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125

**STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE**

Bill Version : SB 125
Publish Date : _____

REQUEST: _____

Revision Date: _____
Title: "An Act relating to the Alaska
Marine Transportation Advisory Board."
Sponsor: Duncan et al
Requestor: Duncan et al

Agency Affected: DOT/PE - AMHS
BRU: Marine Administration
Components: Advisory Board

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL		16.0	15.8	16.6	17.4	18.3
CONTRACTUAL		14.0	10.0	10.5	11.0	11.6
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		30.0	25.8	27.1	28.4	29.9
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		30.0	25.8	27.1	28.4	29.9
FEDERAL FUNDS						
OTHER						
TOTAL		30.0	25.8	27.1	28.4	29.9

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See Attached

Prepared by: George Davidson
Division: Alaska Marine Highway System

Phone: 465-3950
Date: 02/18/87

Approved by Commissioner: _____
Agency: Dept. of Transportation and P.F.

Date: 2/24/87

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

CONTINUATION of FISCAL NOTE ANALYSIS

For Bill/Resolution No. SB 125

The proposed legislation creates an Advisory Board for the Alaska Marine Highway System, with five members to serve without compensation. Necessary costs, therefore, are limited to those of conducting the Board's meetings. After two familiarization meetings to be held in Juneau during the first three months, regular meetings will be held on a quarterly basis. The effective date is assumed to be July 1, 1987.

FY 88 COSTS

<u>Travel</u>		\$ 16.0
Transportation and per diem for five Board members	\$ 13.5	
Transportation and per diem for AMHS staff to attend Board meetings (locations other than Juneau)	2.5	
<u>Contractual Services</u>		14.0
Room rentals for Board meetings (estimated at \$125/day)	1.5	
Public Notice Advertising	2.5	
Transcription Services	10.0	
Total		\$ 30.0

An annual inflation factor of 5% has been included beginning in FY 89. Costs have been reduced for FY 89 to reflect a total of four quarterly meetings, three to be held in Southeast Alaska and one in Southcentral.



Official Business

Alaska State Legislature

Senate

P.O. BOX V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

DATE: February 24, 1987

TO: Senator Lloyd Jones
Chairman
Senate Transportation Committee

FROM: Senator Tim Duncan

SUBJECT: SB 125, Marine Transportation Advisory Board

The creation of the Marine Transportation Advisory Board will guarantee that passengers who use the Marine Highway System, along with merchants who depend on the system for freight, will have a voice in the systems level of service.

Because the Alaska Marine Highway System is used by so many people, both in South Central Alaska and in Southeast, it is imperative they have a mechanism in which their concerns are considered. As has been the case in many private sector transportation organizations, an advisory board has proven to be an entity the public can focus on that takes into consideration their real needs. It is important that a formal citizens' group review budget-induced schedule changes in the system and make recommendations on potential changes that might have less of an effect on the public. More over, citizen advisory boards tend to bring out many good ideas that will enhance an organization's ability to operate effeciently.

The Marine Transportation Advisory Board will consist of five members from which at least three come from communities served by the Alaska Marine Highway System.

2/16/87

JUNEAU EMPIRE

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Advisory board a good idea

For years, private companies have been using citizens' advisory boards to great advantage. When they want to test "trial balloons" or when they simply want a reading on how well they are doing, they go to their advisory boards and ask. The answers they get help correct problems, prevent mistakes and improve good ideas. Above all else, the boards prove that the companies *listen* to the people they serve.

Jurau Len. Jim Duncan has proposed incorporating this valuable private-enterprise tool into the state-run Alaska Marine Highway System. Last week he submitted a bill in the Senate that would establish a citizens' advisory board for the ferry system.

ISSUE: Advisory board proposed for state ferries

The idea is long overdue. For years, most decisions regarding the ferry system reflected the interests of either the management or the employees. The public's needs often seemed to be lost in the shuffle, even though the public pays for the ferries and uses them.

As long as it is composed of citizens who will be "plugged into" the needs and attitudes of their communities, an advisory board will help ferry managers and employees refocus their attention on the people they are serving. The board should not be composed of junior-grade bureaucrats who will have a bunch of meaningless public hearings or take it upon themselves to manipulate their positions to benefit other interests besides those of the public. That's how the ferry system got off track in the first place.

The folks who ride the ferries want friendly service, good food, convenient schedules and reasonable rates. They also want to know about their ferry system and how it works. If you gauge the system on these basics, it's obvious there is room for improvement.

A citizens' advisory board may not be the answer to all of these problems, but it would sure go a long way toward finding the answer.

Front Page JUN 8-1987 2/12/87

Duncan proposes ferry advisory board

BY CHUCK KLEESCHULTE

SE JUNEAU 8-1987
In an effort to guarantee that freight and passenger users get some voice in future schedule reductions facing the Alaska Marine Highway system, Juneau Sen. Jim Duncan this morning introduced legislation setting up a citizens' advisory board. The Democrat said he believes it is important that a formal citizens' group review budget-induced schedule changes in the ferry system and make recommendations on potential changes that might have less of an effect on the public.

"What I see coming is a reduced

level of service, but it is important that we evaluate things from a user's perspective so that freight and passengers get a level of service that takes their real needs into consideration," said Duncan this morning.

He said under his plan five public members - at least three from communities served by the ferry system - would be appointed by the governor. While not paid, the advisory board, which would serve five-year terms, would get per diem and be empowered by the governor to hold hearings and make recommendations on changes in the operation of the nine-vessel ferry fleet.

"It's really important given the changes coming that we make sure freight user needs are protected, plus the true needs of passengers. We need to maximize the frequency of service in Southeast and a citizens' board may help to make sure the department does that in coming up with new operating schedules," said Duncan.

On Wednesday, Sen. Lloyd Jones, R-Ketchikan, proposed that Ketchikan be the end of the state's mainline service from Seattle to improve the frequency of runs to the West Coast. Duncan said he's not in a position to support or oppose that

suggestion yet, but he said he wants to see it and other suggestions considered as an alternative to once-a-week mainline and once-a-week non-summer "feeder" ferry service proposed in Gov. Steve Cowper's budget for next year.

Under Cowper's original budget, ferries would sustain a \$10 million cut in their operating subsidy. About \$2 million of that was added back to pay for higher insurance costs, leaving a cut of over \$8 million in the operating subsidy for the \$65 million system. Last year, about \$30 million of its budget came from the state.

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Ferry...

Continued from Page 1

Duncan said his bill might not pass in time to have the board be functional to help in making suggested changes to the proposed schedule that would go into effect in late September. But he said the advisory board would certainly help to gain public reaction to future schedule shifts.