

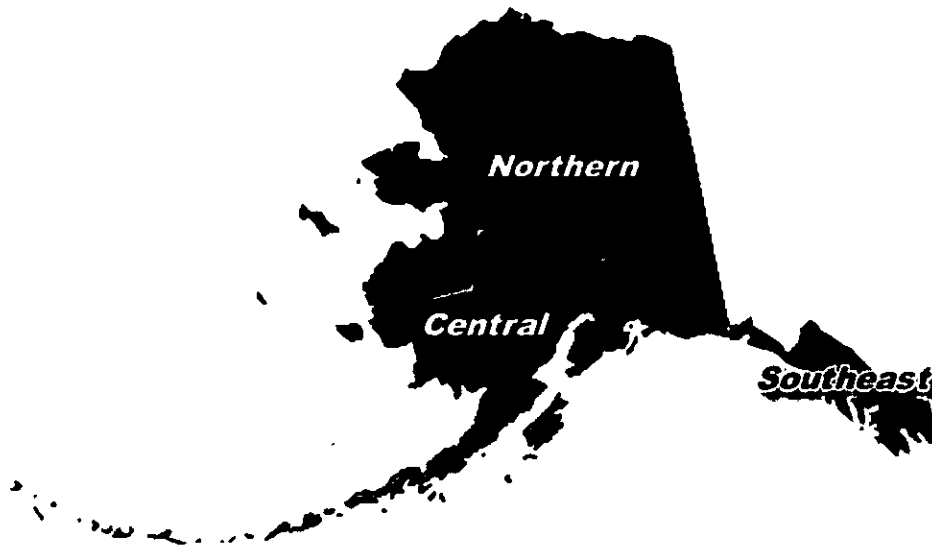
**4/6/10
STATUS
REPORT:
FEDERAL
HIGHWAY
FUNDING**

Economic Stimulus...Putting Alaskans to Work

DOT&PF > Economic Stimulus Projects > Interactive Project Map

Project Map

Choose a region from the map or from the list below to view economic stimulus projects in that area.



Central Region

Highways & Bridges

- Dillingham: Wood River Road
- Glenn Hwy Resurfacing – Airport Heights Drive/Mountain View Drive to Hiland Road Interchange
- Glenn Hwy Resurfacing: Hiland Interchange to Eklutna Interchange
- Glenn Hwy Resurfacing: Milepost 34-42
- Jewel Lake Rd. Resurfacing: Dimond Blvd. - West 63rd Ave.
- King Cove Local Paving
- Kodiak: Rezanof Drive Resurfacing
- Old Glenn Highway Reconstruction Phase II
- Parks Highway Rehabilitation
- Sterling Highway Resurfacing
- Tudor Road-Lake Otis Parkway intersection Improvements
- Whittier: Shotgun Cove Road

Aviation

- Akiachak: Airport Relocation
- Anchorage: AIA Gate N8 Apron Recon
- King Salmon Apron & Taxiway Resurfacing
- Ouzinkie: Airport Relocation

Northern Region

Highways & Bridges

- Alaska Hwy MP1308: Tok Weigh Station Inspection Facilities
- Blueberry Lake Road and Campground Resurfacing
- Denali Hwy: MP 7 Wayside
- Huslia Landfill Road
- Kotzebue: Shore Avenue Reconstruction
- City of Nome Streets Rehab
- Richardson Hwy Re-Paving
- Valdez Bike & Pedestrian Trail Improvements

Aviation

- Allakaket: Airport Improvements
- Fairbanks International Airport Access Control
- Fort Yukon: Airport Improvements
- Huslia: Airport Improvements

Southeast Region

Highways & Bridges

- Gustavus: Causeway Replacement
- Haines Hwy Reconstruction: Front Street to Union Street
- Hoonah: Airport to Ferry Terminal Paving
- Hoonah: Ferry Terminal Improvements
- Ketchikan Water Street Improvements
- Juneau: Glacier Hwy-Egan Drive Resurfacing
- Juneau: Glacier Hwy Reconstruction and Widening
- Ketchikan Tongass Ave. Viaduct Rehabilitation
- North Tongass Highway Rehabilitation

Transit

- AMHS Van Acquisition
- IFA Van & Rescue Boat Acquisition
- Juneau Bus Acquisition
- Juneau: Downtown Transit Center
- Ketchikan Bus Stops/Shelters
- Ketchikan Bus Acquisition
- Sitka: Center for Community-Vehicle Acquisition



DOT&PF Economic Stimulus

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Related Links

- ▶ Recovery.gov: Federal Economic Stimulus Information
- ▶ Federal Highway Administration (FHWA) Economic Recovery
- ▶ FHWA Distribution of Highway Infrastructure Investment Funds
- ▶ FAA ARRA Information
- ▶ Federal Transit Administration (FTA)

PLEASE NOTE: Adobe Acrobat PDF files require a free viewer available directly from [Adobe](http://www.adobe.com).

Transit

- CARTS Van Acquisition
- MASCOT Bus Acquisition
- Mat-Su: Park-and-Ride Lot
- Mat-Su Bus Stops/Shelters
- Mat-Su Van Acquisition



Federal Highway Funding Status Report

April 6, 2010

Report by Alaska DOT&PF

2009 ARRA (Economic Stimulus) Funding

Highway and Bridge

All \$175.5 million in ARRA funds were successfully obligated prior to the March 2, 2010 deadline. Alaska was the 6th state to reach this goal. A total of 30 projects were obligated (for details see our frequently updated web page at: <http://www.dot.state.ak.us/econstim/>). While the initial goal of 100% obligation was successfully met, there is more work to be accomplished. ARRA Highway and Bridge funds that are released due to low bids, or project closeouts must be re-obligated to another project within 60 days or they will lapse. DOT&PF is managing this final step to ensure no ARRA funds are left unused.

Aviation

All \$73.4 million in ARRA Aviation funds were successfully obligated by October 2009. A total of 8 projects were funded. The website noted above contains information about the aviation part of ARRA.

Transit

All \$9.4 million in ARRA Transit funds were successfully obligated by August 2009. A total of 12 projects were funded; 8 for vehicle purchases and 4 involving construction of some kind. The website noted above contains information about the transit part of ARRA.

For all three types of ARRA funding, approximately 25% of the money has been successfully expended on project work to date; most of the remaining 75% will be used during the 2010 construction season. All ARRA projects being managed by the state have been advertised and awarded.

2010 Economic Stimulus Transportation Funding

In December 2009, the U.S. House of Representatives passed a new *Jobs for Main Street* bill that would have provided another round of transportation stimulus funding, equal to the 2009 year. The House bill proposed two deadlines; the first a 90-day deadline to award 50% of the contracts and the second a 365-day deadline to award the remaining 50%. If passed under these terms, this is substantially faster than the 2009 stimulus rules and thus the state strategy was to prepare state projects for the shorter deadline and give communities the longer deadline funds, improving their chances of success.

The U.S. Senate did not take up this bill and instead passed a much smaller stimulus bill know as *Hiring Incentives to Restore Employment Act (HIRE)*. The Senate HIRE Act contained no stimulus funding for transportation projects. In March 2010 the House eventually went along with the Senate version. While there continues to be talk of another jobs bill which would add funding for more transportation

spending, the general consensus is that such a bill is growing less likely with each passing day. There is also discussions that if such a second transportation stimulus were passed, it might be allocated by competition instead of a formula allocation. Thus while a second round of stimulus funding for transportation remains a possibility, it seems increasingly less likely.

2009 Federal Fiscal Year

The end of the 2009 FFY was notable for several events. First, it was technically the last year of the 5-year SAFETEA-LU Act, and this triggered a large rescission of federal funds that had been written into the 2005 legislation. While there were attempts in Congress to cancel the rescission, these eventually failed, and Alaska was required to return \$81 million in federal funds back to the Treasury in the final month of FFY 2009. While the rescission was targeted at apportionment only (not obligation limit) Alaska faced the loss of about \$60 million in actual spendable funds due to low balances of apportionment.

Extra credit goes to the DOT&PF staff who identified a partial "solution" that resulted in about \$45 million of the potential loss of funds being avoided. Their research and hard work meant we actually lost only \$15 million in spending authority rather than the \$60 million first identified.

Another effect of this 2009 rescission was to leave the state with virtually no fund balances of apportionment, which is what establishes the *color* or work eligibility of federal funding. Whereas a normal year-to-year balance might be \$80 million or more, the balance available to the state at the beginning of FFY 2010 was less than \$0.25 million. This is unprecedented, and has made funds management on projects very demanding. As noted in the next section, the combination of little carryover apportionment and delays in allocation of 2010 funding has greatly delayed our delivery of projects in the 2010 federal year.

2010 Federal Funding Situation

Compounding the problem of too little carry over apportionment, was the pattern of continuing resolutions (CR), where Congress would provide funding measured in small fractions of the year. There have been four CR's passed through March 2010 that together provided funding for a total of 5 months. With so little new money on the books, and so little left over apportionment, for several months many projects were required to wait, until sufficient funding of the right *color* was available to proceed to construction. As a result, total obligations through the end of March were less than \$75 million, whereas we have approximately another \$325 million to obligate over the remaining 6 months.

In early-March, as part of the Senate HIRE bill, Congress finally funded the 2010 year for the full 12 months. This was only signed by the President on March 18, and we still have not seen the funding notices that formally notify the state of the funding levels for 2010.

However, our analysis of the apportionment language shows that the state will see a significant increase in regular 2010 formula funding. The amount is about \$150 million above the actual 2009 level and

about \$100 million above the estimate we used for the 2010 STIP. These estimates are approximate, as final notices from FHWA have not yet been received.

This is obviously good news, as we can accomplish more projects. But the new funding is coming with a very short fuse. Federal formula funds lapse at the end of each federal fiscal year. The working deadline for the use of these funds is about the first week of September or just 5 months from now! Thus the only projects that can take advantage of this additional funding are those that are nearly completed with the lengthy federal oversight process.

With a few exceptions the only projects that are far enough along to make this short deadline are those that were selected to use the second round of stimulus funding. Additional capital budget requests to use this federal funding have been forwarded to the Legislature as a 2011 capital budget amendment.
