

Results Based

Govt. 2/9/98

ABC Brd.

AK Marine Hwy.

HFIN

FILE

2/9/98

RM

Program Review

Program: ABC Board

(Mission)

Why does this program exist?

What is the unique contribution of this program?

Protect the health, safety and welfare of Alaskans from the mis-use of alcohol

(Activities)

What you do.

Licensing

Enforcement

Accreditation

(priorities/desired results)

What are you trying to accomplish?

Why do you do these things?

Keep minors from drinking

Stop serving alcohol to inebriates

Keep dry areas dry

(performance measures)

How do we know you succeeded?

Average time between violations

% of non compliance/ABC inspector

% servers educated that complied/% of servers that are trained

DEPARTMENT OF REVENUE

Mission

To collect the correct state tax equitably, efficiently and expeditiously to fund services for Alaskans; to prudently manage the state treasury and the state pension funds; to ensure that eligible Alaskans receive their permanent fund dividends promptly; to ensure that children receive the financial support they need through the establishment and enforcement of child support orders; to issue charitable gaming licenses and permits and ensure that the state and charities receive the amounts to which they are entitled; to regulate the manufacture, barter, possession and sale of alcoholic beverages in the state; and to provide administrative support to the Alaska Permanent Fund Corporation, the Alaska Housing Finance Corporation, the Alaska Mental Health Trust Authority, and the Alaska Municipal Bond Bank Authority.

Major Goals and Strategies

- In the area of child support enforcement, provide quicker response time for parents with problems or questions, expand the rural outreach program to include all regions of the state, increase automation of cases, and increase client access to child support information through the Internet.
- Provide for electronic payment of taxes and filing of income and excise tax returns. Options include Automated Clearinghouse payments (ACH) and Internet filing.
- Provide for the electronic filing of monthly severance tax returns for oil and gas taxpayers.
- Begin implementing enhanced methods of filing for the 1999 Permanent Fund Dividend which will provide applicants with the option of paperless filing.
- Assist state agencies in making the transition to electronic payments for taxes and fees.
- Complete the creation of a second general investment pool to increase the returns of those funds with longer time horizons and greater risk tolerance.
- Increase child support collections from parents whose children have received Alaska Temporary Assistance from \$24.7 million in FY97 to \$25.5 million in FY99.
- Develop and pass legislation to streamline financial reporting of charitable gaming activities. Income and Excise Audit Division (IEAD) proposes to adopt a "percentage of gross" method of calculating amounts paid to charities and the state.

- Continue the transition to real-time monitoring of oil and gas markets to reduce the number of issues under production tax audits.

Key Performance Measures

- CSEDO will increase the number of children receiving child support by increasing the number of child support orders established from 600 in FY98 to 4,000 in FY99.
- IEAD will develop electronic payment/filing systems for income or excise tax programs, with a goal of 40% taxpayer participation.
- The Oil and Gas Audit Division will complete and implement an electronic tax filing system by December 1998.
- Treasury will review investment performance quarterly to ensure the goal of meeting or exceeding investment benchmarks.

MAJOR CHANGES AND KEY ISSUES

Child Support Enforcement Division

The division continues to focus on providing children with the support they need to grow and thrive. The amount disbursed to families will continue to increase as the division becomes more efficient. The division will also dramatically increase its focus on the correct determination of child support obligations and will clearly communicate these rights and obligations to all parties affected by the division's actions.

CON

Douglas B. Griffin - Phone: 277 8638

SUMMARY OF BRU SERVICES AND RESPONSIBILITIES:

Mission: The Alcoholic Beverage Control Board controls and regulates the manufacture, barter, possession, and sale of alcoholic beverages in the State of Alaska.

Brief Description: The ABC Board consists of five members appointed by the Governor and confirmed by the Legislature to regulate alcoholic beverages. The board has extensive powers, duties, and responsibilities in the areas of license businesses engaged in the manufacture and sale of alcoholic beverages and enforcement of Alaskas alcoholic beverage laws. The Board's authority is exercised by and through the director who is appointed by the Governor and serves at the pleasure of the board.

The regulation of alcoholic beverages is a unique and vital function reserved specifically for the states by the Twenty-First Amendment to the Constitution of the United States.

Goal/Strategies: CONTINUED ON ADDITIONAL EXPLANATION FORM

Services Provided: CONTINUED ON ADDITIONAL EXPLANATION FORM

Statutes and Regulations: This information is provided on the CFI form.

SUMMARY OF BRU ISSUES:

Key Issues: 1) General fund program receipts from application fees, license fees, fines, waiver penalties, and permit fees provide more funding than is used to refund applicable license fees to eligible municipalities and operate the board and staff functions.

2) Investigator staffing remains at levels which are insufficient to carry out the enforcement responsibilities suggested by Title 4. Lack of an enforcement presence in Southeast Alaska is a particular concern.

3) Funding for formal hearings required by AS 04.11.510 is inadequate and places pressure on the ABC Board to settle on actions against licensees to avoid the cost of the formal hearing. This pressure to settle may not always be in the public interest.

Prior Year Accomplishments:

The ABC Board met all of its accomplishment measures for FY 97. One hundred percent of the civil accusations resolved in FY 97 resulted in ABC Board sanctions, 821 premise inspections were conducted (the goal was 806), and liquor license applications were processed within the 90 day statutory window 100% of the time. These measures were indicators of quality work and increased enforcement presence and communications with licensees.

Service Changes:

Reductions in the travel budget will require the ABC Board to conduct more of its meetings by teleconference.

**BRU
OVERVIEW**
Revised 8/25/97

AGENCY Department of Revenue

BRU Alcoholic Beverage Control Board

Alcoholic Beverage Control Board #100

Page 1 of 2

Revised Date:

FY 99

0000075

CONTINUATION OF FORM BRU 2 OVERVIEW CONTACT: DOUGLAS B. GRIFFIN - PHONE 277 8638

GOALS AND STRATEGIES:

The ABC Board seeks to work constructively with the industry it regulates. The ABC Board, within the constraints of its budget, seeks to provide higher quality service to its licensee customers by quickly and accurately processing license applications, answering questions and concerns from licensees, and assisting licensees in complying with statutes and regulations governing alcoholic beverage manufacture and sale. This emphasis on quality service establishes an "exchange relationship" and expectation on the part of the board for licensees to understand and comply with statutes and regulations governing alcoholic beverages, correct problems and violations brought to the attention of the licensee, and use reasonable care and respect in selling alcoholic beverages.

The ABC Board will continue to exercise its strategy of higher visibility of enforcement staff and emphasis on seeking greater levels of compliance with Title 4 through increased enforcement activity. The ABC Board will continue to work on strengthening relationships with the Departments of Public Safety and Health and Social Services and local governments, particularly local law enforcement.

**ADDITIONAL
EXPLANATION
FORM**

Revised 8/1/95

AGENCY Department of Revenue

BRU Alcoholic Beverage Control Board

COMPONENT Alcoholic Beverage Control Board #100

Page 2 of 2

Revised Date:

FY 99

000076

CONTACT: DOUGLAS B. GRIFFIN - PHONE: 277 8638

COMPONENT GOALS:

Mission: The Alcoholic Beverage Control Board controls and regulates the manufacture, barter, possession, and sale of alcoholic beverages in the State of Alaska.

Goals/Strategies: SEE Page 2

Prior Year Accomplishments: The ABC Board met all of its accomplishment measures for FY 97. One hundred percent of the civil accusations resolved in FY 97 resulted in ABC Board sanctions, 821 premise inspections were conducted (the goal was 806), and liquor license applications were processed with the 90 day statutory window 100% of the time. These measures were indicators of quality work and increased enforcement presence and communications with licensees.

	FY 97 ACTUAL	FY 98 AUTHORIZED	FY 99 GOVERNOR
EXPENDITURES:			
Personal Services	557.4	549.9	608.4
Other Program Costs	86.4	83.2	101.0
Total	643.8	633.1	709.4
FUNDING SOURCES:			
Federal Receipts			
General Fund Match General Fund			
GF Program Receipts	643.8	633.1	709.4
GF Mental Health			
Other Funds			
Total	643.8	633.1	709.4
STAFFING:			
Permanent Full-Time	9	9	10
Permanent Part-time			
Temporary			

DESCRIPTION OF COMPONENT SERVICES:

Brief Description: SEE PAGE AE(2)

Key Issues: SEE PAGE 2

Services Provided: SEE PAGE 2

DESCRIPTION OF COMPONENT CHANGES:

NO COMPONENT CHANGES

**COMPONENT GOALS
AND SERVICES**

Form CF1
Revised 11/25/97

AGENCY Department of Revenue

BRU Alcoholic Beverage Control Board

COMPONENT Alcoholic Beverage Control Board # 100

Page 1 of 2

Revised Date: 12/29/97

FY 99

0000077

Goals/Strategies: The ABC Board seeks to work constructively with the industry it regulates. The ABC Board, within the constraints of its budget, seeks to provide higher quality service to its licensee customers by quickly and accurately processing license applications, answering questions and concerns from licensees, and assisting licensees in complying with statutes and regulations governing alcoholic beverage manufacture and sale. This emphasis on quality service establishes an "exchange relationship" and expectation on the part of the board for licensees to understand and comply with statutes and regulations governing alcoholic beverages, correct problems and violations brought to the attention of the licensee, and use reasonable care and respect in selling alcoholic beverages.

The ABC Board will continue to exercise its strategy of higher visibility of enforcement staff and emphasis on seeking greater levels of compliance with Title 4 through increased enforcement activity. The ABC Board will continue to work on strengthening relationships with the Departments of Public Safety and Health and Social Services and local governments, particularly local law enforcement.

DESCRIPTION OF COMPONENT SERVICES:

Brief Description: The ABC Board consists of five members appointed by the governor and confirmed by the Legislature to regulate alcoholic beverages. The board has extensive powers, duties, and responsibilities in the areas of licensing businesses engaged in the manufacture and sale of alcoholic beverages and enforcement of Alaska's alcoholic beverage laws. The board's authority is exercised by and through the director who is appointed by the governor and serves at the pleasure of the board.

Key Issues:

- 1) General fund program receipts from application fees, license fees, fines, waiver penalties, and permit fees provide more funding that is used to refund most license fees to eligible municipalities and operate the board and staff functions.
- 2) Investigator staffing remains at levels which are insufficient to carry out the enforcement responsibilities suggested by Title 4. Lack of an enforcement presence in Southeast Alaska is a particular concern.
- 3) Funding for formal hearings required by AS 04.11.510 is inadequate and places pressure on the ABC Board to settle on actions against licenses to avoid the cost of the formal hearing. This pressure to settle may not always be in the public interest.

Services Provided:

The ABC Board processes and considers licensing applications required by State law to legally engage in the manufacture or sale of alcoholic beverages. The board assures that licensees operate in the public interest. Enforcement of State Law regarding alcoholic beverage sales are carried by the ABC Board Staff.

**ADDITIONAL
EXPLANATION
FORM**

Revised 07/1/95

AGENCY Department of Revenue

BRU Alcoholic Beverage Control Board

COMPONENT Alcoholic Beverage Control Board #100

Page 2 of 2

Revised Date:

FY 98

000078

CONTACT: Douglas B. Griffin, Director Phone: 277-8638

OBJECTIVES AND ACCOMPLISHMENT MEASURES:

OBJECTIVES

- To have 95% of liquor licensed premises complying with Alaska law regarding the sale of alcoholic beverage to minors.
- To have 96% of liquor licensed premises complying with Alaska law regarding the sale of alcoholic beverages to "drunken" persons.
- To have 99% of liquor licensed premises complying with Alaska law regarding alcohol server training for bartenders and waiters/waitresses.

ACCOMPLISHMENT MEASURES

- Number of liquor licenses premises inspected. (Goal is 820.)
- Number of complaints received regarding liquor licensed premises. (Estimate is 200.)
- Average number of days to process liquor license transactions. (Goal is 85 days.)
- Percent of complaints against liquor licensees investigated and "resolved". (Goal is 100%.)
- Number of liquor licenses issued/renewed/transferred. (Estimate is 850).
- Number of training sessions and briefings held with alcohol industry groups, community leaders, and police organizations. (Goal is 10.)

STATUTORY/REGULATORY CITATIONS

AS 04.11.510(c)

15 AAC 104.505 and .525

AS 04.11.520

**COMPONENT
OBJECTIVES AND
ACCOMPLISHMENT
MEASURES**

Form CF2
REVISED 8/1/95

AGENCY Department of Revenue

BRU Alcoholic Beverage Control Board

COMPONENT Alcoholic Beverage Control Board #100

Page 1 of 1

Revised Date:

FY 99

0000070

2/9/98
PML

Program Review
All information taken from OMB detail books

Program: Marine Highway System

(Mission)
Why does this program exist?
What is the unique contribution of this program?
Operate the Alaska Marine Highway to meet the surface transportation needs of Southeast, Southwest, and Southcentral Alaskan communities.

(Activities)
What you do.

Marine Management (5% of FY 97 Actuals)

Marine Engineering (6%)

Marine Vessel Operations (89%)

(priorities/desired results)
What are you trying to accomplish?
Why do you do these things?

Refurbish and maintain vessels to allow for continued operation

Reduce losses on vessel services which are not required for safety reasons

Work with communities to promote system use

Provide efficient , improved services to the public

(performance measures)
How do we know you succeeded?

Program Review
All information taken from OMB detail books

Program: Marine Highway Vessel Operations (subset of Alaska Marine Highway System)

(Mission)

Why does this program exist?

What is the unique contribution of this program?

Meet the needs of traveling public and communities served

(Activities)

What you do.

1. Vessel operations Management (1% of vessel operations program from FY 97 actual)
2. Reservations and marketing (3%)
3. Southeast shore operations (5%)
4. Southeast vessel operations (75%)
5. Southwest shore operations (1%)
6. Southwest vessel operations (15%)

(priorities/desired results)

What are you trying to accomplish?

Why do you do these things?

Keep the published schedule

Maintain all assets in a safe and operable condition

Increase revenues through marketing

Achieve lower cost/mile of operation

Enhance economic and social fabric of communities served

(performance measures)

How do we know you succeeded?

Customer satisfaction

% of on time departures

cost/rider mile by region

% of communities served with respect to availability of vessels and frequency

Program Review
All information taken from OMB detail books

Program: Reservations and Marketing (subset of Marine Highway Vessel Operations)

(Mission)

Why does this program exist?

What is the unique contribution of this program?

Provide the best possible customer service by ensuring all reservations and information requests are handled.

(Activities)

What you do.

Answer phones and respond to faxes

Staff ticket counters

(priorities/desired results)

What are you trying to accomplish?

Why do you do these things?

Improve customer service

(performance measures)

How do we know you succeeded?

Wait times < three minutes

Call time < four minutes

Respond to 15000 calls and 550 faxes/month

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

Mission

To improve the quality of life for Alaskans by cost effectively providing, operating and maintaining safe, environmentally sound and reliable transportation systems and public facilities.

Major Goals and Strategies

1 Improve the way Alaska builds and maintains its transportation system, with a significant commitment to public participation in development of the State Transportation Improvement Program (STIP) and the capital budget.

- Bring Alaska's portion of the National Highway System up to first class standards by 2010.
- Competitively select community transportation projects on a statewide needs basis.
- Evaluate new transportation segments which might support significant economic development
- Incorporate trails, recreational activities, scenic enhancements and visitor services in our transportation program.

2 Protect Alaska's investment in infrastructure by maintaining and operating over 13,000 state lane miles of roads, almost 700 buildings, over 250 rural airports and 80 ports and harbors.

- Invest federal construction funds in projects which reduce maintenance costs.
- Use regional maintenance equipment pools, which will be quickly shifted to the highest need, to reduce the number of maintenance vehicles.
- Implement a management structure which will identify and transfer cost saving maintenance techniques to other regions.
- Encourage local governments to assume ownership of local facilities.
- Work toward implementing a stable funding base for operation, maintenance and improvements of facilities.

3 Operate the Alaska Marine Highway to meet the surface transportation needs of Southeast, Southwest and Southcentral Alaska communities.

- Refurbish and maintain vessels to allow for continued operation.
- Reduce losses on vessel services which are not required for safety reasons.
- Work with communities to promote system use.
- Provide efficient, improved services to the public.

4 Maintain, operate and promote Anchorage and Fairbanks International Airports, which are vital to the state's economy.

- Maintain and construct infrastructure to give Alaska a competitive market advantage, especially for international and domestic cargo traffic and tourism.
- Maintain and construct infrastructure to meet both required safety standards and capacity demands.

Key Performance Measures

Highways and Aviation

- Increase revenues to support rural airports by 25%.
- Chip seal or pave ten miles of gravel roads and turn over to local governments.
- Complete statewide and area plans that guide transportation investments.
- Establish a means to collect and use fees generated from out-of-state trucks operating in Alaska.

Alaska Marine Highway System

- Implement an integrated safety management system to meet International Maritime Organization standards and obtain certification.

- Increase the number of private travel agencies with direct access to AMHS reservation system by six.

International Airports

- Develop terminal expansion and renovation program to meet capacity and service requirements for current and projected growth.
- Promote international passenger activity and additional cargo hubs.
- Begin a general aviation support program to improve communications, tiedown oversight and safety.

Major Changes and Key Issues

An overall review of the department's structure and organization was completed to reexamine the department in light of significant pressure to meet new and additional responsibilities and live within a reduced operating budget. A reorganization combined the Southeast Region and the Alaska Marine Highway System into one unit, brought all design activities under the Division of Design and Engineering Services, and transferred reporting responsibilities for personnel, payroll and fiscal operations to Headquarters Administrative Services. The end result of this reorganization was the reduction of over one hundred positions.

Maintenance and Operations

DOT has negotiated an agreement with the Environmental Protection Agency and the Municipality of Anchorage regarding responsibilities for dealing with storm water discharge in the Anchorage metropolitan area. The agreement establishes specific compliance and monitoring

activities within this area and identifies monetary penalties for noncompliance. The budget reflects a \$700,000 increase to Highways and Aviation to meet the state's responsibilities under this agreement.

Measurement Standards and Commercial Vehicle Enforcement

In light of under-funding, the division needs the ability to properly collect permit fees for out-of-state trucks especially at border crossings. Monitoring of these vehicles is necessary to assure vehicle safety and that fees are collected to help finance the enforcement functions. Twenty-four hour watches at weigh stations at the borders can prevent unsafe vehicles from entering Alaska along with similar coverage at interior facilities to keep them off the roads. Legislation is being introduced to allow for the collection of these permit fees.

Alaska Marine Highway System

In the beginning of June 1998, the Malaspina is planned for day boat operations in the North Lynn Canal area. Also in June 1998, another main line vessel will come on line, the M/V Kennicott. It will be serving the southeast area, plus monthly cross-gulf trips.

International Airport System

The Anchorage International Airport is embarking on a revitalization program to bring inadequate and aged facilities up to today's requirements and prepare for the future. The airport terminal expansion project is critical to providing the capacity to meet these demands. The Gateway Alaska initiative not only includes this airport terminal project but also infrastructure improvements leading to the airport.

Budget Summary	FY97 Actual	FY98 Authorized	FY99 Governor
Designated/Statutory Program Receipts	\$524.3	\$208.4	\$298.4
General Funds	\$127,329.8	\$128,839.9	\$130,962.6
Federal Funds	\$589.3	\$1,659.7	\$1,358.9
Other Funds - Interagency receipts, etc.	\$192,735.2	\$213,221.1	\$200,581.1
TOTAL BUDGET	\$321,178.6	\$343,929.1	\$333,201.0
Positions - Full-time	2,710	2,729	2,727
Part-time and Non-Permanent	695	697	649
BY PROGRAM AREAS (All Fund Sources)			
Administration	\$12,551.9	\$11,632.0	\$11,697.5
Planning	\$5,670.5	\$5,883.7	\$5,901.6
Design/Construction	\$54,371.1	\$64,946.1	\$57,781.4
Maintenance/Operations	\$111,683.6	\$115,877.8	\$113,919.9
International Airports	\$37,149.6	\$38,802.6	\$38,966.3
Marine Highways	\$70,944.6	\$75,910.8	\$73,279.0
Measurement Standards & Commercial Vehicle Enforcement	\$0.0	\$3,421.6	\$3,496.9

CONTACT: Barry L. Bergdoll, Regional Director 465-1763

SUMMARY OF BRU SERVICES AND RESPONSIBILITIES:

Functions in this BRU are diverse, technical and usually must conform to strict federal and state regulations. This BRU responsibilities include budget coordination, procurement (purchasing, contracting, warehousing, property control) and computer support for both mainframe and network.

SUMMARY OF BRU ISSUES:

The most significant issue facing AMHS is the challenge of providing a level of ferry service which is acceptable to the traveling public within the confines of an ever constricting budget. In FY 99 services which AMHS can provide are being reduced as fixed costs continue to increase. The traffic carried is almost constant. While revenues have grown slightly due to tariff increases, public feedback indicates the rates are reaching the upper level of acceptance. Schedules have been adjusted, number of weeks ships operate reduced, and community links have been eliminated. Further adjustments in the AMHS budget must be accomplished in the context of maintaining the ferry services as a viable transportation link for the 32 communities served.

Transporting travelers with a fleet of 25 year old ships is another challenge. The age of the fleet demands vigilance in maintenance and annual overhaul. Vessels are being taken off line for refurbishment. The third factor is operating within a growing regulatory environment. International and federal requirements dictate that the vessels be upgraded, which impacts operating costs.

During the past few months the department has undergone a reorganization of reporting responsibilities that will impact this BRU. Due to time constraints, this budget submission does not reflect the new organizational structure. A budget amendment will be submitted early in the legislative session that will make the appropriate changes.

Page 1 of 1

Revised

FY 99

**BRU
OVERVIEW**
Revised 8/25/97

AGENCY Department of Transportation & Public Facilities

BRU Marine Management

1111 602

CONTACT: Barry L. Bergdoll, Regional Director 465-1763

COMPONENT GOALS:

To provide positive, effective, responsive and timely service to the general public and the Alaska Marine Highway System with regard to budget, finance, human resources, procurement, collecting and analyzing expenditure, revenue and traffic data, computer programming support of reservations, Employee Information and billing systems, and general administrative support.

	FY 97 ACTUAL	FY 98 AUTHORIZED	FY 99 GOVERNOR
EXPENDITURES:			
Personal Services	2,382.1	2,157.5	2,059.1
Other Program Costs	203.5	326.2	326.2
Total	2,585.6	2,483.7	2,385.3
FUNDING SOURCES:			
AMHS Fund	2,585.6	2,483.7	2,385.3
General Fund Match			
General Fund			
GF Program Receipts			
GF Mental Health			
Other Funds			
Total	2,585.6	2,483.7	2,385.3
STAFFING:			
Permanent Full-Time	47	32	37
Permanent Part-time			1
Temporary			

DESCRIPTION OF COMPONENT SERVICES:

The Support Services component is responsible for budget coordination, accounting, personnel, payroll, procurement (purchasing, contracting, warehousing, property control), management information, planning and computer services. These functions are diverse, technical and usually must conform to strict federal and state regulations.

DESCRIPTION OF COMPONENT CHANGES:

No changes in this budget.

**COMPONENT GOALS
AND SERVICES**

Form CF 1

Revised 8/25/97

AGENCY Department of Transportation & Public Facilities

BRU Marine Management

COMPONENT Support Services #1224

Page 1 of 1

Revised Date:

FY 99

1610

CONTACT: Barry L. Bergdoll, Regional Director 465-1763

OBJECTIVES AND ACCOMPLISHMENT MEASURES:

OBJECTIVES:

1. Improve stock request and delivery order user reports, i.e. on-line management reports
2. Provide timely response to request for goods and information .
3. AKPAY enhancements for marine employees payroll processing to include leave accrual
4. Enhancements to the Employee Information System (EIS) to include voice response system
5. Provide timely customer billings and continue with 24 day average on invoice payments
6. Assist management in the development of a ship to shore networking system for improved communications and exchange of information
7. Improvement of existing management reporting and data collection to support management decision making process
8. Develop an improved ferry schedule with public participation

ACCOMPLISHMENT MEASURES:

The accomplishment of these objectives will be measured when the EIS voice response system is updated and in use by employees, expansion of on-line management reports, feedback from management and employees, and new schedule design.

Objective: To perform all operations while balancing the budget.

Accomplishment measure: (1) Annual budgeting and fiscal controls; (2) Balance in Marine Highway Fund; (3) Revenues collected; (4) Reductions in operational costs.

STATUTORY/REGULATORY CITATIONS

AS 19.05	AS 36.20.015(g)			
AS 44.42.020	AS 19.65.050			

**COMPONENT
OBJECTIVES AND
ACCOMPLISHMENT
MEASURES**

Form CF2
REVISED 8/25/97

AGENCY Department of Transportation & Public Facilities

BRU Marine Management

COMPONENT Support Services #1224

Page 1 of 1

Revised Date:

FY 99

0000 611

CONTACT: Phil Grasser 465-8869

SUMMARY OF BRU SERVICES AND RESPONSIBILITIES: The Marine Engineering BRU includes the following components: (1) Engineering Management; (2) CIP Program; (3) Overhaul.

Our goal is to support the AMHS mission by ensuring that the Alaska Marine Highway System vessels and facilities are safe, reliable, comfortable and accessible to all Alaskans and visitors to the State.

All of these components are directly responsible for the maintenance, repair, refurbishment, replacement and procurement of new vessels and shore terminal facilities for the Alaska Marine Highway System. The Marine Engineering component is responsible for program coordination of all design, construction, maintenance, repair, and regulatory compliance activities.

To ensure we meet our goals, we conduct annual condition surveys and operational assessments, and provide technical information for long range planning and program support. The CIP Program component implements the annual capital construction program and preliminary engineering activities to provide cost-effective and efficient solutions to meet frequently changing and continuously more demanding international, Federal Government and regulatory society requirements. The Overhaul component provides annual drydocking, U.S. Coast Guard (USCG) and American Bureau of Shipping (ABS) survey requirements, critical vessel system repairs and annual maintenance and periodic hull, tank, machinery and equipment inspections required by all eight (8) AMHS vessels in order to ensure operational preparedness, reliability and USCG Certification of Inspection (COI) which is mandatory prior to embarking ticketed passengers and vehicles.

SUMMARY OF BRU ISSUES:

Continuing issues facing this BRU include the evolution and continuous improvement of the AMHS Marine Engineering Program. Significant elements of this program will be the initial operation during the 18-month shipbuilder's warranty period of the new Ocean Class vessel M/V Kennicott; initial shoreside and vessel certification under the demanding new International Maritime Organization's International Safety Management (ISM) Program imposed on July 1, 1998; continued project definition and design development for the new Safety of Life at Sea (SOLAS 2000) regulations on car deck physical security, watertight integrity and ventilation; maintaining all Fleet vessels in safe, reliable and efficient operational status in the face of continually decreasing funding; developing management systems including Compliance Monitoring and a Maintenance Management System (MMS) which meet stringent new ISM requirements for collection, recording and transmission ashore of real-time passenger data as well as rapid reporting of vessel equipment casualties and availability of critical repair part support all of which will improve the effective stewardship and safe operations of AMHS assets; and finally, continued modernization and revitalization the AMHS public transportation facilities.

During the past few months the department has undergone a reorganization of reporting responsibilities that will impact this BRU. Due to time constraints, this budget submission does not reflect the new organizational structure. A budget amendment will be submitted early in the legislative session that will make the appropriate changes.

Page 1 of 1

Revised Date:

FY 99

**BRU
OVERVIEW**

Revised 12/25/97

AGENCY Department of Transportation & Public Facilities

BRU Marine Engineering

001 626

CONTACT: Phil Grasser 465-8869

COMPONENT GOALS:

Provide effective direction, coordination and management of the design, construction, and maintenance activities that ensure that the fleet of eight (8) vessels and the nineteen (19) shore facilities are maintained, repaired, refurbished or replaced in a timely and cost effective manner, and that all vessels and facilities are available and capable of supporting the mission of the AMHS.

	FY 97 ACTUAL	FY 98 AUTHORIZED	FY 99 GOVERNOR
EXPENDITURES:			
Personal Services	493.7	572.0	572.0
Other Program Costs	124.3	150.3	150.3
Total	618.0	722.3	722.3
FUNDING SOURCES:			
AMHS Fund	618.0	722.3	722.3
General Fund Match			
General Fund			
GF Program Receipts			
GF Mental Health			
Other Funds			
Total	618.0	722.3	722.3
STAFFING:			
Permanent Full-Time	7	7	8
Permanent Part-time	1	1	0
Temporary			

DESCRIPTION OF COMPONENT SERVICES:

The Engineering Management component supports, monitors, plans, and controls the activities of the CIP Program and Overhaul components by preparing and reporting on analysis designed to control overhaul and operating expenditures while ensuring a cost effective and efficient operation. In addition, this component provides inspection and maintenance services for nineteen (19) State owned shore facilities.

DESCRIPTION OF COMPONENT CHANGES:

None.

**COMPONENT GOALS
AND SERVICES**

Form CF1

Revised 8/25/97

AGENCY Department of Transportation & Public Facilities

BRU Marine Engineering

COMPONENT Engineering Management #623

Page 1 of 1

Revised Date:

FY 99

1111 627

CONTACT: Phil Grasser 465-8869

OBJECTIVES AND ACCOMPLISHMENT MEASURES:

Objective: To upgrade/improve existing facilities to comply with State standards and federal codes: i.e. Alaska Marine Highway System (AMHS) access for the physically challenged, OSHA, ADA, fire and safety, electrical and environmental.

Objective: To improve engineering support, inventory and routine maintenance programs, as well as continue updating control systems, increasing accessibility and ensuring safety.

Accomplishment Measures: The delivery of projects on time and within budget, the continued safe and reliable operation of the fleet and shore facilities.

STATUTORY/REGULATORY CITATIONS

AS 19.15.020

AS 19.60

AS 44.42.020

**COMPONENT
OBJECTIVES AND
ACCOMPLISHMENT
MEASURES**

Form CF2
REVISED 8/25/97

AGENCY Department of Transportation & Public Facilities

BRU Marine Engineering

COMPONENT Engineering Management #623

Page 1 of 1

Revised Date:

FY 99

1111 628

CONTACT: Phil Grasser 465-8869

COMPONENT GOALS:

To support the mission of the AMHS by analyzing and evaluating system refurbishment and expansion needs, planning and scheduling these needs into an annual Capital Improvement Plan, then successfully accomplishing these projects on schedule and within budget.

	FY 97 ACTUAL	FY 98 AUTHORIZED	FY 99 GOVERNOR
EXPENDITURES:			
Personal Services	1,028.1	1,157.4	1,199.5
Other Program Costs	0.0	0.0	0.0
Total	1,028.1	1,157.4	1,199.5
FUNDING SOURCES:			
CIP Receipts	1,028.1	1,157.4	1,199.5
General Fund Match			
General Fund			
GF Program Receipts			
GF Mental Health			
Other Funds			
Total	1,028.1	1,157.4	1,199.5
STAFFING:			
Permanent Full-Time	21	14	16
Permanent Part-time			
Temporary		3	1

DESCRIPTION OF COMPONENT SERVICES:

This component takes project planning information as developed through public meetings, vessel surveys, facility inspections and State transportation needs and develops project scope of services, design contracts and in-house design team activities. This component then implements the design projects by establishing construction contracts and approving contractor and in-house work products, providing on-site management of construction contracts, conducting liaison with U.S. Coast Guard (USCG) and American Bureau of Shipping (ABS) construction inspectors and recommending acceptance of constructed projects.

DESCRIPTION OF COMPONENT CHANGES:

No changes in this budget.

**COMPONENT GOALS
AND SERVICES**

Form CF1
Revised 8/25/97

AGENCY Department of Transportation & Public Facilities

BRU Marine Engineering

COMPONENT CIP Program #624

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Revised Date:

FY 99

637

CONTACT: Phil Grasser 465-8869

OBJECTIVES AND ACCOMPLISHMENT MEASURES:

To design capital projects within targeted dates and authorized funding

- By ensuring the program designs are completed within the forecast month.
- By ensuring the design costs ratios are within the federal 10-12% of the project's total cost.
- By ensuring cost estimates are accurate within 15%.

To construct capital projects and to assure conformance to contract requirements

- By ensuring contracts are completed by contract completion date.
- By completing contracts within budget.
- By providing finance and the federal government with documented and approved contractor pay estimates.
- By ensuring adequate funds are available for contractor payments to avoid interest payments.
- To closeout completed projects within sixty (60) days of completion.

STATUTORY/REGULATORY CITATIONS

AS 19.15.020

AS 19.60

AS 44.42.020

**COMPONENT
OBJECTIVES AND
ACCOMPLISHMENT
MEASURES**

Form CF2
REVISED 8/25/97

AGENCY Department of Transportation & Public Facilities

BRU Marine Engineering

COMPONENT CIP Program #624

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Revised Date:

FY 99

001 638

CONTACT: Phil Grasser 465-8869

COMPONENT GOALS:

Provide repair, maintenance and drydocking of eight (8) Alaska Marine Highway System (AMHS) vessels to mandatory United States Coast guard (USGC) and American Bureau of Shipping (ABS) requirements, and to ensure safe and reliable transportation for Alaskans and visitors to the State

This component does not have any employees; however, under the direction of the AMHS Port Engineers (funded through the Southeast Vessel Operations component) this component provides pre-planning of each vessel's annual six-week shipyard overhaul, including the preparation of bid specifications and securing contracts for the supply of repair parts and OEM vendor services for all shipboard mechanical, electrical and hydraulic systems, and shipyard contract management.

Transportation and per diem costs are provided through this component for crew assigned to work during the annual overhauls and federal refurbishment projects. Personal services costs for the crews are covered in the Southeast Vessel Operations Component.

	FY 97 ACTUAL	FY 98 AUTHORIZED	FY 99 GOVERNOR
EXPENDITURES:			
Personal Services			
Other Program Costs	1,570.8	1,818.4	1,818.4
Total	1,570.8	1,818.4	1,816.4
FUNDING SOURCES:			
AMHS Fund	1,570.8	1,818.4	1,818.4
General Fund Match			
General Fund			
GF Program Receipts			
GF Mental Health			
Other Funds			
Total	1,570.8	1,818.4	1,818.4
STAFFING:			
Permanent Full-Time			
Permanent Part-time			
Temporary			

DESCRIPTION OF COMPONENT SERVICES: Under the direction of the Port Engineers, the Overhaul component conducts annual drydocking, USCG and ABS mandatory inspection requirements, critical repairs and general annual maintenance activities required to ensure operational preparedness and reliability. Provides administration of shipyard contracts, project control, responds to technical questions and analyzes data relative to past and current projects in order to minimize maintenance expenditures through design and/or operational solutions. Due to the Federal Highway Administration requirements to compete Federal projects and the fact that our overhauls are normally conducted concurrently with Federal projects, this overhaul work is accomplished on-site in U.S. west coast private shipyards from Portland, OR to Seward, AK. Preference is always provided to Alaskan shipyards through interport differentials to compensate AMHS for the costs of delivery and redelivery of our vessels if other than in their designated crew change port. We also use negotiated contracts restricted to Alaska shipyards, whenever the overhaul period does not include a Federal project.

DESCRIPTION OF COMPONENT CHANGES:

No changes in this budget.

COMPONENT GOALS AND SERVICES
Form CF1
Revised 8/25/97

AGENCY Department of Transportation & Public Facilities

BRU Marine Engineering

COMPONENT Overhaul #1212

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Revised Date: 1/14/98

FY 99

CONTACT: Phil Grasser 465-8869

OBJECTIVES AND ACCOMPLISHMENT MEASURES:

Objective: To maintain existing vessels in total and continuous compliance with State and Federal regulations, as well as all United States Coast Guard (USCG) and American Bureau of Shipping (ABS) requirements. Under the direction of the Port Engineers, administer the vessel overhaul, including contract administration, project and cost control, marine repairs and the development and implementation of a Fleetwide planned maintenance program. Provide timely monitoring and control of overhaul expenditures, respond to technical questions, and perform analytical work to minimize maintenance expenditures through design or operational solutions.

- 1. Number of Vessels 8
- 2. Number of Maintenance Projects 8
- 3. Dollar value of Vessel Maintenance Projects \$5,357.4

Accomplishment Measures: Successful completion of the annual overhaul and USCG and ABS approval of the eight (8) AMHS vessels on time and within budget. Safe and reliable operation of each of these vessels during the remainder of the annual vessel operating cycle.

STATUTORY/REGULATORY CITATIONS

AS 19.15.020

AS 19.60

AS 44.42.020

**COMPONENT
OBJECTIVES AND
ACCOMPLISHMENT
MEASURES**

Form CF2
REVISED 8/25/97

AGENCY Department of Transportation & Public Facilities

BRU Marine Engineering

COMPONENT Overhaul #1212

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Revised Date:

FY 99

000 645

CONTACT: Bob Doll 465-3959

SUMMARY OF BRU SERVICES AND RESPONSIBILITIES: The services provided by this BRU are divided into five components: Operations Management, Reservations & Marketing, Southeast Shore Operations, Southwest Shore Operations, and Southwest Vessel Operations. This BRU has the mission of operation of all Alaska Marine Highway System (AMHS) vessels and terminals less Southeast Vessel Operations. It provides the shore-based support required by 31 ports of call, 8 vessels, 700 shipboard employees, and a route system of 3,500 miles which transported more than 360,000 passengers and 101,706 vehicles in FY97.

Additionally, this BRU is responsible for development of the summer and fall/winter/spring schedule brochures. A two-year schedule is a major objective of this BRU.

GOALS:

To meet the needs of the traveling public and communities served while keeping the published schedule and maintaining all assets in a safe and operable condition.

To provide quality services to every customer of the AMHS and through that process become the standard of marine travel.

SUMMARY OF BRU ISSUES:

There are four major issues that continue to have priority with Marine Operations in FY99. Increasing revenues through marketing and extended onboard services, achieving lower cost per mile of operation, providing maximum transportation support with the purpose of enhancing the economic and social fabric of the communities we serve, and improving customer service to the traveling public.

The implementation of the International Safety Management (ISM) System is a major function of this BRU.

Maintaining an acceptable level of goods and services is in question as commodity and labor costs increase. The traveling public's increased expectations related to value and services strain our ability to maintain their confidence.

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Revised Date:

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**BRU
OVERVIEW**

Revised 8/25/97

AGENCY Department of Transportation and Public Facilities

BRU Marine Vessel Operations

111 652

CONTACT: Bob Doll 465-3959

COMPONENT GOALS:

To provide for the safe and efficient operation of AMHS vessels and terminals through management support and direction.

	FY 97 ACTUAL	FY 98 AUTHORIZED	FY 99 GOVERNOR
EXPENDITURES:			
Personal Services	871.5	647.7	814.6
Other Program Costs	30.0	55.0	55.0
Total	901.5	702.7	869.6
FUNDING SOURCES:			
AMHS Fund	861.6	660.6	869.6
General Fund Match			
General Fund			
GF Program Receipts			
GF Mental Health			
CIP Receipts	39.9	42.1	0.0
Total	901.5	702.7	869.6
STAFFING:			
Permanent Full-Time	15	6	11
Permanent Part-time			
Temporary			

DESCRIPTION OF COMPONENT SERVICES:

- 1) Develop, implement and enforce Policies and Procedures of AMHS.
- 2) Enforce Labor contract to maintain and reduce costs.
- 3) Schedule employees for work assignments, including vacation and sick leave reliefs.
- 4) Provide for training of vessel crews to enhance safety and service to the traveling public.
- 5) Production of summer and fall/winter/spring schedule brochures.
- 6) Provide the support necessary for vessel crews to perform their duties in an efficient and customer oriented manner.
- 7) Carry out the community involvement process in regard to scheduling and general operations.

DESCRIPTION OF COMPONENT CHANGES:

No changes in this budget.

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**COMPONENT GOALS
AND SERVICES**

Form CF1

Revised 8/25/97

AGENCY Department of Transportation and Public Facilities

BRU Marine Vessel Operations

COMPONENT Vessel Operations Manager #629

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Revised Date: 1/7/98

FY 99

653

CONTACT: Bob Doll 465-3959

OBJECTIVES AND ACCOMPLISHMENT MEASURES:

- 1) Completion of vessel schedule and operation plan in a timely manner.
- 2) Efficient scheduling of maintenance work and duties of crew while the ship is operating.
- 3) Better utilization of personnel with emphasis on more streamlined operating systems, procedures and equipment that will allow more productivity per labor hours.
- 4) Promote efficient management communications.

ACCOMPLISHMENT MEASURES:

The accomplishment of these objectives will be measured by utilizing data consolidated from traffic volume reports, community scheduling response, revenue and expenditure reports and payroll information, in addition to passenger comment forms (1,300+ per annum) and public comment.

Objective: To plan for the annual and future direction and operation of the system.

Accomplishment measures: (1) Operating Plan; (2) System deployment plan with delivery of new ocean class vessel; (3) Southeast Alaska Transportation Plan; (4) Prince William Sound Regional Transportation Plan.

Objective: To assure operations which are satisfactory to the traveling public.

Accomplishment measure: (1) Community feedback through public meetings; (2) Customer comment and feedback through letters and completed comment evaluation cards; (3) Evaluation by regulatory agencies on vessel operations.

Objective: To expand service in congested areas.

Accomplishment measure: Deploy vessels to meet traffic demand.

Objective: To maintain an aging fleet of ships to meet a published schedule and future operations.

Accomplishment measure: (1) Completion of annual overhauls which allows for renewals of U. S. Coast Guard certificate; (2) Running vessels without breakdowns resulting in loss of service; (3) Completion of refurbishment projects; (4) Vessels which meet current safety and regulatory requirements.

STATUTORY/REGULATORY CITATIONS

AS 42.25

AS 19.60.020

AS 19.05

AS 44.43.02

AS 44.42.020

**COMPONENT
OBJECTIVES AND
ACCOMPLISHMENT
MEASURES**
Form CF2
REVISED 8/25/97

AGENCY Department of Transportation and Public Facilities

BRU Marine Vessel Operations

COMPONENT Vessel Operations Management #629

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Revised Date:

FY 99

000 654

CONTACT: Bob Doll, General Manager 465-3959

COMPONENT GOALS:

A major source of AMHS customer dissatisfaction and frustration centers on the busy reservation lines. Customers complain that they can't get through and when they do, they must wait too long to speak to an agent. An AMHS customer's first contact with the state's ferry system is most often with a reservation agent. Customer satisfaction at this critical juncture means the difference between a person who looks first to the Marine Highway for basic transportation needs and the person who is too discouraged to even try.

The goal of the Reservations and Marketing group is to provide the best possible customer service by ensuring all reservation and information requests are handled efficiently, accurately and completely, and that all customers are treated with courtesy, dignity and respect. This will both serve the traveling public and promote the Alaska Marine Highway as a transportation mainstay for residents and tourists alike.

	FY 97 ACTUAL	FY 98 AUTHORIZED	FY 99 GOVERNOR
EXPENDITURES:			
Personal Services	1,048.9	982.1	982.1
Other Program Costs	957.6	1,016.2	879.7
Total	2,006.5	1,998.3	1,861.8
FUNDING SOURCES:			
AMHS Fund	2,006.5	1,998.3	1,861.8
General Fund Match			
General Fund			
GF Program Receipts			
GF Mental Health			
Other Funds			
Total	2,006.5	1,998.3	1,861.8
STAFFING:			
Permanent Full-Time	15	15	13
Permanent Part-time	13	13	11
Temporary			

DESCRIPTION OF COMPONENT SERVICES:

The Reservations and Marketing group responds to all written, facsimile, and telephone inquiries for reservations and general information, by individuals, groups, and commercial enterprises. This includes entering, changing and canceling reservations in the computerized system; issuing confirmation letters; printing tickets; verifying and processing payments; and providing travel guide information to the public. This group also staffs the front counter at the Juneau Central Office, and handles the in-person reservations at the Anchorage office.

DESCRIPTION OF COMPONENT CHANGES:

No changes in this budget.

COMPONENT GOALS AND SERVICES
Form CF1
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AGENCY Department of Transportation & Public Facilities
BRU Marine Vessel Operations
COMPONENT Reservations & Marketing

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Revised Date:

FY 99

667

CONTACT: Bob Doll, General Manager 465-3959

OBJECTIVES AND ACCOMPLISHMENT MEASURES:

The objectives for FY99 are:

1. To improve customer service by eliminating busy signals and by limiting to 180 seconds the length of time a customer must wait to speak to a reservation agent during peak reservation times.
2. To improve customer service by reducing the average phone call to four minutes with a comeback rate of less than one percent. This will be accomplished through in-house training, motivation and creative problem-solving involving the front line employees.
3. Answer 15,000 calls per month average (20,000 peak season), and respond to 550 fax reservations per month.
4. To expedite customer processing, increase the accuracy of information dispersed, and add flexibility in marketing AMHS services through improvements to the reservation computer system, specifically the ability to route incoming "1-800" calls to any agent at any terminal.

ACCOMPLISHMENT MEASURES:

The accomplishment of these objectives will be measured by utilizing data consolidated from traffic volume reports, community scheduling response, revenue and expenditure reports, yearly call report data, and in addition passenger comment forms (1,300 plus per annum) and public comment.

STATUTORY/REGULATORY CITATIONS

AS 19.05				
AS 44.42.020				

**COMPONENT
OBJECTIVES AND
ACCOMPLISHMENT
MEASURES**
Form CF2
REVISED 8/25/97

AGENCY Department of Transportation & Public Facilities
BRU Marine Vessel Operations
COMPONENT Reservations & Marketing #625

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Revised Date: FY 99

000 668

CONTACT: Bob Doll, General Manager 465-3959

COMPONENT GOALS:

To provide shoreside support needed at AMHS ports for the safe and efficient movement of passenger and vehicle traffic between vessel and shore.

To provide the highest level of customer service to travelers and shippers utilizing the AMHS.

	FY 97	FY 98	FY 99
	ACTUAL	AUTHORIZED	GOVERNOR
EXPENDITURES:			
Personal Services	1,685.3	1,665.4	1,745.4
Other Program Costs	1,305.5	1,329.9	1,359.9
Total	2,990.8	2,995.3	3,105.3
FUNDING SOURCES:			
AMHS Fund	2,990.8	2,995.3	3,105.3
General Fund Match			
General Fund			
GF Program Receipts			
GF Mental Health			
Other Funds			
Total	2,990.8	2,995.3	3,105.3
STAFFING:			
Permanent Full-Time	20	20	20
Permanent Part-time	14	15	15
Temporary			

DESCRIPTION OF COMPONENT SERVICES:

This component provides shore support required to cover six (6) vessels and seventeen (17) ports of call over a route system of 1, 172 nautical miles that transported passengers and vehicles during FY97.

The shore support involves staffing the terminals. The primary duties and responsibilities of terminal staff includes public relations via telephone and in person; quoting schedules and tariffs; making, changing, and deleting reservations; issuing tickets; collecting revenues; and, accounting for revenues collected. Shore support also includes longshoring duties; staging traffic; janitorial; and, minor maintenance duties.

DESCRIPTION OF COMPONENT CHANGES:

Transfer from Southeast Vessel Operations to personal services and contractual lines to provide funding for anticipated shortfalls in the Southeast Shore Operations personal services and contractual lines. The operation of the vessels has a direct impact on the personal services and contractual line expenditures in the Southeast Shore Operations Component.

COMPONENT GOALS AND SERVICES

Form CF1

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AGENCY Department of Transportation and Public Facilities

BRU Marine Vessel Operations

COMPONENT Southeast Shore Operations #626

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Revised

FY 99

001 677

CONTACT: Bob Doll, General Manager 465-3959

OBJECTIVES AND ACCOMPLISHMENT MEASURES:

- 1) To serve over 350,000 passengers and achieve at least a 98% customer satisfaction rating.
- 2) To maintain and operate the terminal buildings, grounds and reservation services in a professional, responsible and caring manner.
- 3) To achieve a reduction in terminal personnel costs through improved scheduling of seasonal employees.
- 4) To reduce overtime by 10%.
- 5) To produce revenue generating amenities for public use (i.e., commissioned long distance pay phone services).

ACCOMPLISHMENT MEASURES:

- 1) Customer satisfaction levels will be measured using the Passenger Comment forms which are displayed on each vessel and in each terminal. Over 1,300 were returned in FY96.
- 2) Periodic inspections by Ferry Service Manager to evaluate cleanliness, knowledge of procedures, public relations, and overall effectiveness.
- 3) Close monitoring of terminal personnel services costs, i.e. overtime and seasonal employees schedules.

STATUTORY/REGULATORY CITATIONS

AS 19.60.020				

**COMPONENT
OBJECTIVES AND
ACCOMPLISHMENT
MEASURES**
Form CF2
REVISED 8/25/97

AGENCY Department of Transportation and Public Facilities
BRU Marine Vessel Operations
COMPONENT Southeast Shore Operations #626

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Revised Date: FY 99

0001 678

CONTACT: Bob Doll, General Manager 465-3959

COMPONENT GOALS:

To provide shoreside support needed at AMHS ports for the safe and efficient movement of passenger and vehicle traffic between vessel and shore.

To provide the highest level of customer service to travelers and shippers utilizing the AMHS.

	FY 97 ACTUAL	FY 98 AUTHORIZED	FY 99 GOVERNOR
EXPENDITURES:			
Personal Services	200.4	226.9	226.9
Other Program Costs	658.6	629.4	724.4
Total	859.0	856.3	951.3
FUNDING SOURCES:			
AMHS Fund	859.0	856.3	951.3
General Fund Match			
General Fund			
GF Program Receipts			
GF Mental Health			
Other Funds			
Total	859.0	856.3	951.3
STAFFING:			
Permanent Full-Time	3	2	2
Permanent Part-time	2	2	2
Temporary			

DESCRIPTION OF COMPONENT SERVICES:

This component provides shore support required to cover 17 ports of call over a route system of 739 nautical miles that transported passengers and vehicles during FY97. The state does not own docking facilities in most Southwest ports and is subject to local docking fees and longshoring charges.

Shore support includes public relations via telephone and in person, quoting schedules and tariffs; making, changing and deleting reservations; issuing tickets; collecting revenues; and accounting for revenues collected.

Shore support also includes longshoring duties; staging traffic; janitorial; and minor maintenance duties.

DESCRIPTION OF COMPONENT CHANGES:

Additional stevedoring and utility charges will be incurred in this component during FY99 as a result of M/V Kennecott Operations in SW.

**COMPONENT GOALS
AND SERVICES**

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AGENCY Department of Transportation & Public Facilities

BRU Marine Vessel Operations

COMPONENT Southwest Shore Operations

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Revised Date:

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690

CONTACT:

OBJECTIVES AND ACCOMPLISHMENT

- 1) To serve over 40,000 passengers and achieve at least a 98% customer satisfaction rating.
- 2) To maintain and operate the terminal buildings, grounds and reservation services in a professional, responsible and caring manner.
- 3) To achieve a reduction of 5% in terminal personnel overtime costs.

ACCOMPLISHMENT MEASURES:

- 1) Customer satisfaction levels will be measured using the Passenger Comment forms which are displayed on each vessel and in each terminal. Over 1,300 were returned in FY96.
- 2) Periodic Inspections by Ferry Service Manager to evaluate cleanliness, knowledge of procedures, public relations, and overall effectiveness.

STATUTORY/REGULATORY CITATIONS

AS 44.42.020

AS 44.42.020				

**COMPONENT
OBJECTIVES AND
ACCOMPLISHMENT
MEASURES**
Form CF2
REVISED 8/25/97

AGENCY Department of Transportation & Public Facilities
BRU Marine Vessel Operations
COMPONENT Southwest Shore Operations #627

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Revised Date:

FY 99

000 691

CONTACT: Robert Doll, General Manager, 465-3959

COMPONENT GOALS:

Meet the needs of the traveling public and communities served while keeping the published schedule and maintaining all assets in a safe and operable condition.

Provide quality services to every customer of the AMHS and through that process become the standard of marine travel.

	FY 97 ACTUAL	FY 98 AUTHORIZED	FY 99 GOVERNOR
EXPENDITURES:			
Personal Services	6,903.1	7,593.8	7,193.8
Other Program Costs	2,468.3	2,432.0	2,532.0
Total	9,371.4	10,025.8	9,725.8
FUNDING SOURCES:			
Federal Receipts			
General Fund Match			
General Fund			
GF Program Receipts			
GF Mental Health			
AMHS Fund	9,371.4	10,025.8	9,725.8
Total	9,371.4	10,025.8	9,725.8
STAFFING:			
Permanent Full-Time	63	63	63
Permanent Part-time	35	35	35
Temporary	0	0	0

DESCRIPTION OF COMPONENT SERVICES:

Provide transportation with the maximum frequency and consistency allowable for:

- A. Passengers - including providing food services and hotel services for voyages of longer duration
- B. Vehicles - including cars, recreational vehicles, etc.
- C. Commercial vehicles - including cargo vans and construction equipment

DESCRIPTION OF COMPONENT CHANGES:

COMPONENT GOALS AND SERVICES

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AGENCY Department of Transportation and Public Facilities

BRU Marine Vessel Operations

COMPONENT Southwest Vessel Operation 31

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Revised Date:

FY 99

701

CONTACT: Robert Doll, General Manager, 465-3959

OBJECTIVES AND ACCOMPLISHMENT MEASURES:

There are three major objectives that have priority with Southwest Vessel Operations in FY99:

- 1) Lower cost per mile of operation.
- 2) Maximize transportation and economic support services to Southwest Alaskan communities within existing budgetary constraints.
- 3) Serve over 40,000 passengers and achieve at least a 98% customer satisfaction rating.

Lower operating costs will be accomplished in the following ways:

- 1) More efficient scheduling of maintenance work and duties of crew while the ships are operating.
- 2) Better utilization of personnel with emphasis on more streamlined operating systems, procedures, and equipment that will allow more productivity per labor hours.
- 3) Customer satisfaction levels will be measured using the Passenger Comment forms which are displayed on each vessel and in each terminal. Over 1,300 were returned in FY96.
- 4) Information available as a result of vessel surveys will increase operating efficiencies.

Customer service improvements will be monitored via passenger comment cards and other passenger/public input.

STATUTORY/REGULATORY CITATIONS

AS 44.43.02

AS 44.43.02				

**COMPONENT
OBJECTIVES AND
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Form CF2
REVISED 8/25/97

AGENCY Department of Transportation and Public Facilities
BRU Marine Vessel Operations
COMPONENT Southwest Vessel Operations #631

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Revised Date:

FY 99

000 702

CONTACT: Robert Doll, General Manager, 465-3959

COMPONENT GOALS: The mission of the Alaska Marine Highway System (AMHS) is to provide safe, reliable and efficient transportation of people, goods and vehicles among Alaskan communities, Canada and the "Lower 48", while providing opportunities to develop and maintain a reasonable standard of living and a high quality of life.

1. Operate its 8 vessels and (17) terminal facilities safely transporting approximately 360,096 in FY97 passengers and 101,706 vehicles between 32 ports of call while meeting customer demands.
2. Respond to requests for reservations in a timely manner and routing travelers to their desired destinations.
3. Maintain a fleet of vessels which have an average life of over 25 years to meet all regulatory requirements and provide reliable, consistent transportation, and meeting published schedules.
4. Plan, design and implement refurbishment projects to revitalize an aging fleet, while meeting new and current regulatory demands, customer demands and extend the life of the fleet.
5. Plan for future deployment of the fleet to provide the most effective means of marine transportation and integrate it with other transportation modes.

EXPENDITURES:	FY 97 ACTUAL	FY 98 AUTHORIZED	FY 99 GOVERNOR
Personal Services	0.0	502.8	502.8
Other Program Costs	28,563.2	26,937.2	27,655.3
Total	28,563.2	27,440.0	28,158.1

FUNDING SOURCES:	FY 97 ACTUAL	FY 98 AUTHORIZED	FY 99 GOVERNOR
Federal Receipts			
General Fund Match			
General Fund	28,563.2	27,169.9	28,158.1
GF Program Receipts			
Invst Loss	0.0	270.1	0.0
AMHS Fund			
Total	28,563.2	27,440.0	28,158.1

STAFFING:	FY 97 ACTUAL	FY 98 AUTHORIZED	FY 99 GOVERNOR
Permanent Full-Time			
Permanent Part-time			
Temporary			

DESCRIPTION OF COMPONENT SERVICES:

This component represents the General Fund appropriation to the Alaska Marine Highway System (AMHS) Fund which enables AMHS to continue to provide stable services to the public. AS 19.65.060 created the AMHS Fund and requires that (1) all gross revenues of the AMHS; (2) appropriations by the Legislature; and (3) any other money that is appropriated to AMHS be deposited to the Fund. Monies appropriated do not lapse under AS 37.25.010. Each fiscal year the AMHS operating budget funds (excluding the CIP Program component) are appropriated from the Fund.

DESCRIPTION OF COMPONENT CHANGES: All funds for this component should be in the miscellaneous line. The amount shown in personal services will be moved to the miscellaneous line as a FY99 budget amendment. An increment has been requested to partially restore the legislature's FY 98 cut to the AMHS General Fund appropriation. General fund reductions, coupled with reduced revenues due to the Malaspina blockade during FY 98 and two threatened strikes during the past 3 years, are depleting the AMHS fund balance. The lack of a healthy fund balance could severely impact the AMHS's ability to continue to offer an acceptable level of service to communities, Alaskans, and visitors. Even with this increment, the fund balance at the end of FY 99 is expected to be approximately \$6.6 million below the original FY 92 level of \$40.5 million. The FY 99 budget request is based upon an operating plan which provides 297.8 service weeks. This is 2.8 weeks below the FY 98 service level. Approval of the proposed special appropriation for the Malaspina would bring the FY 99 service level to a total of 311.9 weeks of operation.

**COMPONENT GOALS
AND SERVICES**
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AGENCY Department of Transportation & Public Facilities
BRU Front Section
COMPONENT Marine Highway Stabilization #1225

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Revised Date:

FY 99

AMHS FUND SUMMARY

	FY92	FY93	FY94	FY95	FY96	FY97	FY98
	Actual	Actual	Actual	Actual	Actual	Actual	Estimated
Beginning Fund Balance	40,538.3	45,601.0	46,136.7	46,424.2	46,249.1	44,046.6	\$41,677.6
AMHS General Fund Appropriation	30,670.0	30,000.0	28,715.8	28,397.2	28,263.2	28,433.2	\$30,940.0
CIP Receipts/Interagency Receipts	1,063.3	1,288.0	1,328.0	1,341.0	1,768.0	1,028.1	\$1,157.4
AMHS Expenditures	(69,709.0)	(71,624.0)	(71,124.0)	(71,138.0)	(71,351.4)	(70,851.9)	(\$73,203.9)
AMHS Building				(500.0)			
AMHS Overhaul				500.0			
Other Fund Transfers Out(DOT/PF)	(6.3)	(6.3)	(6.3)	(6.3)	(6.3)	0.0	\$0.0
Cash In Transit or Due from Other Fund	207.0				468.0	149.1	
AMHS Revenues	42,837.7	40,878.0	40,372.5	42,231.0	38,656.0	38,872.5	\$37,638.0
Ending Fund Balance	45,601.0	46,136.7	45,422.7	46,249.1	44,046.6	41,677.6	\$38,209.1

NOTE: Beginning with FY96 CIP and I/A Receipts and associated expenditures are not included in the annual financial Balance Sheet or Statement of Activity in the Annual Financial Report. This is due to changes in GAAP.

The figures on this document for FY92 thru FY96 balance to the Alaska Marine Highway System Fund Trial Balance.

These figures include CIP receipts and associated expenditures. Since the AMHS Administrative Building and AMHS Overhaul appropriations are a part of the fund, expenditures and/or re-appropriations are reflected.

**ADDITIONAL
EXPLANATION
CF1 FORM**
Revised 8/25/97

AGENCY Department of Transportation & Public Facilities

BRIJ Front Section

COMPONENT Marine Highway Stabilization #1225

Page 2 of 2
Revised Date:

FY 99

000-724

DRAFT

Operating Plan
1998-1999

Revision 99.4
November 15, 1997

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN		
	Implementation of an Operating Plan is dependent upon funding from the legislature and earned revenue.											Operating Weeks		
KEN	Jul 1, Wed	SE/SW	Sep 16, O.H.		Nov 01, YPR	Dec 15, Tue	SE/SW		Mar 01, SW/PWS	Apr 15, C.O.I.		May 11, Tue	SE/SW	41.9
COL	Jul 1, Wed	BEL				Jan 19, Tue	Layup		Mar 01, Mon	BEL	Apr 15, Thu	Overhaul	Jun 01, Tue	34.6
MAT	Jul 1, Wed	YPR			Nov 1, Sun	CIP/Overhaul				Apr 15, BEL		Jun 1, YPR		28.6
MAL	Jul 1, Wed	NLC	Sep 08, Tue LAYUP										Jun 1, NLC	14.1
TAK	Jul 1, Wed	YPR	Sep 15, Tue	CIP/Overhaul			Dec 15, Wed	YPR						39.0
AUR	Jul 1, Wed	SP						Jan 11, Mon	CIP/Overhaul	Apr 15, Thu	WP	Jun 1, Tue	SP	38.7
LEC	Jul 1, Wed	NP						Jan 11, Mon	WP	Apr 15, CIP/Overhaul		Jun 1, Tue	NP	45.4
TUS	Jul 1, Wed								Mar 1, Mon	Overhaul	Apr 15, Thu			45.7
BAR	Jul 1, Wed		Sep 15, Tue	Layup					Feb 18, Overhaul	Apr 1, Thu				23.9

LEGEND

On Line

Overhaul and Construction

Layup

BEL - Bellingham to Skagway Route NP - Northern Panhandle SE/SW - SE/SW Inter-tie Route

YPR - Prince Rupert to Skagway Route SP - Summer Panhandle SW/PWS - SW/Prince William Sound Route

NLC - Northern Lynn Canal Route WP - Winter Panhandle

Mainline Vessels 158.2

Foeder Vessels 84.1

Southwest 69.6

Note: Dates represent the first day of the period. Overhaul and refurbishment periods include vessel travel time.

Total Operating 311.9

TITLE: Increase to support FY99 proposed operating plan

DESCRIPTION:

This increment will partially restore the Legislature's FY 98 cut to the AMHS General Fund appropriation. General fund reductions, coupled with reduced revenues due to the Malaspina blockade during FY 98 and two threatened strikes during the past 3 years, are depleting the AMHS fund balance. The lack of a healthy fund balance could severely impact the AMHS's ability to continue to offer an acceptable level of service to communities, Alaskans, and visitors. Even with this increment, the fund balance at the end of FY 99 is expected to be approximately \$6.6 million below the original FY 92 level of \$40.5 million.

The FY 99 budget request is based upon an operating plan which provides 297.8 service weeks. This is 2.8 weeks below the FY 98 service level. Approval of the proposed special appropriation for the Malaspina would bring the FY 99 service level to a total of 311.9 weeks of operation.

EXPENDITURES

Personal Services	
Travel	
Contractual	
Supplies	
Equipment	
Lands & Buildings	
Grants & Claims	
Miscellaneous	800.0
Total	800.0

FUNDING SOURCES

1002 Federal Receipts	
1003 General Fund Match	
1004 General Fund	800.0
1005 GF Program Receipts	
1037 GF Mental Health	
Total	800.0

STAFFING

Permanent Full-Time	
Permanent Part-time	
Temporary	

AGENCY Department of Transportation & Public Facilities

BRU Front Section

COMPONENT Marine Highway Stabilization #1225

Page 1 of 1

Revised Date:

FY 99

**DECREMENT
or INCREMENT**

Form C5

Revised 8/25/97

726

CONTACT: Robert Doll, General Manager, 465-3959

SUMMARY OF BRU SERVICES AND RESPONSIBILITIES:

This BRU provides Marine Highway service for all the communities of Southeast Alaska. It is responsible for (1) the safe and reliable operation of four mainline and two feeder ships throughout the year; (2) routine maintenance of the ships; and (3) observance of all U.S. Coast Guard regulations pertaining to ship operations.

SUMMARY OF BRU ISSUES:

The primary issue related to this BRU is the introduction of the M/V Kennicott into the fleet.

Page 1 of 1
Revised Date:

FY 99

**BRU
OVERVIEW**
Revised 8/25/97

AGENCY Department of Transportation & Public Facilities

BRU Southeast Vessel Operations

101 985

CONTACT: Robert Doll, General Manager, 465-3959

COMPONENT GOALS:

To meet the needs of the traveling public and communities served while keeping the published schedule and maintaining all assets in a safe and operable condition.

To provide quality services to every customer of the AMHS and through that process become the standard of marine travel.

	FY 97 ACTUAL	FY 98 AUTHORIZED	FY 99 GOVERNOR
EXPENDITURES:			
Personal Services	35,119.9	37,314.2	35,214.2
Other Program Costs	13,756.6	15,725.8	15,425.8
Total	48,876.5	53,040.0	50,640.0
FUNDING SOURCES:			
Federal Receipts			
General Fund Match			
General Fund	0.9		
GF Program Receipts			
I/A Receipts	91.8		
AMHS Fund	48,783.8	53,040.0	50,640.0
Total	48,876.5	53,040.0	50,640.0
STAFFING:			
Permanent Full-Time	523	522	523
Permanent Part-time	109	110	109
Temporary	0	0	0

DESCRIPTION OF COMPONENT SERVICES:

Provide transportation with the maximum frequency and consistency allowable for:

- A. Passengers - including providing food services and hotel services for voyages of longer duration
- B. Vehicles - including cars, recreational vehicles, etc.
- C. Commercial vehicles - including cargo vans and construction equipment

DESCRIPTION OF COMPONENT CHANGES:

The M/V Kennicott will be introduced into the fleet.

**COMPONENT GOALS
AND SERVICES**

Form CF1
Revised 8/25/97

AGENCY Department of Transportation & Public Facilities

BRU Southeast Vessel Operations

COMPONENT Southeast Vessel Operations #630

Page 1 of 1

Revised Date: 1/14/98

FY 99

1111 936

CONTACT: Robert Doll, General Manager, 465-3959

OBJECTIVES AND ACCOMPLISHMENT MEASURES:

There are three major objectives that have priority with Southeast Vessel Operations in FY98:

- 1) Lower cost per mile of operation.
- 2) Maximize transportation and economic support services to Southeast Alaskan communities within existing budgetary constraints.
- 3) Serve over 400,000 passengers and achieve at least a 98% customer satisfaction rating.

Lower operating costs will be accomplished in the following ways:

- 1) Efficient scheduling of maintenance work and duties of crew while the ships are operating. Reducing Passenger Services premium pay by 10%.
- 2) Better utilization of personnel with emphasis on more streamlined operating systems, procedures, and equipment that will allow more productivity per labor hours. Working in the labor management format, explore cost saving alternatives and efficiencies. Going to a menu cycle should reduce food inventory expenditures.
- 3) Customer satisfaction levels will be measured using the Passenger Comment forms which are displayed on each vessel and in each terminal. Over 1,300 were returned in FY96.
- 4) Information available as a result of vessel surveys will increase operating efficiencies.

Customer service improvements will be monitored via passenger comment cards and other passenger/public input. Through new scheduling alternatives extra capacity will be provided in areas where capacity is constrained during periods of high demand.

STATUTORY/REGULATORY CITATIONS

AS 19.60.020				

Page 1 of 1
Revised Date:

FY 99

**COMPONENT
OBJECTIVES AND
ACCOMPLISHMENT
MEASURES**
Form CF2
REVISED 8/25/97

AGENCY Department of Transportation & Public Facilities
BRU Southeast Vessel Operations
COMPONENT Southeast Vessel Operations #630

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