

State of Alaska
FY2003 Governor's Operating Budget

Department of Transportation/Public Facilities
Northern Region Highways and Aviation
Component Budget Summary

Component: Northern Region Highways and Aviation

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Component Mission

Maintain, protect, and control the state's highway and airport systems.

Component Services Provided

- Winter snow and ice control: snow plowing, snow removal, sanding, de-icing, avalanche control, snow fencing, and culvert thawing.
- Summer maintenance including: grading, pothole patching, crack sealing, leveling of heaves and dips, brush clearing, sweeping, dust control, drainage cleaning and repair, fence and guardrail repair, bridge painting and repair, and sign maintenance.
- Road and airport lighting systems: maintenance of traffic signals, intersection and road illumination, and runway and taxiway lights.
- Roadside litter control and trash removal at rest areas, turnouts and campgrounds.
- Encroachment control on driveways, access roads, signs, utilities, and other State rights-of-way.
- Maintain federally mandated security at State airports, including gates and fencing, security agreements and crash fire and rescue service. This has just been increased due to the terrorist's threats.

Component Goals and Strategies

To maintain and operate Northern Region State highway, airport, and harbor facilities in a manner that allows safe and efficient transportation of passengers and freight.

- Evaluate safety and efficiency of operations through training, communication with the public, and new technology research.
- Monitor and report highway and airport conditions to all users.
- Turn State gravel roads "black" as well as pavement rehabilitation, crack sealing, and overlay projects.
- Provide snow and ice control.
- Continue to repair and replace guardrail throughout the Region.
- Begin to use new technology such as Road and Weather Information Systems to help maintain the highways.
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To safeguard the State's investment in highways, airports, and harbors.

- Provide adequate maintenance by the most productive and cost effective means available.
- Allocate public funds responsibly through the use of private contracts and in-house resources.
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Key Component Issues for FY2002 – 2003

- The key issue continues to be protecting Alaska's investment in its transportation infrastructure. The State's investments in roads, harbors and airports are eroding each year due to insufficient maintenance. As the transportation infrastructure continues to age, M&O is faced with an ever-increasing list of deferred maintenance work. Other demands include increases in the cost of labor, materials, electricity and fuel and the addition of new fees that must be paid to other state and federal agencies; and finally, the increasing burden of new laws and regulations. The M&O budget has not kept up with these increased demands and is inadequate to sustain basic preventative maintenance of our roads and airports. Our list of deferred maintenance items is currently at \$102.2 million for Northern Region Highways and Aviation and it continues to grow.

- Increased costs have been offset to some degree through increased productivity and other efficiencies. They are offset to a large extent by increased use of federal capital funds. General funds for capital improvements have dwindled in recent years to insignificant levels. Highways and Aviation has made maximum use of federal highway & aviation funding to achieve major improvement of road surfaces, which decreases maintenance costs for the short

term. Operating costs, however, have continued to outweigh the sum of our cost reducing efforts, the infusion of capital funds, and our operating revenues. These budget shortfalls have resulted in decreased striping, snow removal and road maintenance activities in outlying areas.

- Airport security is now a major issue following the events of September 11. Requirements for security are changing to comply with FAA-mandated Emergency Amendments to airport security programs. Additional personnel are needed to perform mandated functions such as security management, inspection, law enforcement, access control, parking area and perimeter patrols, and administrative functions. Along with additional personnel, considerable costs will be incurred to provide remote parking areas, security fences, lighting equipment, access controls and additional security vehicles. The Aviation Security Act will help define Federal requirements for added security and specify whether federal funds will be available.

Major Component Accomplishments in 2001

- Applied chip seal, hot mix, or high float asphalt to 174 lane miles of road.
- Covered 154 lane miles with crack seal.
- Paved approximately 8 lane miles of gravel roads.
- Repaired 22 bridges.
- Cut approximately 723 centerline miles of brush and trees along our right-of-ways.
- Coordinated parts delivery with State Equipment Fleet at remote camps by using Maintenance and Operations employees to perform this service.
- The Adopt-a-Highway system continues to grow with new volunteer groups enthusiastically participating in clean up of selected segments of highways. A safety video has been developed. A Policies and Procedures Manual for Adopt-a-Highway programs is currently being developed.

Statutory and Regulatory Authority

AS 02 – Aeronautics
AS 30 – Harbors and Shipping
AS 38 – Motor Vehicles
AS 44 – State Government
AAC 13 – Public Safety
AAC 14 – Public Works
AAC 17 – DOT&PF
CFR 14 – Aeronautics
CRF 23 - Highways

Northern Region Highways and Aviation
Component Financial Summary

All dollars in thousands

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	20,192.8	17,813.3	19,537.8
72000 Travel	537.9	604.6	604.6
73000 Contractual	14,623.8	14,970.9	16,692.4
74000 Supplies	5,936.8	4,436.4	5,568.8
75000 Equipment	164.5	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	41,455.8	37,825.2	42,403.6
Funding Sources:			
1002 Federal Receipts	384.9	461.5	474.2
1004 General Fund Receipts	35,532.1	36,015.5	39,077.8
1005 General Fund/Program Receipts	640.4	787.1	773.1
1007 Inter-Agency Receipts	685.3	332.6	342.3
1026 Highway Working Capital Fund	15.8	15.8	15.8
1053 Investment Loss Trust Fund	72.9	0.0	0.0
1061 Capital Improvement Project Receipts	3,539.3	10.6	1,510.6
1108 Statutory Designated Program Receipts	117.2	202.1	209.8
1147 Public Building Fund	467.9	0.0	0.0
Funding Totals	41,455.8	37,825.2	42,403.6

Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
Unrestricted Revenues						
Unrestricted Fund	68515	11.7	0.0	0.0	0.0	0.0
Unrestricted Total		11.7	0.0	0.0	0.0	0.0
Restricted Revenues						
Federal Receipts	51010	384.9	461.5	461.5	474.2	474.2
Interagency Receipts	51015	685.3	332.6	332.6	342.3	342.3
General Fund Program Receipts	51060	640.4	787.1	787.1	773.1	805.7
Statutory Designated Program Receipts	51063	117.2	202.1	202.1	209.8	209.8
Capital Improvement Project Receipts	51200	3,539.3	10.6	10.6	1,510.6	1,510.6
Restricted Total		5,367.1	1,793.9	1,793.9	3,310.0	3,342.6
Total Estimated Revenues		5,378.8	1,793.9	1,793.9	3,310.0	3,342.6

Northern Region Highways and Aviation

Proposed Changes in Levels of Service for FY2003

Current possible Service changes are:

- 1) Bring Western District's Equipment Fleet under the Wet Rental program, providing for regular routine maintenance.
- 2) Discontinue Sidewalk Snow Removal program if federal funding for this program is reduced or eliminated.
- 3) Discontinue Airport Surface Maintenance program if federal funding for this program is reduced or eliminated.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	36,802.6	461.5	561.1	37,825.2
Adjustments which will continue current level of service:				
-Year 3 Labor Costs - Net Change from FY2002	654.4	12.7	17.4	684.5
-Exchange fund sources for rural airports leasing and maintenance programs	14.0	0.0	0.0	14.0
-Exchange fund sources for rural airports leasing and maintenance programs	-14.0	0.0	0.0	-14.0
Proposed budget increases:				
-Add GF for fuel cost increases	632.4	0.0	0.0	632.4
-Add GF for SEF rate increases	1,636.5	0.0	0.0	1,636.5
-Add GF for increased cost of rural airport maintenance contracts	125.0	0.0	0.0	125.0
-Add CIP Receipt Authority for M&O staff to charge to capital maintenance projects	0.0	0.0	1,500.0	1,500.0
FY2003 Governor	39,850.9	474.2	2,078.5	42,403.6

Northern Region Highways and Aviation

Personal Services Information

	Authorized Positions		Personal Services Costs	
	<u>FY2002</u> <u>Authorized</u>	<u>FY2003</u> <u>Governor</u>		
Full-time	220	233	Annual Salaries	14,110,831
Part-time	91	80	COLA	510,219
Nonpermanent	0	0	Premium Pay	534,776
			Annual Benefits	5,217,310
			<i>Less 4.10% Vacancy Factor</i>	(835,299)
			Lump Sum Premium Pay	0
Totals	311	313	Total Personal Services	19,537,837

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Tech II	0	1	0	0	1
Administrative Assistant	0	5	0	2	7
Administrative Clerk II	0	0	0	1	1
Administrative Clerk III	0	2	0	5	7
Administrative Manager II	0	1	0	0	1
Division Director	0	1	0	0	1
Engineer/Architect III	0	1	0	0	1
Engineering Associate	0	1	0	0	1
Environmental Analyst III	0	1	0	0	1
Equip Operator Foreman I	0	4	0	13	17
Equip Operator Foreman II	0	1	0	4	5
Equip Operator Journey I	0	24	0	20	44
Equip Operator Journey II	0	18	0	118	136
Equip Operator Jrny III/Lead	0	2	0	47	49
Equip Operator Sub Journey I	0	0	0	2	2
Equip Operator Sub Journey II	0	5	0	12	17
Maint Gen Sub - Journey II	0	1	0	0	1
Maint Spec Etrician Journey II	0	1	0	1	2
Maint Spec Tces Jrny II	0	3	0	0	3
Mech Auto Lead/Spec	0	0	0	2	2
Safety Officer	0	1	0	0	1
Secretary	0	1	0	0	1
Stock & Parts Svcs Journey I	0	0	0	1	1
Trans Maint Manager III	0	1	0	1	2
Trans Maint Supt I	0	0	0	1	1
Trans Maint Supt II	0	4	0	4	8
Totals	0	79	0	234	313