

high and was not reflected in the Final Report. Within two years, the Commission also recognized that the clinic space guidelines developed for the Final Report did not correspond to the needed square footage necessary to

provide behavioral health and dental services most health organizations felt were minimally necessary. The Commission has increased their space guidelines approximately 20%. In addition, there are normal inflationary

construction cost increases. Listed in the table below is the revised estimate to fully address expected local and regional interests in improved primary care facilities.

APRIL 2003 ESTIMATE FOR PRIMARY CARE FACILITIES

	Total (millions)	Denali funds (millions) 65%	Match required 35%
Total Unmet Need	\$481	\$313	\$168
Demand Adjustment—20% reduction	(\$96)	(\$63)	(\$34)
Funded in FY2001 and FY2002	(\$77)	(\$50)	(\$27)
Estimated Funding For FY2003	(\$54)	(\$35)	(\$19)
Total Remaining Unmet Need	\$254	\$165	\$89

Total costs to fund the expected demand for primary care infrastructure development after the FY2003 funding cycle are estimated at \$254 million dollars. At current match requirements, the match will be \$89 million dollars of that total, and the Denali Commission requirement will be \$165 million. The Commission has noticed a trend that about 1 in 5 communities surveyed (from the Final Report) are not interested in improvements to primary care facilities due to sustainability and health service operational concerns.

Airport Facilities

Need: \$1.3 billion.

Annual Funding: \$65–90 million.

Source: Transportation Needs and Priorities in Alaska (November 2002) and Transportation Investment Analysis (Spring 2002), published by the State of Alaska Department of Transportation and Public Facilities (ADOT&PF).

Background: Alaska's extensive aviation system plays a crucial role in the movement of people and goods throughout the state. In many parts of rural Alaska, aviation serves as the principal link between communities. There are 1,112 designated airports, seaplane bases, and aircraft landing areas in the State of Alaska. The ADOT&PF owns and operates 261 public airports, the majority of Alaska's public airports. 23 public airports are owned and operated by local governments.

Nearly all of Alaska's airport capital improvements rely on funding from the Federal Aviation Trust Fund. This fund, supported by federal taxes on airline tickets, cargo, and fuel, supplies monies for capital improvements through the Airport Improvement Program (AIP), which is authorized for funding on an annual basis. In recent years, AIP entitlement funds for Alaska's airports varied from approximately \$65 million to \$90 million annually. The state or

local sponsor is required to contribute 6.25% in the form of match. The current AIP authorizing legislation expires on September 30, 2003, and at this time, it is unknown what changes Congress may incorporate into the AIP legislation.

Road Construction and Major Maintenance

Need: \$8.6 billion.

Annual Funding: \$260–350 million.

Source: Transportation Needs and Priorities in Alaska (November 2002) and Transportation Investment Analysis (Spring 2002), published by the State of Alaska Department of Transportation and Public Facilities (ADOT&PF).

Background: Improved surface transportation can have many positive effects including lowering costs for goods and services, improving village to village interaction, and allowing for state and federal investments in schools, clinics, airports, harbors, and tank farms to serve more communities per project. Because of its vast geographic expanse and young age as a state, Alaska continues to require significant resources for transportation improvements.

The list of unmet surface transportation needs in Alaska is about 1,950 projects with a total estimated cost approximating \$8.6 billion. The primary funding source for surface transportation projects in Alaska is federal-aid highway funding, which flows through the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA). State funds are required to match these federal funds; for most highway projects, the federal ratio is 91 percent.

The State of Alaska administers most of the FHWA funding allocated to Alaska with the exception of money specifically designated for the Bureau of Indian Affairs (BIA), which currently amounts to approximately \$17 million per year. One important distinction

between FHWA and BIA funding for roads is the long-term maintenance obligation. Under FHWA, the recipient is responsible for maintenance in perpetuity, with no federal support for this activity. Under the BIA funding system, such roads are then added to the Indian Reservation Road system (IRR) and are eligible for a share of a national pot of money allocated to maintenance of IRR roads.

Through the recent TEA–21 era, average funding levels have been approximately \$350 million per year, up substantially from the approximately \$220 million under ISTEA (1991–1997). Most FHWA funding received by the state stays in larger auto-dependent communities, with some funding going to rural communities largely for sanitation roads and trail markings. Funding for projects off the road system goes primarily to the larger hub communities.

The existing authorizing legislation, TEA–21, expires on September 30, 2003. Congressional changes to the reauthorization are unknown at this time. However, given the current economic climate, estimates of future federal funding are not as optimistic as those made one year ago.

Port Facilities

Need: \$300 million.

Annual Funding: \$7 to 15 million.

Source: Transportation Needs and Priorities in Alaska (November 2002) and Transportation Investment Analysis (Spring 2002), published by the State of Alaska Department of Transportation and Public Facilities (ADOT&PF).

Background: With over 30,000 miles of shoreline, relatively few roads, and 90 percent of the state's population living within ten miles of the coast or along a major river, Alaska's marine facilities are integral to the local, statewide, and international transportation of goods and people.