

State of Alaska FY2024 Governor's Operating Budget

Department of Transportation/Public Facilities Overhaul Component Budget Summary

Component: Overhaul**Contribution to Department's Mission**

Overhaul all vessels of the Alaska Marine Highway System (AMHS) annually in order to maintain operational readiness of the fleet in a safe, reliable condition, and within regulatory guidelines.

Core Services

- Inspect and maintain all vessels in the AMHS fleet in accordance with the regulatory requirements of the United States Coast Guard (USCG), the American Bureau of Shipping (ABS), U.S. Code of Federal Regulations, Department of Environmental Conservation, Food and Drug Administration, Canadian enforcement agencies (as applicable), and International Safety of Life at Sea (SOLAS) convention, in addition to state vessel maintenance policies.
- Manage all contracts necessary to accomplish the annual overhauls, including dry-docking, hull and structure inspections, fire and lifesaving equipment inspections, repairs, cleaning, painting, machinery overhaul, and others.

Major Component Accomplishments in 2022

- Managed state overhauls for nine vessels at Vigor Alaska LLC ship repair facility in Ketchikan, Alaska and at the JAG ship repair facility in Seward, Alaska.
- Received Certificates of Inspection (COI) for eight vessels from the USCG.
- Completed significant steel repairs onboard the M/V Columbia and M/V Matanuska in the Vigor ship repair facility in Ketchikan in early April 2022.
- M/V Columbia steel discovery work has been ongoing and was completed mid-October 2022.

Key Component Challenges

- Managing the volume of work required to ensure safe and reliable operation of an aging fleet. With vessels reaching a half century or more of service, the list of material and mechanical deficiencies identified out-paces available resources and is worsening each year. Discovery of unknown and unknowable conditions when undertaking needed work continues to put pressure on the limited capital budget. Shortages in staff likewise places pressure on human and material resources required to complete the work.
- Meeting increasing amounts of restrictive safety and environmental standards during overhauls.
- Increased scrutiny of vessel condition and operational readiness by USCG, ABS, Occupational Safety and Health Administration, Civil Rights, environmental departments, and other regulators in the wake of recent casualties in the marine industry. This includes the enforcement of continuously updated and expanded regulatory rules and codes by these agencies.

Significant Changes in Results to be Delivered in FY2024

- A Request for Proposal has been issued to find and hire a firm that can provide new maintenance management system software for the fleet and shoreside facilities. This software program will improve forecasting of maintenance and repair needs.
- Exploring utilization of contracted port engineers and vessel construction managers due to staffing shortages.

Statutory and Regulatory Authority

AS 19 Highways & Ferries
AS 44 State Government

Contact Information

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Component Detail All Funds
Department of Transportation/Public Facilities

Component: Overhaul (1212)
RDU: Marine Highway System (334)

Non-Formula Component

	FY2022 Actuals	FY2023 Conference Committee	FY2023 Authorized	FY2023 Management Plan	FY2024 Governor	FY2023 Management Plan vs FY2024 Governor	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	141.0	637.5	637.1	637.1	637.1	0.0	0.0%
74000 Commodities	160.3	1,062.5	1,062.5	1,062.5	1,062.5	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	301.3	1,700.0	1,699.6	1,699.6	1,699.6	0.0	0.0%
Fund Sources:							
1002 Fed Rcpts (Fed)	0.0	1,700.0	1,700.0	0.0	0.0	0.0	0.0%
1004 Gen Fund (UGF)	0.0	0.0	-0.4	1,699.6	1,699.6	0.0	0.0%
1267 FTA CRRSAA (Fed)	301.3	0.0	0.0	0.0	0.0	0.0	0.0%
Unrestricted General (UGF)	0.0	0.0	-0.4	1,699.6	1,699.6	0.0	0.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	301.3	1,700.0	1,700.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	0	0	0	0	0	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

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

Component: Overhaul (1212)
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 FY2023 Conference Committee To FY2023 Authorized *****												
FY2023 Conference Committee												
1002 Fed Rcpts	ConfCom	1,700.0	0.0	0.0	637.5	1,062.5	0.0	0.0	0.0	0	0	0
		1,700.0										
Align Authority for Unallocated Rates Adjustments												
1004 Gen Fund	Unalloc	-0.4	0.0	0.0	-0.4	0.0	0.0	0.0	0.0	0	0	0

Reallocate unallocated rate adjustments across department's components.

Unallocated Rate Adjustments:

- FY2023 Administrative Systems Rate Adjusted Base Change \$101.4
- FY2023 Administrative Systems Upgrade Ongoing Cost Increases \$594.1
- FY2023 Human Resources Rate Adjusted Base Change \$619.2
- FY2023 Human Resources Rate AspireAlaska \$112.0
- FY2023 Office of Information Technology Core Services Rate Adjusted Base Change \$80.8
- FY2023 Office of Information Technology Core Services Rate Infrastructure Upkeep Increase \$229.9
- FY2023 Office of Information Technology Core Services Rate Software Increases \$509.9
- FY2023 Office of Information Technology Mainframe Increases -\$4.3
- FY2023 Office of Information Technology Other Non-Core Adjusted Base \$2.4
- FY2023 Travel and Accounts Payable Rate Adjusted Base Change -\$34.7

Department Components:

- Facilities Services \$99.9
- Leases \$4.0
- Commissioner's Office \$10.3
- Contracting and Appeals \$1.7
- Equal Employment and Civil Rights \$7.8
- Internal Review \$3.0
- Statewide Administrative Services \$47.6
- Information Systems and Services \$22.4
- Statewide Procurement \$18.3
- Central Region Support Services \$7.1
- Northern Region Support Services \$4.7
- Southcoast Region Support Services \$22.1
- Statewide Aviation \$26.3
- Program Development and Statewide Planning \$53.7
- Measurement Standards & Commercial Vehicle Compliance \$46.6
- Statewide Design and Engineering Services \$62.7
- Northern Region Design, Engineering, and Construction \$203.6
- Central Design and Engineering Services \$145.4

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

Component: Overhaul (1212)
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	
Southcoast Design and Engineering Services \$59.1												
Central Region Construction and CIP Support \$125.5												
Southcoast Region Construction \$37.6												
State Equipment Fleet \$96.8												
Central Region Highways and Aviation \$115.4												
Northern Region Highways and Aviation \$201.0												
Southcoast Region Highways and Aviation \$55.1												
Whittier Access and Tunnel \$0.8												
International Airport Systems Office \$7.1												
Anchorage Airport Administration \$24.3												
Anchorage Airport Facilities \$84.9												
Anchorage Airport Field and Equipment Maintenance \$65.3												
Anchorage Airport Operations \$19.7												
Anchorage Airport Safety \$64.2												
Fairbanks Airport Administration \$11.1												
Fairbanks Airport Facilities \$13.3												
Fairbanks Airport Field and Equipment Maintenance \$16.3												
Fairbanks Airport Operations \$6.4												
Fairbanks Airport Safety \$26.2												
Marine Vessel Operations \$294.8												
Marine Vessel Fuel -\$0.1												
Marine Engineering \$13.2												
Overhaul -\$0.4												
Reservations and Marketing \$10.3												
Marine Shore Operations \$48.7												
Vessel Operations Management \$26.9												
Subtotal		1,699.6	0.0	0.0	637.1	1,062.5	0.0	0.0	0.0	0	0	0
***** Changes From FY2023 Authorized To FY2023 Management Plan *****												
Transfer Authority to Marine Vessel Operations to Align Fund Sources												
Trout		-1,700.0	0.0	0.0	-637.5	-1,062.5	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		-1,700.0										
Fund source swap to transfer all federal authority from other Alaska Marine Highway System (AMHS) components to Marine Vessel Operations to align system authority to meet AMHS operating plan.												
Transfer Authority from Marine Vessel Operations to Align Fund Sources												
Trin		1,700.0	0.0	0.0	637.5	1,062.5	0.0	0.0	0.0	0	0	0
1004 Gen Fund		1,700.0										
Fund source swap to transfer all federal authority from other Alaska Marine Highway System (AMHS) components to Marine Vessel Operations to align system												

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

Component: Overhaul (1212)
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	
authority to meet AMHS operating plan.												
Subtotal		1,699.6	0.0	0.0	637.1	1,062.5	0.0	0.0	0.0	0	0	0
***** Changes From FY2023 Management Plan To FY2024 Governor *****												
Totals		1,699.6	0.0	0.0	637.1	1,062.5	0.0	0.0	0.0	0	0	0

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

Component: Overhaul (1212)

Line Number	Line Name		FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
2000	Travel		0.0	0.0	0.0
Object Class	Servicing Agency	Explanation	FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
2000 Travel Detail Totals			0.0	0.0	0.0
2000	In-State Employee Travel	Travel for vessel crews during annual overhaul of vessels.	0.0	0.0	0.0
2002	Out of State Employee Travel	Out of state travel for vessel crews during annual overhaul of vessels.	0.0	0.0	0.0

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

Component: Overhaul (1212)

Line Number	Line Name		FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
3000	Services		141.0	637.1	637.1
Object Class	Servicing Agency	Explanation	FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
3000 Services Detail Totals			141.0	637.1	637.1
3004	Telecommunications	Telecommunications equipment	0.0	0.0	0.0
3006	Delivery Services	Postage, courier, or freight charges.	1.6	2.0	2.0
3007	Advertising and Promotions	Advertising and local media	10.5	0.0	0.0
3008	Utilities	Public utilities consumed while vessels are in shipyard undergoing overhaul.	6.6	5.0	5.0
3009	Structure/Infrastructure/Land	Costs related to engineering, surveying and inspections during the annual overhauls for vessels.	34.0	150.0	150.0
3010	Equipment/Machinery	Repair and inspection of vessels in shipyard including all forms of United States Coast Guard and American Bureau of Shipping required repairs to obtain Certificate of Inspection. Various services are provided for dry docking, shaft/rudder measurements, sea valves, underbody cleaning and painting, bow thrusters, ballast tanks and voids, cathodic protection, fire extinguishing systems, life raft recertification, heating, ventilation, and air conditioning (HVAC) system cleaning, deck equipment, superstructure painting, steel and piping repairs, electrical and galley repairs, regulatory inspection work, and main and auxiliary engine	88.3	466.1	466.1

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

Component: Overhaul (1212)

Object Class	Servicing Agency	Explanation	FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
3000 Services Detail Totals			141.0	637.1	637.1
3011	Other Services	repairs. Costs of equipment and vehicle rentals during the vessels annual overhaul.	0.0	14.0	14.0

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

Component: Overhaul (1212)

Line Number	Line Name		FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
4000	Commodities		160.3	1,062.5	1,062.5
Object Class	Servicing Agency	Explanation	FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
4000 Commodities Detail Totals			160.3	1,062.5	1,062.5
4000	Business	General business supplies, furniture and equipment.	1.0	30.0	30.0
4002	Household/Institutional	General cleaning supplies.	5.2	10.0	10.0
4003	Scientific and Medical	Industrial chemicals and testing supplies.	0.1	5.0	5.0
4004	Safety	First aid and research and rescue supplies.	14.7	8.0	8.0
4005	Building Materials	Building materials.	12.1	0.0	0.0
4006	Signs and Markers	Signs and markers.	0.0	5.0	5.0
4011	Electrical	Electrical supplies.	13.7	18.0	18.0
4012	Plumbing	Plumbing supplies.	1.0	9.0	9.0
4013	Lube Oils/Grease/Solvents	Lube oils/grease/solvents used for overhaul of ships.	0.6	7.0	7.0
4014	Bottled Gas	Bottled Gas.	0.0	1.5	1.5
4015	Parts and Supplies	Parts and supplies.	96.3	892.5	892.5
4016	Paint/Preservatives	Paint and preservatives.	6.2	20.0	20.0
4018	Surface Chemicals	Surface chemicals used on overhaul of ships.	0.0	1.5	1.5
4019	Small Tools/Minor Equipment	Small Tools/Minor Equipment.	8.5	50.0	50.0
4020	Equipment Fuel	Fuel for overhaul of ships.	0.9	5.0	5.0

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

Component: Overhaul (1212)

Line Number	Line Name		FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
8000	Miscellaneous		0.0	0.0	0.0
Object Class	Servicing Agency	Explanation	FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
		8000 Miscellaneous Detail Totals	0.0	0.0	0.0
8000	Debt Service	Authority for first six months of FY2023 that was not reflected during FY2022 Management Plan.	0.0	0.0	0.0

Revenue Detail (1681)
Department of Transportation/Public Facilities

Component: Overhaul (1212)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2022 Actuals	FY2023 Management Plan	FY2024 Governor
5002 Fed Rcpts (1002 Fed Rcpts)			0.0	0.0	1,700.0
5002 Federal General Government - Miscellaneous Grants		Federal receipt authority.	0.0	0.0	1,700.0
5267 FTA CRRSAA (1267 FTA CRRSAA)			301.3	0.0	0.0
5029 Federal Transit Authority CRRSA Grants		Federal Transit Administration Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) Grants.	301.3	0.0	0.0
5029 Federal Transit Authority CRRSA Grants		Federal Transit Administration Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) Grant authority for first six months of FY2023 that was not reflected during FY2022 Management Plan.	0.0	0.0	0.0