

**SB**

**149**

**SFIN**

**FILE**

SB 149

was referred to the  
Senate Finance  
Committee

Hearing(s) were held

The bill did not move  
from Committee



Official Business

# Alaska State Senate

## Senate Finance Committee

Mail Stop 3100  
State Capitol  
Juneau, Alaska 99801-1182

### Sponsor Statement – SB 149

This bill provides the statutory authority for a Statewide Transportation Improvement Program and establishes a new Municipal Road Projects Program.

The new Municipal Road Projects Program (MRP) directly awards federal funds to municipalities for re-construction or construction projects that are eligible for federal funding. Priority is given to reconstruction of current state maintained roads when the municipality agrees to accept maintenance responsibility at the completion of the project. This will eliminate some of the project coordination effort currently required by the Department of Transportation. The municipality becomes responsible for all aspects of the project, including the match requirements for the federal funding. This will also reduce road maintenance costs when roads are transferred to a municipality.

This bill sets forth in statute the specific categories and expenditure percentages for each category that will be reported in the Statewide Transportation Improvement Program (STIP). The categories are:

- National Highway System (NHS) = 55%
- Community Transportation (CT) = 36%
- Trails & Recreational Access for Alaska (TRAAK) = 9%

The Community Transportation Program has further subcategories:

- Anchorage Metropolitan Area Transportation Study (AMATS) = 30%
- Remote Roads = 10%
- State Highway System = 15%
- Gravel to Pavement Upgrade\* = 15%
- Reconstruction and Transfer = 10%
- Statewide Competitive = 20%

Senate Finance/Sen. Torgerson

4/15/99

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\* The gravel to pavement program is a four year program and the bill provides for the repeal of that subcategory - the 15% would then be allocated to the Statewide Competitive subcategory, bringing its total from 20% to 35%.



U.S. Department  
of Transportation  
**Federal Highway  
Administration**

Alaska Division

P.O. Box 21648  
Juneau, Alaska 99802

April 22, 1999

HADA-AK

Senate Finance Committee  
Juneau, Alaska

**Re: Federal Highway Administration testimony on SB No. 149**

FHWA has reviewed Senate Bill No. 149 dealing with an act relating to awards of federal funds to municipalities for road projects and to the statewide transportation improvement program. We offer comments as follows:

**Section 1. 19.05.043: "Program Revisions necessary to comply with project funding in an appropriation bill shall be completed by the commissioner and submitted for federal review within 30 days after the effective date of the appropriation."**

Depending upon interpretation, the legislative intent of the above referenced language may not be possible within the metropolitan area of Anchorage and for certain projects in rural non-attainment areas such as Fairbanks and the Mendenhall Valley. Specifically, in the instance of Anchorage, 23 CFR 450 requires that metropolitan TIP priorities dictate the STIP priorities. This is assured by requiring that TIPs be included without modification in the STIP, directly or by reference, once approved by the MPO and the Governor and only after needed conformity determinations are made. Similar provisions apply for regionally significant projects in rural non-attainment areas such as Fairbanks or the Mendenhall Valley. In these areas, projects which add capacity, or significantly change traffic patterns are subject to conformity analysis under the Clean Air Act prior to inclusion in the STIP. Given these constraints, it is unlikely a 30 timeframe can be met for inclusion of "new" projects in these areas, and their inclusion may be impossible if an MPO is unwilling to adopt the project, or the project does not meet conformity tests.

The STIP is also required to be "fiscally constrained" by year and include sufficient financial information to demonstrate which projects are to be implemented using current revenues and which projects are to be implemented using proposed revenue sources while the system as a whole is being adequately operated and maintained. Thus, the addition of projects to a fiscally constrained STIP will require reprioritization which may result in delays to other improvements.

## **Section 1 General: Suballocations**

As written, SB 149 suballocates among a number of transportation project categories. This practice has been found to be acceptable to Federal Highway Administration, however, we discourage the use of suballocations as it can restrict the State's ability to program funds to needed improvements. Under the current Federal program, funds are allocated to the State in a number categories including the National Highway System, the Surface Transportation System, Bridge and others. Federal law, however, provides significant flexibility to transfer between categories. This transferability feature assures that State's can tailor their programs to meet State needs as identified through the Statewide and Metropolitan planning processes.

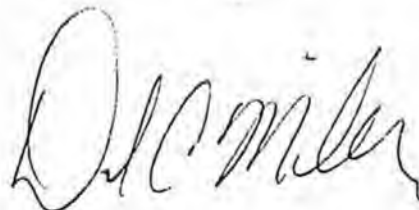
## **Article 4. Awards of Federal Funds to Municipalities for Road Projects.**

Article 4 creates a mechanism under which municipalities may apply for and administer Federal funds for the purpose of road construction. This is acceptable and is specifically allowed under 23 CFR 1.11 (B) which states in part that "The State highway agency may utilize, under its supervision, the services of well-qualified and suitably equipped engineering organizations of other governmental instrumentalities for making surveys, preparing plans, specifications and estimates, and for supervising the construction of any project." Section 1.11 further continues that "The State highway department is not relieved of its responsibilities under Federal law and the regulations in this part in the event it utilizes the services of any engineering organization."

Currently, only Anchorage has been determined to be well qualified and adequately staffed and equipped to conduct Title 23 projects. This is because of a number of factors.

To assure Federal reimbursement, municipalities must be familiar with and comply with all Federal regulations which include Title 23 procurement, the Brooks Act, NEPA, the Disadvantaged Business Enterprise Program, the Uniform Relocation Assistance Act and others. They must further be cognizant of State procedures and agreements which may or may not be codified but include the State's 404/NEPA merger agreement, programming procedures and others. In general, we have found that municipalities lack this specialized expertise and can inadvertently jeopardize participation. In State's which have such programs, FHWA typically finds that SHAs have had to commit significant resources to work with the municipalities to get through what can be a frustrating experience for local governments.

Sincerely yours,

A handwritten signature in black ink, appearing to read "D. C. Miller", written in a cursive style.

David C. Miller  
Asst. Division Administrator

SENATE FINANCE COMMITTEE

SIGN-IN

SB 149-TRANSPORT.PLAN/ROAD MONEY

NAME: David C. Miller, Ast. Division Admin. Subject/Bill No: 149  
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Do you wish to testify?  Yes  No  Respond To Questions  
if requested.

NAME: TOM BRIGAM Subject/Bill No: 149  
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Do you wish to testify?  Yes  No  Respond To Questions  
IF REQUESTED

NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_

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NAME: \_\_\_\_\_ Subject/Bill No: \_\_\_\_\_  
Co./Dept./Title: \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ Zip: \_\_\_\_\_

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