



ALASKA
MUNICIPAL
LEAGUE

Value vs. Cost

The Alaska Marine
Highway System



Municipal Perspective

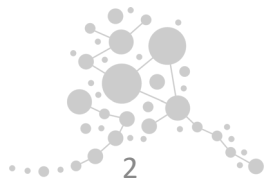
Since 1959 (voter-approved bond package)

- Of 34 port communities, 23 local governments incorporated in current form post-AMHS
- Responsibilities of cities and boroughs range from police to hospitals, water and wastewater to schools
- Ferry-dependent for business, safety, schools, and health

33 cities
and
boroughs

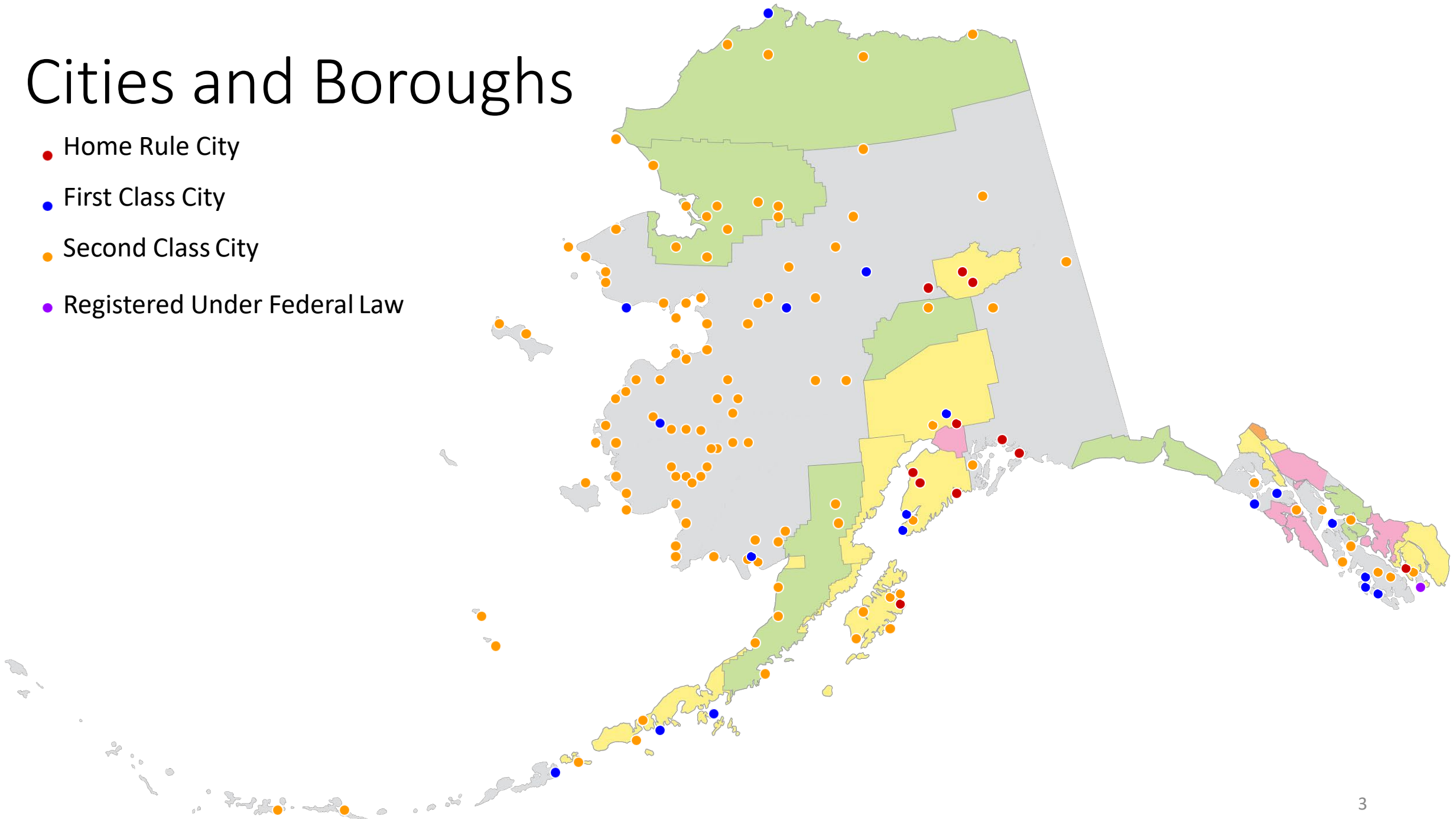
120,114
Alaskans

\$610
million

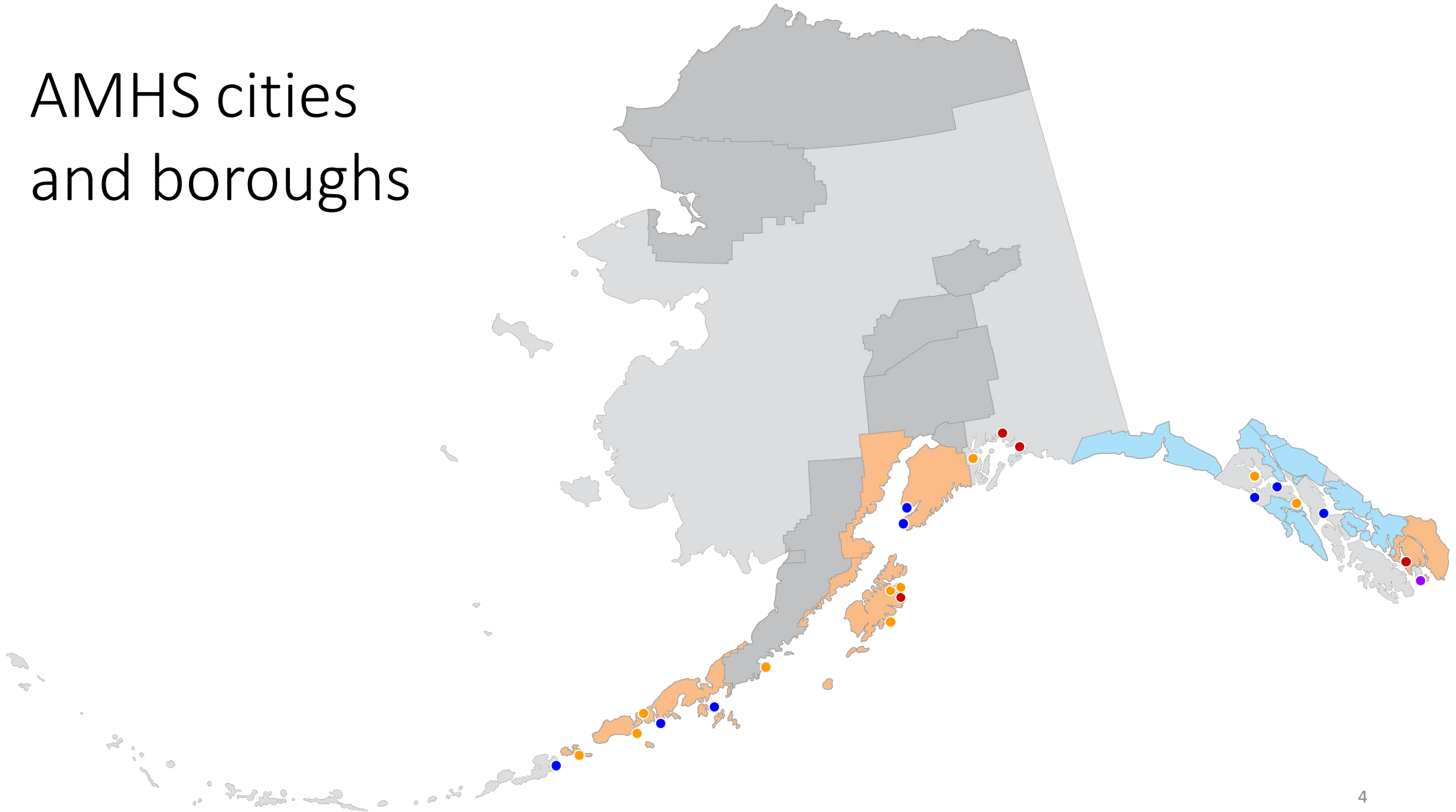


Cities and Boroughs

- Home Rule City
- First Class City
- Second Class City
- Registered Under Federal Law



AMHS cities and boroughs



Budgets

\$610
Million

Combined budgets of \$610 million

AMHS as part of tax base = \$33 million

Carry \$720 million in GO, Revenue and School
Bond Debt

Contribute \$73 million to schools

15 are PCE communities

Receive \$24 million in fisheries taxes

“

COST

Cuts will ultimately come back to the State as costs, if the ability of local governments to provide services is impacted by a reduction in tax base.



Responsibilities

AMHS Port Cities and Boroughs

Education – only 3 as part of an REAA

- The greatest proportion of regional municipal school districts in the State

Public Safety – 20 have police powers

Hospitals – 8 manage their own hospitals

PERS – 25 municipalities participating in PERS

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COST

Cuts, including vetoes, have created an emergency for communities that has no clear resolution. This leaves local leaders challenged to carry out their responsibilities.

**2,275
employees**



The Value of the AMHS

Fishing Industry

Health and Safety

Residents

Coast Guard

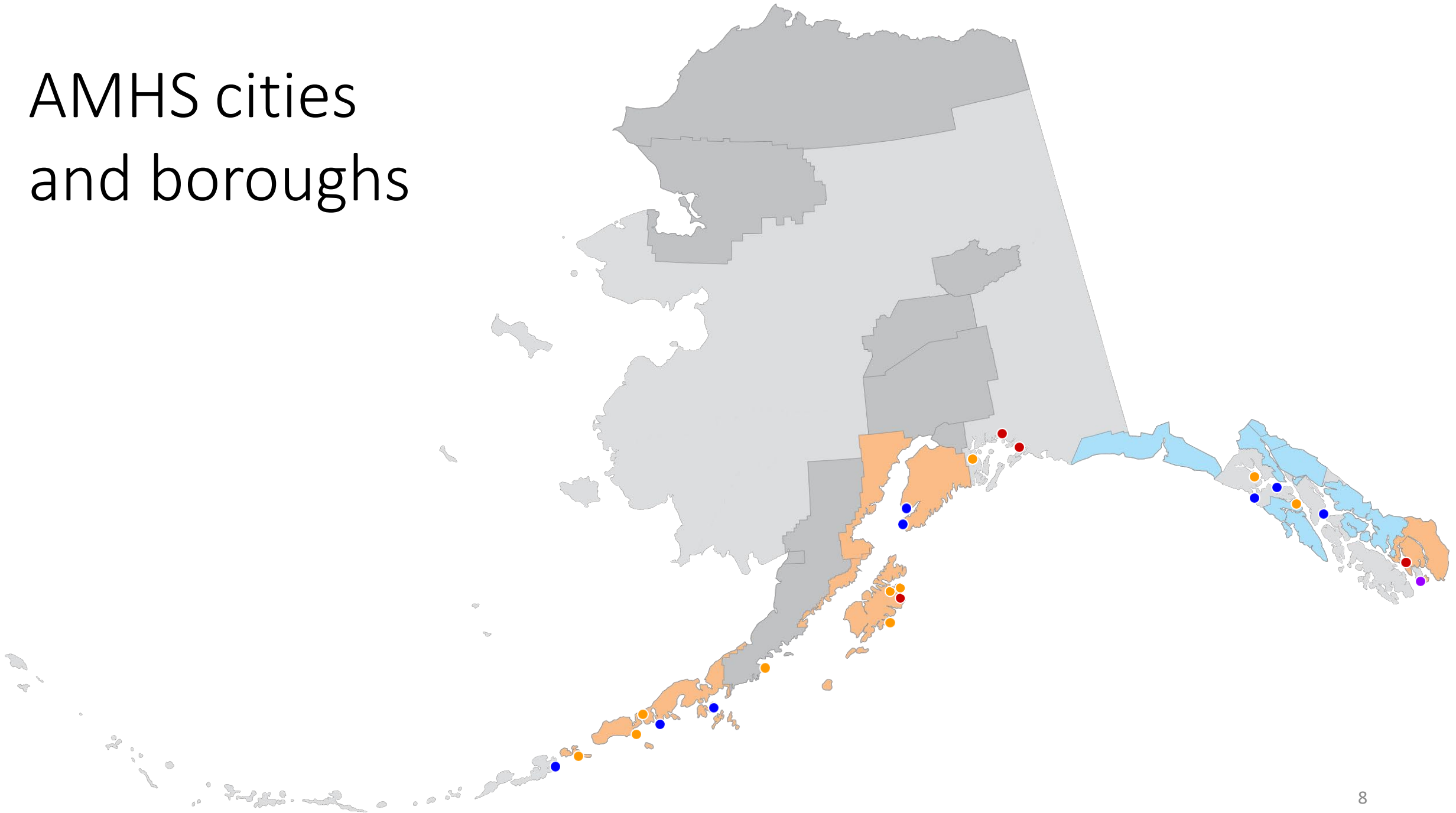
**State and Federal
Construction**

Education

Tax Base



AMHS cities and boroughs



Indirect Benefit

658,959
Alaskans

Chart 14. Top 10 Alaska Communities Visited by Non-Resident AMHS Passengers, 2011

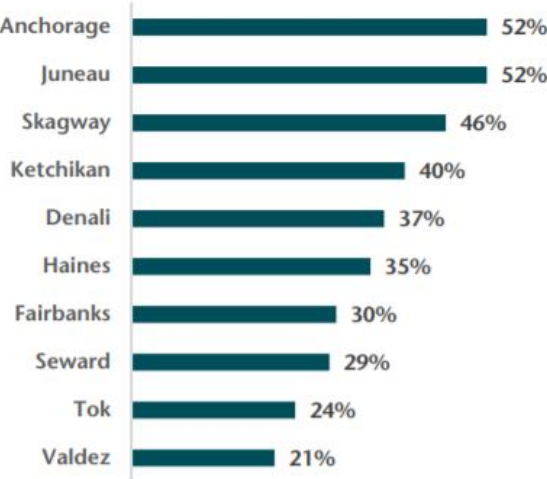
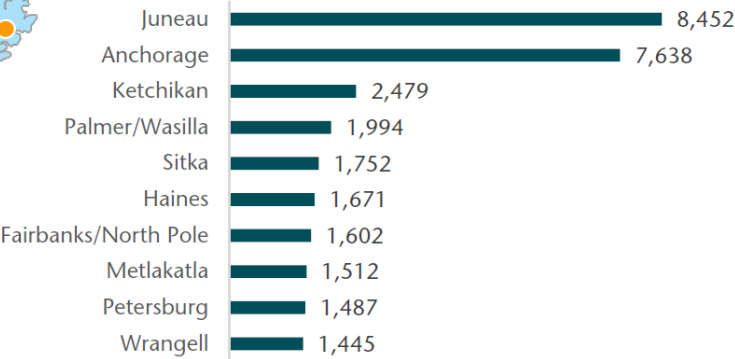


Chart ES-2. Number of AMHS Trips Booked by Community of Residence, Top 10, 2014



Statewide Impact

\$110.4
Million

1,700 Alaskan jobs

- In 44 Alaska communities

\$104 million in Alaskan wages

\$273 million in economic impact

\$84 million spent with 500 Alaska companies

2/3 of 319,000 passengers are Alaskans

- Anchorage, Mat Su and Fairbanks in Top 10

AMHS spending per passenger vs other tourist

- \$1,700 to \$941

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COST

Reductions and vetoes resulted in a threat to the sustainability of coastal communities, reducing the public benefit and the return on investment by the State.

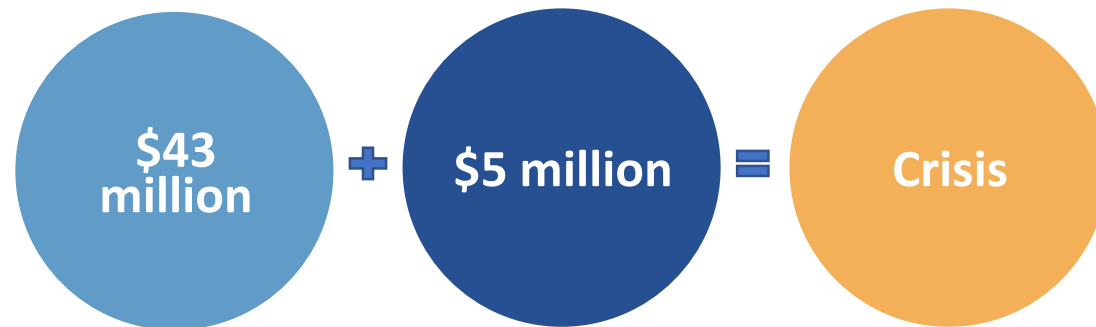




Value vs. Cost

What is the role of the State?

- Insufficient – “the intent of reducing the State’s financial obligation and/or liability”
- Beyond transportation – cuts threaten community and economic development
- Vetoes limited the ability to provide adequate and reasonable service



Recommendations to Legislature

Overturn veto of \$5 million to assist winter service

Include additional funding within the Supplemental Budget

Establish a more sufficient budget for FY21, base plus maintenance

Include municipal leaders in decision-making process

Include AMHS capital needs in Coastal Infrastructure General Obligation Bond Package

