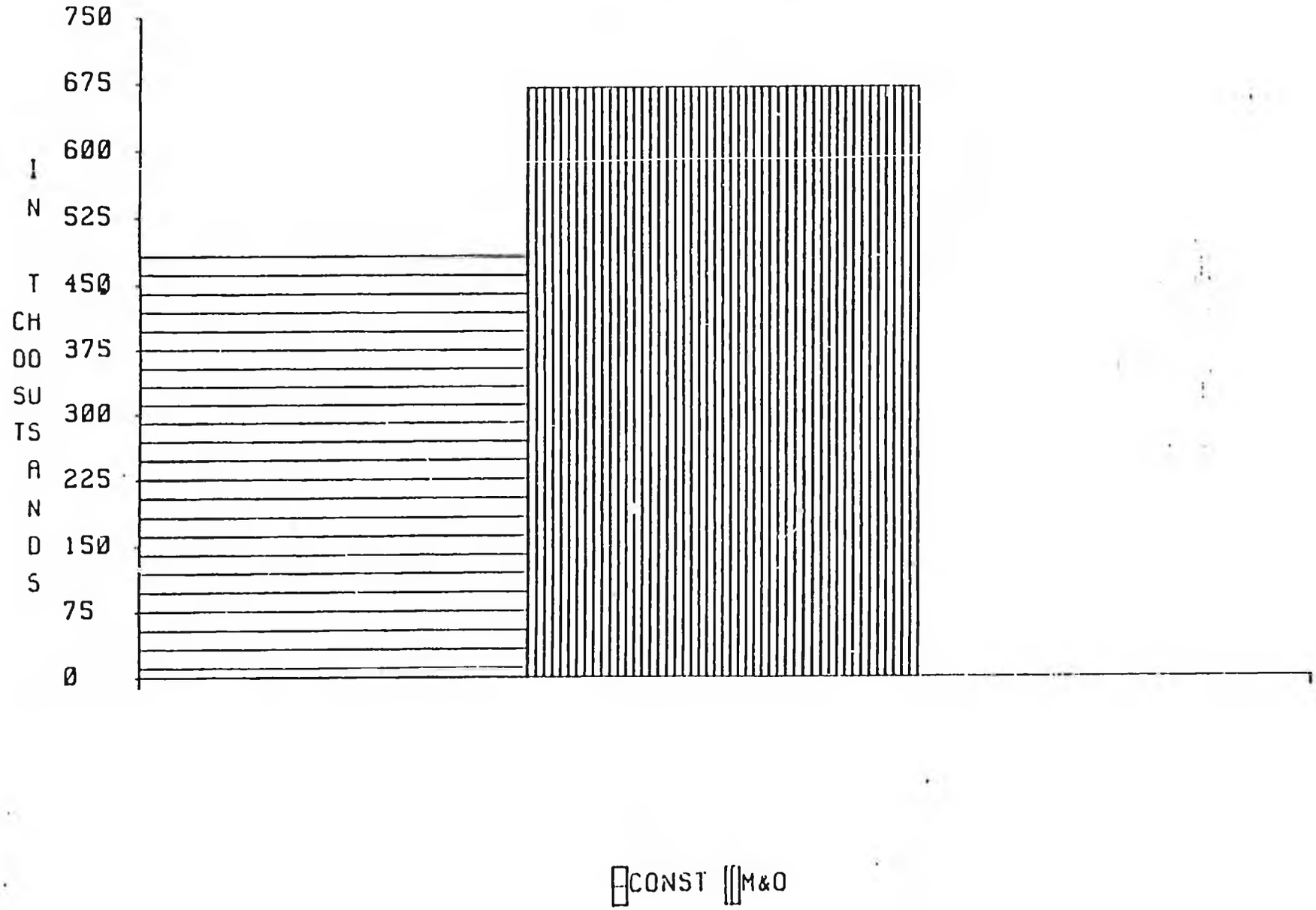
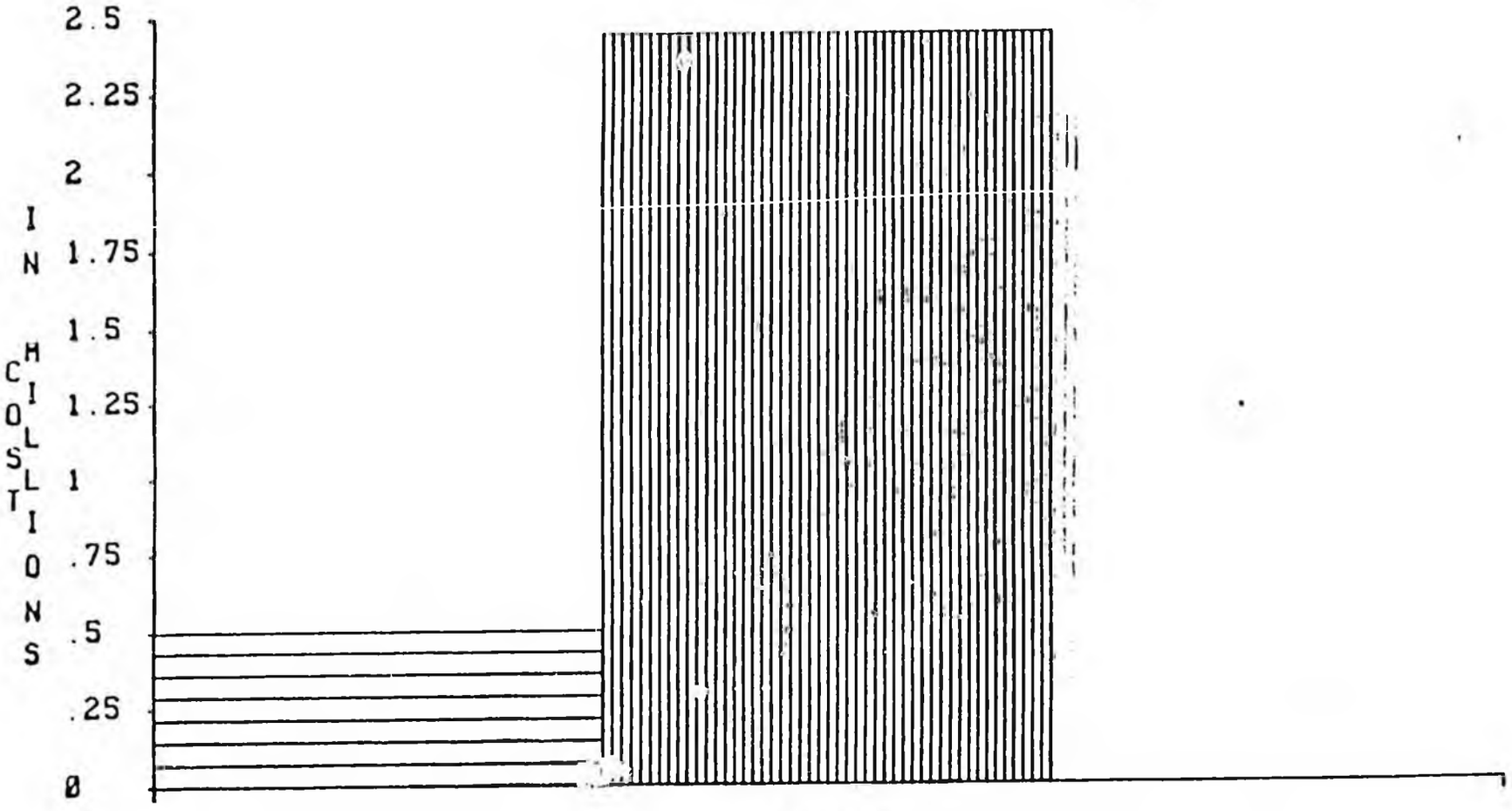
LIFETIME TOTALS
CONSTRUCTION VS M&O
WITH ZERO INFLATION



COMPARISON OF LIFE CYCLE COSTS
CONSTRUCTION VS. M&O
WITH EIGHT PERCENT INFLATION



PROJECT TITLE: AGENCY PRIORITY: ___ ___ OF ___ ___

LOCATION:

ELECTION DISTRICT: FISCAL YEAR: ___ ___ DURATION: ___ ___

APPROPRIATION TO: PROGRAM:

	FUNDING:	CAPITAL REQUEST	REVISED REQUEST	OPERATING COSTS
1002	FEDERAL RECEIPTS			
1003	GENERAL FUND MATCH			
1004	GENERAL FUND			
1005	INTER-AGENCY RECEIPTS			
1028	PROGRAM RECEIPTS			
	TOTALS:			
	POSITIONS (PFT):			

PROJECT DESCRIPTION AND JUSTIFICATION:

LINE (1)

LINE (2)

LINE (3)

LINE (4)

CPI CAPITAL PROJECTS DESCRIPTION

DATA ENTRY WORKSHEET

(6/84)-cp1

WORKSHEET

Page ___ of ___

Revised Date

FY 87

CAPI-02 STATE OF ALASKA -- CAPITAL PROJECT DETAIL

12/19/85 15:45

14 - DEPARTMENT OF TRANSPORTATION/PUBLIC FACILITIES RECORD KEY: 14454D0103 92410729

CLASSIFICATION: 00 000 00 00 LOCATION CODE/PRIORITY: / PROGRAM: HIGHWAYS

PROJECT TITLE	LOCATION	ELECTION DIST	AGENCY PRIORITY	--- PROJECT --- START	DURATION	PFT POSITIONS	BCH
D RICH HWY SHOULDER & WIDEN	FAIRBANKS	18	143	FY87	0 MOS.		

FUNDING	REQUESTED	REVISED	OPERATING COSTS
1004 GENERAL FUND	620.0		18.0
****** TOTAL COSTS	620.0		18.0

JECT DESCRIPTION: APPROPRIATED TO STATE AGENCY

1 WIDEN AND PAVE SHOULDERS FROM APPROXIMATELY 12 MILE VILLAGE TO FLOOD CONTROL PROJECT. THE ROAD IS THE MAIN ROUTE FOR REFINERY TRUCKS AND INTERSECTS WITH THE ACCESS TO THE NEW NORTH POLE HIGH SCHOOL. THIS PROJECTIS SUPPORTED BY THE LOCAL GOVERNMENT.

2 THE CITY OF NORTH POLE HAS EXPERIENCED RAPID GROWTH AND DEVELOPMENT ON BOTH SIDES OF THE OLD RICHARDSON DURING THE PAS 2 YEARS (NORTH POLE REFINERY EXPANSION, NEW HIGH SCHOOL, RESIDENTIAL DEVELOPMENT, ETC). THE EXISTING 20' ROADWAY IS INADEQUATE TO HANDLE THE INCREASED COMMUNITY AND TRUCK TRAFFIC. COMMUNITY AND SAFETY CONCERNS MAKE THIS A HIGH LOCAL PRIORITY.

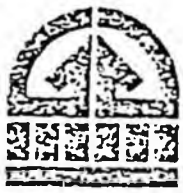
3 THE WIDENED ROADWAY AND FORECASTED TRAFFIC INCREASES ARE EXPECTED TO INCREASE MAINTENANCE REQUIREMENTS ON THIS SECTION

ALASKA LEGISLATIVE PROCEDURES STUDY

FINAL REPORT

Submitted to:

The Joint Special Committee on Legislative Reform



Prepared by the

NATIONAL CONFERENCE OF STATE LEGISLATURES

1125 Seventeenth Street, Suite 1500

Denver, Colorado 80202

May 15, 1983

2. The Alaska Legislature should develop a standard form for capital projects which describes the purpose of and need for each project. A completed form should accompany each proposed capital project and be available for public inspection.

Discussion: In order to make well-informed decisions about capital projects, legislators need detailed information on the purpose of and need for each proposed project. Several legislators expressed frustration over the often inadequate documentation for proposed capital projects--especially local projects.

The standard form should include, at minimum, the following elements:

- Project title
- Project purpose
- Project justification (e.g., needed to protect health or welfare of citizens, to respond to court order, to encourage economic development, etc.)
- Alternative ways of dealing with the problem at hand
- Alternative funding sources if project is not funded
- Estimated capital expenditure requirements over the next five years, by year
- Estimated operating expenses which will be generated by this project, over the next five years, by year

A compendium of the completed capital project forms should accompany the proposed state and local capital budgets when they are taken up for consideration by the finance committees.

3. Legislative Finance Division staff or consultants should be responsible for reviewing all capital project proposals to see if the fiscal notes included are reasonable.

Discussion: In recent years, billions of dollars have been [illegible] by the Alaska legislature from which capital funds [illegible] earlier years. This suggests that capital appropriations were [illegible]

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

April 4, 1983

MEMORANDUM

TO: Representative Hugh Malone

FROM: Jack Kreinheder
Research Staff

RE: Effect of Capital Projects on Operating Budget
Research Request 83-59

Royce Weller of your staff requested that we provide the following information on the effect of capital projects on the State operating budget:

- a general discussion of the responsibility (local vs. State) and operating costs for different types of capital projects, such as schools, roads, and offices;
- an estimate of the increase in the operating budget over the last five years which was caused by new capital projects; and
- an index of operating costs for various types of capital projects on a unit basis, such as per square foot for buildings and per lane mile for roads.

It was not possible, within the research time available for this request, to determine the operating budget impact of all capital projects over the last five years. The section on this topic focuses on four of the State agencies most affected by the operating costs of capital projects, and on debt service for bonded projects. The budget information which was used for the analysis has several limitations which are discussed in that section. If you would like more comprehensive information on the operating costs of capital projects, we may be able to do additional research later this session or during the interim.

RESPONSIBILITY FOR OPERATING COSTS

A considerable portion of State capital spending over the last several years has been in the form of grants to municipalities. In nearly all cases, local governments are responsible for the operation and maintenance of capital projects built with State grants. Thus, from the

State's perspective, the impact of capital spending on the State's operating budget has been much smaller than would have been the case if most capital spending was for projects under State responsibility. Nearly all port and harbor facilities are also operated by municipalities, so that State spending on harbor improvements does not have a direct impact on the State operating budget.

For some types of capital projects, most notably school construction and projects in small communities, the responsibility for operating costs is not clear-cut. In the case of schools, operating and normal maintenance costs are paid, at least initially, by the local school districts and Rural Educational Attendance Areas (REAAs). State education funding under the foundation program is based primarily on attendance (number of students), not on school operating costs. Therefore, when the State builds a school or provides a grant to a municipality to build a school, the district's or REAA's funding is not directly increased to pay the cost of operating the school. In this sense, it is the school districts and REAAs that are directly responsible for operating costs.

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[1] Source: Department of Education 1982 Annual Report.

TYPES OF CAPITAL PROJECTS

It is important to consider the effect of different types of capital projects on maintenance and operations (M&O) costs. A review of the capital budgets enacted by the legislature for the past several years indicated that a large percentage of capital appropriations were improvements or replacements for existing facilities, rather than new projects. Any type of repair or maintenance item of $25,000 or more is usually budgeted as a capital project, rather than as an operating item. Capital improvement projects can increase operating costs if a building is enlarged or a road is widened from two lanes to four, but operating costs can also decline when inefficient, high maintenance buildings and deteriorated roads are replaced or improved.

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OPERATING BUDGET INCREASES RESULTING FROM CAPITAL PROJECTS

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DOT/PF requested a total of about $8.5 million from FY 81 to FY 84 for the operation and maintenance of new capital projects. Table 1 on the following page lists these additional budget requests for each of the four fiscal years. To put this figure in perspective, DOT/PF's FY 83 budget for maintenance and operations is $110.3 million.[2] This indicates that the DOT/PF M&O budget has increased by about 8 percent as a result of capital projects constructed during the last several years.

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[2] This figure excludes M&O costs for the Anchorage and Fairbanks International Airports, which are not funded through the general fund.

Most of these requests for additional M&O funds were for either rural airport improvements or for new road mileage. For example, the FY 83 budget request for the Western region noted that lighting systems, runway extensions, or navigation and communications equipment had been installed at 33 community airports. The FY 82 Interior region budget request stated that 296 lane miles of roads and highways had been added to the regions system since 1979 with only small increases in maintenance funds. A smaller amount of additional funds was requested for building maintenance and operation and for expansion of the design and support staff for capital projects[3]

Division of Corrections

Table 2 contains the amounts requested by the Division of Corrections for new or expanded facilities. These figures include all direct costs of operating and maintaining the correctional facilities, including personnel, the purchase of food and other commodities, and contractual services. The largest budget requests were for the Cook Inlet pre-trial facility ($2.3 million), the Palmer medium security prison ($1.5 million), and the Hiland Mountain expansion ($1.6 million). The Division's FY 83 operating budget is $58.7 million, up from $27 million in FY 80.

TABLE 2

Division of Corrections Additional Budget Requests for Operation and Maintenance of New or Expanded Facilities

FY 84	$3,662,000
FY 83	7,667,000
FY 82	489,000
FY 81	2,360,000
TOTAL	$14,178,000

Department of Fish and Game

The Fisheries Rehabilitation, Enhancement and Development (FRED) Division operates 20 fish hatcheries, as well as engaging in stream restoration, lake fertilization and other activities. The operation of the

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[3] During this period, several million dollars (not included here) was requested for capital project design, support and administration as part of the legislative mandate to convert from capital funding for these positions to funding under the operating budget.

hatcheries requires about $6.7 million out of the Division's total $13.5 million FY 83 operating budget.[4] Of the 20 hatcheries, about 11 have been built since 1978 through general obligation bonds. An approximate estimate of the cost of operating these newer hatcheries would be $3.7 million. The average size of the newer hatcheries is larger than the older facilities, so that the actual operating cost of the newer hatcheries would be somewhat larger than $3.7 million.

The cost of operating the hatcheries at full capacity would be larger than the figures cited above. However, because of budget constraints, the Division is operating several of the hatcheries at reduced levels. The Division has also restricted its other functions because funding for the hatcheries has not kept pace with cost increases.

University of Alaska

Time did not permit a complete review of the budget requests for the University of Alaska. However, it was evident from the two fiscal years which were examined that only a very small percentage of the University's budget requests were for the operation of new facilities. Nearly all of the requests were for new teaching positions or other program-oriented purposes. In addition, several of the requests for the operation and maintenance of new buildings were rejected by the Governor.

For example, $772,000 was requested in the FY 84 budget for operating new buildings at the Anchorage and Juneau campuses, all of which was rejected. It is unlikely that the University would allow the buildings to stand empty, so that the cost of operating these buildings will probably be reallocated from other funds. In FY 82, $517,000 was requested (and approved by the Governor) for new facilities, including the Anchorage Community College aviation complex, a Fairbanks power plant addition, and additions to several community colleges throughout the state.

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[4] Source: Stan Moberly, FRED Division Director, personal communication, 3/31/83.

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MAINTENANCE AND OPERATIONS COST INDEXES

The attached tables include representative maintenance and operations costs for roads and highways, airports, and public buildings. It must be emphasized that the M&O figures, which were provided by DOT/PF, are approximate and are averages. M&O costs for specific facilities can vary considerably depending on location, design, age, level of use, and level of maintenance. It should also be noted that the costs for roads and airports are from a 1981 DOT/PF study; current costs would be about 15 percent higher as a result of inflation.

These M&O figures do not include the non-maintenance personnel costs of operating facilities, for example, teachers' salaries in schools. The staffing levels of schools and other facilities vary considerably in relation to building size, making it inaccurate to use any kind of "positions per square foot" average in determining personnel costs.

Roads

Attachment 1 shows maintenance costs per lane mile per year for eight different types of roads, ranging from 4-lane paved highways to gravel roads less than 20 feet wide. The maintenance costs are also classified by region: Interior, Southcentral, Southeastern, Western and Central (a map of these regions is included on the following page). These costs were compiled by DOT/PF in a 1981 study. The table demonstrates the wide range in maintenance costs both for different types of roads and in different regions. For example, the cost of maintaining 2-lane paved rural primary routes (Type IV) in the Southcentral region is shown as $8,739 per lane mile, compared to only $2,346 per lane mile for gravel secondary roads (Type 6) in the same region. Most of this cost difference is a result of the higher traffic volumes on the primary routes and a higher maintenance level, such as more frequent snowplowing.

The wide spread in maintenance costs in different regions is indicated by the fact that in the Interior region, maintaining a 2-lane paved

rural primary route costs $4,432 per lane mile -- about half the cost for the same road type in the Southcentral region -- while in the Western region the cost for this road type is over $15,000 per lane mile.

Although the large variance in road maintenance costs makes it difficult and somewhat misleading to use a single average figure, a cost of $5,200 per lane mile is often used in DOT/PF budget requests as an indicator of operating costs.

Airports

DOT/PF has also compiled data on the maintenance and operating costs of State-owned airports throughout the state. These costs are summarized in Attachment 2, and are classified for four types of airports and three areas of the state. The airport types, in order of declining size, are: regional center, regional, transport and community. Areas II and III are the same Interior and Western regions used for the information on road costs, while Area I combines the Central, Southcentral, and Southeastern regions. These airport maintenance costs are also for FY 81 and should be inflated by about 15 percent to reflect current costs.

As might be expected, the larger regional airports are considerably more expensive to maintain than the smaller community airports. The average maintenance cost for the regional center airports at the time of the study was about $371,000 per year. Community airports averaged only $14,360 in average maintenance costs. One cost difference which appears unusual at first glance is the much lower cost shown for maintenance of community airports in Area III (the Western region) compared to the rest of the state. One might expect the cost of maintenance to be higher in the Western region because of its remoteness and rugged climate. The most likely reasons for the lower cost shown for the Western region are simply that the airports in many of these communities are very basic, frequently without lighting or communications, and receive very limited maintenance.

It should be noted that an extensive rural airport improvement program has been undertaken over the past several years, and as a result, current maintenance costs are probably somewhat higher (even after adjusting for inflation) than those shown in Attachment 2. Although some airport improvements, such as runway resurfacing, can reduce maintenance costs, other improvements like runway lighting, communications and navigational aids require extensive maintenance to remain operative.

Public Buildings

According to Greg Brown, Acting Statewide Planning Manager for DOT/PF, the annual maintenance and operating cost of a new office building or school in Anchorage or Juneau would probably fall in the range of $6.50-$7.75 per square foot of building space. This cost figure is for an optimum level of maintenance and includes all annual costs such as utilities, insurance, and janitorial service, in addition to periodic repairs to the roof, heating system, and other components.

This cost range was obtained from historical DOT/PF and local government information. Mr. Brown noted that it is difficult to arrive at an average maintenance cost, even for similar buildings, because different agencies include different items as M&O costs, and because different levels of maintenance are used. He emphasized that this cost figure should be used only as a general indicator of potential maintenance and operating impacts, and should not be used for specific projects or in preparing agency budgets.

As noted earlier, M&O costs can vary considerably, even for the same location, depending on type of facility, design, and less-than-optimum maintenance levels. For example, a corrections facility would be much more expensive to maintain than an office facility, because of its full-time occupancy and security requirements. On the other hand, a maintenance shop or storage facility would have lower M&O costs. An older facility will usually have a higher M&O cost per square foot than a new building. Also, it is important to recognize the effect of inflation on future M&O costs. With 10 percent inflation, the total M&O costs over the 30 year life of a building can be over 12 times the original construction cost of the structure.

* * * * *

I hope that this information is useful, and regret that we were not able to provide a more comprehensive response under the time constraints of our current workload. Should you have any questions or need additional research, please do not hesitate to contact us.

JK/sj

Attachments

ATTACHMENT 1

Source: DOT/PF

SUMMARY OF AVERAGE TOTAL MAINTENANCE COST/LANE MILE/YEAR

Including Overhead Costs

Roadway Type	Lane Miles	INTERIOR			SOUTHCENTRAL			SOUTHEASTERN			WESTERN			CENTRAL		
		Maint. Cost	Over-Head (31%)	Total	Maint. Cost	Over-Head (31%)	Total	Maint. Cost	Over-Head (31%)	Total	Maint. Cost	Over-Head (31%)	Total	Maint. Cost	Over-Head (31%)	Total
I	48	18,936	5,870	*24,806	0	0	0	7,760	2,406	10,166	0	0	0	2,928	908	3,836
II	46	4,775	1,480	6,255	0	0	0	4,663	1,446	6,109	0	0	0	2,752	853	3,605
III	24	9,381	2,908	12,289	0	0	0	5,978	1,853	7,831	0	0	0	4,771	1,479	6,250
IV	24	3,383	1,049	4,432	6,671	2,068	8,739	3,638	1,128	4,766	11,764	3,647	15,411	3,198	991	4,189
V	24	2,955	916	3,871	5,683	1,762	7,445	4,624	1,433	6,057	1,592	494	2,086	2,890	896	3,786
VI	32	2,233	692	2,925	1,791	555	2,346	4,344	1,347	5,691	2,074	643	2,717	2,887	895	3,782
VII	16	3,026	938	3,964	3,101	961	4,062	6,125	1,899	8,024	2,811	871	3,682	3,216	997	4,213
VIII	24	1,895	587	2,482	2,291	682	2,883	6,494	2,013	8,507	879	272	1,151	2,611	809	3,420

It has been noted that the $24,806 cost/lane mile shown for Type I roadways located in the Interior Maintenance Region, also described as Area II, can be attributed to the high maintenance costs associated with chain link fencing which existed as a traffic separator on portions of Route 170000 (Parks Highway), during the time period associated with costs shown in this report. The chain link fencing has been replaced with concrete traffic separators which should contribute to reduced future maintenance costs.

ATTACHMENT 2 -- AIRPORTS

TOTAL AVERAGE MAINTENANCE COSTS AND OVERHEAD COSTS

		AREA I[1]	AREA II[2]	AREA III[3]
Regional Center	Maintenance	$301,608	$276,795	$313,392
	Overhead	68,767	87,744	66,062
	Total	$370,375	$364,539	$379,454
Regional	Maintenance	203,384	110,646	153,312
	Overhead	46,372	35,075	32,286
	Total	$249,756	$145,721	$185,598
Transport	Maintenance	60,364	--	22,293
	Overhead	13,763	--	4,704
	Total	$ 74,127	--	$ 26,997
Community	Maintenance	11,403	17,065	5,452
	Overhead	2,600	5,410	1,150
	Total	$ 14,003	$ 22,475	$ 6,602

1. Overhead calculated at 22.8% of maintenance.

2. Overhead calculated at 31.7% of maintenance.

3. Overhead calculated at 21.1% of maintenance.

Source: DOT/PF

Item 7

ALASKA LEGISLATIVE PROCEDURES STUDY

FINAL REPORT

Submitted to:

The Joint Special Committee on Legislative Reform

Prepared by the

NATIONAL CONFERENCE OF STATE LEGISLATURES

1125 Seventeenth Street, Suite 1500

Denver, Colorado 80202

May 15, 1983

2. The Alaska Legislature should develop a standard form for capital projects which describes the purpose of and need for each project. A completed form should accompany each proposed capital project and be available for public inspection.

Discussion: In order to make well-informed decisions about capital projects, legislators need detailed information on the purpose of and need for each proposed project. Several legislators expressed frustration over the often inadequate documentation for proposed capital projects -especially local projects.

The standard form should include, at minimum, the following elements:

- Project title
- Project purpose
- Project justification (e.g., needed to protect health or welfare of citizens, to respond to court order, to encourage economic development, etc.)
- Alternative ways of dealing with the problem at hand
- Alternative funding sources if project is not funded
- Estimated capital expenditure requirements over the next five years, by year
- Estimated operating expenses which will be generated by this project, over the next five years, by year

A compendium of the completed capital project forms should accompany the proposed state and local capital budgets when they are taken up for consideration by the finance committees.

3. Legislative Finance Division staff or consultants should be responsible for reviewing all capital project proposals to see if the fiscal notes included are reasonable.

Discussion: In recent years, millions of dollars have been reappropriated by the Alaska legislature from excess capital funds appropriated in earlier years. This suggests that initial capital appropriations were unnecessarily generous. With revenue projections no where near as rosy as

Alaska State Legislature

Representative Mike Davis District 19

P.O. Box V
Juneau, Alaska 99811
(907) 465-4930/4941

Interim Office
P.O. Box 81435
Fairbanks, Alaska 99708
(907) 456-8161

TO: Rep. Red Boucher, Chairman
House State Affairs Committee
FROM: Rep. Mike Davis
DATE: February 27, 1989
SUBJECT: HB 79: relating to projected operating and maintenance costs of capital improvements

I respectively request that HB 9 be placed on the calendar and heard in the House State Affairs Committee.

The passage of HB 9 would provide legislators and the public with needed information about the operating and maintenance costs of proposed capital projects.

I would be happy to discuss this legislation with you at your convenience.

Item 8

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES
RESEARCH AGENCY

Pouch Y, State Capitol
Juneau, Alaska 99811
(907) 465-3991

April 4, 1983

MEMORANDUM

TO: Representative Hugh Malone

FROM: Jack Kreinheder
Research Staff

RE: Effect of Capital Projects on Operating Budget
Research Request 83-59

Royce Weller of your staff requested that we provide the following information on the effect of capital projects on the State operating budget:

- a general discussion of the responsibility (local vs. State) and operating costs for different types of capital projects, such as schools, roads, and offices;
- an estimate of the increase in the operating budget over the last five years which was caused by new capital projects; and
- an index of operating costs for various types of capital projects on a unit basis, such as per square foot for buildings and per lane mile for roads.

It was not possible, within the research time available for this request, to determine the operating budget impact of all capital projects over the last five years. The section on this topic focuses on four of the State agencies most affected by the operating costs of capital projects, and on debt service for bonded projects. The budget information which was used for the analysis has several limitations which are discussed in that section. If you would like more comprehensive information on the operating costs of capital projects, we may be able to do additional research later this session or during the interim.

RESPONSIBILITY FOR OPERATING COSTS

A considerable portion of State capital spending over the last several years has been in the form of grants to municipalities. In nearly all cases, local governments are responsible for the operation and maintenance of capital projects built with State grants. Thus, from the

State's perspective, the impact of capital spending on the State's operating budget has been much smaller than would have been the case if most capital spending was for projects under State responsibility. Nearly all port and harbor facilities are also operated by municipalities, so that State spending on harbor improvements does not have a direct impact on the State operating budget.

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DOT/PF requested a total of about $8.5 million from FY 81 to FY 84 for the operation and maintenance of new capital projects. Table 1 on the following page lists these additional budget requests for each of the four fiscal years. To put this figure in perspective, DOT/PF's FY 83 budget for maintenance and operations is $110.3 million.[2] This indicates that the DOT/PF M&O budget has increased by about 8 percent as a result of capital projects constructed during the last several years.

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[2] This figure excludes M&O costs for the Anchorage and Fairbanks International Airports, which are not funded through the general fund.

Most of these requests for additional M&O funds were for either rural airport improvements or for new road mileage. For example, the FY 83 budget request for the Western region noted that lighting systems, runway extensions, or navigation and communications equipment had been installed at 33 community airports. The FY 82 Interior region budget request stated that 296 lane miles of roads and highways had been added to the regions system since 1979 with only small increases in maintenance funds. A smaller amount of additional funds was requested for building maintenance and operation and for expansion of the design and support staff for capital projects[3]

Division of Corrections

Table 2 contains the amounts requested by the Division of Corrections for new or expanded facilities. These figures include all direct costs of operating and maintaining the correctional facilities, including personnel, the purchase of food and other commodities, and contractual services. The largest budget requests were for the Cook Inlet pre-trial facility ($2.3 million), the Palmer medium security prison ($1.6 million), and the Hiland Mountain expansion ($1.6 million). The Division's FY 83 operating budget is $58.7 million, up from $27 million in FY 80.

TABLE 2

Division of Corrections Additional Budget Requests for Operation and Maintenance of New or Expanded Facilities

FY 84	$3,662,000
FY 83	7,667,000
FY 82	489,000
FY 81	2,360,000
TOTAL	$14,178,000

Department of Fish and Game

The Fisheries Rehabilitation, Enhancement and Development (FRED) Division operates 20 fish hatcheries, as well as engaging in stream restoration, lake fertilization and other activities. The operation of the

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[3] During this period, several million dollars (not included here) was requested for capital project design, support and administration as part of the legislative mandate to convert from capital funding for these positions to funding under the operating budget.

hatcheries requires about $6.7 million out of the Division's total $13.5 million FY 83 operating budget.[4] Of the 20 hatcheries, about 11 have been built since 1978 through general obligation bonds. An approximate estimate of the cost of operating these newer hatcheries would be $3.7 million. The average size of the newer hatcheries is larger than the older facilities, so that the actual operating cost of the newer hatcheries would be somewhat larger than $3.7 million.

The cost of operating the hatcheries at full capacity would be larger than the figures cited above. However, because of budget constraints, the Division is operating several of the hatcheries at reduced levels. The Division has also restricted its other functions because funding for the hatcheries has not kept pace with cost increases.

University of Alaska

Time did not permit a complete review of the budget requests for the University of Alaska. However, it was evident from the two fiscal years which were examined that only a very small percentage of the University's budget requests were for the operation of new facilities. Nearly all of the requests were for new teaching positions or other program-oriented purposes. In addition, several of the requests for the operation and maintenance of new buildings were rejected by the Governor.

For example, $772,000 was requested in the FY 84 budget for operating new buildings at the Anchorage and Juneau campuses, all of which was rejected. It is unlikely that the University would allow the buildings to stand empty, so that the cost of operating these buildings will probably be reallocated from other funds. In FY 82, $517,000 was requested (and approved by the Governor) for new facilities, including the Anchorage Community College aviation complex, a Fairbanks power plant addition, and additions to several community colleges throughout the state.

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[4] Source: Stan Moberly, FRED Division Director, personal communication, 3/31/83.

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MAINTENANCE AND OPERATIONS COST INDEXES

The attached tables include representative maintenance and operations costs for roads and highways, airports, and public buildings. It must be emphasized that the M&O figures, which were provided by DOT/PF, are approximate and are averages. M&O costs for specific facilities can vary considerably depending on location, design, age, level of use, and level of maintenance. It should also be noted that the costs for roads and airports are from a 1981 DOT/PF study; current costs would be about 15 percent higher as a result of inflation.

These M&O figures do not include the non-maintenance personnel costs of operating facilities, for example, teachers' salaries in schools. The staffing levels of schools and other facilities vary considerably in relation to building size, making it inaccurate to use any kind of "positions per square foot" average in determining personnel costs.

Roads

Attachment 1 shows maintenance costs per lane mile per year for eight different types of roads, ranging from 4-lane paved highways to gravel roads less than 20 feet wide. The maintenance costs are also classified by region: Interior, Southcentral, Southeastern, Western and Central (a map of these regions is included on the following page). These costs were compiled by DOT/PF in a 1981 study. The table demonstrates the wide range in maintenance costs both for different types of roads and in different regions. For example, the cost of maintaining 2-lane paved rural primary routes (Type IV) in the Southcentral region is shown as $8,739 per lane mile, compared to only $2,346 per lane mile for gravel secondary roads (Type 6) in the same region. Most of this cost difference is a result of the higher traffic volumes on the primary routes and a higher maintenance level, such as more frequent snowplowing.

The wide spread in maintenance costs in different regions is indicated by the fact that in the Interior region, maintaining a 2-lane paved

rural primary route costs $4,432 per lane mile -- about half the cost for the same road type in the Southcentral region -- while in the Western region the cost for this road type is over $15,000 per lane mile.

Although the large variance in road maintenance costs makes it difficult and somewhat misleading to use a single average figure, a cost of $5,200 per lane mile is often used in DOT/PF budget requests as an indicator of operating costs.

Airports

DOT/PF has also compiled data on the maintenance and operating costs of State-owned airports throughout the state. These costs are summarized in Attachment 2, and are classified for four types of airports and three areas of the state. The airport types, in order of declining size, are: regional center, regional, transport and community. Areas II and III are the same Interior and Western regions used for the information on road costs, while Area I combines the Central, Southcentral, and Southeastern regions. These airport maintenance costs are also for FY 81 and should be inflated by about 15 percent to reflect current costs.

As might be expected, the larger regional airports are considerably more expensive to maintain than the smaller community airports. The average maintenance cost for the regional center airports at the time of the study was about $371,000 per year. Community airports averaged only $14,360 in average maintenance costs. One cost difference which appears unusual at first glance is the much lower cost shown for maintenance of community airports in Area III (the Western region) compared to the rest of the state. One might expect the cost of maintenance to be higher in the Western region because of its remoteness and rugged climate. The most likely reasons for the lower cost shown for the Western region are simply that the airports in many of these communities are very basic, frequently without lighting or communications, and receive very limited maintenance.

It should be noted that an extensive rural airport improvement program has been undertaken over the past several years, and as a result, current maintenance costs are probably somewhat higher (even after adjusting for inflation) than those shown in Attachment 2. Although some airport improvements, such as runway resurfacing, can reduce maintenance costs, other improvements like runway lighting, communications and navigational aids require extensive maintenance to remain operative.

Public Buildings

According to Greg Brown, Acting Statewide Planning Manager for DOT/PF, the annual maintenance and operating cost of a new office building or school in Anchorage or Juneau would probably fall in the range of $6.50-$7.75 per square foot of building space. This cost figure is for an optimum level of maintenance and includes all annual costs such as utilities, insurance, and janitorial service, in addition to periodic repairs to the roof, heating system, and other components.

This cost range was obtained from historical DOT/PF and local government information. Mr. Brown noted that it is difficult to arrive at an average maintenance cost, even for similar buildings, because different agencies include different items as M&O costs, and because different levels of maintenance are used. He emphasized that this cost figure should be used only as a general indicator of potential maintenance and operating impacts, and should not be used for specific projects or in preparing agency budgets.

As noted earlier, M&O costs can vary considerably, even for the same location, depending on type of facility, design, and less-than-optimum maintenance levels. For example, a corrections facility would be much more expensive to maintain than an office facility, because of its full-time occupancy and security requirements. On the other hand, a maintenance shop or storage facility would have lower M&O costs. An older facility will usually have a higher M&O cost per square foot than a new building. Also, it is important to recognize the effect of inflation on future M&O costs. With 10 percent inflation, the total M&O costs over the 30 year life of a building can be over 12 times the original construction cost of the structure.

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I hope that this information is useful, and regret that we were not able to provide a more comprehensive response under the time constraints of our current workload. Should you have any questions or need additional research, please do not hesitate to contact us.

JK/sj

Attachments

ATTACHMENT 1

Source: DOT/PF

SUMMARY OF AVERAGE TOTAL MAINTENANCE COST/LANE MILE/YEAR

Including Overhead Costs

Roadway Type	Typical Surface Width	INTERIOR			SOUTHCENTRAL			SOUTHEASTERN			WESTERN			CENTRAL		
		Maint. Cost	Over-Head (31%)	Total	Maint. Cost	Over-Head (31%)	Total	Maint. Cost	Over-Head (31%)	Total	Maint. Cost	Over-Head (31%)	Total	Maint. Cost	Over-Head (31%)	Total
I	48	18,936	5,870	*24,806	0	0	0	7,760	2,406	10,166	0	0	0	2,928	908	3,836
II	48	4,775	1,480	6,255	0	0	0	4,663	1,446	6,109	0	0	0	2,752	853	3,605
III	24	9,381	2,908	12,289	0	0	0	5,978	1,853	7,831	0	0	0	4,771	1,479	6,250
IV	24	3,383	1,049	4,432	6,671	2,068	8,739	3,638	1,128	4,766	11,764	3,647	15,411	3,198	991	4,189
V	24	2,955	916	3,871	5,683	1,762	7,445	4,624	1,433	6,057	1,592	494	2,086	2,890	896	3,786
VI	32	2,233	692	2,925	1,791	555	2,346	4,344	1,347	5,691	2,074	643	2,717	2,887	895	3,782
VII	18	3,026	938	3,964	3,101	961	4,062	6,125	1,899	8,024	2,811	871	3,682	3,216	997	4,213
VIII	24	1,895	587	2,482	2,201	682	2,883	6,494	2,013	8,507	879	272	1,151	2,611	809	3,420

* It has been noted that the $24,806 cost/lane mile shown for Type I roadways located in the Interior Maintenance Region, also described as Area II, can be attributed to the high maintenance costs associated with chain link fencing which existed as a traffic separator on portions of Route 170000 (Parks Highway), during the time period associated with costs shown in this report. The chain link fencing has been replaced with concrete traffic separators which should contribute to reduced future maintenance costs.

ATTACHMENT 2 -- AIRPORTS

TOTAL AVERAGE MAINTENANCE COSTS AND OVERHEAD COSTS

		AREA I[1]	AREA II[2]	AREA III[3]
Regional Center	Maintenance	$301,608	$276,795	$313,092
	Overhead	68,767	87,744	66,062
	Total	$370,375	$364,539	$379,154
Regional	Maintenance	203,384	110,646	153,012
	Overhead	46,372	35,075	32,286
	Total	$249,756	$145,721	$185,298
Transport	Maintenance	60,364	--	22,293
	Overhead	13,763	--	4,704
	Total	$ 74,127	--	$ 26,997
Community	Maintenance	11,403	17,065	5,452
	Overhead	2,600	5,410	1,150
	Total	$ 14,003	$ 22,475	$ 6,602

1. Overhead calculated at 22.8% of maintenance.

2. Overhead calculated at 31.7% of maintenance.

3. Overhead calculated at 21.1% of maintenance.

Source: DOT/PF