

State of Alaska FY2007 Governor's Operating Budget

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

Component: Northern Region Highways and Aviation

Contribution to Department's Mission

Provide an efficient transportation system for the movement of people and goods and the delivery of state services.

Core Services

Control winter snow and ice: snow plowing, snow removal, sanding, de-icing, avalanche and drifting control, ice paving, snow fencing, and culvert thawing. Provide an active avalanche prevention program. Provide statewide winter road and weather reporting on the Internet, the statewide-recorded messaging system, and provide faxes to state troopers, trucking firms, and others.

Perform 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.

Maintain road and airport lighting systems: maintenance of traffic signals, intersection and road illumination, and runway and taxiway lights.

Control roadside litter and carry out trash removal at rest areas, turnouts and campgrounds.

Control encroachment on driveways, access roads, signs, utilities, and other state rights-of-way.

Safely maintain and operate 103 state certificated and non-certificated airports in compliance with state and federal regulations. This includes maintaining security at state airports through access controls, criminal history checks and badging of those with access to restricted areas, security fencing, communications and law enforcement.

Maintain harbor facilities not maintained by local community, including breakwaters, floats, and electrical systems.

Operate the Adopt-a-Highway program.

FY2007 Resources Allocated to Achieve Results

FY2007 Component Budget: \$58,347,100	Personnel:	
	Full time	254
	Part time	77
	Total	331

Key Component Challenges

The primary challenge continues to be protecting Alaska's significant investment in its transportation infrastructure. There is a constant upward pressure on the maintenance budget as the existing transportation infrastructure ages and the public pressure for enhancements to the system increases. Much of Alaska's highway system is growing old, resulting in larger, more complex maintenance projects. Lack of adequate funding over the previous decade has limited the extent of Maintenance and Operations (M&O's) preventative maintenance program resulting in an accelerated deterioration of the existing highway system. Increased traffic volumes are causing faster than expected deterioration and driving up costs around maintenance work sites. New environmental regulations and restrictions require costlier practices and materials.

Other challenges include accommodating increases in the cost of labor and materials. Certain materials such as culverts, signs, and guardrail have increased significantly due to national steel shortages. Additional budget pressure arises from increased electricity and fuel costs as well as the addition of new fees that must be paid to other state and federal agencies. Although the Highways and Aviation (H&A) budget has increased recently, it has not kept up with these increasing demands and is currently inadequate to sustain an acceptable level of basic preventative maintenance of our roads and airports.

M&O is constantly challenged to improve services, save money, and meet ever-increasing customer expectations. Increased costs have been offset to some degree through increased productivity and other efficiencies. M&O has taken advantage of improving technologies to better manage the transportation system in a cost effective and efficient manner. M&O has undertaken a major initiative to implement a new and improved maintenance management system (MMS). A comprehensive MMS will help at all organizational levels to meet the growing challenges. Highways and Aviation has also made maximum use of federal highway and federal aviation major maintenance funding to achieve valuable improvements to road and airport surfaces. Unfortunately these federal funds come with limitations and cannot be used to address all categories of deferred maintenance needs. Federal funding scope limitations and general fund budget shortfalls have resulted in decreased striping, snow removal, and road maintenance activities in outlying areas.

Another significant challenge faced by Highways and Aviation is replacing its aging workforce as large numbers of employees are reaching, or are about to reach, retirement age. Private sector competition and national shortages of qualified and skilled heavy equipment operators will represent a major employee retention and replacement issue for the near future.

Significant Changes in Results to be Delivered in FY2007

Meeting the need to cover increased fuel, utilities, chemicals, commodities, and rural airport maintenance contracts will ensure the existing level of service is maintained.

Increased level of service on the Dalton Highway and at the Trims and Montana Creek maintenance stations will allow the department to improve the safety of our roads and help us preserve our transportation infrastructure.

Major Component Accomplishments in 2005

Applied chip seal, hot mix, or high float asphalt to 124 lane miles of road.

Covered 1,143 lane miles of highways with surface crack seal.

Cut approximately 1,708 shoulder miles of brush and trees along our highway, side road and bike path rights-of-way and 25 acres at 6 airports.

Completed 10 culvert replacements on the upper Steese Highway and approximately 30 culverts in other areas of the Northern Region.

Installed or replaced 12,700 linear feet of guardrail as a safety enhancement for the travelling public throughout the region.

Worked on 17 bridges throughout the region. Work consisted of bridge deck and structural repairs, including bridge rail supports, erosion repair to bridge abutments, spalling concrete, cracks, exposed reinforcing steel on concrete bridge decks and replacement of timbers on wooden decked bridges.

Prepared 2,000 cubic yards of crushed surfacing for Tatitlek airport, and graded, shaped and compacted 72 acres of runway and taxiway surfaces at 13 airports. Applied dust palliative (Permazyme and EK-36) on airport runways at 3 airports, which covered almost 13 acres of runway surfaces.

Implemented fee-based tie down system for assigned parking at 17 airports.

Purchased 5 portable dynamic, remote controlled message boards for deployment throughout the region for improved traffic safety.

Accomplished the installation and implementation of satellite dishes for 15 remote maintenance station computers, in order to bring their Internet connectivity up to a serviceable level for daily intra-district data communication.

Established 12 aggregate crushing contracts for over 103,000 cubic yards of material stockpiles in the Northern Region for current and future surface repairs by federal and state projects.

Re-striped 1,600 centerline miles of highways within Northern Region. Contracted the re-striping of 13 miles of highways, including 1,100 roadway symbols, crosswalks, and 3 major railroad crossings as a safety enhancement within the Fairbanks/North Pole areas.

Responded to catastrophic failure of culverts on Tok Cut-off Highway that closed the road to normal traffic. Performed immediate repairs to open the road and completed permanent repairs to restore highway to original condition.

Responded to emergency road closure at Five Mile Dalton Highway and completed immediate temporary repairs to reopen the Dalton Highway. Completed permanent repairs by installing three six foot diameter culverts.

Contracted the reconditioning and resurfacing of 5.5 miles of the Alaska Highway between the Alaska/Canadian Border and Northway Junction.

Contracted the repair and upgrade of signals at a major intersection in the Fairbanks area to improve traffic flow, including installation of video camera traffic detectors.

Contracted the erosion repairs to the Nome-Council Road in the Safety Sound area, which was the result of storm damage in October of 2004. This included reconstruction of embankment, grade raise and armoring embankment with rip rap.

Contracted the construction of two miles of roadway as a detour for the Emmonak Airport/Clinic Road, which had been destroyed in May 2005 flooding.

Administered the hand clearing of 25 acres of roadside brush along 72 miles of roadway by the Southeast Alaska Guidance Association (SAGA) in the interior and south central areas of the Northern Region.

Contracted the installation of over 900 milepost signs, and more than 100 other (Scenic Byway, 511, and Buckle-Up) signs for modernization of the National Highway System signage in the Northern Region.

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
CFR 49 - Airport Security
CRF 23 - Highways

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Northern Region Highways and Aviation Component Financial Summary

All dollars shown in thousands

	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	22,569.0	26,270.8	28,407.0
72000 Travel	345.4	577.4	593.5
73000 Services	17,239.1	18,364.2	18,837.6
74000 Commodities	7,046.2	8,710.5	10,509.0
75000 Capital Outlay	274.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	47,473.7	53,922.9	58,347.1
Funding Sources:			
1002 Federal Receipts	397.9	535.2	563.1
1004 General Fund Receipts	41,739.8	46,925.6	51,136.7
1005 General Fund/Program Receipts	12.2	33.0	33.0
1007 Inter-Agency Receipts	319.4	382.1	277.4
1026 Highways/Equipment Working Capital Fund	15.8	15.8	15.8
1052 Oil/Hazardous Response Fund	125.0	125.0	0.0
1061 Capital Improvement Project Receipts	3,927.4	4,736.6	5,123.4
1108 Statutory Designated Program Receipts	89.8	231.4	231.4
1156 Receipt Supported Services	846.4	938.2	966.3
Funding Totals	47,473.7	53,922.9	58,347.1

Estimated Revenue Collections

Description	Master Revenue Account	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	397.9	535.2	563.1
Interagency Receipts	51015	319.4	382.1	277.4
General Fund Program Receipts	51060	12.2	33.0	33.0
Statutory Designated Program Receipts	51063	89.8	231.4	231.4
Receipt Supported Services	51073	846.4	938.2	966.3
Capital Improvement Project Receipts	51200	3,927.4	4,736.6	5,123.4
Restricted Total		5,593.1	6,856.5	7,194.6

Estimated Revenue Collections				
Description	Master Revenue Account	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Total Estimated Revenues		5,593.1	6,856.5	7,194.6

**Summary of Component Budget Changes
From FY2006 Management Plan to FY2007 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2006 Management Plan	46,958.6	535.2	6,429.1	53,922.9
Adjustments which will continue current level of service:				
-Mitigate declining Response Fund revenues	125.0	0.0	-125.0	0.0
-Transfer Heating Oil for Snow Removal Equipment Buildings to Facilities	-302.1	0.0	0.0	-302.1
-Transfer funding to NR Construction for region-wide Administrative Clerk	-12.8	0.0	0.0	-12.8
-Transfer I/A to Central Region Facilities for ongoing maintenance activities	0.0	0.0	-125.0	-125.0
-FY 07 Wage Increases for Bargaining Units and Non-Covered Employees	376.0	8.0	99.4	483.4
-FY 07 Health Insurance Cost Increases for Bargaining Units and Non-Covered Employees	41.2	0.9	10.8	52.9
-FY 07 Retirement Systems Cost Increase	697.7	14.7	184.4	896.8
Proposed budget increases:				
-Fuel Price Increase	537.9	0.0	0.0	537.9
-Utility Price Increase	75.7	0.0	0.0	75.7
-Commodity Price Increases	200.0	0.0	0.0	200.0
-Rural Airport Contract Increases	100.0	0.0	0.0	100.0
-Wayside Maintenance	180.0	0.0	0.0	180.0
-Extended Airport Operating Hours at Nome and Kotzebue	85.0	0.0	10.0	95.0
-Alaska Land Mobile Radio (ALMR) Operations	78.3	0.0	0.0	78.3
-Ultra Low Sulfur Fuel Equipment Cost Increase	50.0	0.0	0.0	50.0
-Dalton District Increased Level of Service	1,500.0	0.0	0.0	1,500.0
-Add 3 equipment operators and 1 foreman for Montana Creek and Trims maintenance stations	323.2	0.0	76.8	400.0
-Risk Management Self-Insurance Funding Increase	156.0	4.3	53.8	214.1
FY2007 Governor	51,169.7	563.1	6,614.3	58,347.1

**Northern Region Highways and Aviation
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2006</u> <u>Management</u> <u>Plan</u>	<u>FY2007</u> <u>Governor</u>		
Full-time	248	254	Annual Salaries	16,843,283
Part-time	79	77	COLA	523,041
Nonpermanent	0	0	Premium Pay	1,992,727
			Annual Benefits	10,501,958
			<i>Less 4.87% Vacancy Factor</i>	(1,454,009)
			Lump Sum Premium Pay	0
Totals	327	331	Total Personal Services	28,407,000

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Tech II	0	1	0	0	1
Administrative Assistant	0	5	0	3	8
Administrative Clerk II	0	0	0	1	1
Administrative Clerk III	0	3	0	4	7
Administrative Manager II	0	1	0	0	1
Analyst/Programmer II	0	1	0	0	1
Division Director	0	1	0	0	1
Eng Tech Sub Journey III	0	0	0	1	1
Engineer/Architect III	0	1	0	0	1
Engineering Assistant II	0	1	0	0	1
Engineering Assistant III	0	1	0	0	1
Engineering Associate	0	1	0	0	1
Environ Program Spec III	0	1	0	0	1
Equip Operator Foreman I	0	4	0	11	15
Equip Operator Foreman II	0	1	0	1	2
Equip Operator Journey I	0	19	0	16	35
Equip Operator Journey II	0	26	0	136	162
Equip Operator Jrny III/Lead	0	2	0	46	48
Equip Operator Sub Journey I	0	2	0	5	7
Equip Operator Sub Journey II	0	3	0	7	10
Equipment Operator Foreman I	0	1	0	0	1
Maint & Operations Manager	0	1	0	0	1
Maint & Operations Super	0	3	0	5	8
Maint Gen Sub - Journey II	0	0	0	1	1
Maint Spec Etrician Journey II	0	0	0	2	2
Maint Spec Tces Jrny II	0	3	0	0	3
Mech Auto Lead/Spec	0	0	0	2	2
Regnl Saf&Arpt Sec Off	0	1	0	0	1
Rural Airport Foreman	0	0	0	5	5
Safety Officer	0	1	0	0	1
Secretary	0	1	0	0	1
Totals	0	85	0	246	331