

SB

129

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SENATE FINANCE COMMITTEE REPORT

DATE 4/9/99

FURTHER

DATE TURNED IN TO OFFICE 20 April 99

Finance Committee considered

SENATE BILL NO. 129

"An Act relating to the Alaska marine highway system vessel, M/V Malaspina; and providing for an effective date."

and recommends:

- be replaced with _____ CS SB 129 (FIN)
- adopt previous _____ CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill: same title
- new title
- House Bill: same title
- technical title
- new: SCR# _____

SIGNING DP RASH	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	✓	<i>[Signature]</i>	✓		
<i>[Signature]</i>	✓	<i>[Signature]</i>	✓	X	
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal
DOT & PF	4/8/99	✓	

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill.

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

No. 1 SFC 4/19/99
 Bill Version: SB 129
 (S) Publish Date: 4-9-99

Revision Date/Time (Note if correction) _____ Dept. Affected DOT:PF
 Title "An Act relating to the Alaska marine highway BRU Kennicott / Malaspina Vessel Ops.
system vessel, M/V Malaspina..... Component Kennicott / Malaspina Operations
 Sponsor Senate Finance Committee
 Requester Senate Transportation Component Serial No. 2324

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other -AK marine hwy. system fund	*	*	*	*	*	*
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY99) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

* This proposal would create a separate account within the Alaska marine highway system fund consisting of the revenues and expenditures associated with the M/V Malaspina. There would therefore be no financial impact as a result of this bill, only a change in accounting. For FY00 we estimate \$3,057.0 in operating revenues from the Malaspina. Expenditures would include \$3,090.0 in operations costs, \$180.0 in operating overhaul, and \$340.0 in state CIP overhaul funds. Inclusion of CIP projects in this proposal would be problematic for accounting purposes, especially when federal funds are involved. This change in procedure from the normal separation of operating and capital expenses would create additional accounting reconciliation and reporting requirements. An additional concern would be the prohibition of using other funds to cover unanticipated or emergency expenditures for the Malaspina. Note: this analysis assumes overhead expenses such as management, reservations, and leave are not included in the new account.

Prepared by Dennis Pognard, Legislative Liaison Phone 465-3904
 Division Office of the Commissioner Date/Time 4/7/99 3:29 PM
 Approved by Commissioner Date 4/8/99
 Agency Department of Transportation and Public Facilities

1 money in the Alaska marine highway system fund. The balance of the account on
2 June 30 of each year, excluding federal funds and the required match of state funds,
3 shall be transferred to the Alaska marine highway system fund at the end of each fiscal
4 year.

Amend
#1

5 (b) Notwithstanding a contrary provision of AS 19.65.050 - 19.65.100 or other
6 provisions of law, the department may spend no money for the operation of,
7 maintenance of, ~~or capital improvements~~ to the M/V Malaspina except that money
8 appropriated by the legislature to the M/V Malaspina account.

9 (c) The gross revenue generated by the operation of the Alaska marine
10 highway system vessel M/V Malaspina shall be accounted for separately. An
11 appropriation of the gross revenue as program receipts is not made from the
12 unrestricted general fund.

13 (d) Nothing in this section creates a dedicated fund.

14 * Sec. 2. This Act takes effect July 1, 1999.

SENATE FINANCE COMMITTEE
1999 COMMITTEE ACTION

Bill Number	SB 129
Amendment	
Motion	Move from Committee
<u>Motion by</u>	Parnell
Objection	
<u>Objection by</u>	Adams
Removed	
<u>Second Objection by</u>	
<u>Committee Member</u>	<u>Vote</u>
Senator Pete Kelly	Y
Senator Lyda Green	Y
Senator Randy Phillips	N
Senator Dave Donley	Y
Senator Loren Leman	Y
Senator Al Adams	N
Senator Gary Wilken	Y
Co-Chair Sean Parnell	Y
Co-Chair John Torgerson	Y
<u>Tally</u>	
Yea	0 7
Nay	0 1
Absent	0 1
<u>MOTION</u>	Passed

CS FOR SENATE BILL NO. 129(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

**1 "An Act relating to the Alaska marine highway system vessel, M/V Malaspina;
2 and providing for an effective date."**

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

4 * Section 1. AS 19.65 is amended by adding a new section to read:

5 Sec. 19.65.065. M/V Malaspina account. (a) There is created in the Alaska
6 marine highway system fund the M/V Malaspina account. Notwithstanding
7 AS 19.65.060(a) and 19.65.070(a), the account consists of the gross revenue generated
8 by the operation of the Alaska marine highway system vessel M/V Malaspina that is
9 appropriated to the account and other money appropriated to the account by the
10 legislature. Gross revenue generated by the operation of the Alaska marine highway
11 system vessel M/V Malaspina and other money that is appropriated to the account may
12 be expended only for the operation or maintenance of the M/V Malaspina in the fiscal
13 year for which the money is appropriated. Money in the account must be separately
14 accounted for and may not be commingled with other money in the Alaska marine

1 highway system fund. The balance of the account on June 30 of each year, excluding
2 federal funds and the required match of state funds, shall be transferred to the Alaska
3 marine highway system fund at the end of each fiscal year.

4 (b) Notwithstanding a contrary provision of AS 19.65.050 - 19.65.100 or other
5 provisions of law, the department may spend no money for the operation or
6 maintenance of the M/V Malaspina ^{deleted language} except that money appropriated by the legislature
7 to the M/V Malaspina account.

8 (c) The gross revenue generated by the operation of the Alaska marine
9 highway system vessel M/V Malaspina shall be accounted for separately. An
10 appropriation of the gross revenue as program receipts is not made from the
11 unrestricted general fund.

12 (d) Nothing in this section creates a dedicated fund.

13 * Sec. 2. This Act takes effect July 1, 1999.



Official Business

Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

Sponsor Statement Senate Bill 129 "The M/V Malaspina Act"

Senate Bill 129 creates a sub-account in the Alaska marine highway system to separately track revenues and expenditures related to the day boat operation of the M/V Malaspina.

SB 129 limits expenditures for the operation, maintenance and capital improvements of the Malaspina to the gross revenues generated by the vessel and to other funds that the legislature may appropriate to the account.

The Department of Transportation plans to operate the Malaspina as a day boat in the Northern Lynn Canal only during the summer months. This is the second year that the vessel will be used for day boat passenger and vehicle service between Juneau, Haines and Skagway. During the 1998 session, the Legislature allowed the Department an initial subsidy and directed the Department to then limit the cost of operating the vessel within the program receipts generated from the service by seeking union concessions and targeting high volume seasonal runs.

One basic premise of the recently released Southeast Alaska Transportation Plan is the development of sub-area or regional transportation services and facilities. Substantial savings in operations and maintenance costs are expected to be realized as more high speed "day boats" are put into operate in the region's four zones over the next five years.

By limiting the State's first day boat operation to the actual revenues generated, we are sending a strong message that the Legislature does not intend to subsidize the operation of day boats. The economic viability of the day boat concept is proven by its self-sufficiency.

FY 00 Projected Expenditures & Revenues for Malaspina

3/29/99 15:10

Expenditures:

	<u>Operating Wks</u>	<u>Cost per Week</u>	<u>Total Cost</u>
Operating	14.9	135,000	2,011,500
Layup	28.5	8,000	228,000
Overhaul (personal svcs. only)	8.6	57,700	496,220
			<u>2,735,720</u>
Risk Management (allocated amount)			254,857
Vessel Overhead (allocated commissions, drug tests, etc)			<u>100,000</u>
			<u>3,090,577</u>
			Total Projected Expenditures

<u>Revenues:</u>	<u>Operating Wks</u>	<u>Revenue per Week</u>	<u>Total Revenue</u>
FY99 revenue per week adjusted to reflect Mal providing 70% of service in North Lynn Canal in FY00 versus 64% in FY99	14.9	205,204	3,057,540

Difference between Expenditures and Revenues: **(33,037)**

SENATE FINANCE COMMITTEE

SIGN-IN

SB 129-M/V MALASPINA ACCOUNT

NAME: Brian Braley Subject/Bill No: SB129
Co./Dept./Title: Dallas / SE Region Admin Mgr. Phone: 465-3954
Address: 3235 Chancery Dr., Tuxedo Zip: 99801
Do you wish to testify? Yes No Respond To Questions

NAME: Bob Doll Subject/Bill No: 129
Co./Dept./Title: DOT/AMHS, G.M. Phone: 465-3959
Address: DOT, TUXEDO Zip: 99801
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions