



# **Alaska Department of Transportation & Public Facilities**

## **House Finance Subcommittee Alaska Marine Highway System**

Rob Carpenter, Deputy Commissioner  
Matt McLaren, AMHS Business Enterprise & Development Manager

March 4, 2021

Our mission is to ***Keep Alaska Moving*** through service and infrastructure.

# Alaska Marine Highway System

## CHALLENGES

Aging vessels

Turnover and recruitment

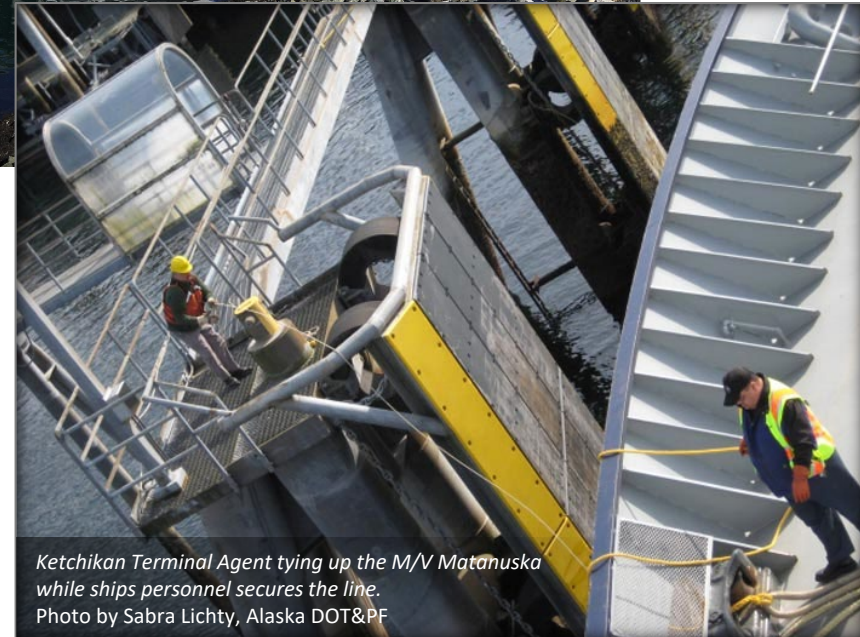
System reliability

Vessel flexibility

Collective bargaining agreements

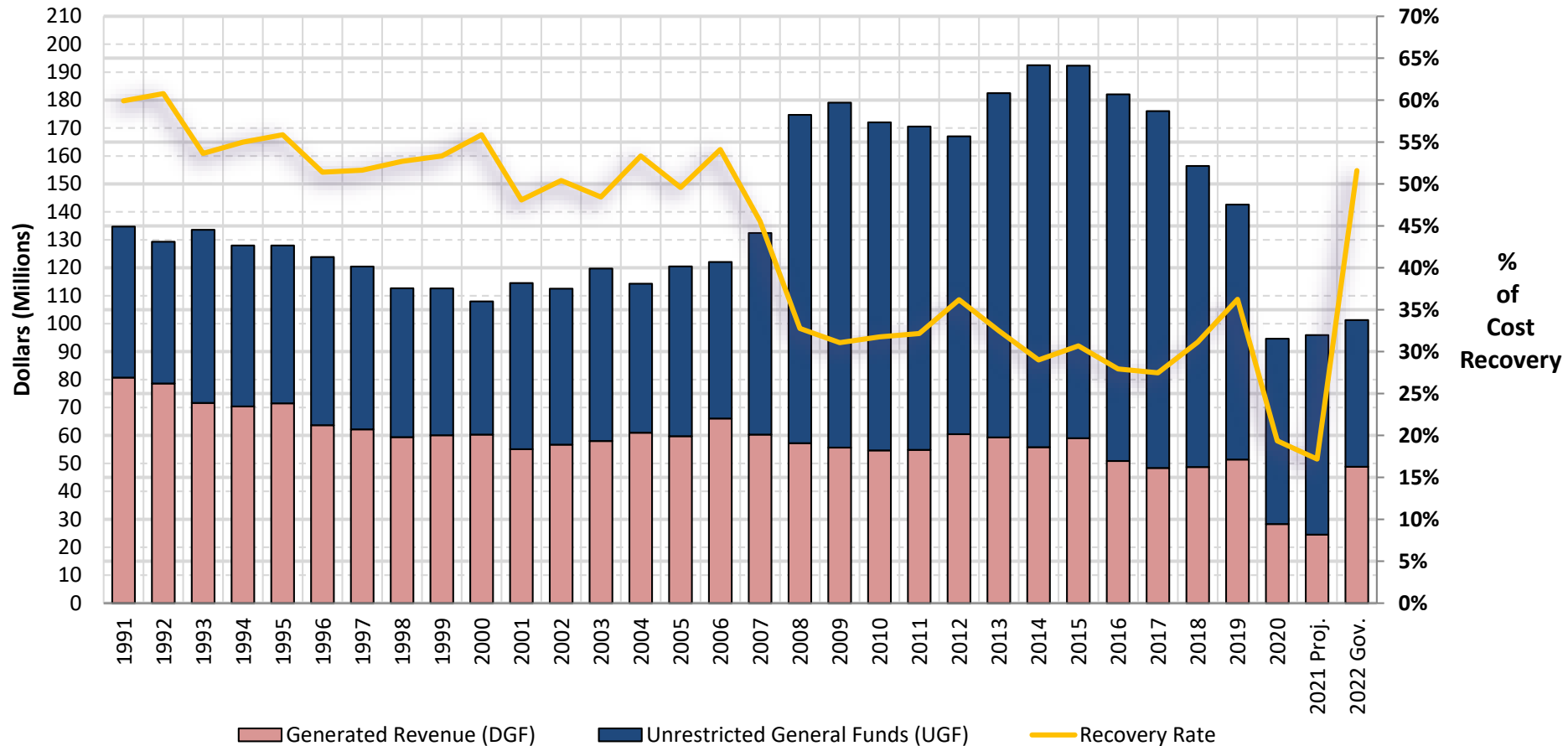
COVID-19

Prince Rupert



# Historical Revenues and Operating Costs

AMHS Fare Box Recovery Rate 1991-2022 Gov.



## Significant Cost Increases

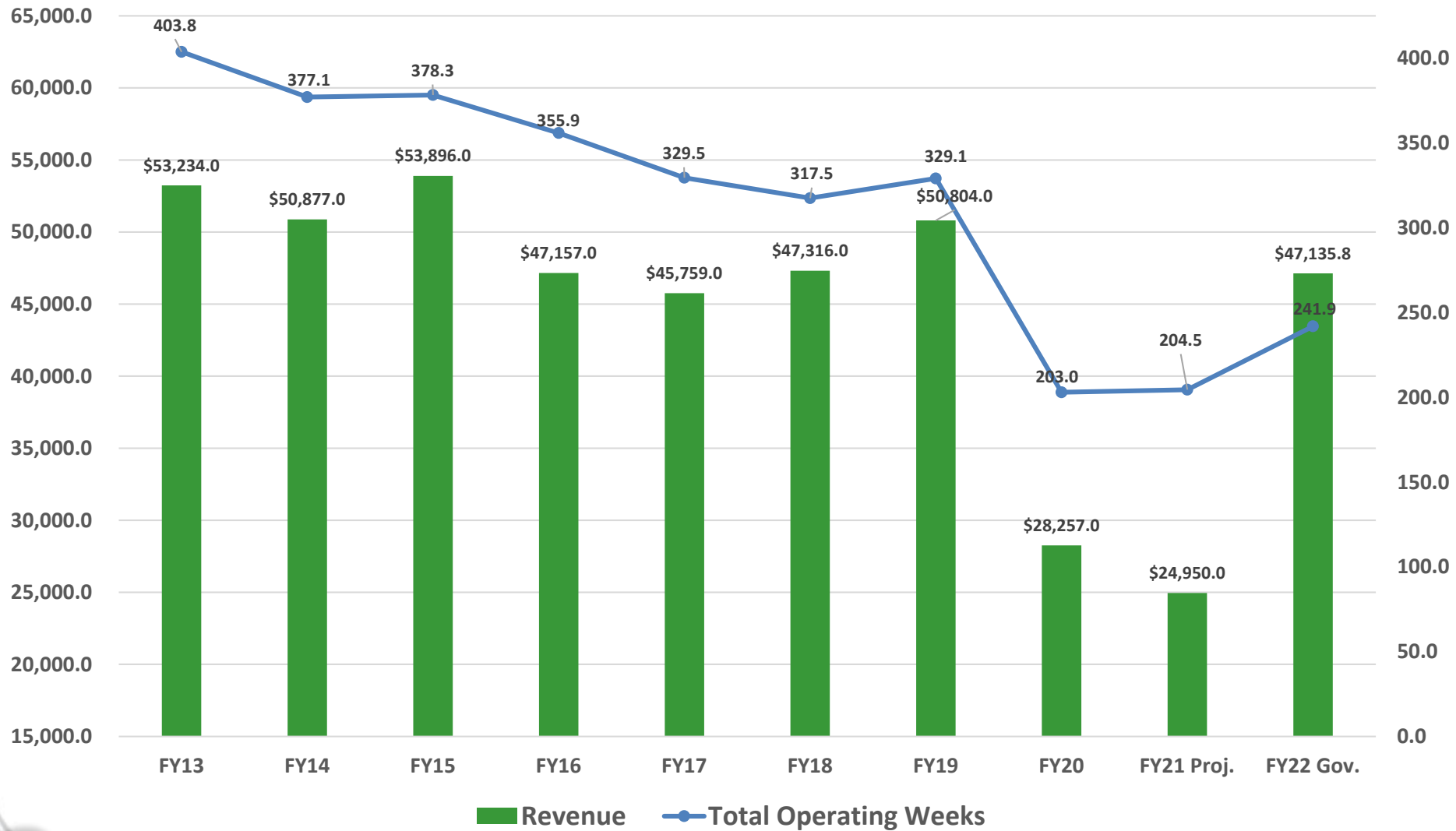
- FY2004 – FY2007: Added the FVF Fairweather and FVF Chenega. Vessel wage increases of 6%, 7%, and 8%.
- FY2012 – FY2013: Added ports and increased operating weeks

Note: Data is adjusted for inflation to 2020 values. Source: U.S. Bureau of Labor Statistics Consumer Price Index.





# AMHS Revenue (\$000s) & Operating Weeks FY2013 – FY2022



# Revenue Per Operating Week

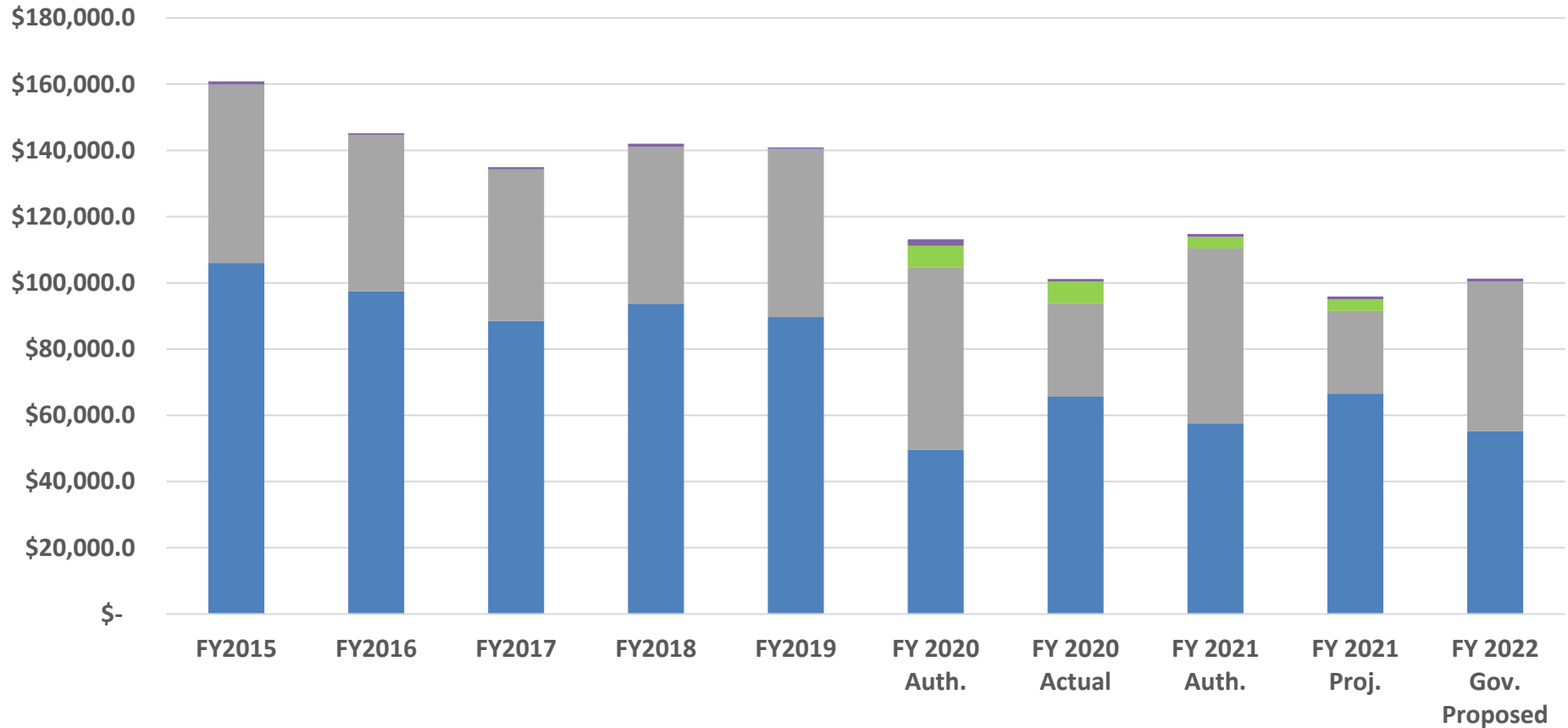
## FY2011 – FY2020

(\$ Thousands)



Total annual revenue / total operating weeks = revenue per operating week

# FY 2015 – FY 2022 Gov. Proposed AMHS Operating Budget Fund Source Comparison



State Funds	\$ 106,006.2	\$ 97,427.4	\$ 88,511.7	\$ 93,718.6	\$ 89,668.1	\$ 49,619.3	\$ 65,653.9	\$ 57,628.1	\$ 66,575.2	\$ 55,235.4
Revenues	53,896.0	47,157.0	45,759.0	47,316.0	50,804.1	55,113.1	28,257.4	52,772.0	24,950.3	47,135.8
CARES Act	-	-	-	-	-	6,500.0	6,500.0	3,500.0	3,500.0	-
Other	896.0	603.0	659.0	977.0	399.0	1,921.9	734.0	850.0	850.0	852.7
TOTAL	\$ 160,798.2	\$ 145,187.4	\$ 134,929.7	\$ 142,011.6	\$ 140,871.2	\$ 113,154.3	\$ 101,145.3	\$ 114,750.1	\$ 95,875.5	\$ 103,223.9

\$ in Thousands (,000)



# FY2022 AMHS Requested Scenario

Description	FY2020 Authorized	FY2021 Authorized	FY2022 Governor's Proposed Budget	*FY2022 Scenario A Increased System-wide Service
<b>Weeks of Service</b>	254.3	286.7	241.9	274.9
<b>Port Calls</b>	4,272	4,959	4,175	4,910
<b>Revenue</b>	\$ 46,916.5	\$ 51,779.1	\$ 47,135.8	\$ 50,100.9
<b>Fare Box Recovery</b>	48%	47%	46%	45%
<b><u>Funding Sources</u></b>				
<b>UGF</b>	\$ 46,002.2	\$ 54,011.0	\$ 51,618.3	\$ 56,008.7
<b>DGF</b>	\$ 46,916.5	\$ 51,779.1	\$ 47,135.8	\$ 50,100.9
<b>Motor Fuel Tax</b>	\$ 3,617.1	\$ 3,617.1	\$ 3,617.1	\$ 3,617.1
<b>CIP Receipts</b>	\$ 1,921.9	\$ 850.0	\$ 852.7	\$ 852.7
<b>Operating Total</b>	<b>\$ 98,457.7</b>	<b>\$ 110,257.2</b>	<b>\$ 103,223.9</b>	<b>\$ 110,579.4</b>
<b>UGF Increase (Compared to FY2022 Gov.)</b>				\$ 4,390.4
<b>DGF Increase (Compared to FY2022 Gov.)</b>				\$ 2,965.1
<b>Total Operating Increase</b>				<b>\$ 7,355.5</b>

\*Reflects Senate Finance Subcommittee's requested scenario to increase system-wide frequency of service and reduce service gaps. This scenario adds service to SE Alaska, PWS, and Homer – Kodiak Island.

\$ in Thousands (1,000)



# FY2022 Governor's Proposed Budget Operating Plan

**DRAFT**

## Operating Plan 2021-2022

Revision Number 22.gov

03/01/2021

Operating  
Weeks

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
2021	Implementation of an Operating Plan is dependent upon funding from the legislature and earned revenue.											2022	
KEN	Jul 1, Thu	X-GULF				Oct 15, X-GULF-PWS-SC		Jan 16 O.H.		Mar 10 X-GULF			43.1
COL	Jul 01, Thu	Layup		Oct 01, Fri	Fed/CIP								0.0
MAT	Jul 1, Thu	BEL-Fri		Oct 3, O.H.		Nov 23, BEL-Fri							44.9
MAL	Jul 01, Long term layup												0.0
AUR	Jul 1, Thu	PWS			Oct 15, Layup		Jan 10, Overhaul		Mar 10, PWS				31.3
LIT	Jul 1, Thu	MET Service					Jan 10, Overhaul		Jan 26, MET Service				49.9
LEC	Jul 1, Thu	NP						Feb 15, OH		Apr 12, Tue NP			44.1
TUS	Jul 1, Thu	SW			Nov 01, Mon	Layup			Mar 01, Overhaul	Apr 15, SW			28.6
													0.0
HUB	Jul 01, Thu	Layup											0.0
TAZ	Jul 01, Thu	Layup											0.0

### LEGEND

On Line	BEL - Bellingham to Skagway Route	PWS-Prince William Sound	SW- Southwest
Overhaul	YPR - Prince Rupert to Skagway Route	ANB - Annette Bay Service	BEL-YPR alt Bellingham Prince Rupert alternating
Layup	BEL-X-Gulf Bellingham Cross Gulf SW	NP - Northern Panhandle	

Note: Dates represent the first day of the period. Overhaul and refurbishment periods include vessel travel time.

Mainline Vessels	119.3
Feeder Vessels	94.0
Southwest Vessels	28.6
<b>Total Operating Weeks</b>	<b>241.9</b>





# FY2022 Scenario A Sample Operating Plan

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Operating Plan  
2021-2022

Revision Number 22.A

03/01/2021

Operating  
Weeks

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
2021	Implementation of an Operating Plan is dependent upon funding from the legislature and earned revenue.											2022	
KEN	Jul 1, Thu	X-GULF					Jan 16, Overhaul		Mar 10, X-GULF-PWS-S				44.6
COL	Jul 01, Thu	Layup		Oct 01, Fri	Fed/CIP								0.0
MAT	Jul 1, Thu	BEL-Fri		Oct 3, O.H.		Nov 23, BEL-Fri							44.9
MAL	Jul 01, Thu	Long term layup											0.0
AUR	Jul 1, Thu	PWS					Jan 10, Overhaul		Mar 1, Tue	Overhaul	Apr 15, Fri	PWS	45.7
LIT	Jul 1, Thu	MET Service					Jan 26, MET Service						49.9
LEC	Jul 1, Thu	NP						Feb 15, OH		Apr 12, Tue	NP		44.1
TUS	Jul 1, Thu	SW							Mar 1, Overhaul		Apr 15, Fri	SW	45.7
													0.0
HUB	Jul 01, Thu	Layup											0.0
TAZ	Jul 01, Thu	layup											0.0

LEGEND

On Line  
Overhaul  
Layup

BEL - Bellingham to Skagway Route  
YPR - Prince Rupert to Skagway Route  
BEL-X-Gulf Bellingham Cross Gulf SW

PWS-Prince William Sound  
ANB - Annette Bay Service  
NP - Northern Panhandle

SW- Southwest

BEL-YPR alt Bellingham Prince Rupert alternating

Differences from Gov's Plan

Mainline Vessels 135.2  
Feeder Vessels 94.0  
Southwest Vessels 45.7  
Total Operating Weeks 274.9

Note: Dates represent the first day of the period. Overhaul and refurbishment periods include vessel travel time.



# FY2015 - FY2022 Governor's Proposed Budget

## AMHS Cash Sources & Uses

Description	Actual FY15	Actual FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Projected FY21	Gov. Proposed FY22
<b>Sources</b>								
AMHS Generated Revenues	53,896.0	47,158.0	45,759.0	47,316.0	50,804.0	28,257.0	24,950.0	47,135.8
Restricted Revenues (CIP Rcpts)	896.0	603.0	659.0	977.0	399.0	734.0	850.0	852.7
UGF Appropriations (base budget)	107,781.6	94,958.0	89,263.0	41,949.0	85,991.0	45,821.0	54,011.0	51,618.3
DGF - Motor Fuel Tax (current statute)	-	-	-	3,552.4	3,617.1	3,617.1	3,617.1	3,617.1
Transfer from Capitalization	-	-	-	-	-	-	-	-
CARES Act Funding	-	-	-	-	-	6,500.0	3,500.0	-
Fuel Trigger Appropriation	4,808.4	-	-	-	-	-	-	-
Excess Fuel Trigger Appropriation	7,179.0	-	-	-	-	-	-	-
<b>Total Sources</b>	<b>174,561.0</b>	<b>142,719.0</b>	<b>135,681.0</b>	<b>93,794.4</b>	<b>140,811.1</b>	<b>84,929.1</b>	<b>86,928.1</b>	<b>103,223.9</b>
<b>Uses</b>								
Vessel Operations (less fuel)	112,120.0	106,661.0	99,029.0	102,272.0	102,849.0	71,969.0	70,082.7	72,606.7
Vessel Fuel Base	26,401.0	16,634.0	15,299.2	18,895.4	19,540.0	8,175.0	10,184.2	12,702.2
Fuel Trigger	-	-	-	-	-	-	-	-
Shoreside/ Other	19,845.0	18,606.0	17,320.0	17,556.2	15,279.0	12,410.0	15,608.6	15,969.9
Operating Expenses	158,366.0	141,901.0	131,648.2	138,723.6	137,668.0	92,554.0	95,875.5	101,278.8
Support Services-DOT/DOA	2,431.9	3,280.9	3,280.9	3,287.4	3,204.0	2,091.0	2,244.7	1,945.1
CARES Act Funding	-	-	-	-	-	6,500.0	3,500.0	-
Supplemental (Oper Bdgt)	-	-	-	-	-	-	-	-
Annual Vessel Overhaul (Cap Bud)	-	-	-	-	13,500.0	-	15,000.0	-
Annual Vessel Overhaul (Sup Cap)	-	-	-	-	1,400.0	5,000.0	-	-
Transfer to Capitalization Acct	-	-	-	-	-	-	-	-
<b>Total Uses</b>	<b>160,797.9</b>	<b>145,181.9</b>	<b>134,929.1</b>	<b>142,011.0</b>	<b>155,772.0</b>	<b>106,145.0</b>	<b>116,620.2</b>	<b>103,223.9</b>
<b>Suplus/(Deficit)</b>	<b>13,763.1</b>	<b>(2,462.9)</b>	<b>751.9</b>	<b>(48,216.6)</b>	<b>(14,960.9)</b>	<b>(21,215.9)</b>	<b>(29,692.1)</b>	<b>-</b>
Traditional Fund -Draw	-	2,462.9	-	48,216.6	14,960.9	21,215.9	20,419.4	-
Remaining Deficit	-	-	-	-	-	-	(9,272.7)	-
Capitalization Acct - Draw	-	-	-	-	-	-	2,630.1	-
<b>Remaining Deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,642.6)</b>	<b>-</b>



# FY2015 - FY2022 Governor's Proposed Budget

## AMHS Fund Balance

Description	Actual FY15	Actual FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Projected FY21	Gov. Proposed FY22
<b>Traditional Fund</b>								
BOY Balance	7,144.0	20,907.1	18,444.2	28,660.9	10,444.3	25,546.4	5,944.4	-
Deposits	13,763.1	-	751.9	6,081.8	10,063.0	-	14,475.0	-
Supplemental Deposits	-	-	9,464.8	23,918.2	20,000.0	1,613.9		
Subtotal	20,907.1	20,907.1	28,660.9	58,660.9	40,507.3	27,160.3	20,419.4	-
Withdrawals	-	(2,462.9)	-	(48,216.6)	(14,960.9)	(21,215.9)	(20,419.4)	-
EOY Balance	<b>20,907.1</b>	<b>18,444.2</b>	<b>28,660.9</b>	<b>10,444.3</b>	<b>25,546.4</b>	<b>5,944.4</b>	-	-
<b>Capitalization Acct</b>								
BOY Balance	2,644.0	2,644.0	2,630.1	2,630.1	2,630.1	2,630.1	2,630.1	-
Deposits	-	-	-	-	-	-	-	-
Withdrawals	-	(13.9)	-	-	-	-	(2,630.1)	-
EOY Balance	<b>2,644.0</b>	<b>2,630.1</b>	<b>2,630.1</b>	<b>2,630.1</b>	<b>2,630.1</b>	<b>2,630.1</b>	-	-
<b>Total Fund Balance</b>	<b>23,551.1</b>	<b>21,074.3</b>	<b>31,291.0</b>	<b>13,074.4</b>	<b>28,176.5</b>	<b>8,574.5</b>	-	-

# FY2015 - FY2022 Governor's Proposed Budget

## AMHS Service

Description	Actual FY15	Actual FY16	Actual FY17	Actual FY18	Actual FY19	Actual FY20	Projected FY21	Gov. Proposed FY22
Weeks of Service	378.3	355.9	329.6	317.5	329.1	203.0	204.8	241.9
Weeks of Service (less Metlakatla)	328	306	280	268	279	153	155	192
Ports of Call	6,478	6,504	5,891	5,570	5,695	3,182	3,402	4,175
Ports of Call (less Metlakatla)	5,991	6,023	5,370	5,101	5,191	2,728	2,899	3,675



# Thank You. Questions?

## **Rob Carpenter**

Deputy Commissioner

(907) 465-3900

[Rob.Carpenter@Alaska.gov](mailto:Rob.Carpenter@Alaska.gov)

## **Matt McLaren**

AMHS Business Enterprise &

Development Manager

(907) 228-7250

[Matt.McLaren@Alaska.gov](mailto:Matt.McLaren@Alaska.gov)

