



Alaska Department of Transportation & Public Facilities

Alaska Marine Highway System & Highways *for* House Finance Sub-Committee

Craig Tornga

Marine Director, AMHS

Dom Pannone

Director, Program Management &
Administration

February 22, 2024

CY2025 Budget Overview



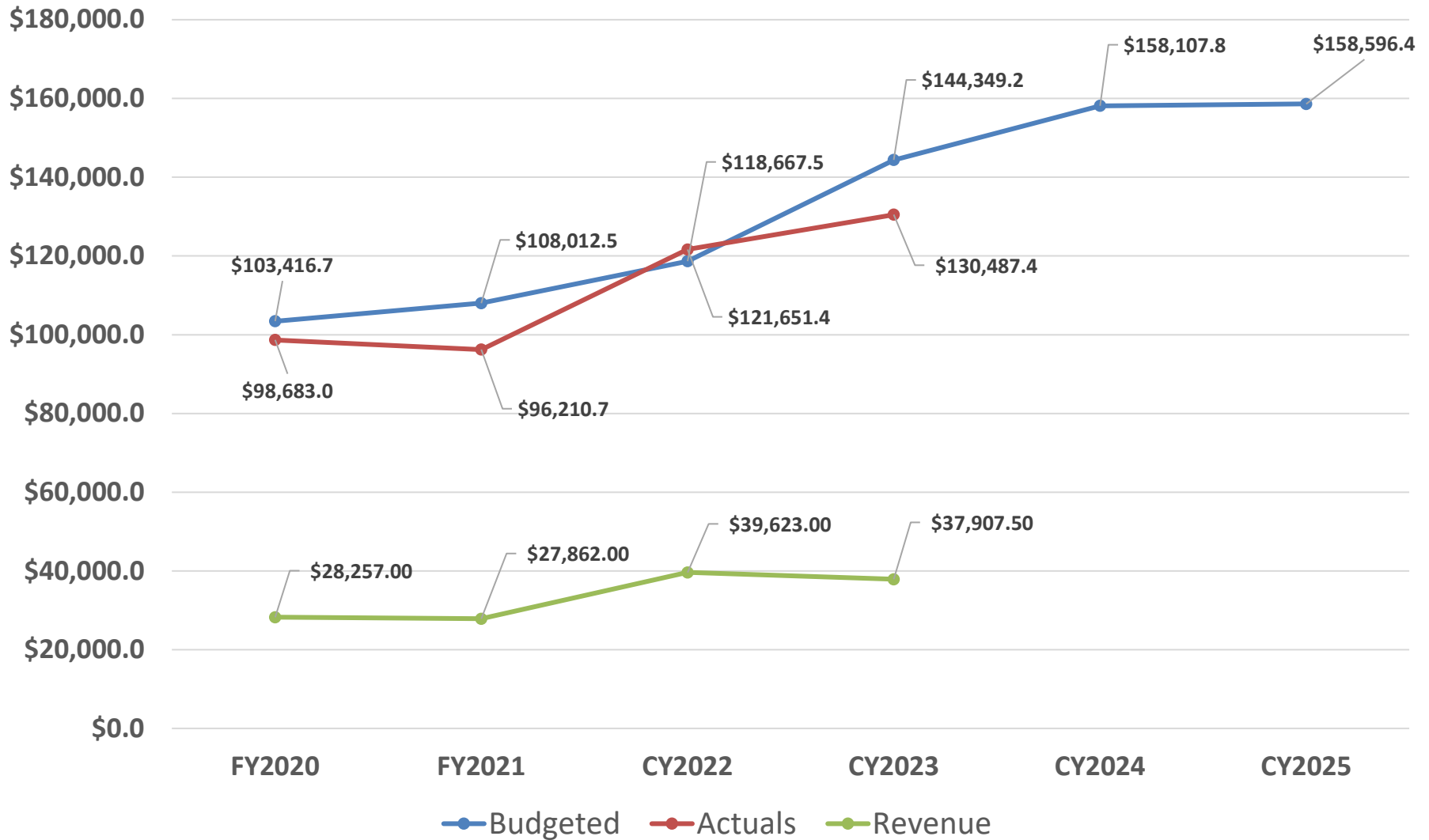
CY2025 Operating Budget by Fund	
1002 Federal Receipts	\$ 76,050.4
1004 Unrestricted General Fund Receipts	\$ 60,879.1
1061 Capital Improvement Project Receipts	\$ 912.6
1076 Alaska Marine Highway System Fund	\$ 20,754.3
Grand Total	\$ 158,596.4

CY2025 Operating Budget by Component	
Marine Engineering	\$ 2,937.8
Marine Shore Operations	\$ 8,122.8
Marine Vessel Fuel	\$ 23,568.4
Marine Vessel Operations	\$ 115,605.0
Overhaul	\$ 1,699.6
Reservations and Marketing	\$ 1,485.4
Vessel Operations Management	\$ 5,177.4
Grand Total	\$ 158,596.4

\$ in thousands



Lookback of Budgeted vs. Actuals

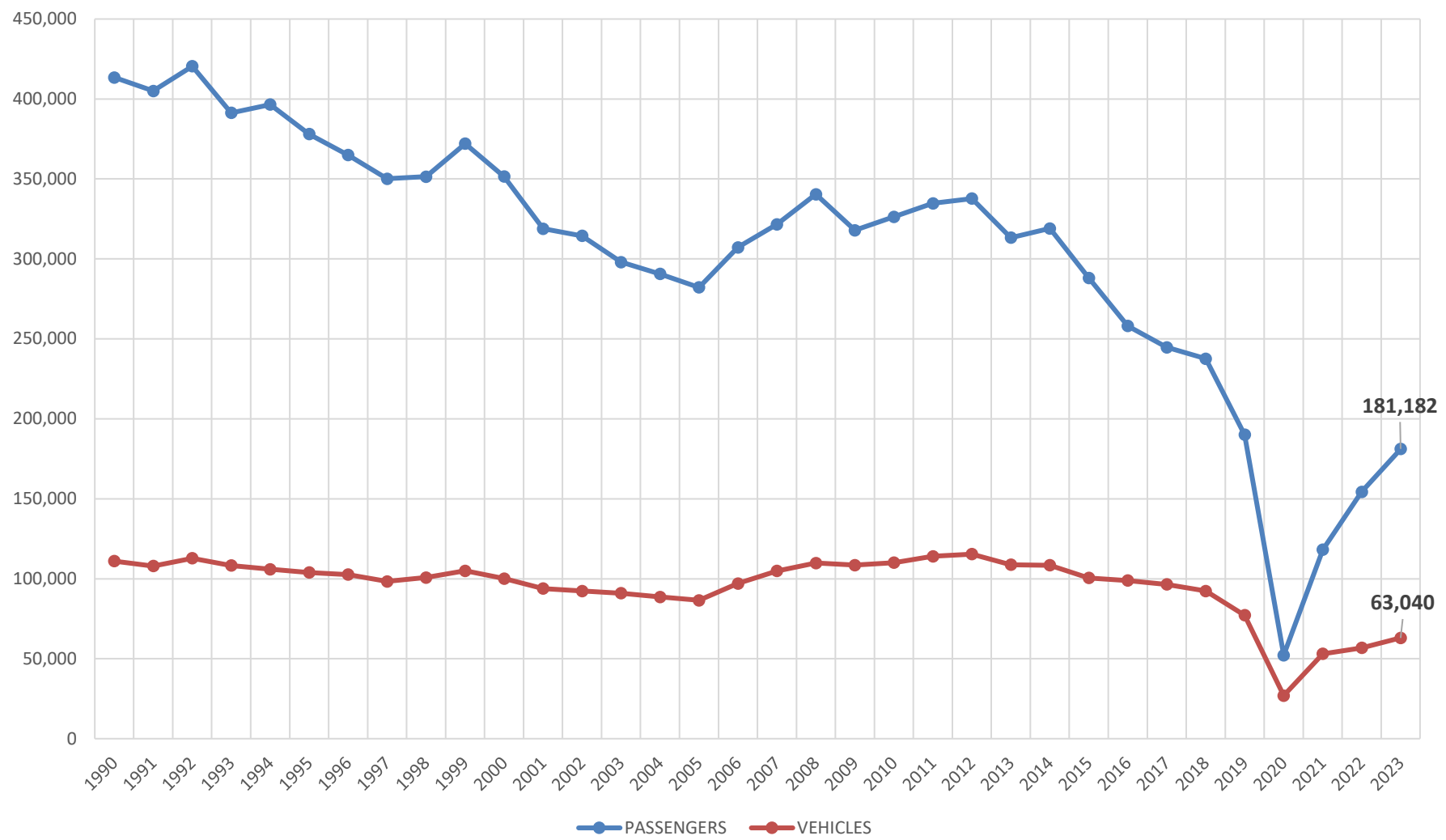


CY2023 actuals are preliminary

\$ in thousands



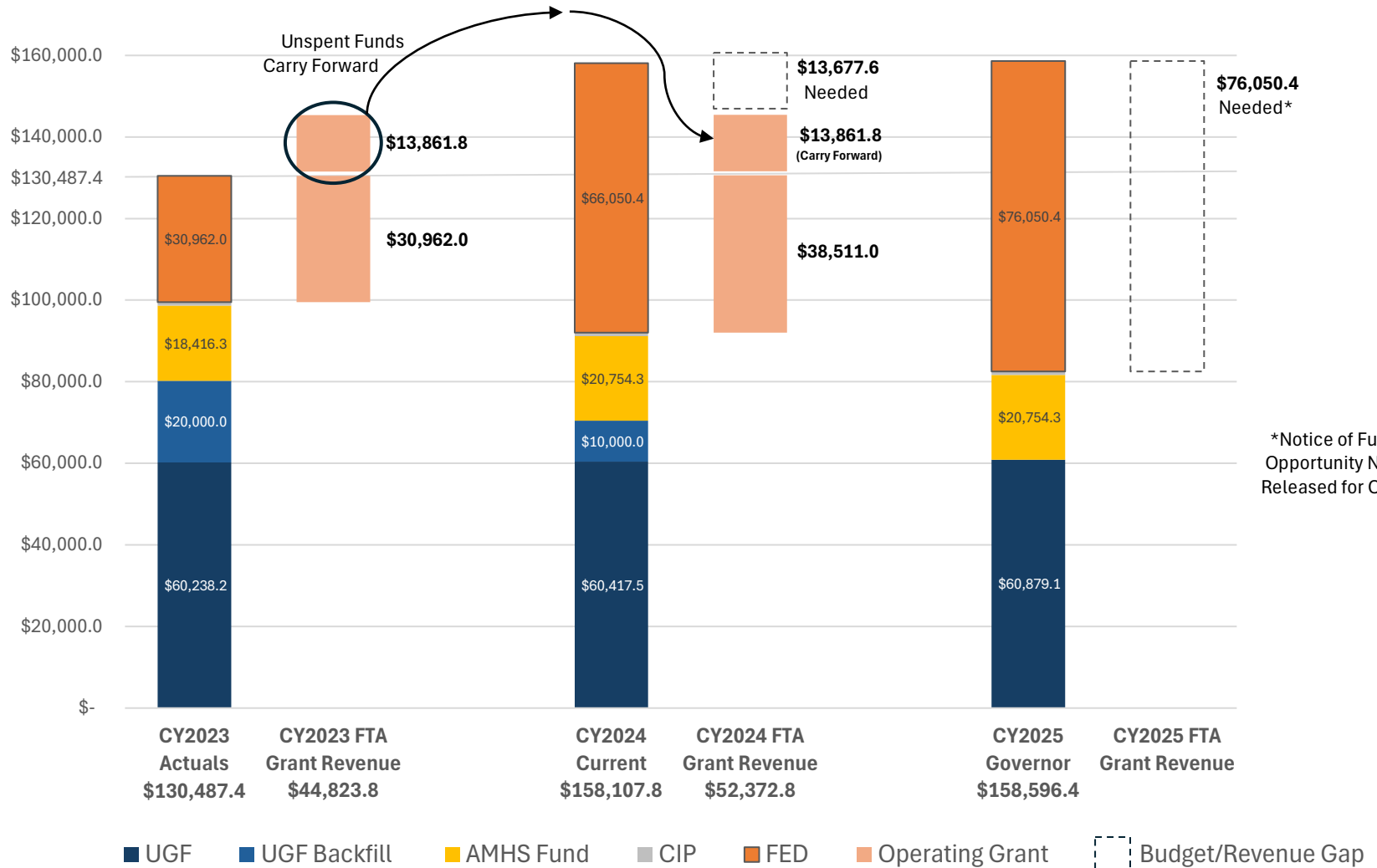
Lookback of Traffic



Traffic Numbers are Calendar Year

\$ in thousands

Federal Authority & Revenue in Operating Budgets



*Notice of Funding Opportunity Not Yet Released for CY2025

Federal Funds: IIJA Rural Ferry Grant Program (Title 49, Sec. 5334) & Alaska Highway (Title 23, Sec. 218)

FTA: Federal Transit Administration

\$ in thousands

Toll Matching Credits

- Authorized in 23 USC 120 - Federal Share Payable - (i) Credit for Non-Federal Share
- AMHS Revenue spent on capital improvements generate credits
- Credits, when applied, allow other federal dollars to take place of state match funds on FTA and FHWA projects
- DOT&PF modeled program after WashDOT
- \$42.2M requested and Pending Federal Highway Administration approval

For Each Project or Phase, The STIP Shall Include:

- Projects selected to receive CMAQ, CRP, STBG and TA funds using Toll Credits as match:
 - ✓ Project must be fully funded with federal funds
 - ✓ No match is to be programmed
 - Transportation Improvement Program (TIB)
 - County Road Administration Board (CRAB)
 - Local Funds
 - State funds
- The following statement **must** be included at the end of the project description:
 - ✓ Project is fully funded with federal funds using Toll Credits as local match.

Excerpt from WashDOT STIP training

<https://wsdot.wa.gov/sites/default/files/2023-04/pdf-2023-STIPtrainingPresentation.pdf>

Alaska DOT&PF Toll Credit Calculations (*whole dollars*)

State Fiscal Year	Requested Credit Amount (\$)	Unrestricted Revenue Earned (\$)	State Funds Spent on Capital Projects as Match (\$)	MOE Threshold (\$)
2016	N/A	47,057,320	218,999,330	N/A
2017	N/A	45,581,578	180,874,871	N/A
2018	N/A	46,674,277	161,888,398	N/A
2019	Did not qualify	48,567,989	152,825,077	187,254,200
2020	2,652,799	21,386,000	172,772,303	165,196,115
2021	13,997,370	27,862,232	166,440,766	162,495,259
2022	5,453,729	34,612,555	182,134,181	164,012,715
2023	20,074,885	38,105,392	370,818,163	173,782,417



Crewing Status as of January 26th



	Currently Employed	Total Needed	Current Status
Wheelhouse*	71	79	-8
Master	See above wheelhouse		
Chief Mate			
2nd Mate			
3rd Mate			
Chief Engineer	17	22	-5
1st Engineer	14	18	-4
2nd Engineer	13	18	-5
3rd Engineer	10	23	-13
Bosun	15	12	3
Able Bodied Seaman	58	62	-4
Ordinary Seaman	28	28	0
OSP	15	14	1
WM	18	18	0
Jr. Engineer	9	15	-6
Oiler	25	29	-4
Wiper**	14	5	9

NOTES:

*The system is short on licensed officers with pilotage. Need 27 more officers with full pilotage.

**Extra Wipers used for developing our own Oilers and Jr Engineers as hiring directly is extremely challenging.

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

Summer Schedule

DRAFT

Operating Plan 2023-2024

Revision Number 24.16

02/02/2024

Operating Weeks

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
	2023	Implementation of an Operating Plan is dependent upon funding from the legislature and earned revenue.										2024	
KEN	Jul 1, Sat Overhaul					Dec 15, BEL					May 03, Layup		20.0
COL	Jul 1, Sat BEL					Dec 01, Fri Overhaul					May 08, BEL		29.6
MAT	Jul 01, Layup												0.0
MRV													0.0
TRV													0.0
LIT	Jul 1, Sat ANB	Aug 9, Overhaul	Aug 23, ANB Service										50.3
LEC	Jul 1, Sat NP					Nov 20, Overhaul					May 01, Wed NP		29.0
TUS	Jul 1, Sat SW							Feb 15, Overhaul			May 1, SW		41.4
AUR	Jul 1, Sat PWS			Oct 15, Overhaul		Dec 15, PWS							43.6
HUB	Jul 01, LYNN			Oct 01, tie down buttons	Nov 16, NP						May 03, Overhaul		24.0
TAZ	Jul 01, Sat layup								Mar 01, Federal CIP				0.0

0

LEGEND

0

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	49.6
Feeder Vessels	103.3
Southwest Vessels	85.0
Total Operating Weeks	237.9

FILE: 24.16 02-01-24.xls

Printed 2/6/2024

February 22, 2024

Planned Terminal Projects



- **Cordova Terminal Upgrade – 2024-2025**
- **Tatitlik Terminal Upgrade – 2026**
- **Chenega Terminal Upgrade – 2025-2026**
- **Auke Bay East Berth Upgrade - 2025**
- **Pelican New Terminal – 2026**
- **Angoon Terminal Upgrade – 2026**
- **Kake Terminal Upgrade – 2026**
- **Saxman New Terminal for Annette Island- TBD**





Recruitment Report

- **4th Quarter 2023 Recruitment Statistics**

- Hired 32 and lost 12

- **4th quarter Broken Down by Position:**

- +3 Masters, Mates & Pilots (MM&P), hired three mates and lost none.
- Total Marine Engineer Beneficial Association (MEBA) count remained the same with no new hires and no departures
- Total Inland Boatman Union (IBU) deck remained flat, hired three and lost three
- Total IBU Engine remained the same, hired one and lost one.
- +17 IBU Stewards, hired 25 and lost eight

- **Losing Ground with Licensed Positions, Total Count for 2023 was:**

- -3 MM&P, hired eight and lost 11
 - New hire mates lack local pilotage. It takes a few years to acquire pilotage
- -2 MEBA, hired four and lost six

Recruitment & Operational Efforts

- Payroll improvements within DOT&PF
- Hired a Dispatch Manager
- Hiring a Crewing Manager
- Hired a recruiting position in January
- Attend Career Days at our national Maritime Academies
- Attending coastal community High School Career Days
- Masters, Mates & Pilots assisting with AMHS Retirees coming back to work
- With Department of Labor & Workforce Development, developing a program to introduce the marine industry as a career to our Alaska high school coastal communities
- Developing career pipeline paths to assist our crews with progressing upward
- Alaska Vocational Technical Center and University of Alaska Southeast providing training for our U.S. Coast Guard required certifications





Fleet Upgrade Projects



- **Tazlina** – Addition of Crews Quarters: 2024
- **Columbia** – Upgrade Controllable Pitch Propellers: 2025
- **Kennicott** – EPA Required Emission Upgrade: 2025
- **Matanuska** – Regulatory Safety Required Improvements: TBD



New Vessels

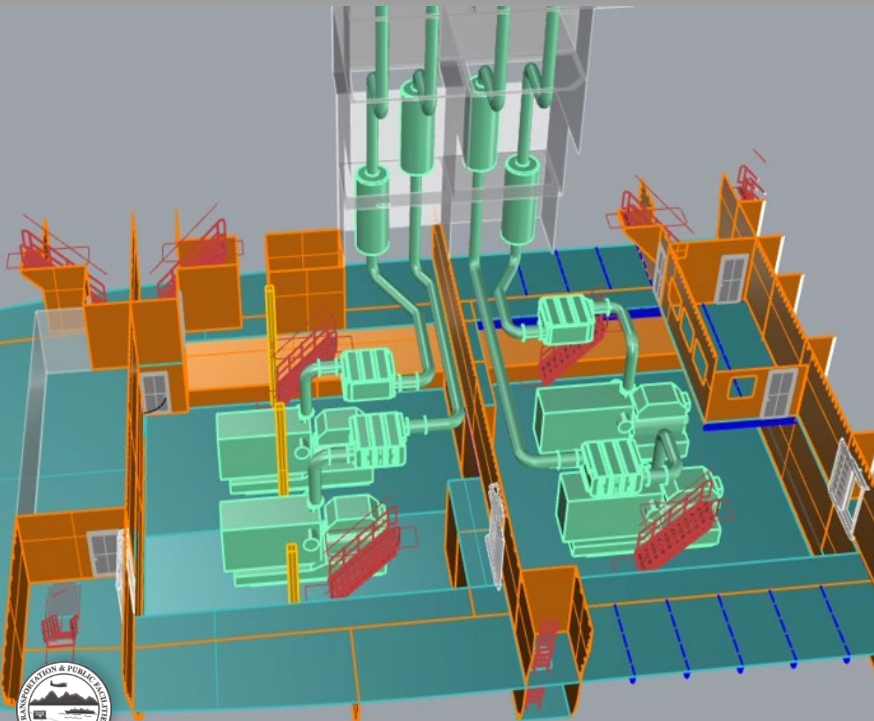


Tustumena Replacement Vessel

- Construction RFP --- soon

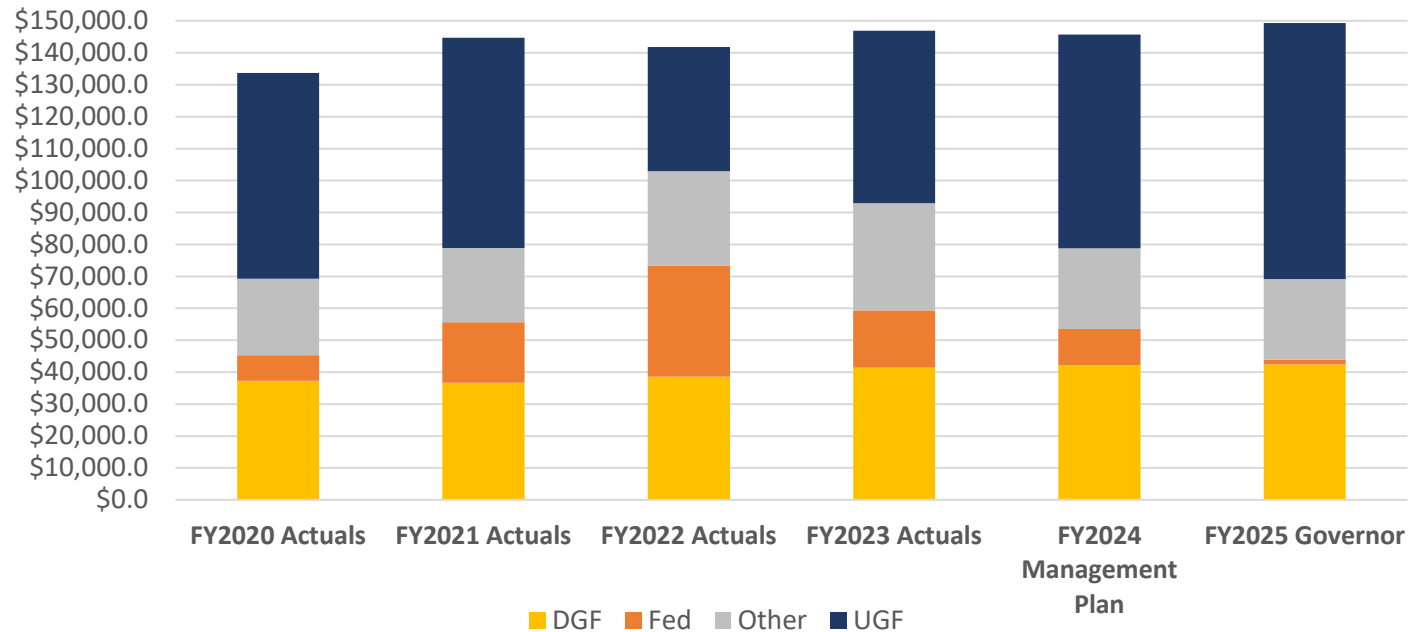
Mainliner Replacement Vessel – 2024 Design

Hybrid No-Low Emissions Ferry – 2024 Design



Maintenance & Operations Operating Budgets

Maintenance and Operations Highways & Rural Aviation



	FY2020 Actuals	FY2021 Actuals	FY2022 Actuals	FY2023 Actuals	FY2024 Management Plan	FY2025 Governor
DGF	\$37,248.8	\$36,696.0	\$38,577.0	\$41,424.1	\$42,212.6	\$42,376.7
Fed	\$8,018.4	\$18,942.9	\$34,799.1	\$17,880.3	\$11,346.4	\$1,521.8
Other	\$23,972.5	\$23,225.7	\$29,602.1	\$33,589.7	\$25,275.0	\$25,221.7
UGF	\$64,434.7	\$65,846.5	\$38,876.8	\$54,068.0	\$66,897.1	\$80,177.4
Total	\$133,674.4	\$144,711.1	\$141,855.0	\$146,962.1	\$145,731.1	\$149,297.6

\$ in thousands



FY2025 Operating Budget: Highways & Aviation

\$149,297.6 in FY2025

Overview:

- 14 Maintenance Districts
- 621 Equipment Operators
(Seasonal + Permanent)
- 80 Staffed DOT&PF Maintenance Camps
- 235 Airports: Over 20 have Part 139 Certification



Critical Job Class Vacancies

Equipment Operators:

- 28.9% vacancy rate statewide
- 75% Southfork
- 26% Dalton District
- 60% Northway

Annual Supplemental Re-Appropriations

- FY2021 \$1,000.0
- FY2022 \$4,661.3
- FY2023 \$7,566.0
- **Balance: \$3,036.3**

FY2024 capital supplemental request, \$344.9 (Re-Appropriation)
Emergency Weather, Catastrophic Events, and Unforeseen Critical Maintenance Needs

\$ in thousands



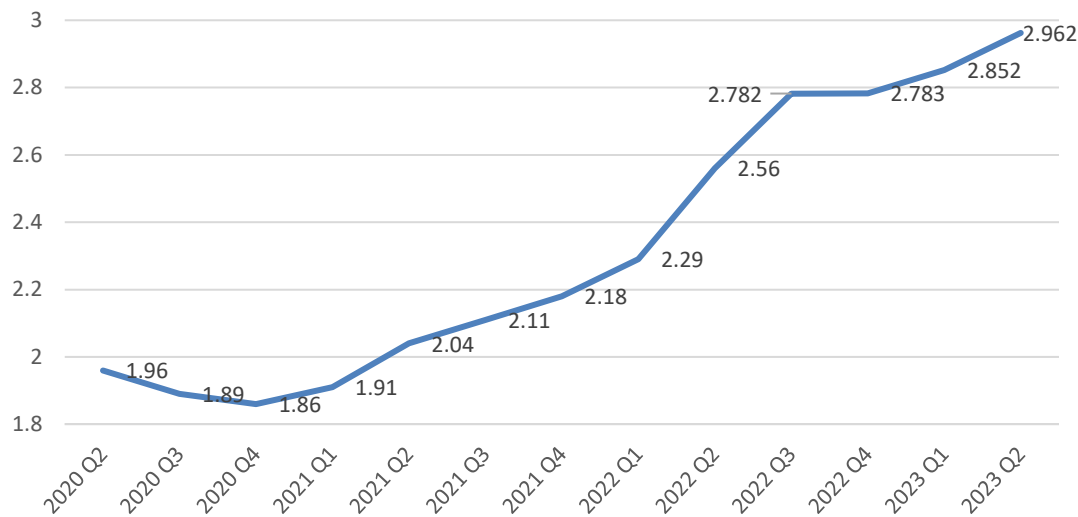
FY2025 Operating Budget: Core Changes

Highways & Rural Airports Maintenance & Operations base increases: \$6,120.0

New Dedicated Component for Contracted Snow Removal	\$915.5 UGF
Rising Commodities Costs for Maintenance and Operations Activities	\$4,578.0 UGF

National Highway Construction Cost Index

<https://www.fhwa.dot.gov/policy/otps/nhcci/>



Up 51.1% from Q2 CY2020 to Q2 CY2023

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

\$ in thousands

Thank you. Questions?

Craig Tornga

Marine Director

craig.tornga@alaska.gov

Dom Pannone

Program Management & Administration

dom.pannone@alaska.gov

