



# Alaska Department of Transportation & Public Facilities

## AMHS Operating Budget Overview

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Our mission is to *Keep Alaska Moving* through service and infrastructure.

# Calendar

- July – Start of the new fiscal year
  - Start planning for the new FY operating and capital budget
- August
  - Close out fiscal year
- September
  - Present OMB our proposed budget
  - 2013-2018 OMB would approve budget for planning purposes. Summer schedule published October.
- November
  - Governor’s office approves operating budget
- December
  - Budget released
  - Release summer schedule



# Calendar Cont.

- January
  - Legislature start
- February
  - Budget discussions
- April/May/June
  - Budget finalized and hopefully signed
  - Fall, winter, spring schedule prepared and released
    - ◆ Reductions to proposed budget are managed via this budget



# Sources of Funds

- Unrestricted General Funds
  - Direct appropriation from the Legislature
- Designated General Funds
  - AMHS Revenues to the Alaska Marine Highway System Fund
  - Varies based on system schedule

# Annual State Appropriation History

	Unrestricted General Funds	AMHS Fund	Other	Supplemental		Total Budget (millions)	AMHS Fund Ratio
FY12	\$ 116.8	\$ 60.3	\$ 2.1	\$ -		\$ 179.2	34%
FY13	123.8	55.1	2.3	-		181.2	30%
FY14	116.8	54.5	2.2	-		173.5	31%
FY15	119.7	54.4	2.1	-		176.2	31%
FY16	96.7	60.4	2.8	-		159.9	38%
FY17	88.7	54.5	1.9	-		145.1	38%
FY18	81.5	60.4	2.2	-		144.1	42%
FY19	86.0	55.3	2.2	-		143.5	39%
FY20	46.0	51.6	1.9	7.0		106.5	48%
FY21	54.0	56.4	0.9	-		111.3	51%

# Operating Funds

▪ <b>Personnel:</b>	<b>70%</b>
• Vessel:	59%
• Shoreside (including terminals):	11%
▪ <b>Fuel:</b>	<b>13%</b>
▪ <b>Services/Commodities:</b>	<b>12%</b>
• Vessel:	10%
• Shoreside:	2%
▪ <b>Vessel Travel:</b>	<b>2%</b>
▪ <b>Misc:</b>	<b>3%</b>
• IT	
• HR	
• Procurement	
• Admin. Support Services	
• Commissioner's Office	



# Personnel

- Cost of Vessel Personal Services
  - Total Cost \$73.0M in FY2019
    - ◆ \$7.6M is overtime
  - Overtime is 10.4% of Vessel Personal Services Cost
    - ◆ \$3.2M or 42% of OT is Regular OT
    - ◆ \$2.4M or 32% of OT is Holdover OT
    - ◆ \$1.2M or 16% of OT is Holiday OT
    - ◆ The rest of the OT is a combination of Nonwatch, Late Arrival, Early Callback, and Yard OT
  - Strong Seniority System for all 3 Unions
    - ◆ Unable to hire/dispatch the best employee



# Contracts

- Governed by 7 Unions
  - Headquarters
    - ◆ General Government Union
    - ◆ Supervisor's Union
    - ◆ Confidential Employees
    - ◆ Labor Trades and Crafts
  - 3 Maritime
    - ◆ Masters, Mates and Pilots – Captains/Masters, Mates
    - ◆ Marine Engineers Beneficial Association - Engineers
    - ◆ Inland Boatmans' Union – Pursers, Cooks, Stewards, Able Bodied Seaman

# Contracts Cont.

## ■ Marine Contracts

- Do not match
- Are very complicated
- 2 unions work 2 weeks on; 1 works week on
- Southeast vessels primarily earn leave similar to shoreside employees, whereas Southwest vessel and the Kennicott engineers are on A-days
- Monitoring COLD is labor intensive
- In FY2020 nearly \$2.0M has been spent on vessel crew travel in compliance with the contracts

# COLD vs. GeoDiff

- COLD Payments
  - MMP and MEBA receive COLD Payments
  - IBU receives a pay differential in an Alaska resident (this varies by position, but averages 21% higher)
- GeoDiff
  - This would be the same as what is received by all other State of Alaska employees based on permanent resident
- Switching all vessel employees to a GeoDiff pay scale would save \$5.7M annually based on the most recent calculation

The background features a collage of three images: a construction crane on the left, a worker in a hard hat and safety vest in the center, and a large orange truck on the right.

# How to Simplify

- Simplify the contracts
- Make them as uniform as possible
- Promote based on merit for vessel positions
- Eliminate COLD and switch vessel crews to GeoDiff to match shoreside positions statewide