

State of Alaska FY2020 Governor's Operating Budget

Department of Transportation/Public Facilities Marine Vessel Operations Component Budget Summary

Component: Marine Vessel Operations**Contribution to Department's Mission**

Operate Alaska Marine Highway System (AMHS) ships to provide safe, reliable, and efficient transportation of people, goods, and vehicles among Alaskan communities, Canada, and the lower 48.

Core Services

- Transport people, goods, and vehicles to and from 35 ports along 3,500 track miles from Bellingham, Washington, through Southeast Alaska, across the Gulf of Alaska to Prince William Sound and South Central Alaska, to Kodiak Island, the Alaska Peninsula, and out the Aleutian Island Chain to Unalaska.
- Crew vessels with qualified employees meeting numerous regulations under the United States Coast Guard, Federal Transit Administration (FTA), and Alaska Marine Highway System requirements.
- Provide quality service to every customer including housekeeping, food service, and first responder medical assistance.
- Certify all shipboard employees under the Standards for Training, Certification, and Watch-keeping for Seafarers program.
- Provide system-wide security per the regulations of the Federal Maritime Transportation Security Act.
- Meet all federal and state environmental and safety regulations.

Major Component Accomplishments in 2018

- Safely transported nearly 300,000 passengers and 100,000 vehicles.
- Implemented improvements to the reservation and manifest system.
- Successfully lobbied the United States Coast Guard to modify the latest Safety of Life at Sea (SOLAS) exemption for the M/V Malaspina to service Prince Rupert while the M/V Matanuska is being repowered.
- Relocated FVF Chenega from Tacoma, WA to Ketchikan, AK to save on long-term layup costs.
- Developed a vessel potable water contingency plan to satisfy new regulation from the Public Health Agency of Canada
- Began utilizing new technologies to treat wastewater effluent levels at Auke Bay and Sitka terminals to comply with Alaska Department of Environmental Conservation regulations.
- Successfully passed an FTA audit of the AMHS drug and alcohol program and revised the policy to cut down on costs and administrative time.
- Modified food service operations aboard the M/V Columbia to reduce winter staffing and stay within the budget.
- Improved rolling recruitment for vessel crew positions to counteract vacancies from retirements and sick leave usage.

Key Component Challenges

- Managing public expectations in a reduced budget environment.
- Keeping vessel crews and two ships SOLAS certified to call at the international foreign port of Prince Rupert.
- Increasing Maritime Transportation Security Act federal security regulations.
- Complying with the Environmental Protection Agency (EPA) and Alaska Department of Environmental Conservation regulations.
- The operating changes and increased reporting requirements and costs to comply with EPA Vessel General Permits for 22 possible types of incidental vessel discharges.
- Complying with federal ballast water requirements.
- Providing replacement or backfill service should AMHS vessels have a mechanical breakdown and during times of scheduled vessel maintenance or dock outages.
- The replacement of the M/V Tustumena which was constructed in 1964 and has seen many years of tough duty running northernmost and westernmost routes in Alaska.
- Recruitment and retention of deck officers with pilotage qualifications.
- Increasing revenue generated by the system and identifying new revenue streams.

- Completing the engineering and design for the new engine installations on the M/V Matanuska.
- Developing a schedule that meets the public's needs while the Matanuska is unavailable due to an engine replacement.
- Adjusting service schedules to match future vessel availability and incorporating the Alaska Class Ferry design into the operating schedule.
- Developing operating plans and ship schedules with reduced funding levels.
- Hiring and retaining sufficient unlicensed crew due to the loss of new hires when they are laid off during the winter months.
- Adjusting to personnel travel restrictions in effect.
- Implementing new boarding procedures with the new reservations system and handheld scanners.
- Maintaining network connectivity at all ports through Wi-Fi or cellular connection.

Significant Changes in Results to be Delivered in FY2020

- Results Based Alignment will be the primary tool used to quantify outcomes (not activities), drive decision-making, and determine program and service priorities within Department of Transportation and Public Facilities.
- A reduction to the number of ships in revenue service will result in a decrease in service to communities.
- Continued improvements to passenger manifests, ticketing, and accountability with the new reservations system.

Statutory and Regulatory Authority

AS 19 Highways & Ferries
AS 44 State Government

Contact Information
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Marine Vessel Operations Personal Services Information				
Authorized Positions			Personal Services Costs	
	<u>FY2019</u> <u>Management</u> <u>Plan</u>	<u>FY2020</u> <u>Governor</u>		
Full-time	598	598	Annual Salaries	0
Part-time	23	23	Premium Pay	0
Nonpermanent	45	45	Annual Benefits	0
			<i>Less % Vacancy Factor</i>	()
			Lump Sum Premium Pay	0
Totals	666	666	Total Personal Services	

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
No personal services.					
Totals	0	0	0	0	0

Component Detail All Funds
Department of Transportation/Public Facilities

Component: Marine Vessel Operations (2604)
RDU: Marine Highway System (334)

Non-Formula Component

	FY2018 Actuals	FY2019 Conference Committee	FY2019 Authorized	FY2019 Management Plan	FY2020 Governor	FY2019 Management Plan vs FY2020 Governor	
71000 Personal Services	78,006.0	81,112.3	81,112.3	81,112.3	81,112.3	0.0	0.0%
72000 Travel	2,126.9	1,246.6	1,246.6	1,246.6	1,246.6	0.0	0.0%
73000 Services	16,396.0	10,846.2	10,846.2	10,846.2	10,846.2	0.0	0.0%
74000 Commodities	5,410.4	6,806.8	6,806.8	6,806.8	6,806.8	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	101,939.3	100,011.9	100,011.9	100,011.9	100,011.9	0.0	0.0%
Fund Sources:							
1004 Gen Fund (UGF)	26,402.9	70,037.6	70,037.6	70,037.6	70,037.6	0.0	0.0%
1061 CIP Rcpts (Other)	133.5	0.0	0.0	0.0	0.0	0.0	0.0%
1076 Marine Hwy (DGF)	71,850.5	26,357.2	26,357.2	26,357.2	26,357.2	0.0	0.0%
1249 Motor Fuel (DGF)	3,552.4	3,617.1	3,617.1	3,617.1	3,617.1	0.0	0.0%
Unrestricted General (UGF)	26,402.9	70,037.6	70,037.6	70,037.6	70,037.6	0.0	0.0%
Designated General (DGF)	75,402.9	29,974.3	29,974.3	29,974.3	29,974.3	0.0	0.0%
Other Funds	133.5	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	598	598	598	598	598	0	0.0%
Permanent Part Time	23	23	23	23	23	0	0.0%
Non Permanent	45	45	45	45	45	0	0.0%

Change Record Detail - Multiple Scenarios with Descriptions
Department of Transportation/Public Facilities

Component: Marine Vessel Operations (2604)
RDU: Marine Highway System (334)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2019 Conference Committee To FY2019 Authorized *****												
FY2019 Conference Committee												
ConfCom		100,011.9	81,112.3	1,246.6	10,846.2	6,806.8	0.0	0.0	0.0	598	23	45
1004 Gen Fund		70,037.6										
1076 Marine Hwy		26,357.2										
1249 Motor Fuel		3,617.1										
Subtotal		100,011.9	81,112.3	1,246.6	10,846.2	6,806.8	0.0	0.0	0.0	598	23	45
***** Changes From FY2019 Management Plan To FY2020 Governor *****												
Totals		100,011.9	81,112.3	1,246.6	10,846.2	6,806.8	0.0	0.0	0.0	598	23	45

Line Item Detail (1676)
Department of Transportation/Public Facilities
Travel

Component: Marine Vessel Operations (2604)

Line Number	Line Name		FY2018 Actuals	FY2019 Management Plan
2000	Travel		2,126.9	1,246.6
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
2000 Travel Detail Totals			2,126.9	1,246.6
2000	In-State Employee Travel	Under the Certificates of Inspection issued annually by the US Coast Guard, each of the system's ships must have a specified crew aboard during normal operations or the vessel cannot sail. Vessels are crewed at all times, in either operating or reduced operating status. Transportation is provided for crew members to and from assignments when such assignments are away from normal home ports. Travel for crew members is difficult to accurately forecast as it is often dictated by unpredictable circumstances, such as schedule changes, emergency re-routing of vessels, illness, etc.	1,178.3	846.6
2002	Out of State Employee Travel	Under the Certificates of Inspection issued annually by the US Coast Guard, each of the system's ships must have a specified crew aboard during normal operations or the vessel cannot sail. Vessels are crewed at all times, in either operating or reduced operating status. Transportation in and out of the state can occur when temporarily filling a licensed position from union halls located across the country.	924.7	400.0

Line Item Detail (1676)
Department of Transportation/Public Facilities
Travel

Component: Marine Vessel Operations (2604)

Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
2000 Travel Detail Totals			2,126.9	1,246.6
2005	Moving Costs	Employee moving costs.	23.9	0.0

Line Item Detail (1676)
Department of Transportation/Public Facilities
Services

Component: Marine Vessel Operations (2604)

Line Number	Line Name		FY2018 Actuals	FY2019 Management Plan
3000	Services		16,396.0	10,846.2
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
3000 Services Detail Totals			16,396.0	10,846.2
3000	Education Services	Crew training for passenger evacuation, life boats and onboard procedures.	155.8	100.0
3001	Financial Services	Insurance for licensed deck and engine room officers. Judgments paid on claims. Fees paid for use of credit card machines. Credit card machine rentals.	31.6	748.5
3003	Information Technology	Data processing, telecommunications and communications services.	1,222.7	450.0
3004	Telecommunications	Local phone service, long distance charges, cellular phone, satellite and internet services.	831.7	800.0
3005	Health Services	Required drug testing for all crew and hearing tests for engine room crew.	69.8	90.0
3006	Delivery Services	Postage, courier or freight charges.	39.9	24.0
3007	Advertising and Promotions	Publications of steward hiring and job fair announcements.	2.4	2.5
3008	Utilities	Electricity while in port and during layup.	899.1	530.0
3008	Utilities	Water and sewer costs for vessels.	0.0	80.0
3008	Utilities	Waste disposal.	0.0	400.0
3008	Utilities	Heating oil for the vessels.	0.0	10.0
3009	Structure/Infrastructure/Land	Lab testing of fuel, oil and water, US	1,452.0	692.9

Line Item Detail (1676)
Department of Transportation/Public Facilities
Services

Component: Marine Vessel Operations (2604)

Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
3000 Services Detail Totals			16,396.0	10,846.2
		Coast Guard inspections, custom fees in Prince Rupert, services by technical representatives on various components and underwater divers.		
3009	Structure/Infrastructure/Land	Vessel elevator maintenance contracts, radar and radio repairs, window and door maintenance, repairs/adjustments on compass and gyro equipment, main engine, auxiliary engine, generator repairs, upholstery repairs, carpet cleaning/repairs, pursers and galley equipment repairs and miscellaneous repairs.	0.0	908.2
3010	Equipment/Machinery	Equipment and machinery repair services and rentals for the vessels. No expense anticipated for FY2019-FY2020.	5,881.7	75.0
3011	Other Services	Printing of deck and engine logbooks, menu layout, pursers and stewards forms. Laundry services in Southwest. Commission agent fees.	506.8	600.0
3011	Other Services	Processing fees charged by the State Travel Office.	0.0	300.0
3015	Inter-Agency Conservation/Environmental	EnvCon - Department-wide Permit costs to serve food aboard the vessels.	0.0	1.0
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide Computer services provided by the Department of Administration, Enterprise Technology Services, such as central server, data storage, printing, network services, open connect, and task order system.	102.5	97.0
3018	Inter-Agency Information Technology	Admin - Department-wide Telecommunication services	154.7	180.0

Line Item Detail (1676)
Department of Transportation/Public Facilities
Services

Component: Marine Vessel Operations (2604)

Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
3000 Services Detail Totals			16,396.0	10,846.2
Telecommunications		provided by the Department of Administration, Office of Information Technology, such as basic telephone services, equipment and features, dedicated voice/data line service, statewide paging, two-way radio, and video conference.		
3021 Inter-Agency Mail	Admin - Department-wide	Chargeback fees for central mail services such as mailing vendor payments and payroll warrants.	7.3	20.0
3024 Inter-Agency Legal		Legal services provided by the Department of Law.	201.0	0.0
3024 Inter-Agency Legal	Law - Department-wide	Legal services provided by the Department of Law.	0.0	201.0
3026 Inter-Agency Insurance	Admin - Department-wide	Risk Management premiums.	4,085.0	3,799.4
3027 Inter-Agency Financial	Admin - Department-wide	Chargeback fees for AKPAY/IRIS/ALDER.	231.7	40.0
3028 Inter-Agency Americans with Disabilities Act Compliance	Admin - Department-wide	Chargeback fees for the statewide coordinator for the Americans with Disabilities Act (ADA).	1.3	2.0
3029 Inter-Agency Education/Training	Labor - Department-wide	Basic safety training for new hires.	51.5	30.0
3029 Inter-Agency Education/Training	Univ - Department-wide	Basic safety training includes: basic firefighting, first aid & cardiopulmonary resuscitation (CPR) training, personal safety & social responsibilities, personal survival training and proficiency in survival craft training (lifeboat training).	0.0	80.0
3034 Inter-Agency Marine	Correct - Department-wide	Laundry services.	302.8	366.0
3037 State Equipment Fleet	Trans - State Equipment Fleet (2791)	State Equipment Fleet vehicles operating and replacement.	155.1	180.0
3038 Inter-Agency Management/Consulting	Trans - Commissioner's Office (530)	Marine Transportation Advisory Board (MTAB) expenditures.	9.6	38.7

Line Item Detail (1676)
Department of Transportation/Public Facilities
Commodities

Component: Marine Vessel Operations (2604)

Line Number	Line Name		FY2018 Actuals	FY2019 Management Plan
4000	Commodities		5,410.4	6,806.8
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
4000 Commodities Detail Totals			5,410.4	6,806.8
4000	Business	General office supplies, charts, navigational publications, technical manuals and gift shop items for resale.	293.2	425.0
4001	Agricultural		1.3	0.0
4002	Household/Institutional	Food for passengers and crew, liquor, linens, pillows, mattresses, tablecloths, blankets, replacement silverware, glasses, dishes and cookware.	2,635.0	3,165.2
4003	Scientific and Medical	Medical supplies (e.g. disposable gloves, first aid kits and replacement supplies, emergency eye wash stations and replacement supplies).	0.1	15.0
4004	Safety	Firefighting and rescue supplies.	42.3	80.0
4005	Building Materials	Cordage, paint, solvents, engine maintenance parts, electrical parts, parts for pumps, steering and propulsion control equipment, repair and replacement parts for galley and equipment, furnishings and staterooms/lavatories, small tools and minor equipment.	1.5	800.0
4006	Signs and Markers	Signs and marker supplies.	3.0	6.0
4008	Aggregate	Aggregate	0.0	2.0
4011	Electrical	Electrical supplies.	47.5	30.0
4012	Plumbing	Plumbing supplies.	6.5	27.0

Line Item Detail (1676)
Department of Transportation/Public Facilities
Commodities

Component: Marine Vessel Operations (2604)

Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
4000 Commodities Detail Totals			5,410.4	6,806.8
4013	Lube Oils/Grease/Solvents	Lube oils, grease and solvents needed in the maintenance of the equipment aboard the vessels.	522.3	550.0
4014	Bottled Gas	Bottled Gas	12.6	5.1
4015	Parts and Supplies	Parts and supplies.	1,752.3	1,607.8
4016	Paint/Preservatives	Paint and preservatives.	28.9	17.5
4017	Sand	Sand for parking lots	0.0	0.1
4018	Surface Chemicals	Surface chemicals	4.9	1.0
4019	Small Tools/Minor Equipment	Small Tools/Minor Equipment	26.7	70.0
4020	Equipment Fuel	Unleaded fuel for equipment.	32.3	4.5
4020	Equipment Fuel	Diesel fuel for equipment.	0.0	0.6

Revenue Detail (1681)
Department of Transportation/Public Facilities

Component: Marine Vessel Operations (2604)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2018 Actuals	FY2019 Management Plan
5061 CIP Rcpts (1061 CIP Rcpts)			133.5	0.0
5351 Capital Improvement Project Inter-Agency			133.5	0.0
6004 Gen Fund (1004 Gen Fund)			4.0	0.0
6046 General Fund - Prior Year Reimbursement Recovery		Prior year reimbursement recovery.	4.0	0.0
6076 Marine Hwy (1076 Marine Hwy)			10.3	0.0
6263 Marine Highway System Fund - Prior Year Reimbursmnt Recovery		Prior year reimbursement recovery.	0.3	0.0
6264 Marine Highway System Fund - Miscellaneous			10.0	0.0

Inter-Agency Services (1682)
Department of Transportation/Public Facilities

Component: Marine Vessel Operations (2604)

	FY2018 Actuals	FY2019 Management Plan
Component Totals	5,101.5	5,035.1
With Department of Environmental Conservation	0.0	1.0
With Department of Administration	4,582.5	4,138.4
With Department of Law	0.0	201.0
With Department of Labor and Workforce Development	51.5	30.0
With University of Alaska	0.0	80.0
With Department of Corrections	302.8	366.0
With Department of Transportation/Public Facilities	164.7	218.7

Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
3015 Inter-Agency Conservation/Environmental	EnvCon - Department-wide	Permit costs to serve food aboard the vessels.	0.0	1.0
3017 Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide	Computer services provided by the Department of Administration, Enterprise Technology Services, such as central server, data storage, printing, network services, open connect, and task order system.	102.5	97.0
3018 Inter-Agency Information Technology Telecommunications	Admin - Department-wide	Telecommunication services provided by the Department of Administration, Office of Information Technology, such as basic telephone services, equipment and features, dedicated voice/data line service, statewide paging, two-way radio, and video conference.	154.7	180.0
3021 Inter-Agency Mail	Admin - Department-wide	Chargeback fees for central mail services such as mailing vendor payments and payroll warrants.	7.3	20.0
3024 Inter-Agency Legal	Law - Department-wide	Legal services provided by the Department of Law.	0.0	201.0
3026 Inter-Agency Insurance	Admin - Department-wide	Risk Management premiums.	4,085.0	3,799.4

Inter-Agency Services (1682)
Department of Transportation/Public Facilities

Component: Marine Vessel Operations (2604)

Object Class		Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
3027	Inter-Agency Financial	Admin - Department-wide	Chargeback fees for AKPAY/IRIS/ALDER.	231.7	40.0
3028	Inter-Agency Americans with Disabilities Act Compliance	Admin - Department-wide	Chargeback fees for the statewide coordinator for the Americans with Disabilities Act (ADA).	1.3	2.0
3029	Inter-Agency Education/Training	Labor - Department-wide	Basic safety training for new hires.	51.5	30.0
3029	Inter-Agency Education/Training	Univ - Department-wide	Basic safety training includes: basic firefighting, first aid & cardiopulmonary resuscitation (CPR) training, personal safety & social responsibilities, personal survival training and proficiency in survival craft training (lifeboat training).	0.0	80.0
3034	Inter-Agency Marine	Correct - Department-wide	Laundry services.	302.8	366.0
3037	State Equipment Fleet	Trans - State Equipment Fleet (2791)	State Equipment Fleet vehicles operating and replacement.	155.1	180.0
3038	Inter-Agency Management/Consulting	Trans - Commissioner's Office (530)	Marine Transportation Advisory Board (MTAB) expenditures.	9.6	38.7