

2016-2019 STIP Surface Transportation Funding Sources

Funding available to the state comes from several funding agencies, most notably the Federal Highway Administration and Federal Transit Administration. The state receives several categories of funding from each of these agencies. Each category (often referred to as fund codes) have distinctive rules for project eligibility, match ratios, and other programming factors. The following descriptions address the most significant of these categories, called apportionments.

In the project tables we've identified tentative apportionment designations for each proposed project. These apportionment assignments are estimates and are subject to change. The following paragraphs describe the apportionment categories, eligible project types, apportionment code and the ratio of federal funds. The proportion not paid by federal funds is the state, local or third party match.

Fund Code Descriptions

3PF (Third Party Funds) – Funding contributed by parties other than the State usually to provide required matching funds.

AC (Advance Construction) – An innovative financing tool permitted under FHWA rules that, with approval of the FHWA, allows the state to begin a project using state funds prior to the availability of federal funds. This tool allows the state flexibility to use its resources to more efficiently schedule project start-ups.

ACC (Advance Construction Conversion) – Accounting tool to track the repayment of state funds used to begin a project prior to the availability of federal funds.

BOND (Bonds) – Funding generated by the sale of bonds by the state.

CMAQ (Congestion Mitigation/Air Quality) – These funds are for projects that can be proven to reduce traffic congestion and/or improve air quality in federally designated non-attainment areas. Projects such as park and ride lots, transit bus replacement, vehicle inspection and maintenance program improvements, signal coordination, ride sharing, and paving for dust control qualify for these funds. The federal funds ratio varies and is either 90.97% or 100% depending upon the specific category of work.

CMAQ-M (Congestion Mitigation/Air Quality-Mandatory) – This fund code is very similar to the CMAQ fund code listed above, but has slightly more restrictive eligibility requirements.

CST (Cruise Ship Tax) – Proceeds from the state tax on cruise ship passengers available to use on projects that support cruise operations.

DBE (Disadvantaged Business Enterprise) – A program to ensure equal opportunity in transportation contracting markets, addresses the effects of discrimination in transportation contracting, and promotes increased participation in federally funded contracts by small, socially and economically disadvantaged businesses, including minority and women owned enterprises. The statute provides that at least 10% of the amounts made available for any Federal-aid highways, mass transit, and transportation research and technology program be expended with certified DBEs.

E330 (Section 330 Earmarks) – In the Federal FY 2003 Consolidated Appropriations Resolution, PL 108-7, section 330 of Division I, dealing with Transportation Appropriations, Congress earmarked funds for projects in Alaska. These funds are not available for other projects. The federal share is 100%

EMFX (Earmark Flexible) – Section 186 of the FFY 2006 federal appropriations bill changed the availability of several deductive and non-deductive earmarks for the Knik Arm and Gravina Island bridge projects, allowing the state to use them for any eligible purpose. The match ratio is determined by the type of project funded from this source.

ER (Emergency Relief) – Funds available for the repair of Federal-aid highways or roads on Federal lands that have been seriously damaged by natural disasters over a wide area or by catastrophic failures from an external cause.

FBF (Ferry Boat Formula Funds) – Under MAP-21, Ferry Boat Formula Program funds are distributed to eligible entities based on the number of passengers carried (20%), vehicles carried (45%), and total route miles (35%). Eligible entities are determined in accordance with 23 U.S.C. 129(c). Funds are available until expended. Projects must be for the construction or improvements to ferryboats or ferry terminal facilities. The federal funds ratio is 80%.

FLAP (Federal Lands Access Program) – Provides funds for projects on federal lands access transportation facilities. These facilities are defined as: a public highway, road, bridge, trail, or transit system that is located on, is adjacent to, or provides access to Federal lands for which title or maintenance responsibility is vested in a state, county, town, township, tribal, municipal, or local government.

HIPR (High Priority 1602) – In TEA-21 section 1602, Congress earmarked funds for over 1,800 projects in many states. Alaska received over \$68 million for sixteen projects. These funds are not available for other projects. The federal share is 80%.

HPRL (High Priority 1702) – In SAFETEA-LU section 1702, Congress earmarked funds for over 5,000 projects nationwide. Generally, these funds are not available for other projects; although the funding for some projects may be loaned to other projects within the list. The federal share is 90.97%.

HPRM - functionally the same as HPRL for general purposes, the different codes indicates to funding personnel where to look for legislative language.

ILLU (Illustrative) – Indicates projects that would be funded and advanced if funding becomes available either through receipt of additional funds or because another project cannot be advanced; the specific source or sources of funds will be determined when and if the project is selected to be funded.

NHPP (National Highway Performance Program) – In MAP-21 section 1106, Congress designated the NHPP to provide support for the condition and performance of the National Highway System (NHS), for the construction of new facilities on the NHS, and to ensure that investments of Federal-aid funds in highway construction are directed to support progress toward the achievement of performance targets established in a State's asset management plan for the NHS. This funding code incorporates previous NHS, IM and some BR fund codes. The federal funds ratio is 90.97%.

OSF (Other State Funds) – Funding from non-federal state funds that have been appropriated.

PLNG (State Planning) – These funds are designated for the mandatory planning tasks the department undertakes, including preparation of the Statewide Transportation Plan and State Transportation Improvement Program (STIP), statistical measurements of the transportation system (traffic volumes, pavement condition, accident locations, causes and severity, and physical characteristics of roads and highways), mapping, and

management systems. The federal funds ratio is 80%.

RES (Research) – These funds are designated for research tasks the department undertakes, including engineering and economic studies and applied research. The federal funds ratio is 80%.

RHE (Rail Hazard Elimination Program) – This purpose of this program is to reduce the number of fatalities and injuries at public highway-rail grade crossings through the elimination of hazards and/or the installation/upgrade of protective devices at crossings. This program funds the federal requirement that each state conducts and systematically maintain a survey of all highways to identify railroad crossings that may require separation, relocation, or protective devices, and establish and implement a schedule of projects for this purpose. The federal funds ratio is 90%.

RTP (Recreational Trails Program) – This funding category is intended to develop and maintain recreational trails and trail related facilities for both non-motorized and motorized recreational trail uses. This program is administered by the Department of Natural Resources. The federal funds ratio is 90.97%.

S148 (Safety Sanction) – This special category of MAP-21 safety funds addresses highway safety improvement projects similar to Safety (SA) below. New SA funding terminated following 2012 apportionment with the passage of MAP-21. The funds are made available by a sanction, or reduction, to Alaska's NHPP and STP apportionments. Each year, 2.5% of these program funds are reallocated because Alaska does not have conforming laws addressing repeat DUI and open alcoholic containers on motorcycles. The federal share is 100%.

SA (Safety) – Safety projects include hazard elimination, railroad crossing, and railroad protective devices. In order to qualify, the project must be identified through the Highway Safety Improvement Program, which seeks to identify hazardous locations throughout the state based on accident histories. The federal funds ratio varies and is either 90% or 100% depending upon the specific category of work.

SA40 (Safety Sanction) – This special category of safety funds addresses highway hazard eliminations similar to *Safety (SA)* above, 100% federal. The funds are made available by a sanction or reduction to Alaska's Interstate Maintenance, National Highway System and Surface Transportation Program apportionments. Each year, 3% of these program funds are reallocated because Alaska does not have conforming laws addressing repeat DUI and open alcoholic containers on motorcycles.

SM (State Match) – The State's share of project costs required to match federal program funds. Depending on the particular federal program requirements, the state's share of the costs, the state match required, will vary from as little as zero percent to as much as 50%. Most often the state's share will range from 9.03% to 20%.

STP (Surface Transportation Program) – Flexible funding that may be used by the state and localities for projects on any Federal-aid highway, including the NHS, bridge projects on any public road, transit capital projects, bus terminals and facilities. Unlike other states, Alaska is allowed to use these funds on any public road in Alaska, regardless of classification. The federal funds ratio varies, typically 93.4% if spent on interstate routes or 90.97% otherwise.

TA (Transportation Alternatives) – The Moving Ahead for Progress in the 21st Century Act (MAP-21) replaced the Transportation Enhancement (TE) Activities with the Transportation Alternatives Program (TA), a new program, with funding derived from the NHPP, STP, HSIP, CMAQ and Metropolitan Planning programs, encompassing most activities funded under the Transportation Enhancements, Recreational Trails, and Safe

Routes to School programs under SAFETEA-LU. The federal funds ratio is 90.97%.

TIGER (Transportation Investment Generating Economic Recovery) – Competitive discretionary grant funding for projects providing significant impacts to the nation, a region, or metropolitan area.

URPL (Metropolitan Planning) – In Alaska, these funds can be used in any urban area within the state. Planning processes and special planning studies are eligible activities within this program. The federal funds ratio is 90.97%.

TRANSIT AND RAIL Fund Codes

5307RR - FTA (Alaska Railroad Passenger Operations) – A portion of Section 5307 funds, Capital and Operating Funds for Urbanized Areas specifically set aside for the Alaska Railroad for costs related to passenger operations.

5309 - FTA (Capital Program) – This program provides capital assistance for three primary activities:

(5309BU) New and replacement buses and facilities □ (5309FG) Modernization of existing rail and ferry systems □ (5309NS) (New Starts) New fixed-guideway systems (including ferry systems)

Congress usually fully earmarks all available funding. In SAFETEA-LU Congress set aside a portion of the New Start funds for capital improvements on Alaska and Hawaii ferry systems (the two states split the set-aside). Congress also set aside a portion of the Capital Program New Starts funds for the Denali Commission for docks, waterfront development projects, and related transportation infrastructure. On occasion, a recipient agency will apply for section 5309 funds on behalf of transit agencies throughout the state and ask DOT&PF to administer these funds. When this happens, the funds are distributed through the annual Alaska Community Transportation Grant application process. The federal funds ratio is 80%.

5310 - FTA (Elderly and Persons with Disabilities Program) – This program funds transportation services to meet the special needs of the elderly and persons with disabilities. Funds are apportioned to the states based on the number of elderly and persons with disabilities in each state. Grants are available to nonprofit organizations (and sometimes governmental entities approved by the state) for the purchase of vehicles, related equipment, and the purchase of rides. SAFETEA-LU listed Alaska as one of a select group of states to participate in a pilot program that would allow a portion of these funds to be used to cover operating costs (at a 43.14% match) of projects that meet the special needs of elderly individuals and individuals with disabilities. The federal funds ratio for the remainder of these funds is 90.97%.

5311 (Non-urbanized Area Formula Program) – This program provides funding to enhance public transportation in rural and small urban areas. It also assists in the maintenance, development, improvement, and use of public transportation systems. A component of this program is the Rural Transit Assistance Program (RTAP), which provides training and technical assistance to transit operators. The federal funds ratio is 90.97% for capital projects and project administration, and up to 56.86% for operating assistance. RTAP projects are 100% federally funded.

5316 (Job Access and Reverse Commute) – This program funds new or expanded transportation projects for low-income individuals who may live in the city core and work in suburban locations, or work non-traditional work schedules. Formula allocations are based on the number of low-income persons in the state and are apportioned to urban areas over 200,000 residents, urban areas under 200,000, and to the state for non-urban areas. SAFETEA-LU revised this program to allocate funds to the states on a formula basis instead of the

discretionary program it was under TEA-21. The federal funds ratio is 50% for operating assistance and 80% for capital.

5317 (New Freedom Program) – This program aims to provide additional tools to overcome barriers for Americans with disabilities seeking integration into the workforce and full participation in society. This program was a SAFETEA-LU program and was consolidated with other programs under MAP-21. The Federal share of eligible capital and planning costs may not exceed 80%. The Federal share of the eligible operating costs may not exceed 50%.

5337GR (Section 5337 State of Good Repair) – A new formula-based State of Good Repair program is FTA's first stand-alone initiative written into law that is dedicated to repairing and upgrading the nation's rail transit systems along with high-intensity motor bus systems that use high-occupancy vehicle lanes, including bus rapid transit (BRT). These funds reflect a commitment to ensuring that public transit operates safely, efficiently, reliably, and sustainably so that communities can offer balanced transportation choices that help to improve mobility, reduce congestion, and encourage economic development.

5339 – (Bus and Bus Facilities) – Funding for capital expenses for eligible rural public transit systems.