

# **State of Alaska FY2008 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.

FY2008 Resources Allocated to Achieve Results		
<b>FY2008 Component Budget: \$7,901,000</b>	<b>Personnel:</b>	
	Full time	42
	Part time	27
	<b>Total</b>	<b>69</b>

**Key Component Challenges**

The SAFETEA-LU (Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users) Transportation Act has 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, we are still having difficulties recruiting and retaining engineers.

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 FY2008**

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

**Major Component Accomplishments in 2006**

Received approximately \$68 million in federal highway, federal aviation, general fund, and reimbursable construction authorization in FFY06.

Paid out approximately \$64 million in contractor payments in FFY06.

Completed major road reconstructions in Juneau (6.5 miles), Petersburg (3.5 miles), and Sitka (1.5 miles).

Completed pavement rehabilitation projects in Ketchikan (1.6 lane-miles) and Juneau (14.4 lane-miles).

Constructed 1.8 miles of new two-lane gravel road on Gravina Island.

Replaced a structurally deficient bridge in Petersburg (Ohmer Creek Bridge).

Upgraded minor roads in Juneau (Montana Creek Road, Skater's Cabin Road), Sitka (Tongass Drive, Seward Avenue), and Petersburg (Sandy Beach Road) and turned them over to the local municipality for ownership and maintenance.

Advanced the Gravina Island Access project Preferred Alternative (F-1) as far as possible given the \$195 million shortfall in funding, including securing all environmental permits and initiating the Right-of-Way phase.

Supported the inauguration of the Inter-Island Ferry Authority's northern route by providing oversight of the construction of their second vessel (M/V Stikine), constructing two new ferry terminals (South Mitkof Island, Coffman Cove), and making minor modifications to one existing ferry terminal (Wrangell).

Constructed new seaplane bases in Tenakee and Hoonah.

Completed minor harbor improvements at Tenakee and Excursion Inlet.

Completed a new equipment storage building for Maintenance and Operations in Skagway.

Completed exterior and roof repairs at Mt. Edgecumbe High School.

Closed out 11 completed construction contracts totaling \$22.4 million in FFY06.

Obtained materials testing certifications for 18 new technicians and engineers, and re-qualified 4 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
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### Southeast Region Construction Component Financial Summary

*All dollars shown in thousands*

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	5,236.9	5,780.1	7,465.7
72000 Travel	71.6	60.0	60.0
73000 Services	337.9	212.2	226.3
74000 Commodities	117.4	145.0	149.0
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
<b>Expenditure Totals</b>	<b>5,763.8</b>	<b>6,197.3</b>	<b>7,901.0</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	140.2	148.0	363.9
1061 Capital Improvement Project Receipts	5,623.6	6,049.3	7,537.1
<b>Funding Totals</b>	<b>5,763.8</b>	<b>6,197.3</b>	<b>7,901.0</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
<b>Unrestricted Revenues</b>				
Unrestricted Fund	68515	21.8	30.0	30.0
<b>Unrestricted Total</b>		<b>21.8</b>	<b>30.0</b>	<b>30.0</b>
<b>Restricted Revenues</b>				
Capital Improvement Project Receipts	51200	5,623.6	6,049.3	7,537.1
<b>Restricted Total</b>		<b>5,623.6</b>	<b>6,049.3</b>	<b>7,537.1</b>
<b>Total Estimated Revenues</b>		<b>5,645.4</b>	<b>6,079.3</b>	<b>7,567.1</b>

**Summary of Component Budget Changes  
From FY2007 Management Plan to FY2008 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2007 Management Plan</b>	<b>148.0</b>	<b>0.0</b>	<b>6,049.3</b>	<b>6,197.3</b>
<b>Adjustments which will continue current level of service:</b>				
-Transfer funding for central mail services from Southeast Support Services	5.1	0.0	0.0	5.1
-FY 08 Health Insurance Increases for Exempt Employees	0.1	0.0	0.1	0.2
-Fund Source Adjustment for Retirement Systems Increases	191.5	0.0	-191.5	0.0
<b>Proposed budget increases:</b>				
-Additional positions to support construction of Juneau Access	0.0	0.0	474.3	474.3
-Additional positions to support construction of Ketchikan Gravina Access	0.0	0.0	417.7	417.7
-FY 08 Retirement Systems Rate Increases	19.2	0.0	787.2	806.4
<b>FY2008 Governor</b>	<b>363.9</b>	<b>0.0</b>	<b>7,537.1</b>	<b>7,901.0</b>

<b>Southeast Region Construction Personal Services Information</b>				
<b>Authorized Positions</b>			<b>Personal Services Costs</b>	
	<u>FY2007</u> <u>Management</u> <u>Plan</u>	<u>FY2008</u> <u>Governor</u>		
			Annual Salaries	3,537,939
Full-time	35	42	Premium Pay	909,863
Part-time	27	27	Annual Benefits	3,198,682
Nonpermanent	0	0	<i>Less 2.36% Vacancy Factor</i>	(180,784)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>62</b>	<b>69</b>	<b>Total Personal Services</b>	<b>7,465,700</b>

<b>Position Classification Summary</b>					
<b>Job Class Title</b>	<b>Anchorage</b>	<b>Fairbanks</b>	<b>Juneau</b>	<b>Others</b>	<b>Total</b>
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	6	9	15
Eng Tech Sub Journey II	0	0	1	6	7
Eng Tech Sub Journey III	0	0	3	4	7
Engineer/Architect I	0	0	0	1	1
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	7	1	8
Engineering Assistant III	0	0	6	5	11
Engineering Associate	0	0	5	2	7
Procurement Spec I	0	0	1	0	1
Procurement Spec III	0	0	1	0	1
Procurement Spec V	0	0	1	0	1
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>41</b>	<b>28</b>	<b>69</b>