

Summary of Alaska DOT&PF Process to Develop a Financial Plan

Note to FHWA: This methodology will be used in the development of the agency's final TAMP and subsequent TAMP updates. DOT&PF will work to formalize this process during development of the final TAMP.

The Department will assess funds available for the National Highway System (NHS). This will include an analysis of federal National Highway Performance Program (NHPP) apportionments, state matching funds, and other state or federal funds that are reasonably expected to be available over a ten year period. The Department will display funds available by fund type.

Assumptions:

NHPP apportionment: FFY2018 NHPP apportionment after set-asides and penalties, 2% annual growth. Includes NHPP Freight and Exempt. *(This is a conservative assumption, because assumes growth keeping pace only with inflation)*

State matching funds: Equal to NHPP Funds apportionment divided by .9097. (This assumes a match ratio of 9.03%, which is most common). *(This is a generous assumption, because some NHPP funds being 100%)*

Other state or federal funds reasonably expected to be available: Limited to those included in the current approved STIP. *(This is a conservative assumption, because other funds may become available in the beyond STIP years)*

Obligation Limitation: Over a four year period, 100% of NHPP funds will be used (other funds would be allowed to lapse), therefore 100% of NHPP funds will be assumed to be available to the NHS annually with regard to the TAMP financial plan. No obligation limitation will be factored in. *(This is a generous assumption, because sequestration may still occur).*

Total funds available to the NHS: The total of NHPP funds, state matching funds, and other state or federal funds reasonably expected to be available.

Funds needed for planning, ITS, ferry boats, and similar NHS needs that do not impact pavement or bridge conditions will be deducted from the total funds available to the NHS. The remaining funds will be available for projects that result in construction projects and can be categorized into the five work types as defined below.

Initial Construction: Includes all projects in the STIP coded to work type New Construction. New Construction is used for projects that construct new roads, new interchanges, or add capacity by constructing new lanes. Passing lanes are not considered added capacity.

Maintenance: Includes all force account work completed by the regions and Need ID 11439 Whittier Tunnel Maintenance and Operations.

Preservation: Includes each region's Pavement and Bridge STIP Need IDs (18922, 18923, 18924) with the amount needed for maintenance work deducted. The bridge and pavement management systems will aid staff in the evaluation and selection of road segments or bridges for optimal preservation treatment and timing.

Rehabilitation: Includes all STIP projects coded to work type System Preservation and Bridge Rehabilitation with the amounts needed for preservation work deducted.

Reconstruction: Includes all STIP projects coded to work type Reconstruction and Bridge Replacement.

The Department will maintain a 10-Year Extended Statewide Transportation Improvement Plan (STIP) for allocation of funds available by work type for asset management and performance management. The Extended STIP will be informed by the current approved STIP, project delivery schedules, Planning Chief meetings and Capital Program Review Team (CPRT) meetings. Additionally, Pavement Management System (PMS) and Bridge Management System (BMS) will increasingly, over time, influence the prioritization of projects and allocation of funds to specific work types to further asset management goals.

The Extended STIP will be used to estimate the cost of expected future work, by work type, to implement investment strategies contained in the asset management plan, by State fiscal year and work type (23 CFR 515.6(d)(1)). Most of the Department's capital program planning is by Federal fiscal year due to the state's reliance on federal funds. To meet the regulation for State fiscal year, an assumption will be made that the total funds available to the NHS are the same for a State fiscal year as they are for a Federal fiscal year. This assumption is sufficient given that there will remain 12 months represented and a similar amount of work will be obligated within the State fiscal year (July 1st to June 30) as would be within the Federal fiscal year (October 1st to September 30th). For the Consistency Review, the Department will present both years of the STIP that span the State fiscal year and show that there is alignment between actual and planned levels of investment.