



February 11, 2025

House Finance Subcommittee

Alaska Marine Highway System (AMHS)

Budget Overview

Alaska Department of Transportation & Public Facilities
Dom Pannone, Director of Program Management & Administration
Craig Tornga, Marine Director, Alaska Marine Highway System



THROUGH LAND, AIR, SEA: *IT TAKES A TEAM*

DOT&PF ORGANIZATION

COMMISSIONER

DEPUTY COMMISSIONER

Strategic Assets

Alaska International
Airport System

Alaska Marine
Highway System

Statewide
Equipment Fleet

Division of Facility
Services

STATEWIDE

PERSONNEL & DISTRIBUTION

3,445 permanent full-time, part-time and non-permanent positions in 8 labor unions in 80+ locations

Source: Automated Budget System - FY2026 Governor

Planning, Design, Construction, Maintenance & Operations

Central Region

Northern Region

Southcoast Region

Project Delivery

Project Management
Office

Measurement Standards
& Commercial Vehicle
Compliance

Cross-Functional Support

Program Management
& Administration

Data Modernization & Innovation

Procurement

Communications

Legislative Office

Civil Rights Office

Statewide Aviation

Safety, Emergency
& Security

Boards

Roads & Highways
Advisory Board

Executive Facilities
Management
Advisory Committee

Alaska Marine
Highway Operations
Board

Aviation
Advisory Board



AMHS VESSELS



Aurora

- No Major Projects Planned

48 yrs - Built 1977



Columbia

- WiFi Upgrades in 2024

52 yrs - Built 1973



Hubbard

- No Major Projects Planned

6 yrs - Built 2019



Kennicott

- Emissions and Exhaust
- \$24.4M in 2025

27 yrs - Built 1998



LeConte

- Extended Overhaul Winter of 2024-2025

52 yrs - Built 1974



Lituya

- No Major Projects Planned

21 yrs - Built 2004



Matanuska

- Assessment in Progress
- \$37.5M in FY25 Rural Ferry Program

62 yrs - Built 1963



Tazlina

- Crew Quarters Addition
- \$19.3M in FY25

6 yrs - Built 2019



Tustumena

- Continued State of Good Repair Focus

61 yrs - Built 1964

Planned/Future Vessels



Tustumena Replacement Vessel

- New Construction
- \$310M in FY25



New Mainliner

- New Construction
- \$10M in FY25

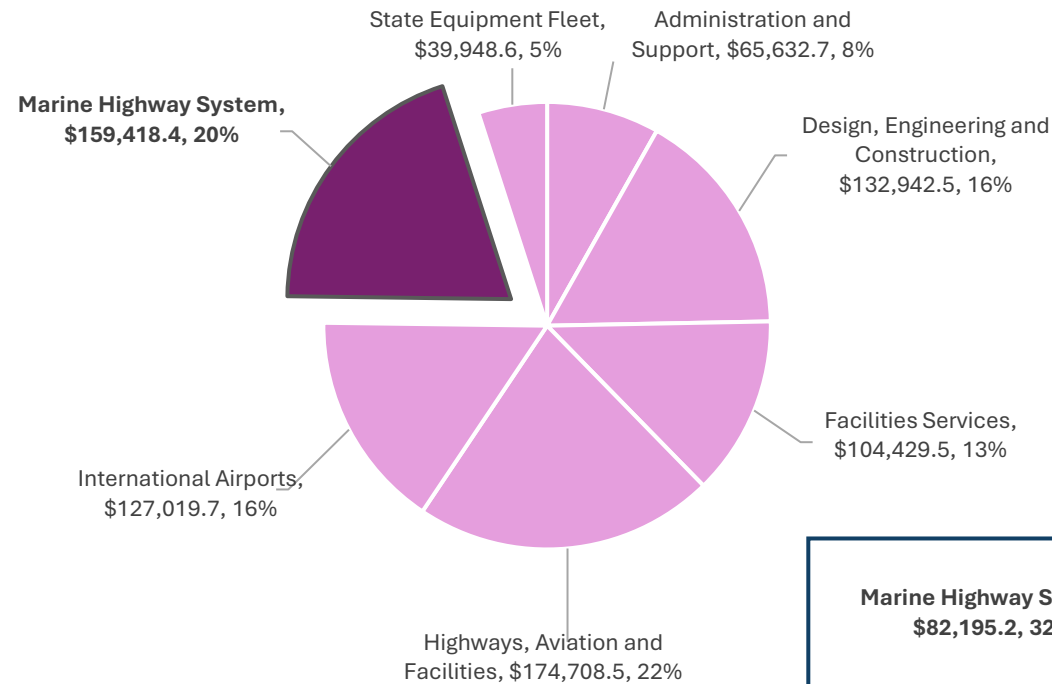


No/Low Emissions Ferry

- New Construction
- \$53.2M in FY26



FY2026 OPERATING: \$159,418.4

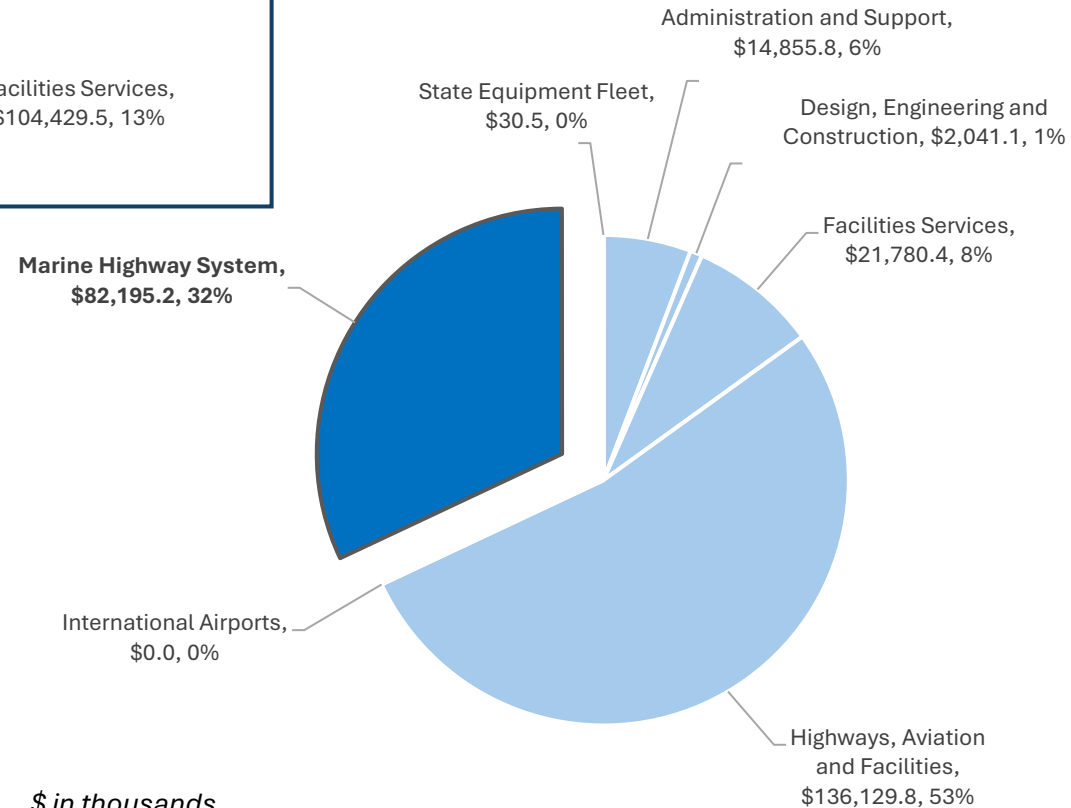


All Funds

DOT&PF \$804,099.9

DOT&PF \$257,032.8

Unrestricted General Funds
+ Designated General Funds



\$ in thousands

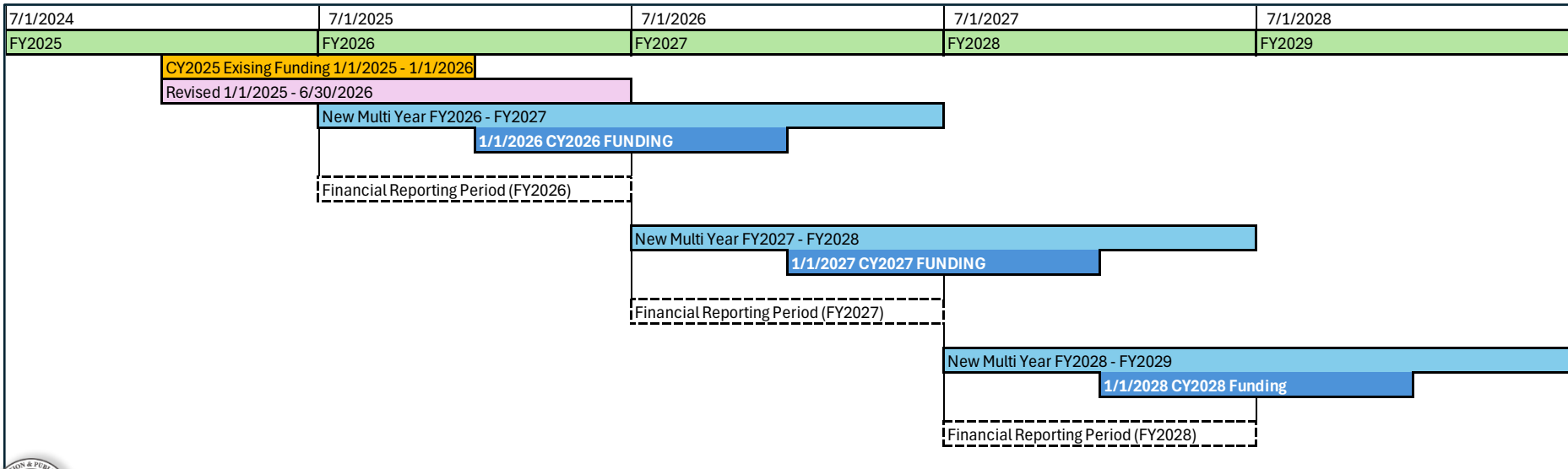


FY2026 BUDGET STRUCTURE

Marine Highway System	UGF	DGF	FED	OTHER	TOTAL
Multi Year Appropriation	\$ 61,440.9	\$ 20,754.3	\$ 76,242.1	\$ 981.1	\$ 159,418.4
Multi-Year (FY2026-FY2027) Alaska Marine Highway Appropriation	\$ 61,440.9	\$ 20,754.3	\$ 76,242.1	\$ 981.1	\$ 159,418.4
Miscellaneous Adjustment					
Amend Section 5, ch. 7, SLA 2024, page 77, lines 1-4					
Decrement	\$(61,440.9)	\$(20,754.3)	\$(76,242.1)	\$(981.1)	\$(159,418.4)
Remove Alaska Marine Highway System from Numbers Section	\$(61,440.9)	\$(20,754.3)	\$(76,242.1)	\$(981.1)	\$(159,418.4)

Multi-year Waterfall Model

- Single closeout period and reporting on Fiscal Year, currently closing out twice per year
- Flexible carry-forward (surplus) or roll-forward (shortfall), with immediate accountability to legislature



\$ in thousands

2/11/2025



HISTORY OF CALENDAR YEAR



18 Months Funded at Once

	FY2022 "BRIDGE" (6 months)	CY2022 (12 months)
Federal Transit Administration	\$ 26,196.0	\$ 21,804.2
Federal Highway Administration	\$ 33,393.7	\$ 31,374.1
Capital Improvement Project & Other	\$ 1,099.3	\$ 872.1
Motor Fuel Tax	\$ 1,808.6	\$ 3,617.1
Unrestricted General Fund	\$ 1,738.5	\$ 61,000.0
Totals	\$ 64,236.1	\$ 118,667.5

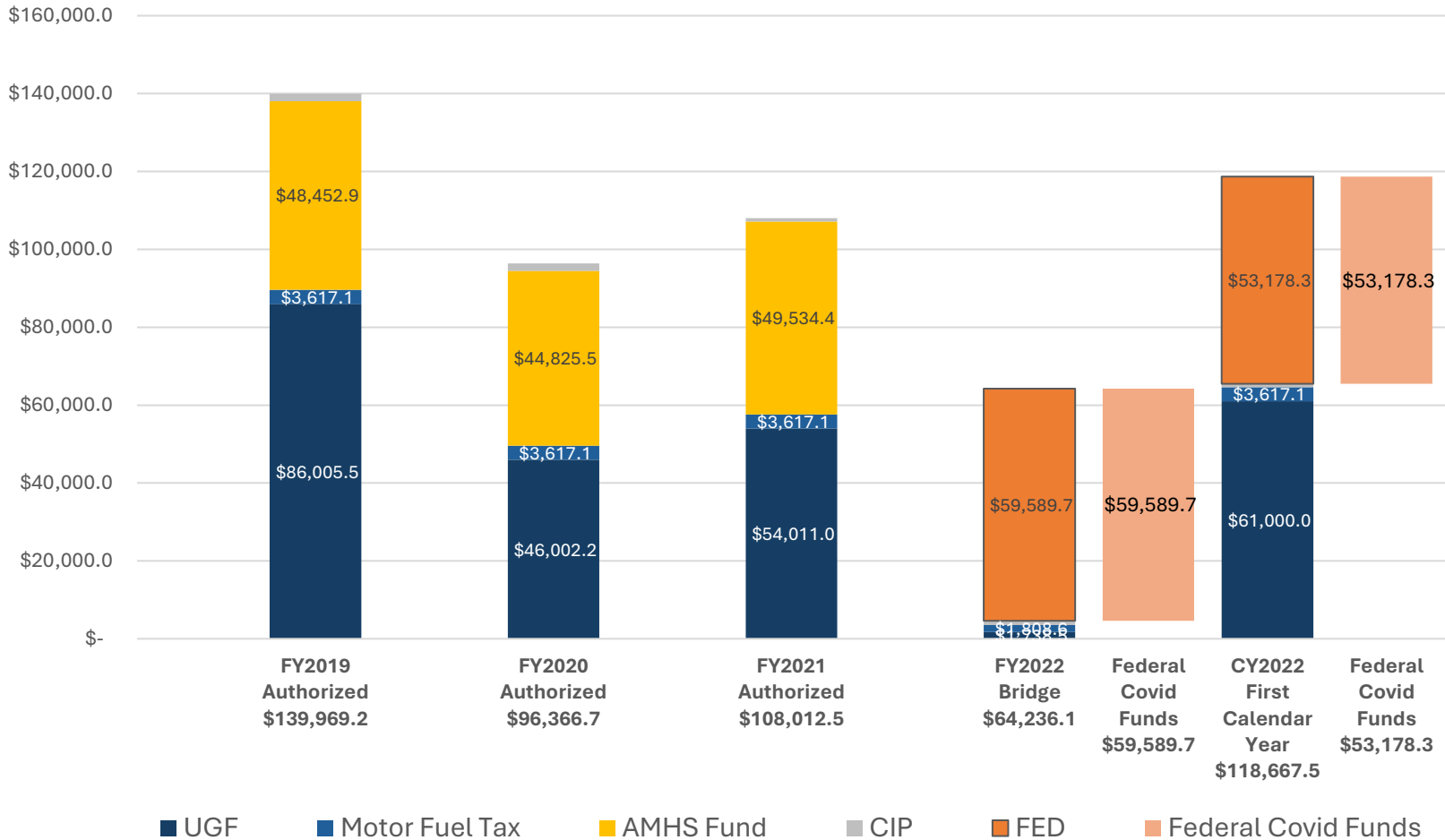
Started in CY2022 with an additional 6 months of funding using COVID funds.

Longer implementation times for funding level increases or decreases, 6+ months to implement new budget and funding levels

Strategic: Earlier schedule release correlates with increases in ridership, increases in revenue

One element of a stable and reliable system

HISTORY OF FEDERAL FUNDING: COVID FUNDS

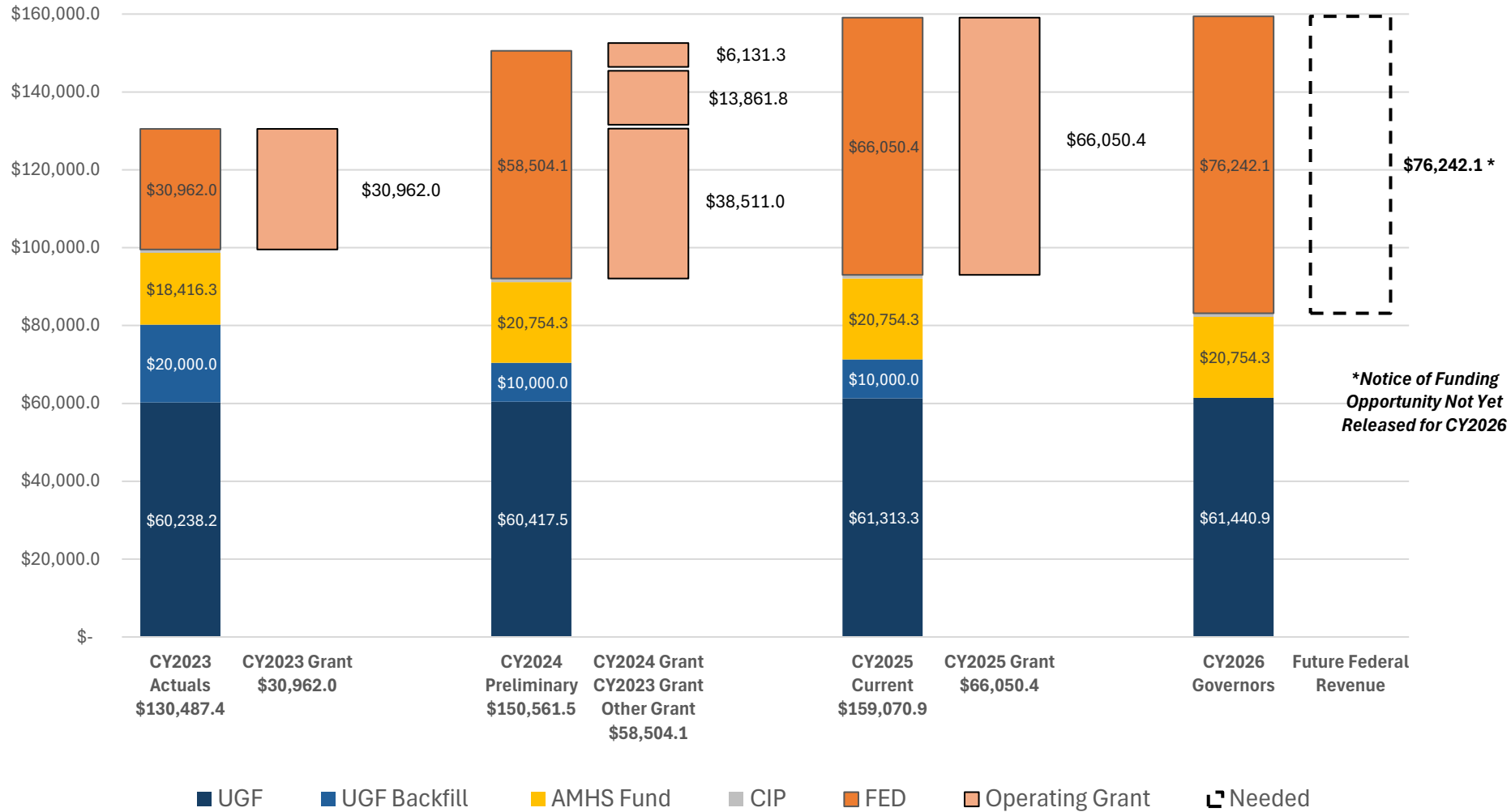


Federal Covid Funds: Coronavirus Response and Relief Supplemental Appropriations Act of 2021 grants from Federal Highway Administration and Federal Transit Administration

\$ in thousands



HISTORY OF FEDERAL FUNDING: RURAL FERRY PROGRAM



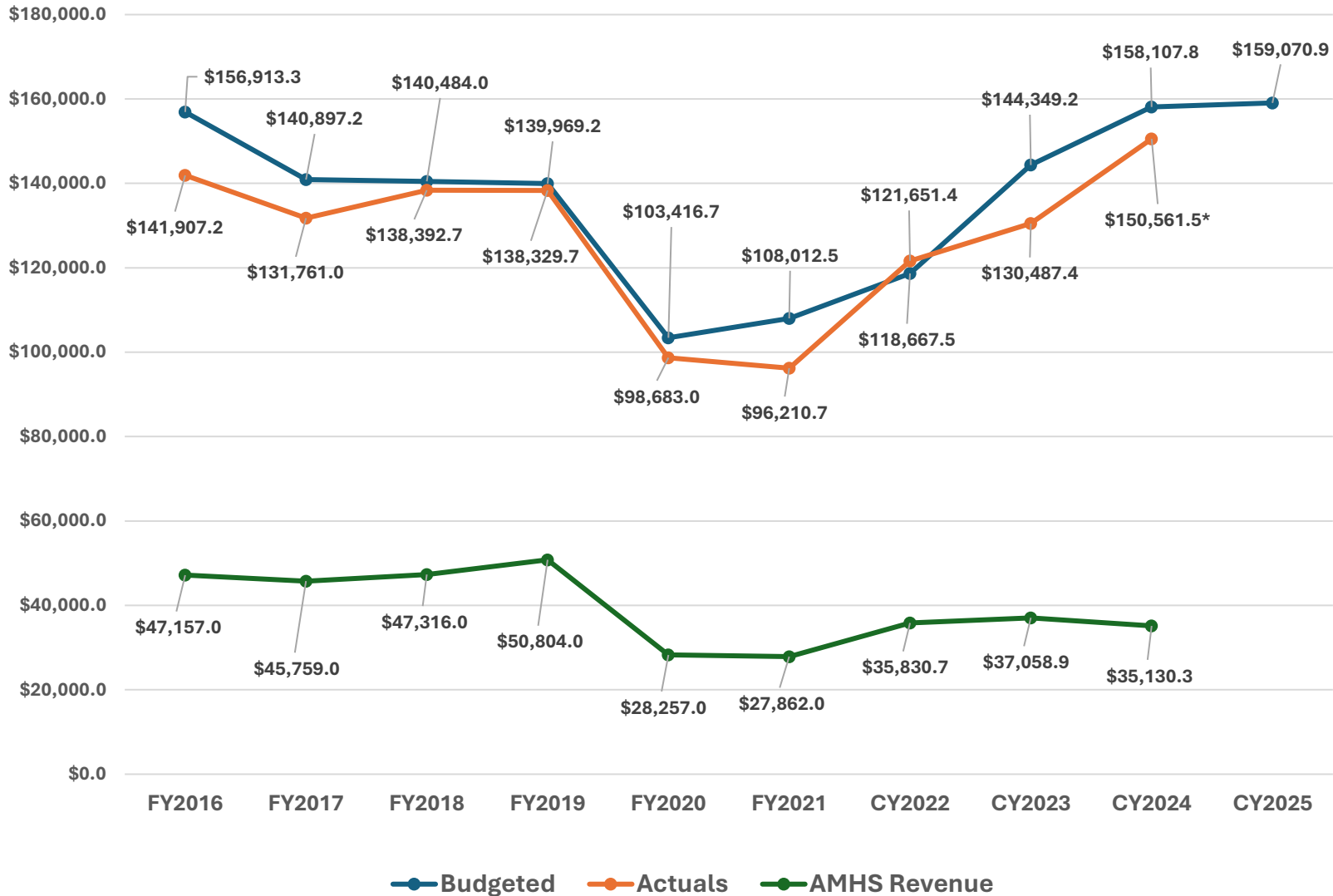
**Notice of Funding Opportunity Not Yet Released for CY2026*

Federal Funds: IIJA Rural Ferry Grant Program (49 USC § 5334) & Formula Programs (23 USC §§ 218, 147, 139)

\$ in thousands



TRENDS: BUDGET, EXPENDITURES, REVENUE

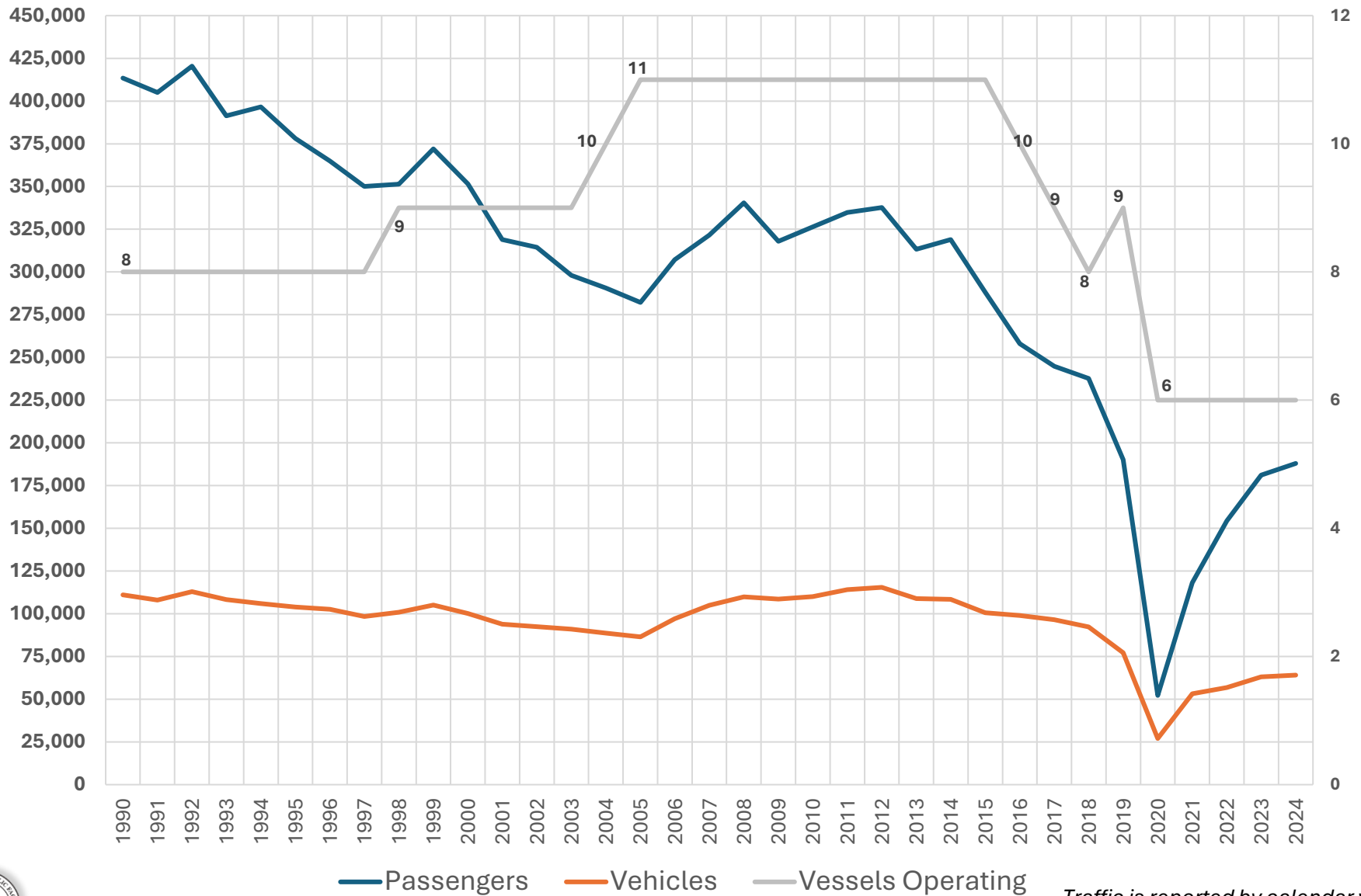


*CY2024 is Preliminary, Still in Closeout

\$ in thousands



RIDERSHIP HISTORY



Traffic is reported by calendar year.



MARINE HIGHWAY FUND

Alaska Marine Highway System Fund (1076)

AS 19.65.060, AS 37.05.550

Marine Highway Fund	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	Projections	
							FY2025	FY2026
Fund Balance, Beginning of Year	\$10,444.0	\$26,947.0	\$4,330.0	-	\$31,308.0	\$41,869.0	\$19,520.0	\$4,471.6
Marine Highway Revenue	\$51,203.0	\$28,991.0	\$28,138.0	\$31,923.0	\$39,758.0	\$36,291.0	\$36,291.0	\$36,291.0
Vessel Overhauls (Capital)	-	-	(\$15,000.0)	-	(\$21,752.0)	(\$23,730.0)	(\$28,500.0)	(\$26,400.0)
Operating Expenditures	(\$34,700.0)	(\$51,608.0)	(\$17,842.0)	(\$615.0)	(\$7,445.0)	(\$34,910.0)	(\$22,839.4)	(\$22,877.6)
Fund Balance, End of Year	\$26,947.0	\$4,330.0	(\$374.0)	\$31,308.0	\$41,869.0	\$19,520.0	\$4,471.6	(\$8,515.0)

AMHS Vessel Replacement Fund (1082)

AS 37.05.550

Fund Balances Available for Appropriation
\$19,676.4

\$ in thousands

2/11/2025



CREWING & LODGING

AMHS Crewing Operations

2/7/2025

MV Matanuska serving as a hotel ship

- Meeting Collective Bargaining Agreement Requirements
- Ketchikan and Southeast facing a Housing Shortage
- Temporary housing for training events and new hires, offsets hotel and other quartering costs

Looking for creative solutions to housing and quartering staff

	Currently Employed	Minimum Needed	Add'l Required for Leave, Injury or illness	Total Needed	Current Status	Union
Master	18	21	5	26	8	MMP
Chief Mate	10	19	5	24	14	MMP
2nd Mate	8	19	5	24	16	MMP
3rd Mate	33	20	5	25	-8	MMP
	69	79	20	99	30	
Chief Engineer	18	14	7	21	3	MEBA
1st Engineer	17	14	4	18	1	MEBA
2nd Engineer	14	12	6	18	4	MEBA
3rd Engineer	12	16	5	21	9	MEBA
	61	56	22	78	17	
Bosun	14	10	3	13	1	IBU
Able Bodied Seaman	58	56	1	60	2	IBU
Ordinary Seaman	18	25	3	28	10	IBU
OSP	7	12	2	14	7	IBU
WM	12	16	2	18	6	IBU
Jr. Engineer	8	13	2	15	7	IBU
Oiler	25	26	3	29	4	IBU
Wiper**	4	5	0	5	1	IBU
	146	163	16	182	38	IBU
Stewards	222					IBU

NOTES:

*We are Short on licensed officers with pilotage. Need 31 more officers with full pilotage

**Extra Wipers used for developing our own Oilers and Jr Engineers since we can't hire them.

Steward positions not included as we are staffed with raw numbers, though this entry level pay position has a very high turnover rate, so recruiting is still a priority. Presently we are experiencing a shortage of cooks which is causing a gap in skilled workers and affecting operations.



THANK YOU

Dom Pannone, Director, Program Management and Administration
Craig Tornga, Marine Director, Alaska Marine Highway System

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