

**State of Alaska
FY2016 Governor Amended Operating
Budget**

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

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

Provide safe, reliable, and efficient transportation of people and vehicles between Alaskan communities, Canada and Bellingham, Washington.

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 Alaskan Peninsula and out the Aleutian Island Chain to Unalaska.
- Staff vessels with qualified employees meeting U.S. Coast Guard requirements.
- Provide quality service to every customer including housekeeping, food service, bar 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 regulations.

Major Component Accomplishments in 2014

- Increased passenger ridership.
- Started the development of a new menu link food management system.

Key Component Challenges

- Keeping vessel crews and three ships Safety of Life at Sea certified to call at the foreign port of Prince Rupert.
- Increasing Maritime Transportation Security Act federal security regulations.
- The cost of complying with the Environmental Protection Agency's (EPA), and Alaska Department of Environmental Conservation (ADEC), new regulations for diesel engine emissions.
- The operating changes and increased reporting requirements and costs to comply with EPA Vessel General Permits for 22 possible types of incidental vessel discharges.
- The cost of complying with federal ballast water requirements.
- The cost of federal requirements which increase vessel bridge attendance and monitoring equipment requirements.
- Increased labor cost to maintain compliance with the, ADEC required vessel wastewater treatment units, and terminal run off water permitting in the terminals.
- Providing replacement service should AMHS vessels have a mechanical breakdown or during times of scheduled 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 on our northern and western most routes.
- Recruitment and retention of deck officers with pilotage qualifications.
- Completing the new engine installation on the FVF Chenega.
- Keeping old vessels operating.

Significant Changes in Results to be Delivered in FY2016

No significant changes are anticipated.

Statutory and Regulatory Authority

AS 19 Highways & Ferries

AS 44 State Government

Contact Information

Contact: Mike Neussl, Deputy Commissioner

Phone: (907) 465-6977

Fax: (907) 586-8365

E-mail: michael.neussl@alaska.gov

**Marine Vessel Operations
Component Financial Summary**

All dollars shown in thousands

	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	89,840.6	89,519.5	91,970.2
72000 Travel	1,698.0	1,588.4	1,588.4
73000 Services	12,103.7	12,172.3	12,137.3
74000 Commodities	7,885.5	7,884.2	7,809.2
75000 Capital Outlay	49.2	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	111,577.0	111,164.4	113,505.1
Funding Sources:			
1004 General Fund Receipts	86,677.2	82,996.9	84,807.4
1061 Capital Improvement Project Receipts	388.5	0.0	0.0
1076 Marine Highway System Fund	24,511.3	28,167.5	28,697.7
Funding Totals	111,577.0	111,164.4	113,505.1

Estimated Revenue Collections

Description	Master Revenue Account	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
Unrestricted Revenues				
Unrestricted Fund	68515	50,661.4	53,982.7	51,380.3
Unrestricted Total		50,661.4	53,982.7	51,380.3
Restricted Revenues				
Capital Improvement Project Receipts	51200	388.5	0.0	0.0
Restricted Total		388.5	0.0	0.0
Total Estimated Revenues		51,049.9	53,982.7	51,380.3

**Summary of Component Budget Changes
From FY2015 Management Plan to FY2016 Governor Amended**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2015 Management Plan	82,996.9	28,167.5	0.0	0.0	111,164.4
Adjustments which continue current level of service:					
-Transfer from Vessel Operations Management to Continue Existing Alaska Marine Highway System Service Levels	0.0	121.6	0.0	0.0	121.6
-Transfer from Marine Vessel Fuel to Continue Existing Alaska Marine Highway System Service Levels	2,165.5	0.0	0.0	0.0	2,165.5
-Transfer from Marine Shore Operations to Continue Existing Alaska Marine Highway System Service Levels	4.2	62.2	0.0	0.0	66.4
-Transfer from Marine Engineering to Continue Existing Alaska Marine Highway System Service Levels	19.2	240.8	0.0	0.0	260.0
-FY2016 Salary Increases	498.5	0.0	0.0	0.0	498.5
-FY2016 Health Insurance Rate Reduction	-110.9	-36.9	0.0	0.0	-147.8
-Transfer to Marine Engineering to Continue Existing Alaska Marine Highway System Service Levels	-19.2	-240.8	0.0	0.0	-260.0
-Transfer to Marine Shore Operations to Continue Existing Alaska Marine Highway System Service Levels	-4.2	-62.2	0.0	0.0	-66.4
-Transfer to Vessel Operations Management to Continue Existing Alaska Marine Highway System Service Levels	0.0	-121.6	0.0	0.0	-121.6
Proposed budget increases:					
-Continue Existing Alaska Marine Highway System Service Levels	2,317.4	567.1	0.0	0.0	2,884.5

**Summary of Component Budget Changes
From FY2015 Management Plan to FY2016 Governor Amended**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
Proposed budget decreases:					
-Reduction of Service	-3,060.0	0.0	0.0	0.0	-3,060.0
FY2016 Governor Amended	84,807.4	28,697.7	0.0	0.0	113,505.1

Marine Vessel Operations Personal Services Information				
Authorized Positions			Personal Services Costs	
	<u>FY2015</u> <u>Management</u> <u>Plan</u>	<u>FY2016</u> <u>Governor</u> <u>Amended</u>		
Full-time	722	722	Annual Salaries	0
Part-time	47	47	Premium Pay	0
Nonpermanent	80	80	Annual Benefits	0
			<i>Less % Vacancy Factor</i>	()
			Lump Sum Premium Pay	0
Totals	849	849	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 (AR59106) (2604)
RDU: Marine Highway System (334)

	FY2014 Actuals	FY2015 Conference Committee	FY2015 Authorized	FY2015 Management Plan	FY2016 Governor Amended	FY2015 Management Plan vs FY2016 Governor Amended	
71000 Personal Services	89,840.6	89,519.5	89,519.5	89,519.5	91,970.2	2,450.7	2.7%
72000 Travel	1,698.0	1,638.4	1,588.4	1,588.4	1,588.4	0.0	0.0%
73000 Services	12,103.7	12,172.3	12,172.3	12,172.3	12,137.3	-35.0	-0.3%
74000 Commodities	7,885.5	7,884.2	7,884.2	7,884.2	7,809.2	-75.0	-1.0%
75000 Capital Outlay	49.2	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	111,577.0	111,214.4	111,164.4	111,164.4	113,505.1	2,340.7	2.1%
Fund Sources:							
1004Gen Fund (UGF)	86,677.2	83,046.9	82,996.9	82,996.9	84,807.4	1,810.5	2.2%
1061CIP Rcpts (Other)	388.5	0.0	0.0	0.0	0.0	0.0	0.0%
1076Marine Hwy (DGF)	24,511.3	28,167.5	28,167.5	28,167.5	28,697.7	530.2	1.9%
Unrestricted General (UGF)	86,677.2	83,046.9	82,996.9	82,996.9	84,807.4	1,810.5	2.2%
Designated General (DGF)	24,511.3	28,167.5	28,167.5	28,167.5	28,697.7	530.2	1.9%
Other Funds	388.5	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	722	722	722	722	722	0	0.0%
Permanent Part Time	47	47	47	47	47	0	0.0%
Non Permanent	80	80	80	80	80	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 FY2015 Conference Committee To FY2015 Authorized *****												
FY2015 Conference Committee												
	ConfCom	111,214.4	89,519.5	1,638.4	12,172.3	7,884.2	0.0	0.0	0.0	722	47	80
1004 Gen Fund		83,046.9										
1076 Marine Hwy		28,167.5										
Align Authority for Agency-wide Reduction												
	Unalloc	-50.0	0.0	-50.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-50.0										
<p>HB 266 reduced a total of \$2,634.1 of general fund authority as an "unallocated travel reduction" from various department's travel lines. The Department of Transportation and Public Facilities' share of this general fund reduction is \$160.8.</p>												
Subtotal		111,164.4	89,519.5	1,588.4	12,172.3	7,884.2	0.0	0.0	0.0	722	47	80
***** Changes From FY2015 Authorized To FY2015 Management Plan *****												
Subtotal		111,164.4	89,519.5	1,588.4	12,172.3	7,884.2	0.0	0.0	0.0	722	47	80
***** Changes From FY2015 Management Plan To FY2016 Governor Amended *****												
Transfer from Vessel Operations Management to Continue Existing Alaska Marine Highway System Service Levels												
	Trin	121.6	121.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1076 Marine Hwy		121.6										

The intent of the FY2016 Governor's request is to mirror service levels of the FY2015 authorized budget to the best of the system's ability. In following this principle Alaska Marine Highway System has prepared a 2016 schedule totaling 403.3 weeks in comparison to the 398.9 weeks comprising the 2015 authorized budget. Although this is a slight increase in service, the additional operating costs are due to changes in wage rates and varying costs as a result of vessel availability and annual overhaul schedules. As part of the approved business plan, "Option A", the department will require an increment, transfer of authorization between components, a Line Item Transfer and an increase to fares in order to meet the system's need:

•Line Item Transfer: \$0.0

This transfer of authority between line items is necessary to full-fill the financial obligations of the FY2016 schedule.

•Increment to Maintain Current Service Levels: \$2,317.4

This increment is necessary to full-fill the financial obligations of the FY2016 schedule.

•Transfer Funding out of Marine Engineering into Reservations & Marketing: \$20.0

This transfer of authority is necessary in order to comply with vacancy factor guidelines. Authority is available to transfer from Marine Engineering due to turn over

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	
in long-term staff members in pay increment status and newly appointed staff being placed at a lower pay step.												
•Transfer Funding out of Marine Engineering into Marine Shore Operations: \$60.0												
This transfer of authority is necessary in order to comply with vacancy factor guidelines. Authority is available to transfer from Marine Engineering due to turn over in long-term staff members in pay increment status and newly appointed staff being placed at a lower pay step.												
•Transfer Funding out of Marine Engineering into Vessel Operations Management: \$47.0												
This transfer of authority is necessary in order to comply with vacancy factor guidelines. Authority is available to transfer from Marine Engineering due to turn over in long-term staff members in pay increment status and newly appointed staff being placed at a lower pay step.												
•Transfer Funding out of Marine Fuel into Marine Vessel Operations: \$2,165.5												
This transfer of authority is necessary to full-fill the financial obligations of the FY2016 schedule. Authority is available to transfer from Marine Vessel Fuel due to the mix of vessels operating during FY2016.												
•Fund Change From Unrestricted General Fund to Marine Highway System Receipts: 0												
There will be a fare increase effective in Fiscal Year 2016. Fares have not been increased since 2007 and this will reduce the system's dependence on state general funds.												
Transfer from Marine Vessel Fuel to Continue Existing Alaska Marine Highway System Service Levels												
1004 Gen Fund	Trin	2,165.5	2,165.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

The intent of the FY2016 Governor's request is to mirror service levels of the FY2015 authorized budget to the best of the system's ability. In following this principle Alaska Marine Highway System has prepared a 2016 schedule totaling 403.3 weeks in comparison to the 398.9 weeks comprising the 2015 authorized budget. Although this is a slight increase in service, the additional operating costs are due to changes in wage rates and varying costs as a result of vessel availability and annual overhaul schedules. As part of the approved business plan, "Option A", the department will require an increment, transfer of authorization between components, a Line Item Transfer and an increase to fares in order to meet the system's need:

•Line Item Transfer: \$0.0

This transfer of authority between line items is necessary to full-fill the financial obligations of the FY2016 schedule.

•Increment to Maintain Current Service Levels: \$2,317.4

This increment is necessary to full-fill the financial obligations of the FY2016 schedule.

•Transfer Funding out of Marine Engineering into Reservations & Marketing: \$20.0

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		
										PFT	PPT	NP
<p>This transfer of authority is necessary in order to comply with vacancy factor guidelines. Authority is available to transfer from Marine Engineering due to turn over in long-term staff members in pay increment status and newly appointed staff being placed at a lower pay step.</p> <ul style="list-style-type: none"> •Transfer Funding out of Marine Engineering into Marine Shore Operations: \$60.0 <p>This transfer of authority is necessary in order to comply with vacancy factor guidelines. Authority is available to transfer from Marine Engineering due to turn over in long-term staff members in pay increment status and newly appointed staff being placed at a lower pay step.</p> <ul style="list-style-type: none"> •Transfer Funding out of Marine Engineering into Vessel Operations Management: \$47.0 <p>This transfer of authority is necessary in order to comply with vacancy factor guidelines. Authority is available to transfer from Marine Engineering due to turn over in long-term staff members in pay increment status and newly appointed staff being placed at a lower pay step.</p> <ul style="list-style-type: none"> •Transfer Funding out of Marine Fuel into Marine Vessel Operations: \$2,165.5 <p>This transfer of authority is necessary to full-fill the financial obligations of the FY2016 schedule. Authority is available to transfer from Marine Vessel Fuel due to the mix of vessels operating during FY2016.</p> <ul style="list-style-type: none"> •Fund Change From Unrestricted General Fund to Marine Highway System Receipts: 0 <p>There will be a fare increase effective in Fiscal Year 2016. Fares have not been increased since 2007 and this will reduce the system's dependence on state general funds.</p>												
Transfer from Marine Shore Operations to Continue Existing Alaska Marine Highway System Service Levels												
	Trin	66.4	66.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		4.2										
1076 Marine Hwy		62.2										

The intent of the FY2016 Governor's request is to mirror service levels of the FY2015 authorized budget to the best of the system's ability. In following this principle Alaska Marine Highway System has prepared a 2016 schedule totaling 403.3 weeks in comparison to the 398.9 weeks comprising the 2015 authorized budget. Although this is a slight increase in service, the additional operating costs are due to changes in wage rates and varying costs as a result of vessel availability and annual overhaul schedules. As part of the approved business plan, "Option A", the department will require an increment, transfer of authorization between components, a Line Item Transfer and an increase to fares in order to meet the system's need:

- Line Item Transfer: \$0.0

This transfer of authority between line items is necessary to full-fill the financial obligations of the FY2016 schedule.

- Increment to Maintain Current Service Levels: \$2,317.4

This increment is necessary to full-fill the financial obligations of the FY2016 schedule.

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	
<ul style="list-style-type: none"> •Transfer Funding out of Marine Engineering into Reservations & Marketing: \$20.0 <p>This transfer of authority is necessary in order to comply with vacancy factor guidelines. Authority is available to transfer from Marine Engineering due to turn over in long-term staff members in pay increment status and newly appointed staff being placed at a lower pay step.</p>												
<ul style="list-style-type: none"> •Transfer Funding out of Marine Engineering into Marine Shore Operations: \$60.0 <p>This transfer of authority is necessary in order to comply with vacancy factor guidelines. Authority is available to transfer from Marine Engineering due to turn over in long-term staff members in pay increment status and newly appointed staff being placed at a lower pay step.</p>												
<ul style="list-style-type: none"> •Transfer Funding out of Marine Engineering into Vessel Operations Management: \$47.0 <p>This transfer of authority is necessary in order to comply with vacancy factor guidelines. Authority is available to transfer from Marine Engineering due to turn over in long-term staff members in pay increment status and newly appointed staff being placed at a lower pay step.</p>												
<ul style="list-style-type: none"> •Transfer Funding out of Marine Fuel into Marine Vessel Operations: \$2,165.5 <p>This transfer of authority is necessary to full-fill the financial obligations of the FY2016 schedule. Authority is available to transfer from Marine Vessel Fuel due to the mix of vessels operating during FY2016.</p>												
<ul style="list-style-type: none"> •Fund Change From Unrestricted General Fund to Marine Highway System Receipts: 0 <p>There will be a fare increase effective in Fiscal Year 2016. Fares have not been increased since 2007 and this will reduce the system's dependence on state general funds.</p>												
Transfer from Marine Engineering to Continue Existing Alaska Marine Highway System Service Levels												
	Trin	260.0	260.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		19.2										
1076 Marine Hwy		240.8										

The intent of the FY2016 Governor's request is to mirror service levels of the FY2015 authorized budget to the best of the system's ability. In following this principle Alaska Marine Highway System has prepared a 2016 schedule totaling 403.3 weeks in comparison to the 398.9 weeks comprising the 2015 authorized budget. Although this is a slight increase in service, the additional operating costs are due to changes in wage rates and varying costs as a result of vessel availability and annual overhaul schedules. As part of the approved business plan, "Option A", the department will require an increment, transfer of authorization between components, a Line Item Transfer and an increase to fares in order to meet the system's need:

•Line Item Transfer: \$0.0

This transfer of authority between line items is necessary to full-fill the financial obligations of the FY2016 schedule.

•Increment to Maintain Current Service Levels: \$2,317.4

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	
This increment is necessary to full-fill the financial obligations of the FY2016 schedule.												
•Transfer Funding out of Marine Engineering into Reservations & Marketing: \$20.0												
This transfer of authority is necessary in order to comply with vacancy factor guidelines. Authority is available to transfer from Marine Engineering due to turn over in long-term staff members in pay increment status and newly appointed staff being placed at a lower pay step.												
•Transfer Funding out of Marine Engineering into Marine Shore Operations: \$60.0												
This transfer of authority is necessary in order to comply with vacancy factor guidelines. Authority is available to transfer from Marine Engineering due to turn over in long-term staff members in pay increment status and newly appointed staff being placed at a lower pay step.												
•Transfer Funding out of Marine Engineering into Vessel Operations Management: \$47.0												
This transfer of authority is necessary in order to comply with vacancy factor guidelines. Authority is available to transfer from Marine Engineering due to turn over in long-term staff members in pay increment status and newly appointed staff being placed at a lower pay step.												
•Transfer Funding out of Marine Fuel into Marine Vessel Operations: \$2,165.5												
This transfer of authority is necessary to full-fill the financial obligations of the FY2016 schedule. Authority is available to transfer from Marine Vessel Fuel due to the mix of vessels operating during FY2016.												
•Fund Change From Unrestricted General Fund to Marine Highway System Receipts: 0												
There will be a fare increase effective in Fiscal Year 2016. Fares have not been increased since 2007 and this will reduce the system's dependence on state general funds.												
FY2016 Salary Increases												
	SalAdj	498.5	498.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		498.5										
Cost of living adjustment for Inlandboatmen's Union - 1%												
FY2016 Health Insurance Rate Reduction												
	SalAdj	-147.8	-147.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-110.9										
1076 Marine Hwy		-36.9										
Select Benefits health insurance rate reduction from \$1,371 to \$1,346: \$-147.8												
Continue Existing Alaska Marine Highway System Service Levels												
	Inc	2,884.5	2,884.5	0.0	0.0	0.0	0.0	0.0	0.0	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		
										PFT	PPT	NP
1004 Gen Fund		2,317.4										
1076 Marine Hwy		567.1										

The intent of the FY2016 Governor's request is to mirror service levels of the FY2015 authorized budget to the best of the system's ability. In following this principle Alaska Marine Highway System has prepared a 2016 schedule totaling 403.3 weeks in comparison to the 398.9 weeks comprising the 2015 authorized budget. Although this is a slight increase in service, the additional operating costs are due to changes in wage rates and varying costs as a result of vessel availability and annual overhaul schedules. As part of the approved business plan, "Option A", the department will require an increment, transfer of authorization between components, a Line Item Transfer and an increase to fares in order to meet the system's need:

- Line Item Transfer: \$0.0

This transfer of authority between line items is necessary to full-fill the financial obligations of the FY2016 schedule.

- Increment to Maintain Current Service Levels: \$2,317.4

This increment is necessary to full-fill the financial obligations of the FY2016 schedule.

- Transfer Funding out of Marine Engineering into Reservations & Marketing: \$20.0

This transfer of authority is necessary in order to comply with vacancy factor guidelines. Authority is available to transfer from Marine Engineering due to turn over in long-term staff members in pay increment status and newly appointed staff being placed at a lower pay step.

- Transfer Funding out of Marine Engineering into Marine Shore Operations: \$60.0

This transfer of authority is necessary in order to comply with vacancy factor guidelines. Authority is available to transfer from Marine Engineering due to turn over in long-term staff members in pay increment status and newly appointed staff being placed at a lower pay step.

- Transfer Funding out of Marine Engineering into Vessel Operations Management: \$47.0

This transfer of authority is necessary in order to comply with vacancy factor guidelines. Authority is available to transfer from Marine Engineering due to turn over in long-term staff members in pay increment status and newly appointed staff being placed at a lower pay step.

- Transfer Funding out of Marine Fuel into Marine Vessel Operations: \$2,165.5

This transfer of authority is necessary to full-fill the financial obligations of the FY2016 schedule. Authority is available to transfer from Marine Vessel Fuel due to the mix of vessels operating during FY2016.

- Fund Change From Unrestricted General Fund to Marine Highway System Receipts: 0

There will be a fare increase effective in Fiscal Year 2016. Fares have not been increased since 2007 and this will reduce the system's dependence on state general funds.

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	
Reduction of Service												
1004 Gen Fund	Dec	-3,060.0	-2,950.0	0.0	-35.0	-75.0	0.0	0.0	0.0	0	0	0
This reduction to the Alaska Marine Highway System (AMHS) will be managed in the least impactful manner possible.												
Transfer to Marine Engineering to Continue Existing Alaska Marine Highway System Service Levels												
1004 Gen Fund	Trout	-260.0	-260.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1076 Marine Hwy		-240.8										
Transfer authority to Marine Engineering component to continue Alaska Marine Highway System service levels.												
Transfer to Marine Shore Operations to Continue Existing Alaska Marine Highway System Service Levels												
1004 Gen Fund	Trout	-66.4	-66.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1076 Marine Hwy		-62.2										
Transfer to Marine Shore Operations to Continue Existing Alaska Marine Highway System Service Levels												
Transfer to Vessel Operations Management to Continue Existing Alaska Marine Highway System Service Levels												
1076 Marine Hwy	Trout	-121.6	-121.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Transfer authority to Vessel Operations Management component to continue Alaska Marine Highway System service levels												
Totals		113,505.1	91,970.2	1,588.4	12,137.3	7,809.2	0.0	0.0	0.0	722	47	80

Line Item Detail
Department of Transportation/Public Facilities
Travel

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

Line Number	Line Name		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
72000	Travel		1,698.0	1,588.4	1,588.4
Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
72000 Travel Detail Totals			1,698.0	1,588.4	1,588.4
72100	Instate 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.	1,195.8	1,223.4	1,204.4
72400	Out Of State 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.	469.1	355.0	375.0
72700	Moving Costs	Moving and relocation costs for employees; includes the pre-move meals and lodging, temporary meals and lodging and the actual move costs paid to both vendors and employees.	31.3	10.0	9.0
72900	Other Travel Costs	Other travel costs	1.8	0.0	0.0

Line Item Detail
Department of Transportation/Public Facilities
Services

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

Line Number	Line Name		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
73000	Services		12,103.7	12,172.3	12,137.3
Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
73000 Services Detail Totals			12,103.7	12,172.3	12,137.3
73025	Education Services	Crew training for passenger evacuation, life boats and onboard procedures.	225.0	200.0	200.0
73050	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.	830.5	960.0	945.0
73150	Information Technlgy	Data processing, telecommunications and communications services.	447.8	450.0	450.0
73156	Telecommunication	Local phone service, long distance charges, cellular phone, satellite and internet services.	791.7	921.4	901.4
73175	Health Services	Required drug testing for all crew and hearing tests for engine room crew.	122.4	150.0	150.0
73225	Delivery Services	Freight for vessel parts and supplies.	36.9	55.0	55.0
73421	Sef Fuel A87 Allowed	State Equipment Fleet Fuel for State Equipment Fleet.	0.0	22.5	22.5
73450	Advertising & Promos	Publications of steward hiring and job fair announcements.	0.0	3.0	3.0
73526	Electricity	Electricity while in port and during layup.	544.1	556.4	556.4
73527	Water & Sewage	Water and sewer costs for vessels.	78.9	130.0	130.0
73528	Disposal	Waste disposal.	363.1	275.0	275.0
73529	Natural Gas/Propane	Natural gas for equipment.	2.5	0.1	0.1
73530	Heating Oil	Heating oil for the vessels.	26.1	17.2	17.2
73650	Struc/Infstruct/Land	Lab testing of fuel, oil and water, US Coast Guard inspections, custom fees in Prince Rupert, services by technical representatives on various components and underwater divers.	800.1	520.0	520.0
73675	Equipment/Machinery	Equipment and machinery repair services and rentals	2,380.9	116.0	116.0

Line Item Detail
Department of Transportation/Public Facilities
Services

Component: Marine Vessel Operations (2604)

RDU: Marine Highway System (334)

Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
73000 Services Detail Totals			12,103.7	12,172.3	12,137.3
		for the vessels.			
73676	Repairs/Maint. (Non IA-Eq/Machinery)	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.	117.3	1,256.0	1,256.0
73689	Marine (Non-IA-Machinery-Rentals/Leases)	Equipment rentals including contracted marine vessels to cover routes while Alaska Marine Highway System vessels are out of service.	163.5	415.0	415.0
73750	Other Services (Non IA Svcs)	Printing of deck and engine log books, menu layout, pursers and stewards forms. Laundry services in Southwest. Commission agent fees.	615.9	350.0	350.0
73803	Conservation/Envirn (IA Svcs)	Food Safety & Sanitation			
		Permit costs to serve food aboard the vessels.	0.0	5.0	5.0
73805	IT-Non-Telecommunication	Enterprise Technology Services			
		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.	96.8	95.0	95.0
73806	IT-Telecommunication	Enterprise Technology Services			
		Telecommunications services provided by the Department of Administration, Enterprise Technology Services, such as basic telephone services, equipment and features, dedicated voice/data line service, statewide paging, two-way radio, and video conferencing.	166.5	130.0	130.0
73809	Mail	Central Mail			
		Chargeback fees for central mail services such as mailing vendor payments (AKSAS) and payroll warrants (AKPAY).	31.8	35.0	35.0
73810	Human Resources	Personnel			
		Chargeback fees for human resource services such as labor relations, position classifications and payroll processing.	24.2	24.0	24.0
73812	Legal	Transportation Section			
		Legal services provided by the Department of Law.	201.1	201.0	201.0

Line Item Detail
Department of Transportation/Public Facilities
Services

Component: Marine Vessel Operations (2604)

RDU: Marine Highway System (334)

Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
73000 Services Detail Totals			12,103.7	12,172.3	12,137.3
73814	Insurance	Risk Management Risk Management premiums.	3,619.7	4,571.9	4,571.9
73815	Financial	Finance Chargeback fees for AKSAS and AKPAY.	38.1	37.0	37.0
73816	ADA Compliance	Americans With Disabilities Chargeback fees for the statewide coordinator of the Americans with Disabilities Act (ADA).	8.3	35.0	35.0
73818	Training (Services-IA Svcs)	AVTEC Basic safety training for new hires.	7.5	12.1	12.1
73818	Training (Services-IA Svcs)	Univ Basic safety training includes: Basic fire fighting, first aid & cardiopulmonary resuscitation (CPR) training, personal safety & social responsibilities, personal survival training and proficiency in survival craft training (lifeboat training).	80.0	80.0	80.0
73819	Commission Sales (IA Svcs)	Economic Development Tok ferry reservation commissions.	0.0	0.0	0.0
73819	Commission Sales (IA Svcs)	State Travel Office Processing fees charged by the State Travel office.	33.5	2.0	2.0
73825	Marine (IA Svcs)	Correct Laundry services.	0.0	366.0	366.0
73848	State Equip Fleet	Trans - State Equipment Fleet State Equipment Fleet vehicles.	210.8	142.0	142.0
73979	Mgmt/Consulting (IA Svcs)	Commissioner's Office Marine Transportation Advisory Board (MTAB) expenditures.	38.7	38.7	38.7

Line Item Detail
Department of Transportation/Public Facilities
Commodities

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

Line Number	Line Name		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
74000	Commodities		7,885.5	7,884.2	7,809.2
Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
74000 Commodities Detail Totals			7,885.5	7,884.2	7,809.2
74200	Business	General office supplies, charts, navigational publications, technical manuals and gift shop items for resale.	811.5	725.0	811.0
74480	Household & Instit.	Food for passengers and crew, liquor, linens, pillows, mattresses, tablecloths, blankets, replacement silverware, glasses, dishes and cookware.	3,546.6	3,700.2	3,548.0
74520	Scientific & Medical	Medical supplies (e.g. disposable gloves, first aid kits and replacement supplies, emergency eye wash stations and replacement supplies).	15.3	25.0	25.0
74600	Safety (Commodities)	Fire fighting and rescue supplies.	147.9	186.7	180.1
74650	Repair/Maintenance (Commodities)	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.	3,364.2	2,650.0	2,650.0
74752	Lube Oils/Grease/Solv	Lube oils, grease and solvents needed in the maintenance of the equipment aboard the vessels.	0.0	592.2	590.0
74855	Unleaded	Unleaded fuel for equipment.	0.0	2.5	2.5
74856	Diesel	Diesel fuel for equipment.	0.0	0.3	0.3
74858	Other Equipment Fuel	Fuel for generator, snow removal machines, etc.	0.0	2.3	2.3

Line Item Detail
Department of Transportation/Public Facilities
Capital Outlay

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

Line Number	Line Name		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
75000	Capital Outlay		49.2	0.0	0.0
Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
75000 Capital Outlay Detail Totals			49.2	0.0	0.0
75600	Construction (Cap Outlay-Structs/Infras)	Equipment for construction of vessels.	28.7	0.0	0.0
75752	Ambulance/Fire/Buses	Equipment for vessels to fight fires.	6.7	0.0	0.0
75799	Electronic	Electronic equipment for vessels.	13.8	0.0	0.0

Unrestricted Revenue Detail
Department of Transportation/Public Facilities

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

Master Account	Revenue Description		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended		
68515	Unrestricted Fund		50,661.4	53,982.7	51,380.3		
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
66190	Py Reimburse Recvry Prior year reimbursement.				22.4	0.0	0.0
68515	Unrestrict Fu Source Anticipated revenue from the sale of tickets for transportation of passengers and vehicles, stateroom rentals, food and bar service, gift shop and vending machines.				50,639.0	53,982.7	51,380.3

Restricted Revenue Detail
Department of Transportation/Public Facilities

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

Master Account	Revenue Description				FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
51200	Capital Improvement Project Receipts				388.5	0.0	0.0
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
59240	CIP Rcpts from Transp & Public Fac				388.5	0.0	0.0
	Capital improvement project receipts for work in direct support of capital projects, through an unbudgeted reimbursable services agreement.						

Interagency Services
Department of Transportation/Public Facilities

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

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended	
73421	Sef Fuel A87 Allowed	Fuel for State Equipment Fleet.	Intra-dept	State Equipment Fleet	0.0	22.5	22.5
73421 Sef Fuel A87 Allowed subtotal:				0.0	22.5	22.5	
73803	Conservation/Environ (IA Svcs)	Permit costs to serve food aboard the vessels.	Inter-dept	Food Safety & Sanitation	0.0	5.0	5.0
73803 Conservation/Environ (IA Svcs) subtotal:				0.0	5.0	5.0	
73805	IT-Non-Telecommunication	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.	Inter-dept	Enterprise Technology Services	96.8	95.0	95.0
73805 IT-Non-Telecommunication subtotal:				96.8	95.0	95.0	
73806	IT-Telecommunication	Telecommunications services provided by the Department of Administration, Enterprise Technology Services, such as basic telephone services, equipment and features, dedicated voice/data line service, statewide paging, two-way radio, and video conferencing.	Inter-dept	Enterprise Technology Services	166.5	130.0	130.0
73806 IT-Telecommunication subtotal:				166.5	130.0	130.0	
73809	Mail	Chargeback fees for central mail services such as mailing vendor payments (AKSAS) and payroll warrants (AKPAY).	Inter-dept	Central Mail	31.8	35.0	35.0
73809 Mail subtotal:				31.8	35.0	35.0	
73810	Human Resources	Chargeback fees for human resource services such as labor relations, position classifications and payroll processing.	Inter-dept	Personnel	24.2	24.0	24.0
73810 Human Resources subtotal:				24.2	24.0	24.0	
73812	Legal	Legal services provided by the Department of Law.	Inter-dept	Transportation Section	201.1	201.0	201.0
73812 Legal subtotal:				201.1	201.0	201.0	
73814	Insurance	Risk Management premiums.	Inter-dept	Risk Management	3,619.7	4,571.9	4,571.9
73814 Insurance subtotal:				3,619.7	4,571.9	4,571.9	
73815	Financial	Chargeback fees for AKSAS and AKPAY.	Inter-dept	Finance	38.1	37.0	37.0
73815 Financial subtotal:				38.1	37.0	37.0	
73816	ADA Compliance	Chargeback fees for the statewide coordinator of the Americans with Disabilities Act (ADA).	Inter-dept	Americans With Disabilities	8.3	35.0	35.0
73816 ADA Compliance subtotal:				8.3	35.0	35.0	
73818	Training (Services-IA Svcs)	Basic safety training for new hires.	Inter-dept	AVTEC	7.5	12.1	12.1
73818	Training (Services-IA Svcs)	Basic safety training includes: Basic fire fighting, first aid & cardiopulmonary resuscitation (CPR) training, personal safety & social responsibilities, personal survival training and proficiency in survival craft training	Inter-dept	Univ	80.0	80.0	80.0

Interagency Services
Department of Transportation/Public Facilities

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

Expenditure Account		Service Description	Service Type	Servicing Agency	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
		(lifeboat training).					
73819	Commission Sales (IA Svcs)	Tok ferry reservation commissions.	Inter-dept	Economic Development	87.5	92.1	92.1
73819	Commission Sales (IA Svcs)	Processing fees charged by the State Travel office.	Inter-dept	State Travel Office	0.0	0.0	0.0
					33.5	2.0	2.0
					73819 Commission Sales (IA Svcs) subtotal:	33.5	2.0
73825	Marine (IA Svcs)	Laundry services.	Inter-dept	Correct	0.0	366.0	366.0
					73825 Marine (IA Svcs) subtotal:	0.0	366.0
73848	State Equip Fleet	State Equipment Fleet vehicles.	Intra-dept	Trans - State Equipment Fleet	210.8	142.0	142.0
					73848 State Equip Fleet subtotal:	210.8	142.0
73979	Mgmt/Consulting (IA Svcs)	Marine Transportation Advisory Board (MTAB) expenditures.	Intra-dept	Commissioner's Office	38.7	38.7	38.7
					73979 Mgmt/Consulting (IA Svcs) subtotal:	38.7	38.7
					Marine Vessel Operations total:	4,557.0	5,797.2
					Grand Total:	4,557.0	5,797.2