



FEBRUARY 25, 2025

House Finance Committee

Department of Transportation & Public Facilities and Alaska Marine Highway Overview

Alaska Department of Transportation & Public Facilities

Commissioner Ryan Anderson, P.E.

Dom Pannone, Director of Program Management & Administration



MISSION: *Keep Alaska Moving*

Core Values

Integrity • Excellence • Respect • Safety

DOT&PF oversees a network of highways that link together cities and communities throughout the state, thereby contributing to the development of commerce and industry in the state, and that aids in the extraction and development of its resources, and improves the economic and general welfare of the people of the state (AS 19.05.125)



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

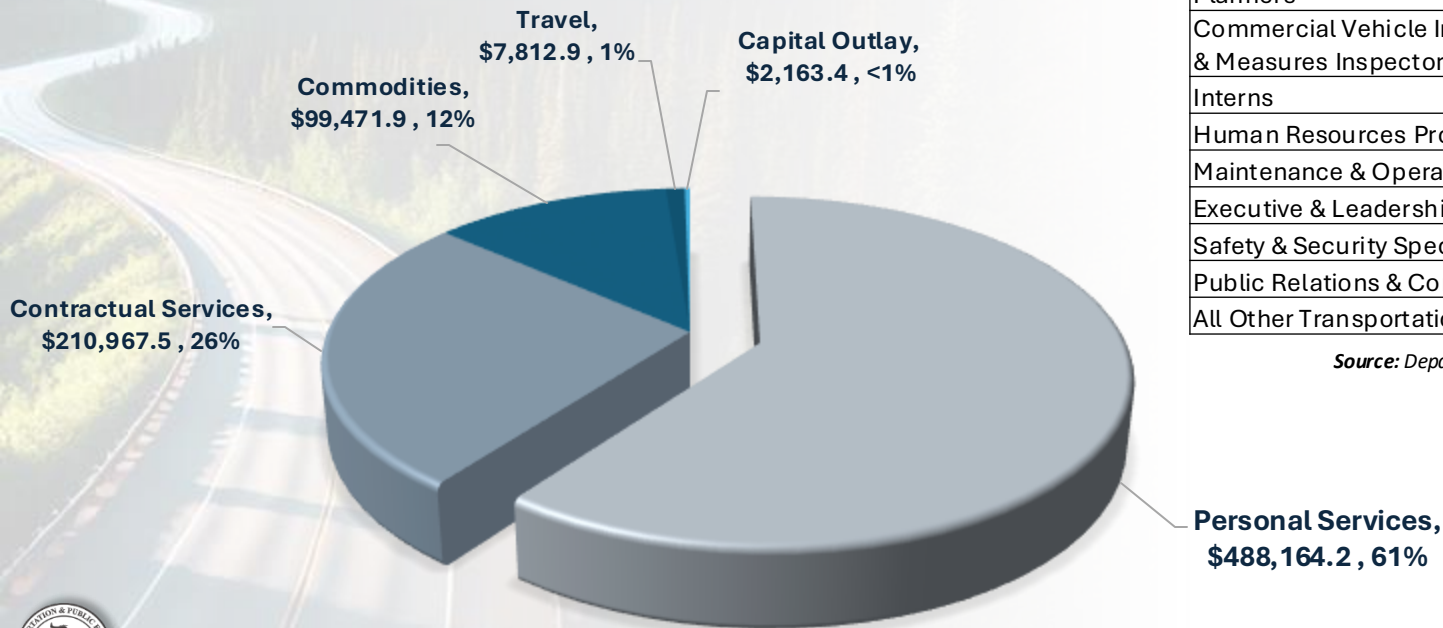
DOT&PF Organization: *Modern, Resilient, Agile*



FY2026 OPERATING: ALASKA DOT&PF

An extremely diverse and talented workforce.

Staff are our largest investment and our largest resource.



Professional Categories	Employed
Engineering & Architectural Professionals	578
Marine Vessel Staff	511
Equipment Operators	475
Administration & Administrative Support	161
Building & Facility Maintenance	149
Mechanics	112
Contracting & Procurement Professionals	108
Environmental Professionals	104
Finance, Accounting & Budget	102
Airport Police & Fire Officers	86
Information Technology Professionals	73
Right of Way Agents	43
Planners	41
Commercial Vehicle Inspectors, Weights & Measures Inspectors	35
Interns	22
Human Resources Professionals	22
Maintenance & Operations Managers	21
Executive & Leadership	17
Safety & Security Specialists	10
Public Relations & Communications	7
All Other Transportation Professions	273

Source: Department of Admin. Position Report, 1-13-2025

\$ in thousands, Governor's Amended (2-19-2025)

FY2026 OPERATING BUDGET: FUND SOURCES

FY2026 Operating: All Funds

UGF	\$184,046.2
1004 Unrestricted General Fund Receipts	\$184,046.2

DGF	\$72,886.6
1005 General Fund/Program Receipts	\$6,282.6
1076 Alaska Marine Highway System Fund	\$22,877.6
1200 Vehicle Rental Tax Receipts	\$6,625.6
1249 Motor Fuel Tax Receipts	\$37,100.8

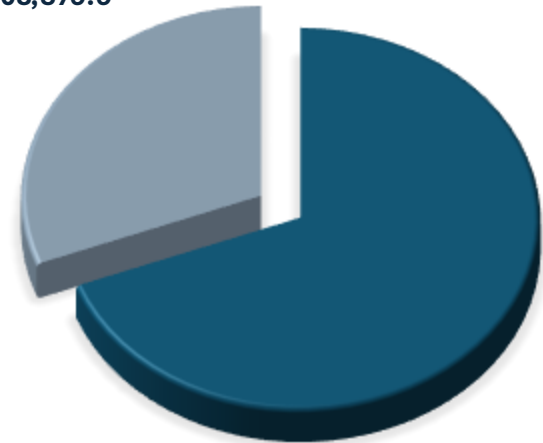
Fed	\$81,842.0
1002 Federal Receipts	\$81,842.0

Other	\$469,805.1
1007 Interagency Receipts	\$60,879.9
1026 Highways Equipment Working Capital Fund	\$40,837.7
1027 International Airports Revenue Fund	\$127,904.1
1061 Capital Improvement Project Receipts	\$207,078.5
1108 Statutory Designated Program Receipts	\$402.0
1147 Public Building Fund	\$15,802.7
1214 Whittier Tunnel Toll Receipts	\$1,826.3
1215 Unified Carrier Registration Receipts	\$818.6
1239 Aviation Fuel Tax Account	\$4,914.8
1244 Rural Airport Receipts	\$9,059.4
1245 Rural Airport Receipts I/A	\$281.1

FY2026 Operating Total \$808,579.9

OPERATING VS CAPITAL

**FY2026 Operating,
\$808,579.9**



**FY2026 Capital,
\$1,817,052.8**

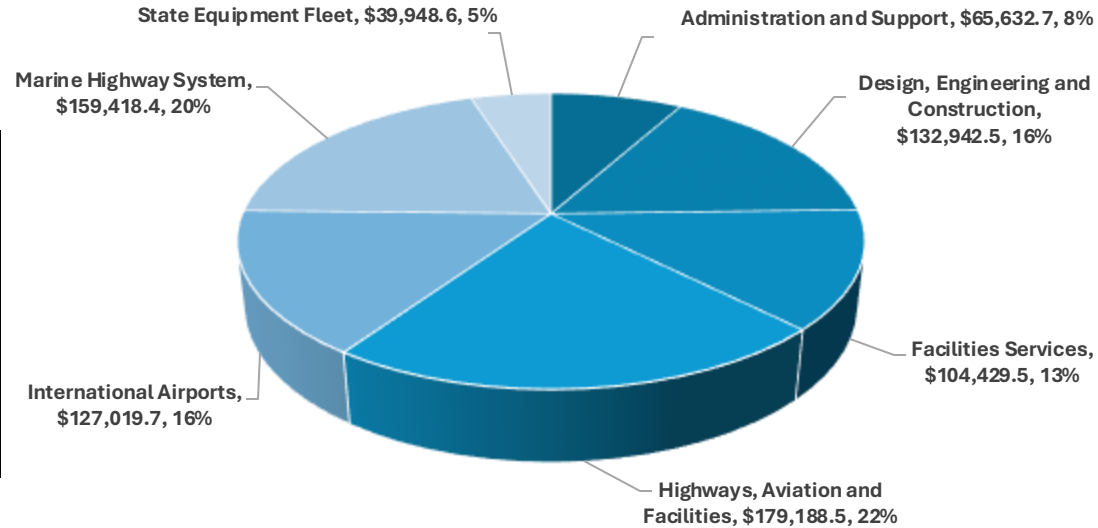
\$ in thousands, Governor's Amended (2-19-2025)



FY2026 OPERATING BUDGET: OVERVIEW

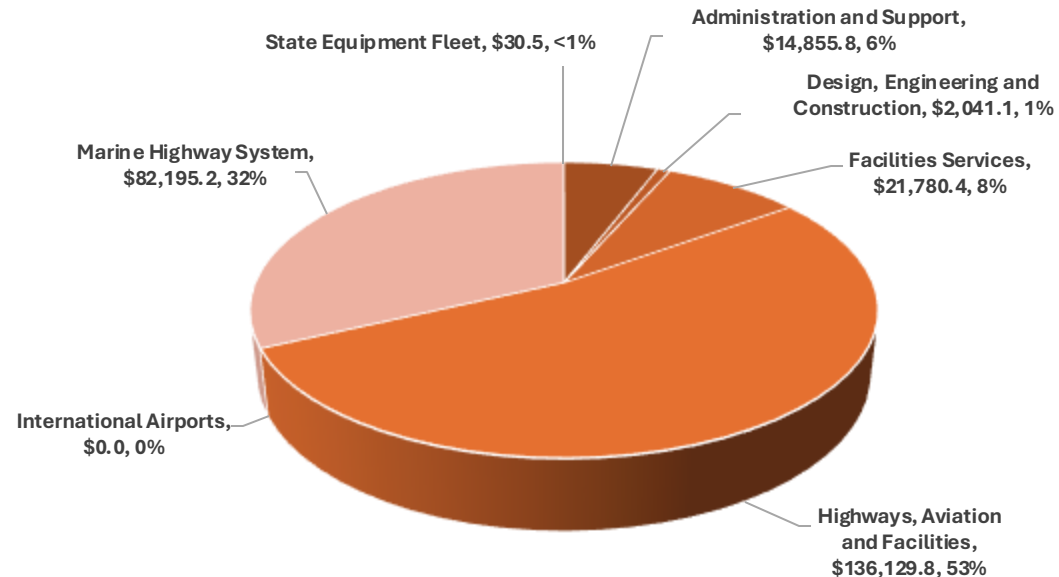
FY2026 Operating: All Funds

Results Delivery Unit	FY2026
Administration and Support	\$65,632.7
Design, Engineering and Construction	\$132,942.5
Facilities Services	\$104,429.5
Highways, Aviation and Facilities	\$179,188.5
International Airports	\$127,019.7
Marine Highway System	\$159,418.4
State Equipment Fleet	\$39,948.6
Total	\$808,579.9



FY2026 Operating: Unrestricted General Funds + Designated General Funds

Results Delivery Unit	FY2026
Administration and Support	\$14,855.8
Design, Engineering and Construction	\$2,041.1
Facilities Services	\$21,780.4
Highways, Aviation and Facilities	\$136,029.8
International Airports	\$0.0
Marine Highway System	\$82,195.2
State Equipment Fleet	\$30.5
Total	\$256,932.8



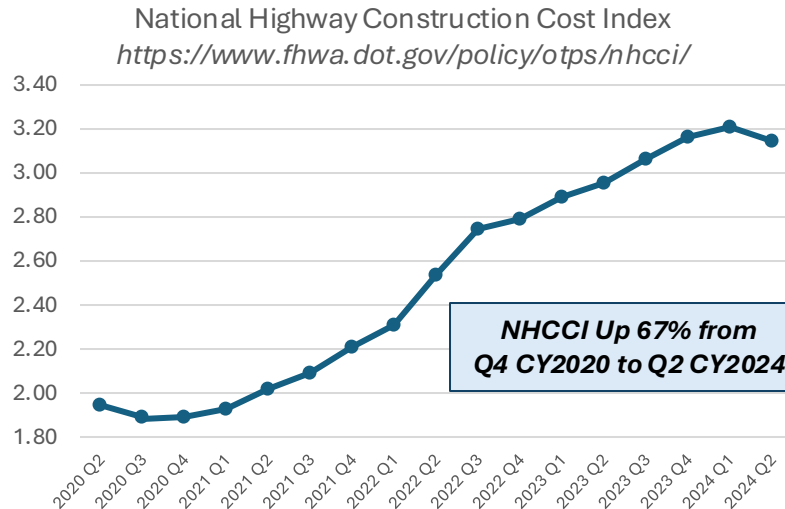
\$ in thousands, Governor's Amended (2-19-2025)



FY2026 BUDGET HIGHLIGHTS: HIGHWAYS

Key Issues Ahead

- Dalton Highway and Industrial Activities on Highways
- Bridge Conditions
- Bicyclist and Pedestrian Safety / Complete Streets
- Project Cost Escalation
- Planning Authority on National Highway System Routes
- Deferred Maintenance
- Right-of-Way Management
- Emergency Relief Funding
- Deicing Chemicals on Highways



NHCCI Components

Grading and Excavation	Signalization
Bridge	Lighting
Asphalt	Roadway
Concrete Pavement	Lighting/Electrical
Concrete-Miscellaneous	Grassing
Concrete-Culverts	Erosion Control
Base Stone	Retaining Wall
Drainage-Pipe	Miscellaneous-
Drainage-Inlets/Catch	Stone/Riprap
Basins	Clearing
Underdrain	Painting Structures
Traffic Control	Buildings/ Miscellaneous
Guard Rail	Structures
Fencing	Utility-Water
Signs-Permanent	Utility-Gas
Striping/Pavement	Utility-Sewer
Marking	Equipment/Labor

FY2026 Requests	FED	OTHER	UGF	Grand Total
Increments to Base Budget		\$4,525.0		\$4,525.0
Add Capital Improvement Project Receipts to Support Highway Safety Mission		\$25.0		\$25.0
Dalton Highway Aggregate Stockpiles		\$4,500.0		\$4,500.0
Increments, One Time Items			\$2,442.5	\$2,442.5
Dalton Highway Safety Training			\$250.0	\$250.0
Dalton Maintenance Camp Contracting			\$692.5	\$692.5
Roadside Hardware Repairs			\$1,000.0	\$1,000.0
Right of Way Clearing of Vacated Homeless Encampments			\$500.0	\$500.0
Fund Changes	\$2,875.0		-\$2,875.0	\$0.0
Whitter Tunnel Fund Swap	\$2,875.0		-\$2,875.0	\$0.0
Highway Requests Total	\$2,875.0	\$4,525.0	-\$432.5	\$6,967.5

\$ in thousands, Governor's Amended (2-19-2025)



FY2026 BUDGET HIGHLIGHTS: RURAL AVIATION



*Sunny day at the Hughes Airport along the Koyokuk River, June 2024
Henry Cole, Alaska DOT&PF*

Key Issues Ahead

- Project Cost Escalation
- Airport Lighting Systems
- Airport Weather Observation Systems (AWOS)
- Federal Aviation Administration (FAA) Reauthorization
- Employee Housing
- Increasing Cost of Rural Airport Maintenance Contracts
- Civil Rights and FAA Findings
- Gustavus Airport Security
- PFAS Transition
- Parking at Airports

FY2026 Requests	OTHER	UGF	Grand Total
Increments to Base Budget	\$430.0	\$558.3	\$988.3
Airport Stormwater Pollution Prevention Plans Tracker Annual Subscription Fee	\$160.0		\$160.0
Akutan Airport Employee Lodging		\$72.0	\$72.0
Alaska Aviation System Plan: Letters of Correction Database	\$50.0		\$50.0
Capital Improvement and Maintenance Program (CIMP) Inspection Program	\$100.0		\$100.0
Kotzebue Airport Employee Housing and Travel		\$111.6	\$111.6
Rural Airport Maintenance Contractor Increases		\$374.7	\$374.7
Rural Airport Receipts to Support After-Hour Call Out	\$120.0		\$120.0
Increments, One Time Items	\$160.0		\$160.0
Abandoned Buildings on Lease Lots	\$160.0		\$160.0
Rural Aviation Requests Total	\$590.0	\$558.3	\$1,148.3

\$ in thousands, Governor's Amended (2-19-2025)

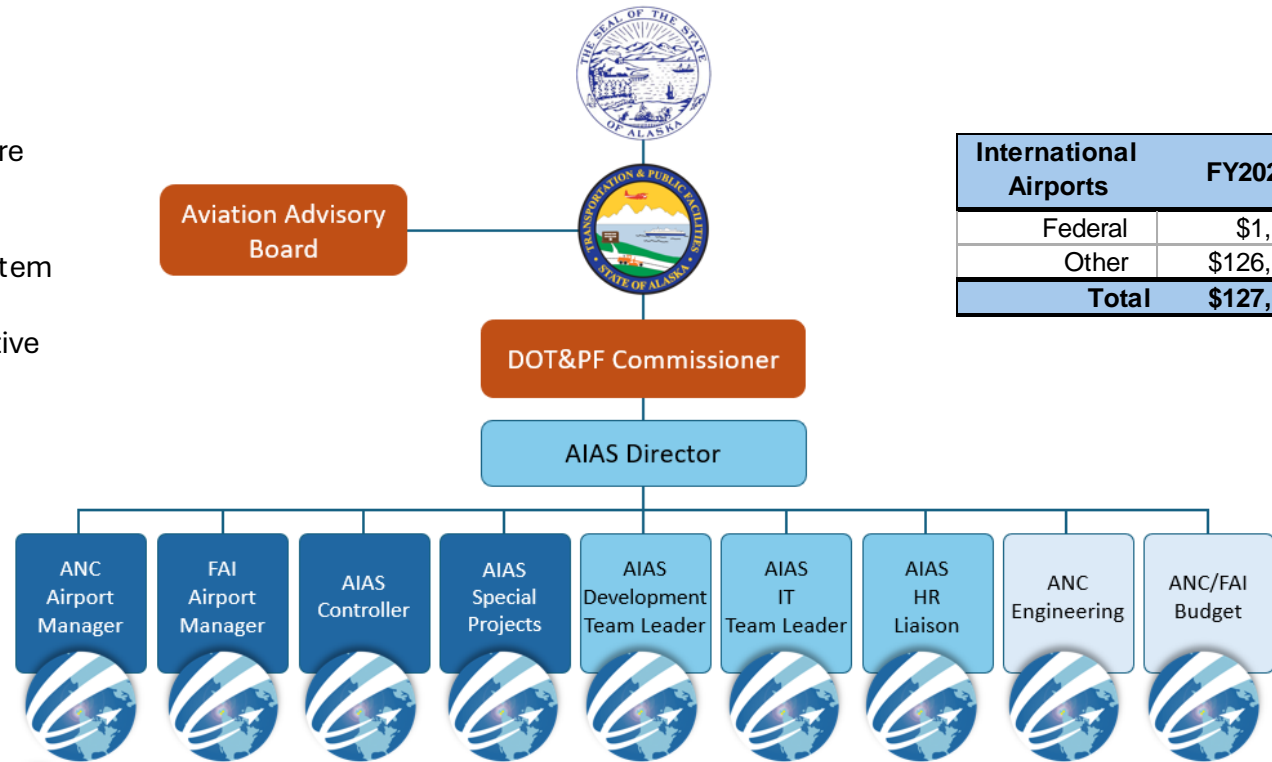
2/25/2025



FY2026 BUDGET HIGHLIGHTS: INT'L AIRPORTS

Key Issues Ahead

- Air Cargo Growth & Infrastructure Investment
- Passenger Service Expansion
- Alaska International Airport System Restructure
- Sustainable Aviation Fuel Initiative
- Solar Initiative
- PFAS Transition



International Airports		FY2026
Federal		\$1,008.4
Other		\$126,011.3
Total		\$127,019.7

FY2026 Budget Changes		Airport Revenue	Perm. Pos.	Temp Pos.
Salary Adjustments (Part of the Adjusted Base)		\$3,117.2		
FY2026 Salary, Health Insurance, and Retirement Increases		\$3,117.2		
Net Zero Transfers Within Components (Part of the Adjusted Base)		\$4,167.4	28	1
Transfer from Fairbanks Airport Administration to Align Authority with Anticipated Expenditures		\$20.0	0	0
Transfer Positions from Multiple Components for Streamlined Alaska International Airport Operations		\$4,147.4	28	1

\$ in thousands, Governor's Amended (2-19-2025)

2/25/2025

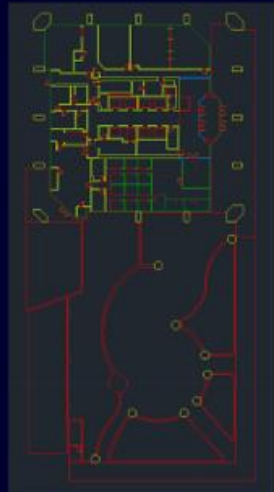
FY2026 BUDGET HIGHLIGHTS: DIVISION OF FACILITY SERVICES



Exterior LIDAR Scan



Interior LIDAR Scan



Accurate Dimension CAD Drawings

FY2026 Operating

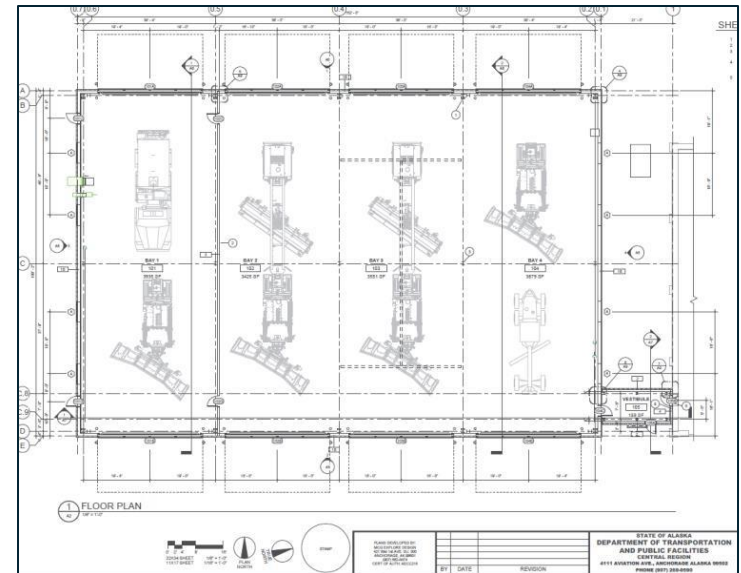
Division of Facilities Services, \$104,429.5

UGF \$21,235.4, DGF \$545.0, Fed \$160.1, Other \$82,489.0

Key Issues Ahead

- Legacy Systems
- Customer Service
- Deferred Maintenance

- **827** Public Facilities Spanning **50** Communities
- Serving **Multiple** State Agencies
- **44** Contracts Awarded in 2024 for over **\$43,000.0** in Facility Improvements
- **180** Projects Underway
- 360-Degree Cameras for Virtual Building Walkthroughs
- Developing Digital Twins



\$ in thousands, Governor's Amended (2-19-2025)

2/25/2025



FY2026 BUDGET HIGHLIGHTS: STATE EQUIPMENT FLEET

FY2026 Operating

Statewide Equipment Fleet, \$39,948.6

UGF \$30.5, Other \$39,918.1

Key Issues Ahead

- Legacy Systems
- Customer Service
- Deferred Maintenance
- Scalable Resourcing



- **\$39,000.0** in Fleet Replacement in Capital Budget for FY2026
- **7,596** Assets Managed for State Agencies
- **889** Assets Managed for Universities, Housing, and Energy Sectors
- **51** Equipment Maintenance Shops
- **3,400** Active Fuel Cards
- **\$5,500.0** in Fuel Costs in FY2024

\$ in thousands

2/25/2025

ALASKA MARINE HIGHWAY SYSTEM

Budget Info

FY2026 Marine Highway System \$159,418.4

\$ in Thousands

UGF \$61,440.9, DGF \$20,754.3, Fed \$76,242.1, Other \$981.1

2024 Operations

9 Ferries

35 Ports of Call

3,500-Mile Coastal Route

33 Terminals

53,111 Vehicles Moved

118,212 Passengers

Transported

4 Ships Over **50** Years Old

Key Issues Ahead

- Maritime Workforce
- Federal Transit Administration/Federal Highway Administration Coordination
- M/V Matanuska Decision
- Long Range Planning
- Capital Investment in Vessels and Terminals
- Modernization and Customer Service
- Trooper Ride-Alongs (Columbia)



AMHS VESSELS



Aurora

- No Major Projects Planned

48 yrs - Built 1977



Columbia

- WiFi Upgrades in CY2024

52 yrs - Built 1973



Hubbard

- No Major Projects Planned

6 yrs - Built 2019



Kennicott

- Emissions and Exhaust
- \$24.4M in CY2025

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 FY2025 Rural Ferry Program

62 yrs - Built 1963



Tazlina

- Crew Quarters Addition
- \$19.3M in FY2025

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 FY2025



New Mainliner

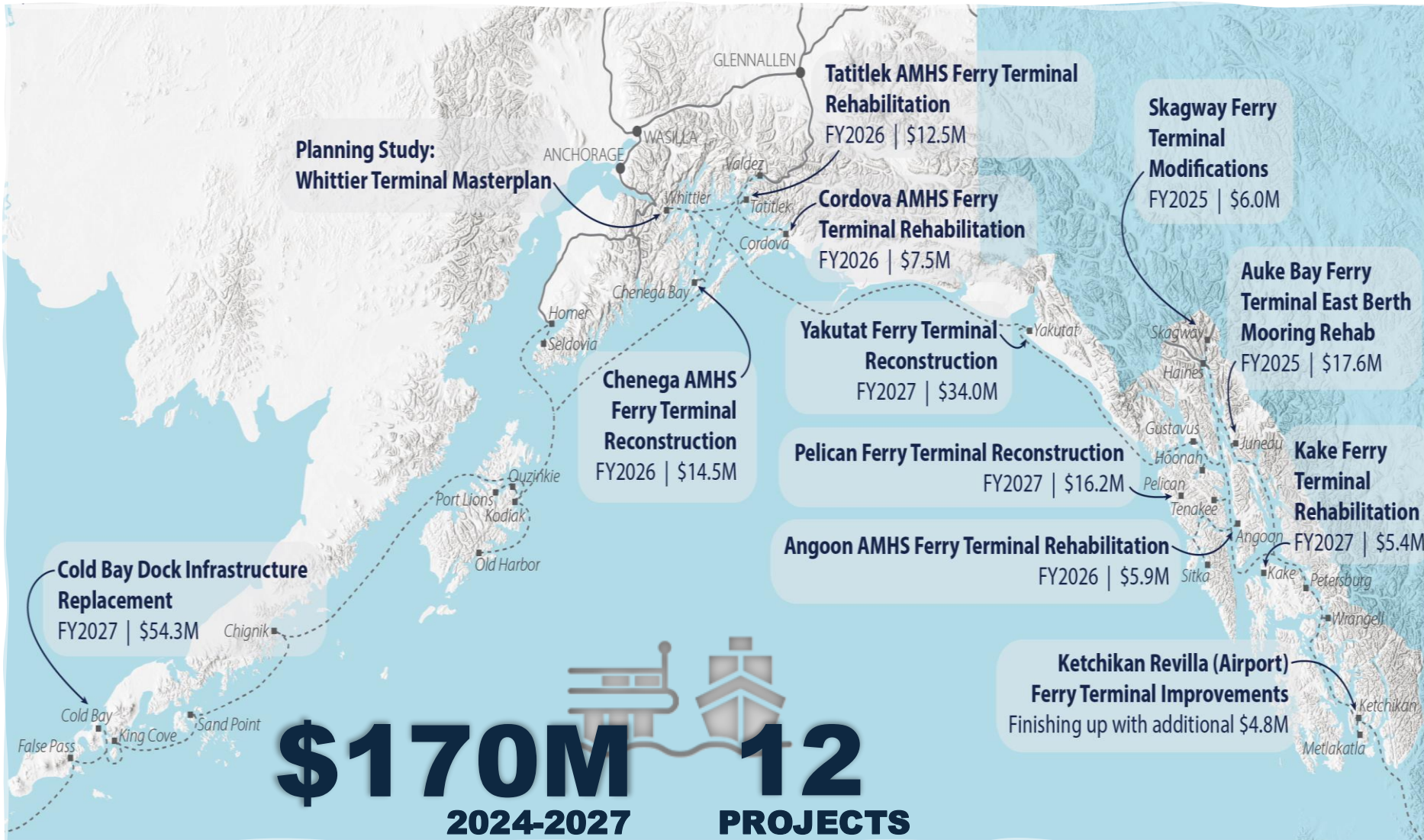
- New Construction
- \$10M in FY25



No/Low Emissions Ferry

- New Construction
- \$53.2M in FY2026

AMHS TERMINALS

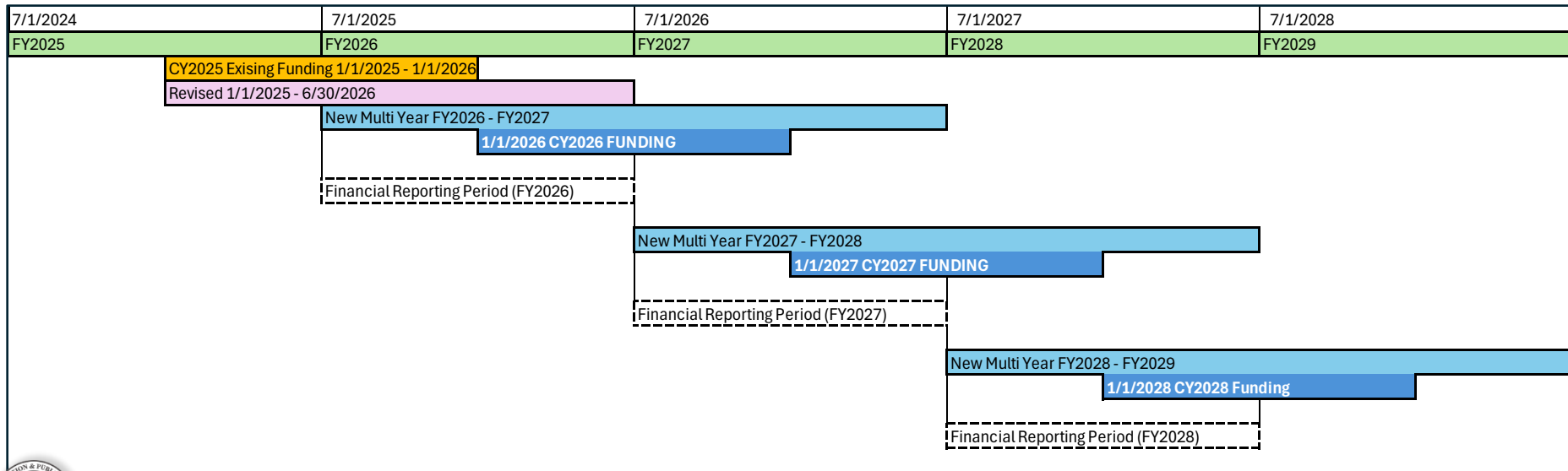


FY2026 BUDGET STRUCTURE

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
- Continues calendar year model and requests for annual funding



\$ in thousands

2/25/2025

HISTORY OF FEDERAL FUNDING: RURAL FERRY PROGRAM



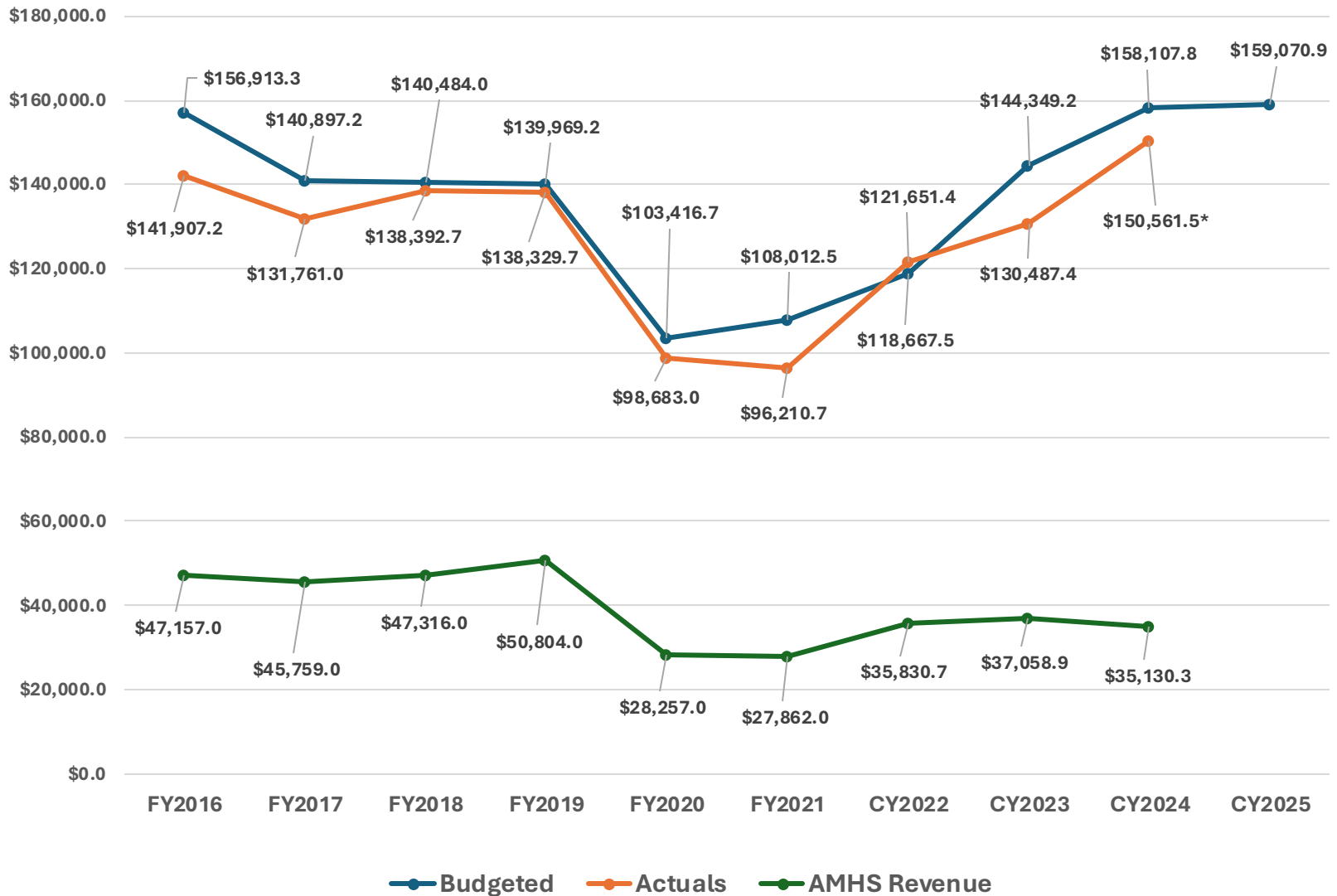
**Notice of Funding Opportunity Not Yet Released for CY2026*

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

\$ in thousands



TRENDS: BUDGET, EXPENDITURES, REVENUE

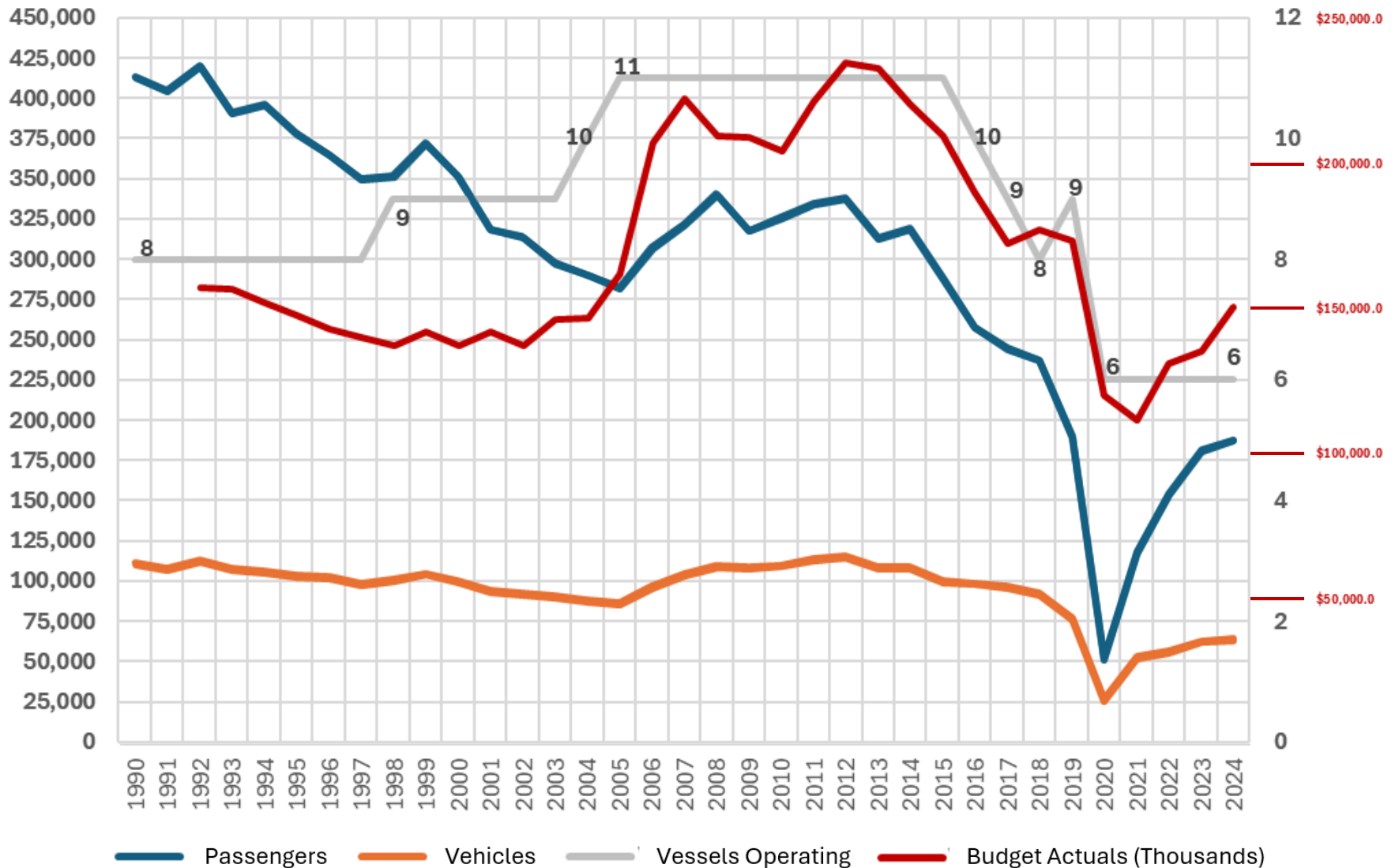


*CY2024 is Preliminary, Still in Closeout

\$ in thousands



RIDERSHIP HISTORY



Traffic is reported by calendar year. Actuals are FY prior to 2022, and are CPI Adjusted through 2024.



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

Increased revenues and timing of expenses will alter end-of-year balances



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.

Position	AMHS Base Pay (\$/hr)	AMHS Total Compensation (\$/hr)	WSF Base Pay (\$/hr)	WSF Total Compensation (\$/hr)**
Captains (Masters)	\$65.36*	\$112.42	\$88.38	TBD
Chief Engineers	\$58.95*	\$93.73	\$75.28	TBD
2nd Assistant Engineers	\$46.24*	\$73.52	\$48.19	TBD
Port Captains	\$59.80 (schedule 200)	\$97.47	\$76.31	TBD
Port Engineers	\$52.34 (schedule 200)	\$85.31	\$78.23	TBD

*Base pay factors in COLD Values –

**WSF total Compensation has not yet been verified.

WSF – Washington State Ferries

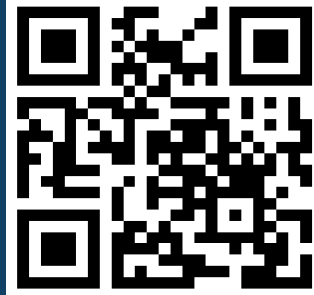
COLD – Cost of Living Differential



STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM



AMENDMENT #2
DOT.ALASKA.GOV/STIP



STIP PUBLIC COMMENTS

PROPOSED AMENDMENT 2

12259: Recreational Trails Program

PROJECT INFORMATION

STIP ID: 12259

STIP Year: 2024 - 2027

Amendment:

Strategic Investment Area: Sustainability

PROJECT BUDGET

Total 2024-2027 Budget
\$10,465,375

↑ \$636,864

Funding Source

RTP, 3PF Local

BUDGET BY YEAR

2024	2025	2026	2027
\$3,828,689	\$2,963,137	\$1,813,169	\$1,860,380
↓ \$756,460	↑ \$1,223,874	↑ \$47,817	↑ \$121,633

PROJECT DESCRIPTION

Enhance outdoor recreational activities through funding of recreational trail projects across Alaska. Per 23 CFR 450.218(j) this STIP program groups together categorically excluded projects (23 CFS 771.117. Recreational trails, as defined by 23 USC 206(2), are not subject to the location of project requirement in 23 U.S.C. 133(c).

COMMENT ON THIS PROJECT



STIP AMENDMENT COMPARISON

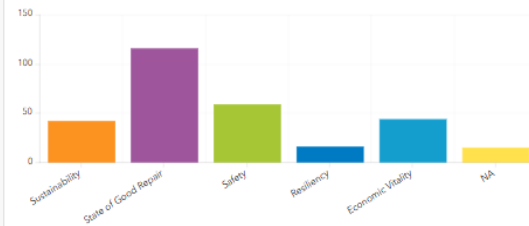
Overall

Project or Program

PROPOSED AMENDMENT 2

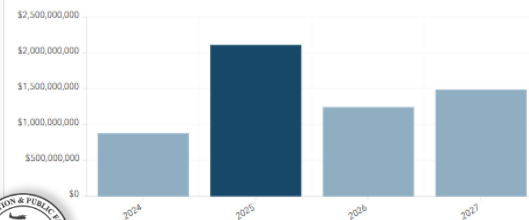
Total Projects & Programs: 292

Projects & Programs by Strategic Investment Area



2024 - 2027 Budget: \$5,711,618,772

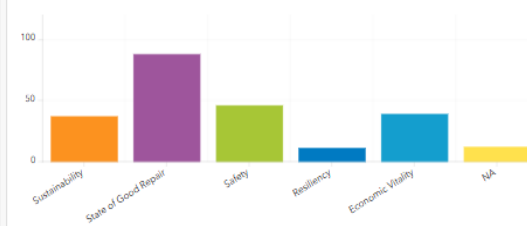
Projects & Programs Total Budget by Year



AMENDMENT 1

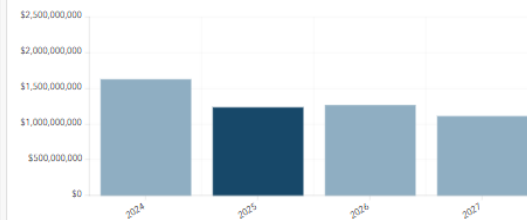
Total Projects & Programs: 233

Projects & Programs by Strategic Investment Area



2024 - 2027 Budget: \$5,223,976,413

Projects & Programs Total Budget by Year



THANK YOU

**Commissioner Ryan Anderson, P.E.
Dom Pannone, Director, Program Management and Administration**

**Alaska Department of Transportation & Public Facilities
DOT.Commissioner@alaska.gov**

