

State of Alaska
FY2007 Governor's Operating Budget

Department of Transportation/Public Facilities
Southeast Region Construction
Component Budget Summary

Component: Southeast Region Construction

Contribution to Department's Mission

Construct safe, reliable, and cost effective highways, airports, harbors, docks, and buildings.

Core Services

Director's Office: Division general management.

Construction Branch: Administers construction contracts, provides field inspection and construction oversight, provides quality assurance that construction documentation and materials are in conformance with contract requirements during construction and closeout of projects, and reports Disadvantaged Business Enterprises/Minority Business Enterprise activity on construction projects.

Contracts Branch: The Construction Contract Unit reviews construction documents, provides bid packages, advertises and awards contracts, prepares certified bid tabulations, and helps resolve bidding disputes. The Professional Services Agreement Unit coordinates, solicits, selects, prepares and administers professional services agreements.

FY2007 Resources Allocated to Achieve Results		
FY2007 Component Budget: \$6,112,300	Personnel:	
	Full time	35
	Part time	27
	Total	62

Key Component Challenges

TEA-21 and SAFETEA-LU have increased the level of Federal Highway Administration (FHWA) funds nationwide, creating competition across the country for trained and experienced engineering personnel. The State's engineer salary level has made it difficult to hire and retain experienced personnel. Although a wage increase in 2000 helped fill entry level positions, we are still having difficulties recruiting and retaining journey level engineers.

SAFETEA-LU was recently passed by Congress, however the impact of it on future funding levels is not fully known at this time. This has created uncertainty in our ability to deliver a transportation construction program and could present unforeseen challenges.

Environmental issues continue to be a challenge. Environmental constraints in our coastal rain forest environment require extreme diligence on the part of our field staff, and complicate nearly every contract modification being contemplated. This results in additional time needed to develop and construct transportation projects.

Significant Changes in Results to be Delivered in FY2007

Additional funding is provided for large, complicated projects such as Gravina Island and Juneau Access.

Major Component Accomplishments in 2005

Received approximately \$88 million in federal highway, federal aviation, general fund, and reimbursable construction authorization in FFY05.

Paid out approximately \$77 million in contractor payments in FFY05.

Completed major road reconstructions in Ketchikan (1 mile), Wrangell (1 mile), Sitka (2 miles), and Skagway (2 miles).

Completed pavement rehabilitations in Ketchikan (7 miles) and Wrangell (1 mile).

Completed major upgrades to two intersections (signalized a 4-way stop in Sitka and installed the Region's first round-about in Juneau).

Completed the rehabilitation of a major bridge in Sitka.

Advanced the Gravina Island Access project as a Design-Build procurement to the Request for Qualifications stage.

Completed major upgrades at the Cordova and Whittier ferry terminals to accommodate the new Fast Vehicle Ferries.

Added security improvements to all ferry terminals.

Completed minor improvements at the airports in Sitka and Gustavus.

Completed a dormitory conversion and a new science classroom wing at Mt. Edgecumbe High School.

Closed out 19 completed construction contracts totaling \$29.7 million in FFY05.

Obtained materials testing certifications for 10 new technicians and engineers, and requalifying 8 technicians and engineers under the Western Alliance for Quality in Transportation Construction program.

Statutory and Regulatory Authority

AS 02 Aeronautics
AS 08 Business and Professions
AS 19 Highways and Ferries
AS 34 Property
AS 35 Public Buildings, Works
AS 36 Public Contracts
AS 44 State Government
USC CFR 14 Aeronautics
USC CFR 23 Highways
USC CFR 41 Contracts
USC CFR 43 Lands
USC CFR 49 Transportation

Contact Information
<p>Contact: Chuck Correa, P.E., Construction Engineer Phone: (907) 465-1795 Fax: (907) 465-2030 E-mail: Chuck_Correa@dot.state.ak.us</p>

Southeast Region Construction Component Financial Summary			
	<i>All dollars shown in thousands</i>		
	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	4,714.9	5,143.1	5,780.1
72000 Travel	62.5	60.0	60.0
73000 Services	257.7	132.2	132.2
74000 Commodities	111.8	140.0	140.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	5,146.9	5,475.3	6,112.3
Funding Sources:			
1004 General Fund Receipts	128.7	140.2	148.0
1061 Capital Improvement Project Receipts	5,018.2	5,335.1	5,964.3
Funding Totals	5,146.9	5,475.3	6,112.3

Estimated Revenue Collections				
Description	Master Revenue Account	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Unrestricted Revenues				
Unrestricted Fund	68515	44.1	35.0	30.0
Unrestricted Total		44.1	35.0	30.0
Restricted Revenues				
Capital Improvement Project Receipts	51200	5,018.2	5,335.1	5,964.3
Restricted Total		5,018.2	5,335.1	5,964.3
Total Estimated Revenues		5,062.3	5,370.1	5,994.3

**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	140.2	0.0	5,335.1	5,475.3
Adjustments which will continue current level of service:				
-FY 07 Wage Increases for Bargaining Units and Non-Covered Employees	2.2	0.0	94.1	96.3
-FY 07 Health Insurance Cost Increases for Bargaining Units and Non-Covered Employees	0.1	0.0	9.4	9.5
-FY 07 Retirement Systems Cost Increase	4.3	0.0	175.2	179.5
Proposed budget increases:				
-Extended seasonal months/increased overtime to maintain federal construction program	0.0	0.0	300.0	300.0
-Risk Management Self-Insurance Funding Increase	1.2	0.0	50.5	51.7
FY2007 Governor	148.0	0.0	5,964.3	6,112.3

**Southeast Region Construction
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	35	35	Annual Salaries	3,127,611
Part-time	27	27	COLA	101,841
Nonpermanent	0	0	Premium Pay	556,677
			Annual Benefits	2,002,892
			<i>Less 0.15% Vacancy Factor</i>	(8,921)
			Lump Sum Premium Pay	0
Totals	62	62	Total Personal Services	5,780,100

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Tech I	0	0	1	0	1
Administrative Clerk III	0	0	2	0	2
Division Director	0	0	1	0	1
Eng Tech Journey	0	0	4	9	13
Eng Tech Sub Journey II	0	0	2	5	7
Eng Tech Sub Journey III	0	0	3	4	7
Engineer/Architect III	0	0	2	0	2
Engineer/Architect IV	0	0	2	0	2
Engineer/Architect V	0	0	1	0	1
Engineering Assistant I	0	0	1	0	1
Engineering Assistant II	0	0	6	0	6
Engineering Assistant III	0	0	7	3	10
Engineering Associate	0	0	4	2	6
Procurement Spec I	0	0	1	0	1
Procurement Spec III	0	0	1	0	1
Procurement Spec V	0	0	1	0	1
Totals	0	0	39	23	62