



# Transportation Infrastructure Fund

# Alaska's Transportation Challenges

- Aging transportation system
  - 40-50 year old highways
  - Population growth = congestion
  - Aging AMHS ferry vessels
  - Airport upgrades and major maintenance
  - Deteriorating harbors in disrepair
  - Limited access to natural resources
  - \$16.8 B backlogged projects & deferred maintenance

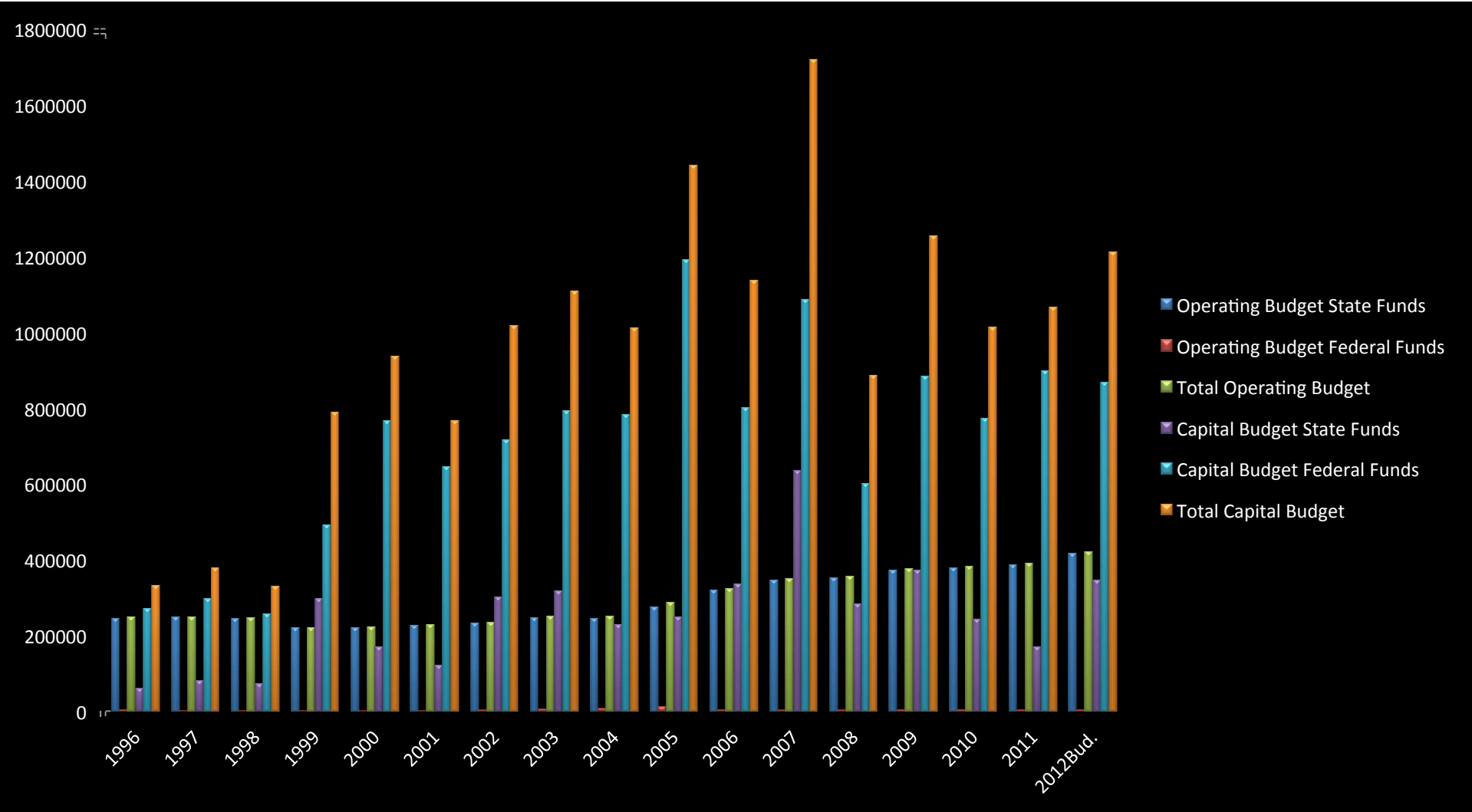


# Alaska's Transportation Challenges

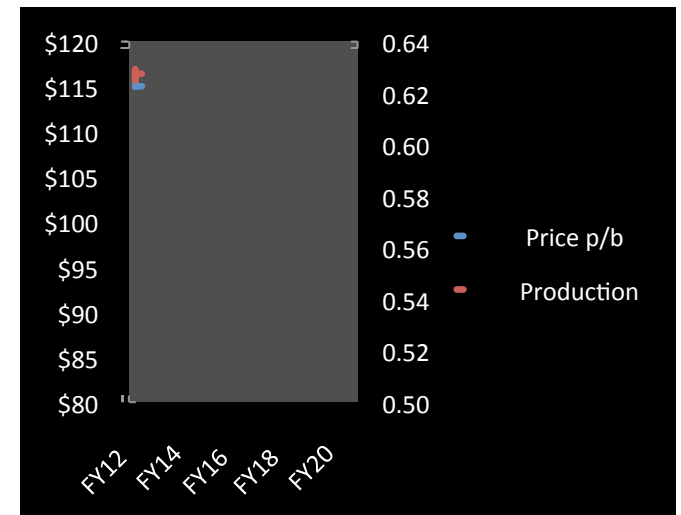
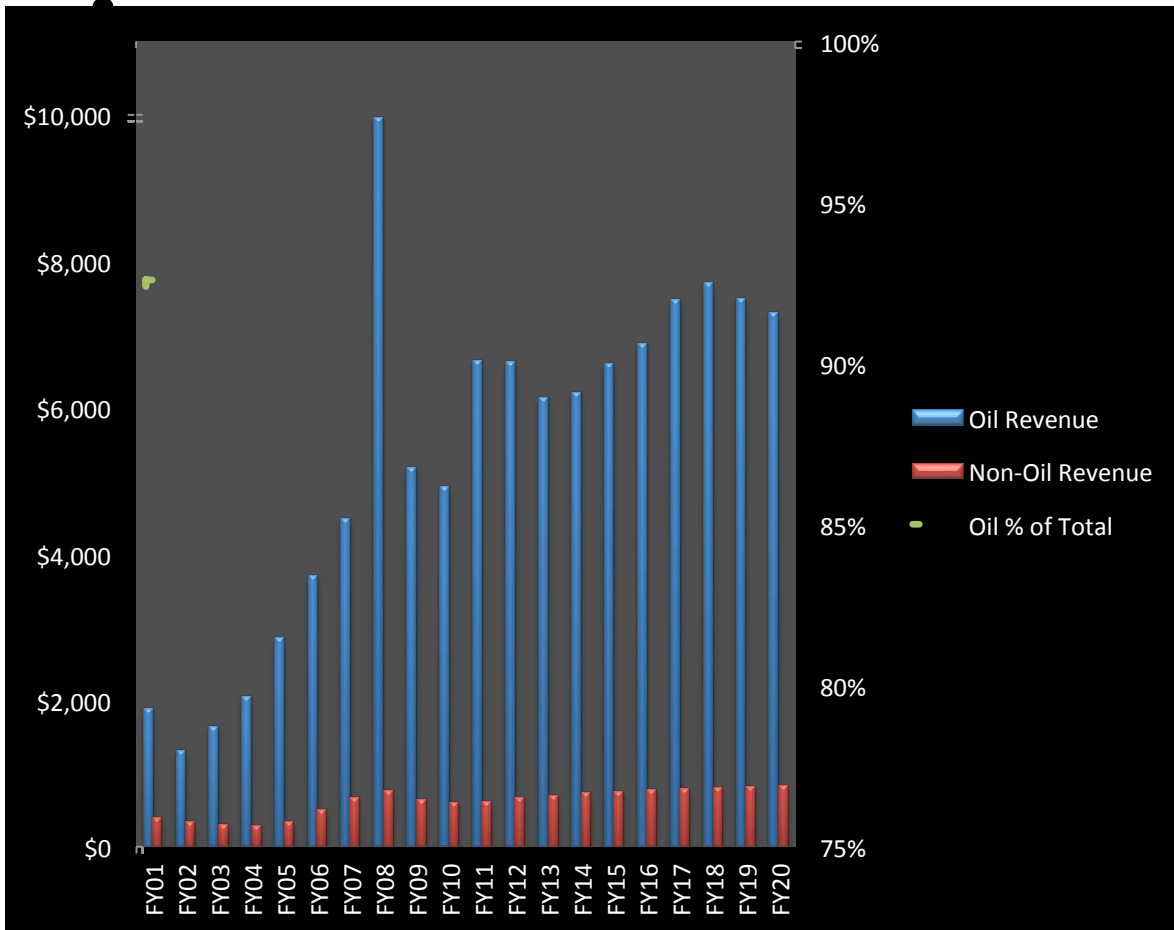
- Declining transportation funds
  - Federal funding not keeping up with the demand
    - Rural highway traffic ↑ 23%\*
    - Vehicle miles traveled ↑ 35%\*
    - \$65 Billion/year lost to traffic congestion
    - Fuel tax revenues can't keep up with inflation
      - Projecting 33% reduction in 2013
- State GF consumed by growing healthcare, corrections and education costs- little left for transportation



# DOT/PF GF Budget History



# Alaska Revenue Projections



# Transportation Infrastructure needs a Boost

- Projected 33% decline in federal funds beginning 2013
- Aging Infrastructure
- Open new access to resources
- Plans for the future



# House Transportation Comm. Actions

- 3 years of Committee hearings
- Viewed, first hand, rural and urban problems
- Examined funding options
  - National experts
  - State experts
  - Infrastructure bank experts
- Rejected options which committed future GF

# ATIF Solution

## Re-instate dedicated Alaska Transportation Infrastructure Fund

- Our constitution grandfathered 2 transportation funds
- Requires a vote of the people
- Maintain existing funding
  - Operational and capital budgets remain the same
- More 100% state funded projects
  - Reduced costs
  - Reduced schedule



# Funding ATIF

- \$1B endowment from legislature and
- Annual revenue
  - Motor fuel tax
  - Studded tire tax
  - Vehicle rental tax
  - Vehicle registrations and drivers license fees
  - New transportation related fees or taxes

# ATIF Appropriation

- DOR will manage the fund
  - Profits will be reinvested
- Figuring the appropriation amount
  - 6% market value averaged over previous 5 years plus
  - 50% tax and fee revenue from previous year
- Follows regular budgetary process
  - Legislative approval
  - Gubernatorial approval

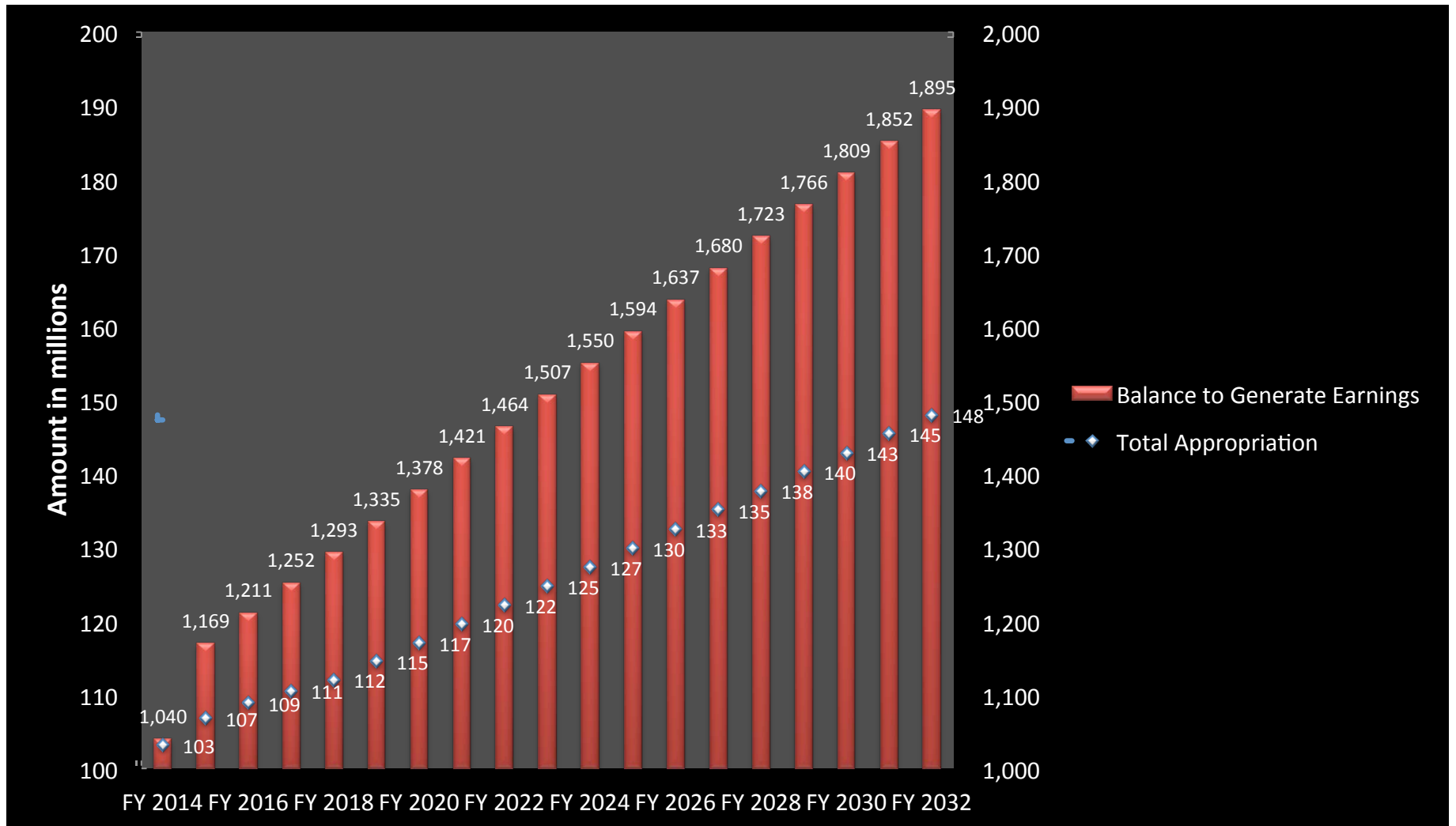
# ATIF Advisory Council

- 17 member council
  - Public members appointed by Governor
  - Stake holder members
  - Commissioner, DOT/PF
  - Non-voting legislative members
- DOT/PF develop project ranking criteria
- Council to numerically rank projects

# ATIF Projects

- Limited to capital transportation and major maintenance projects
  - ≤ 80% - highways and roads
  - ≤ 25% - aviation
  - ≤ 25% - marine highway system
  - ≤ 20% - harbors and harbor matching grant fund
  - ≤ 20% - community transportation and transit
  - ≤ 15% - trails and bike paths
- Federalized projects not more than 20%
  - Incentive to do more state funded projects
  - State funded projects are cheaper and faster

# ATIF Projections



# ATIF ...

- Plans for the future
  - Decrease transportation backlog
  - Decrease deferred maintenance
  - Decrease dependence on federal funding
  - Increase number of new jobs
  - Increase road safety
  - Increase Alaska's economy
  - Increase access to Alaska's resources
  - Ensure stable annual transportation budget

# ATIF Summary

- Alaska Transportation issues:
  - Declining funds
  - Aging transportation system
- Implement the Alaska Transportation Infrastructure Fund
- Put the constitutional amendment on the ballot in November 2012
  - Let the people decide