

# **State of Alaska FY2010 Governor's Operating Budget**

## **Department of Transportation/Public Facilities Planning Results Delivery Unit Budget Summary**

## Planning Results Delivery Unit

### Contribution to Department's Mission

The mission of Transportation Planning is to optimize state investment in transportation by means of data-driven recommendations and meet federal and state requirements through effective data collection, analysis, planning, public involvement and documented decisions.

### Core Services

- Develop statewide and area transportation plans to guide transportation infrastructure development over the next 20 years and fulfill federal and state requirements.
- Coordinate the development, submission, and monitoring of the Needs List (a statewide list of transportation needs), and the federally required Statewide Transportation Improvement Program (STIP), as well as the annual capital budget. Provide key analyses to department management on critical issues regarding capital funding for Alaska's transportation and public facility needs.
- Provide federally required highway data collection and analyses to state, federal and local agencies.
- Provide Geographic Information System (GIS) and Global Positioning System (GPS) data collection and analysis, as well as cartographic and other technical services.
- Develop and maintain the Statewide Transportation Plan and Public Involvement Plan.
- Provide administration of the Scenic Byways Program, Safe Routes to Schools, Federal Transit Program and Federal Railroad Administration grants.
- Provide administration of the Alaska Highway Safety Office and related funding from the National Highway Safety Administration.
- Provide administration of Urban Planning and State Planning Programs, as well as general accounting and administrative support.
- Develop and administer the Strategic Highway Safety Plan.
- Administer planning for resource and community access roads program.
- Develop and maintain the department's financial interaction with the Denali Commission transportation program.
- Oversee the web and phone 511 Highway Information System and the Road Weather Information System.

End Result	Strategies to Achieve End Result
<p><b>A: Access optimal federal funds for highway construction projects.</b></p> <p><u>Target #1:</u> A federally reviewed Statewide Transportation Improvement Plan (STIP) not less than 30 days prior to the federal fiscal year. (Sept. 1). <u>Status #1:</u> Not Available.</p> <p><u>Target #2:</u> Adopt an updated Statewide Long-range Transportation Plan compliant with the new federal-aid highway authorization law, SAFETEA-LU, by July 1, 2007 and every five years thereafter. <u>Status #2:</u> Completed February 29, 2008.</p>	<p><b>A1: Streamline and improve federal-aid funding process.</b></p> <p><u>Target #1:</u> Decrease time needed to process federal-aid agreements and modifications by 10%. <u>Status #1:</u> The processing time for federal-aid agreements and modifications decreased by 7.3% between 2007 and 2008 resulting in a 10.1 day turnaround.</p>
End Result	Strategies to Achieve End Result
<p><b>B: Achieve measurable improvement in highway safety.</b></p>	<p><b>B1: Increase the public's awareness of safe driving habits.</b></p>

<p><b>Target #1:</b> A reduction in the number of fatal and major injury accidents of 1% per year over 5 years.</p> <p><b>Status #1:</b> In 2006 the state experienced 511 fatal and major injury accidents resulting in a 21.74% decrease from the prior year, well below the 5-year average of 673.2.</p>	<p><b>Target #1:</b> Improve voluntary seatbelt use by at least 4% as compared to the 5-year average.</p> <p><b>Status #1:</b> The state experienced a 3.03% increase between 2007 and 2008 in the voluntary use of seatbelts which was surveyed at approximately 84.9%, and is higher than the 5-year average trend of 81.1% between 2004 and 2008.</p> <p><b>B2: Emphasize safety in transportation decision making.</b></p> <p><b>Target #1:</b> A federally reviewed Strategic Highway Safety Plan.</p> <p><b>Status #1:</b> The department completed the strategic highway safety plan according to Federal Highway Administration (FHWA) guidelines.</p>
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### Major Activities to Advance Strategies

- Target driver behavior issues: high-risk youth and young drivers, areas of traffic congestion, seatbelt use, aggressive driving, etc.
- Evaluate any lapses of federal funds and identify the cause. Compare as a percentage of all funds that are administered by the division.
- Create electronic tracking tools to enable a community to follow the history of each project through the STIP process.
- Create an overall communication strategy and related tools to enable faster and more thorough communications of changes occurring in the STIP.
- Provide design/build contract for HAR (highway advisory radio) and VMS (variable message signs) to enhance driver awareness of critical conditions.
- Ensure public awareness of the travel information system to ensure drivers are advised of changing highway conditions.

### FY2010 Resources Allocated to Achieve Results

<b>FY2010 Results Delivery Unit Budget: \$8,877,300</b>	<b>Personnel:</b>	
	Full time	81
	Part time	1
	<b>Total</b>	<b>82</b>

## Performance

### A: Result - Access optimal federal funds for highway construction projects.

**Target #1:** A federally reviewed Statewide Transportation Improvement Plan (STIP) not less than 30 days prior to the federal fiscal year. (Sept. 1).

**Status #1:** Not Available.

**STIP Review Timetable: Plan versus Actual**

Year	Target Date	Actual Date	Deviation from Target
2010	Sept 1, 2008	July 2, 2008	60 days early
2008	Sept 1, 2007	June 27, 2007	34 days early
2006	Sept 1, 2005	Jan 23, 2006	114 days late
2004	Sept 1, 2003	Nov 1, 2003	61 days late

**Analysis of results and challenges:** An approved Statewide Transportation Improvement Plan (STIP) is essential if the state is to have access to federal funds once each federal fiscal year begins. Each STIP has a four year valid life. The target of having the STIP ready for federal review at least 30 days prior to the federal fiscal year beginning provides a cushion to deal with the time necessary for two federal agencies to conduct their reviews and issue letters of approval.

The above goal also ensures the division and regional staff are progressing in the many steps it takes to deliver the STIP. Efforts continue to shave time on the STIP development cycle, a process which has grown unwieldy in recent years.

In August, 2005, Congress passed SAFETEA-LU ("Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users"). Program funds for routine capital needs have decreased significantly in favor of over \$1 billion in earmarked projects, and this fact has been a major challenge for the division and the department-ramping down the regular program while ramping up for all of the earmark projects. In addition, the requirements for planning and public process in the new law have increased dramatically. Faced with additional requirements for involving the public and finer definitions of when STIP amendments are required, we will be spending more time asking for federal approval prior to implementing the STIP and funding projects.

**Target #2:** Adopt an updated Statewide Long-range Transportation Plan compliant with the new federal-aid highway authorization law, SAFETEA-LU, by July 1, 2007 and every five years thereafter.

**Status #2:** Completed February 29, 2008.

**Adoption of Statewide Long-Range Transportation Plan**

Year	Goal	Target Date	Actual Date	Deviation from Target
2007	Commissioner Approval	July 1, 2007	February 29, 2008	8 months

**Analysis of results and challenges:** The federal highway re-authorization law was passed in August 2005 which made sweeping changes to planning processes, apparently to streamline them. However, guidance and proposed regulations issued by Federal Transit Administration (FTA) and Federal Highway Administration (FHWA) are more stringent, complicating the process with more federal requirements and steps. On February 14, 2007 the federal regulations that govern the planning steps required to use federal highway funds were issued. The July 1, 2007 due date for updating the plan became impractical since the release of the relevant rules left only 4.5 months to complete.

On stride to meet the mid-January 2008 date, the deadline was further extended to accommodate the holiday season. Following the extended comment period and several presentations of the 2030 plan to legislative committees, the plan was successfully completed on February 29, 2008.

SAFETEA-LU ("Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users")

**A1: Strategy - Streamline and improve federal-aid funding process.**

**Target #1:** Decrease time needed to process federal-aid agreements and modifications by 10%.

**Status #1:** The processing time for federal-aid agreements and modifications decreased by 7.3% between 2007 and 2008 resulting in a 10.1 day turnaround.

**Days to process federal highway project funding requests**

Fiscal Year	YTD Total	% change from prior year
FFY 2008	10.1	-7.3%
FFY 2007	10.9	18.5%
FFY 2006	9.2	+9%
FFY 2005	8.5	-8%
FFY 2004	9.2	+13%
FFY 2003	8.2	+56%
FFY 2002	5.2	-5%
FFY 2001	5.5	

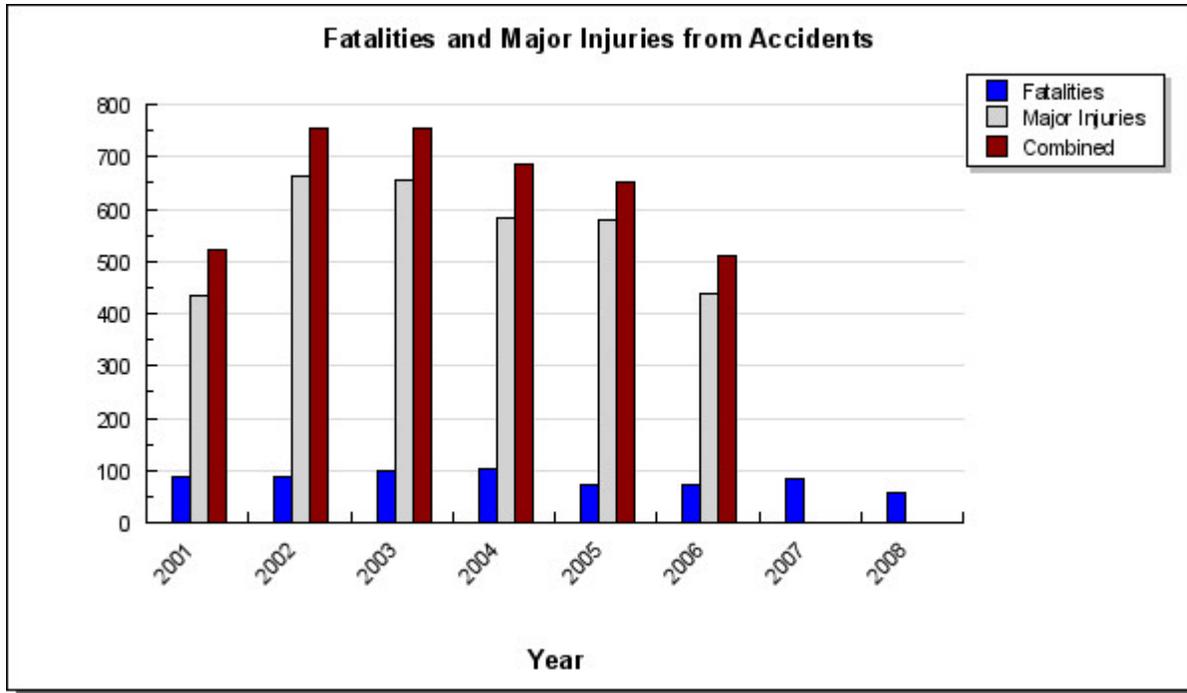
Methodology: Target for FFY09 9.9  
Target for FFY08 8.3

**Analysis of results and challenges:** SAFETEA-LU ("Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users"), the federal-aid surface transportation authorization created a new set of problems for funding projects. First, flexible formula funding decreased, causing much tighter controls on cost increases to existing projects. Regions were required to offset cost increases with like decreases in other projects. Second, earmarks increased from \$68 million over the life of the previous authorization to over \$1 billion in SAFETEA-LU. Many of these earmarks have their own challenges - who is the sponsor, what are the particular program requirements, are the funds to be transferred to another federal agency? These issues have added to the average processing time for projects. In addition, this year the lead processor of federal-aid agreements resigned leaving only one person processing federal-aid agreements for approximately the last three months of the federal fiscal year (FFY). Despite this obstacle we were able to lower our processing time and we are confident that we can lower it further in FFY09.

**B: Result - Achieve measurable improvement in highway safety.**

**Target #1:** A reduction in the number of fatal and major injury accidents of 1% per year over 5 years.

**Status #1:** In 2006 the state experienced 511 fatal and major injury accidents resulting in a 21.74% decrease from the prior year, well below the 5-year average of 673.2.



Methodology: Source of fatalities information: FARS  
 Source of major injuries information: HAS Dataport  
 Major Injuries information for 2007 and 2008 was not available on 12/09/08.

**Fatalities and Major Injuries from Accidents**

Year	Fatalities	Major Injuries	Combined	Variance
2008	57	0	0	0
2007	83	0	0	0
2006	74	437	511	-21.75%
2005	73	580	653	-4.67%
2004	101	584	685	-9.03%
2003	98	655	753	0%
2002	89	664	753	44.25%
2001	89	433	522	0

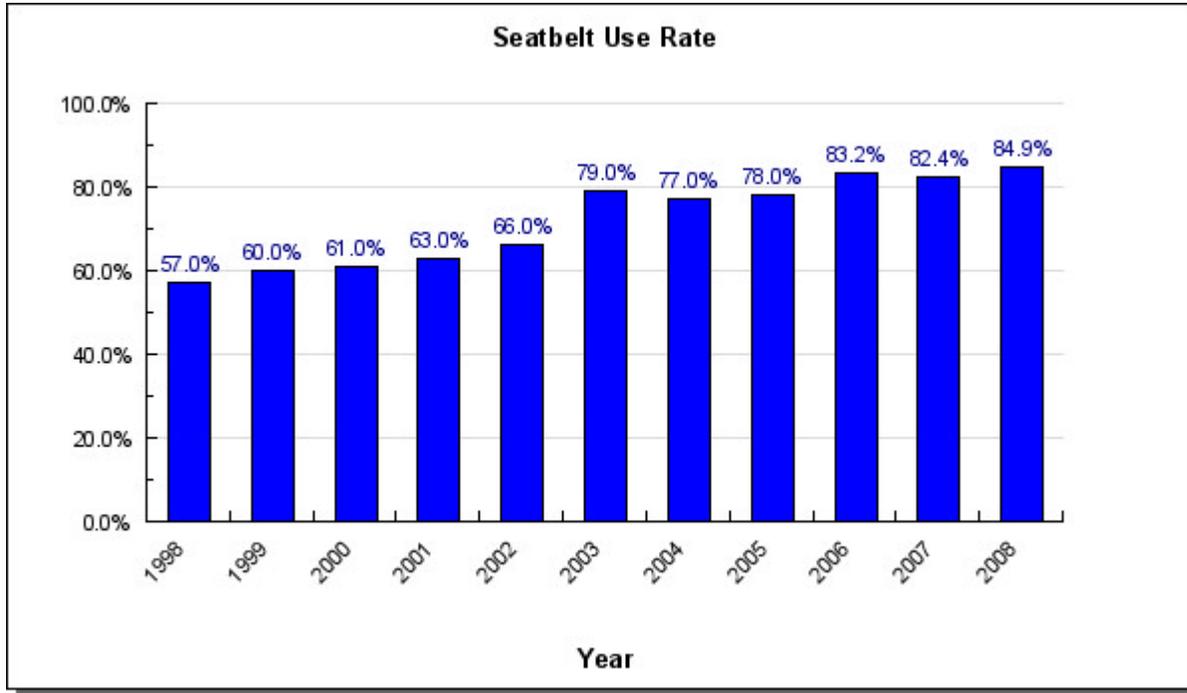
**Analysis of results and challenges:** Fatal and major injury accidents are extremely costly to the individuals involved and society as a whole. Medical costs, lost productivity and the emotional loss are extensive. Society also incurs costs in the form of accident response, public contribution to medical costs and rehabilitation, and even the cost of congestion due to accidents on busy highways. The National Highway Safety Administration estimates the total costs of accidents in Alaska as more than \$500 million annually; the majority of these costs are the result of accidents involving major injuries and fatalities.

A major injury accident is one in which the most serious injury is incapacitating, including amputation, concussion, internal injury, severe bleeding, moderate or severe burns, a fracture or dislocation.

**B1: Strategy - Increase the public's awareness of safe driving habits.**

**Target #1:** Improve voluntary seatbelt use by at least 4% as compared to the 5-year average.

**Status #1:** The state experienced a 3.03% increase between 2007 and 2008 in the voluntary use of seatbelts which was surveyed at approximately 84.9%, and is higher than the 5-year average trend of 81.1% between 2004 and 2008.



Methodology: Target is 4% above 5-year average.

**Seatbelt Use Rate**

Year	YTD Total	Variance
2008	84.9%	3.03%
2007	82.4%	-.96%
2006	83.2%	6.67%
2005	78%	1.30%
2004	77%	-2.53%
2003	79%	19.70%
2002	66%	4.76%
2001	63%	3.28%
2000	61%	1.67%
1999	60%	5.26%
1998	57%	0

**Analysis of results and challenges:** The Alaska Highway Safety Office is required by federal rules to perform a standardized statewide occupant protection survey each year in order to measure the agency's progress toward eliminating motor vehicle injuries and fatalities.

The Alaska Highway Safety Office strives to prevent the loss of life, personal injury, and property damage caused by traffic crashes, and to reduce the resulting economic losses to the residents of Alaska through outreach programs and federally funded highway safety grant projects.

The agency coordinates highway safety programming focused on public education, enforcement, promotion of new safety technology, integration of public health strategies, collaboration with safety and private sector organizations, and cooperation with state and local governments.

Achieving a high rate of seat belt usage is a low cost means of reducing accident severity to drivers and occupants. A new department goal of being among the top ten states for seat belt compliance creates a moving target, since other states are striving to raise their seat belt compliance rate as well. However, by seeking to be among the top ten states, or in the top 20% of all states, Alaska has set a “stretch goal” which is attainable, and will self adjust to the general trend of greater compliance over time. One of the measures that will help to achieve this goal is heightened enforcement; this is being achieved with the decision to fund the new Highway Bureau, a targeted arm of the Alaska State Troopers dedicated to law enforcement on the highway system. Our goal is to be one of the top 10 states in the nation in seat belt usage. Currently, New Jersey is the tenth state in the nation with the highest 5-year average in seat belt usage rate at 86.1%; Alaska’s rate is currently 79.9%.

## **B2: Strategy - Emphasize safety in transportation decision making.**

**Target #1:** A federally reviewed Strategic Highway Safety Plan.

**Status #1:** The department completed the strategic highway safety plan according to Federal Highway Administration (FHWA) guidelines.

### **Timeline to Complete Strategic Highway Safety Plan**

<b>Fiscal Year</b>	<b>Target Date</b>	<b>Actual Date</b>
FY 2007	June 2007	September 2007

**Analysis of results and challenges:** The U.S. Department of Transportation, through several agencies (FHWA, National Highway Traffic Safety Administration, Federal Motor Carrier Safety Administration) is requiring each state highway agency to develop a strategic highway safety plan that follows 22 emphasis areas. Such plans are cross-agency in nature, addressing opportunities to positively influence safety through enforcement, engineering, driver behavior, enforcement of driving laws and other strategies. The Division of Program Development will spearhead this effort, but it will eventually involve participation from a wide variety of other internal and external components that also contribute to highway safety.

The plan was completed and approved by the Federal Highway Administration as of September 2007. This met the legal deadline and ensured the Alaska Department of Transportation and Public Facilities will receive approximately \$9 million in both 2008 and 2009 to help with safety projects.

In September of 2008, the department held a follow-up meeting of those involved in developing the plan both to measure progress to date and to give support to the many different strategies contained in the plan. One interim metric was that highway fatalities for 2008 were on pace for a record low number in the decade. This low pace of highway fatalities has continued and by all trends, will be among the lowest in state history adjusted for traffic volume.

## **Key RDU Challenges**

Passage of the 1991, 1998 and 2005 surface transportation bills, most recently known as the “Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users” (SAFETEA-LU), expanded the requirements to inform and involve the public in development of transportation plans and programs. As a result, the statewide and regional planning staff must participate in a greatly expanded public involvement program that includes holding multiple meetings throughout the region and other outreach communications with local government, tribal organizations and the general public. Planning staff then evaluate and present all projects to a statewide review team that uses a systematic scoring process to identify the highest priority projects competing statewide for federal highway and transit funding. SAFETEA-LU contained a large number of earmarks along with many significant policy and legal standards and requirements attached to the funding.

The next surface transportation bill or reauthorization is due in 2010. Due to the national political campaigns ending in late 2008, very little work has been done by Congress or the Administration on what is normally a 2-year or longer process. While there is much talk about a need to significantly reform the federal transportation program, with emerging ideas ranging from a focus on greenhouse gases and reduced driving to a national evaluation process before any project is funded, the likelihood is that the 2010 year will be a continuation year of SAFETEA-LU, leaving

the task of reauthorization to 2011 or later. Thus, while there is a small chance that 2010 will result in major new transportation legislation, it appears more likely that any radical change will occur after this year.

The other key challenge for planning is the disconnect between what Alaskans desire for their transportation system and what is financially possible with current revenue streams. The 2030 statewide transportation plan used a "bottoms up" methodology to identify the funding needed for all transportation modes and the adequacy of current streams of revenue for both maintenance and operations as opposed to capital expansion and improvements. In a macro view, these funding streams are about one-half of what is actually needed, with the needs most acute in highways, ferries and harbor systems. Much of the problem can be explained by the recent high level of construction inflation, which has been much higher than any period since 1950. In 2008 alone, asphalt cement used in paving runways and roads has risen by more than double. A related issue is the Congressional diversion of funds to an ever broader array of special categories ranging from trails to safety to enhancements. These federal diversions are in most respects mandatory and they result in fewer dollars being available for the core mission.

Yet, there remains a strong public attitude that the problem relates to the decisions on where funding is being used, and less on the inadequacy of available funding. As Planning is a key part of the department's communication and outreach, the task of communicating falls heavily on this component.

New federal planning regulations issued on February 14, 2007, dictate the need for changes in the state planning regulations. These regulations emphasize visualization tools to communicate the status of funding and projects in development, and impacts to the overall program when project costs increase and schedules change resulting in a shuffling of projects. Implementation of the new planning regulations increased the number of minor amendments (now called "administrative modifications") to adjust the STIP without causing delays in project delivery. The number of amendments (both minor and major) is expected to increase as fund sources or schedules change to meet project delivery. The number of changes will continue to be exacerbated by high bids and skyrocketing construction costs that reduce the spending power of the limited federal dollars.

The Division of Program Development along with the regional planning units will be completing work on the long-range transportation plan for Interior Alaska and a reevaluation of the Southwest Alaska transportation plan. These plans develop the 20-year transportation investment strategies for road, ferry, rail and air modes using extensive local public involvement. A new Surface Transportation Improvement Program (STIP) for the years 2010 to 2013 is also under development and will be the first STIP prepared under the more demanding federal regulations enacted in 2007. Preparatory to this effort is a review of the scoring criteria and state governing regulations.

Two major federal issues will strongly impact the development of the new STIP. First, an essential input to the process is a best estimate of future federal funding. The division is facing virtually no real information as to what this funding level would yield to the state. With no work on reauthorization yet complete and widely diverging ideas of how the surface transportation program should be reformed, we are entering an era with almost a complete lack of foundational information upon which to build an estimate. This means the STIP may need subsequent modification to reconcile what we eventually use as an estimate with the ultimate outcome in the legislative process.

A second major issue is an updated Federal Highway Administration (FHWA) policy regarding projects known as "time traps". In June 2008 the FHWA issued new guidance regarding a provision of federal law that requires that all projects using federal funds must be completed within a given time frame or the state must reimburse the federal treasury for the funds used on incomplete projects. Of utmost importance, unlike the past interpretation, the new policy lacks any relief for projects that fall out of favor or simply become too expensive. A review of what this policy means to the large number of started but not yet completed projects is underway. At a minimum we would expect it will be a major "driver" focusing limited federal funds on those projects which are past the time trap due date.

The department must demonstrate it has adequate land interests at the airports before federal funds can be used to purchase equipment (10 years), replace buildings or improve the airports (20 years). The department has insufficient land interests at many rural airports where existing leases are expired or nearing expiration. Planning staff is facilitating resolution of this issue through its coordination with the Right-of-Way and Design Sections.

Significant inflation and a leveling in the amount of available federal Airport Improvement Program (AIP) funding to the state has resulted in a decrease in the number of projects that can be accomplished each year. In addition, several Alaskan airports are in need of basic improvements that are either ineligible for, or do not compete well for AIP funding. To help bring the state's airport system up to minimum design standards and to meet forecasted demand,

additional sources of financing is needed that incorporate participation from the Denali Commission, local governments, regional economic cooperatives and the private sector.

### Significant Changes in Results to be Delivered in FY2010

No significant changes are anticipated.

### Major RDU Accomplishments in 2008

- Completed multiyear, federally required, major amendment #17 to the Statewide Transportation Improvement Program (STIP) for 2006 to 2009.
- Completed the first annual review of the multi-agency Strategic Highway Safety Plan which resulted in significant highway safety dollars being available to the state. The Strategic Highway Safety Plan successfully finished its first year as measured by the decline in traffic fatalities and increased use of seat belts.
- Received a much improved audit of the Highway Safety Office by the lead federal agency, National Highway Traffic Safety Administration (NHTSA).
- Further maintained seatbelt usage and traffic enforcement statewide through safety education programs.
- Completed and submitted all required federal highway and aviation reporting to permit continued funding to the State of Alaska.
- Completed a new tool that provides up to 1,200 digital photographs of each mile of the state highway network, accessible over the web.
- Successfully obligated all bridge funds enabling the Tanana River Bridge project to go to bid this winter. This project is one of the major infrastructure improvements to Alaska necessary for the natural gas line to be constructed.
- Despite additional process requirements to obligate federal aid funds, core program funds were allocated to projects without the loss of any federal funds or project delays.
- Seat belt usage increased from 82.4% in 2007 to 84.9% in 2008.
- Between 2006 and 2008, fatal and major injury crashes dropped by 77% on the Seward Highway and 37% on the Parks Highway, Alaska's two designated safety corridors.
- Updated the Fairbanks Metropolitan Area Transportation Improvement Program and established an independent coordinator position outside of the Department of Transportation and Public Facilities which allowed us to shift planning resources to gas line infrastructure preparation. Major improvements on the Dalton, Richardson and Alaska Highway corridors for gas line construction were identified and prioritized.
- Initiated the Western Access Planning Study to study road corridors to western Alaska from the contiguous highway system.

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**Planning**  
**RDU Financial Summary by Component**

*All dollars shown in thousands*

	FY2008 Actuals				FY2009 Management Plan				FY2010 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
<b>Formula Expenditures</b> None.												
<b>Non-Formula Expenditures</b>												
Program Development	126.5	0.0	3,368.4	3,494.9	347.5	0.0	3,937.5	4,285.0	400.3	0.0	4,177.2	4,577.5
Central Region Planning	94.3	0.0	1,597.4	1,691.7	108.1	0.0	1,669.0	1,777.1	119.4	0.0	1,724.8	1,844.2
Northern Region Planning	12.9	0.0	1,512.1	1,525.0	112.9	0.0	1,606.8	1,719.7	129.9	0.0	1,717.1	1,847.0
Southeast Region Planning	4.0	0.0	516.7	520.7	15.1	0.0	530.2	545.3	15.1	0.0	593.5	608.6
<b>Totals</b>	<b>237.7</b>	<b>0.0</b>	<b>6,994.6</b>	<b>7,232.3</b>	<b>583.6</b>	<b>0.0</b>	<b>7,743.5</b>	<b>8,327.1</b>	<b>664.7</b>	<b>0.0</b>	<b>8,212.6</b>	<b>8,877.3</b>

**Planning**  
**Summary of RDU Budget Changes by Component**  
**From FY2009 Management Plan to FY2010 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2009 Management Plan</b>	<b>583.6</b>	<b>0.0</b>	<b>7,743.5</b>	<b>8,327.1</b>
<b>Adjustments which will continue current level of service:</b>				
-Program Development	21.7	0.0	86.4	108.1
-Central Region Planning	11.3	0.0	55.8	67.1
-Northern Region Planning	17.0	0.0	25.3	42.3
-Southeast Region Planning	0.0	0.0	63.3	63.3
<b>Proposed budget increases:</b>				
-Program Development	31.1	0.0	153.3	184.4
-Northern Region Planning	0.0	0.0	85.0	85.0
<b>FY2010 Governor</b>	<b>664.7</b>	<b>0.0</b>	<b>8,212.6</b>	<b>8,877.3</b>