United States Marshals Service
FY 2017 Performance Budget
President's Budget Submission

Justice Prisoner and Alien Transportation System Revolving Fund

February 2016

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Fiscal Year (FY) 2017 Budget Estimates
Justice Prisoner and Alien Transportation System
United States Marshals Service
February 2016

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I. Overview

The Justice Prisoner and Alien Transportation System (JPATS) mission is to coordinate and transport prisoners and detainees safely, securely, and humanely, in a timely and economical manner. JPATS is a revolving fund with total operating costs being reimbursed by customer agencies. JPATS coordinates the movement of federal prisoners and detainees, including sentenced, pretrial and criminal aliens, in the custody of the U.S. Marshals Service (USMS) and the Bureau of Prisons (BOP). JPATS also transports Department of Defense and state and local prisoners on a reimbursable, space-available basis.

Using projected prisoner movement requirements provided by the customers, JPATS projects total costs associated with air transportation. OMB Circular A-126 guidelines are utilized to identify fixed and variable air transportation cost categories, and using activity based costing, flying hour rates are developed. Customers are billed based on the number of flight hours and the number of seats utilized to move their prisoners/detainees.

The JPATS Revolving Fund provides numerous benefits, including, but not limited to: 1) it is a no-year account with a consistent funding stream from the customer agencies; 2) it operates under the concept of full-cost recovery; 3) it provides for multi-year funding/leasing authority for capital acquisitions; and 4) it has authority to retain proceeds from the disposal of JPATS' aircraft, support equipment and parts. The JPATS Revolving Fund provides stability in costs to the customer agencies since the fund can absorb, on a short-term basis, cost fluctuations for operating expenses such as fuel and aircraft maintenance. It also simplifies the task of replacing aircraft and obtaining major aircraft parts by enabling JPATS to extend the cost of equipment purchases or equipment leases over several years, and to plan the procurement of equipment, or equipment lease agreements when needed.

JPATS is committed to ensuring each scheduled mission is properly staffed with a well-trained crew of professionals. Each mission includes qualified flight personnel to safely operate the aircraft. Experienced law enforcement/security officers ensure the safe and secure transfer of prisoners and safety of the crew. At least one certified medical specialist validates prisoners have the required screenings and medical records and are medically stable and fit to fly.

A. Budget Assumptions

JPATS continues to look for opportunities to optimize the transportation network and produce efficiencies for the customer. The key assumptions for this budget formulation include:

- Large aircraft maintenance increases are developed based on current year actual expenses.
- The price per gallon of jet fuel continues to fluctuate due to the changing market.
- The acquired 737-400 aircraft result in significant savings to the customers.

B. Efficiencies and Savings

JPATS continually examines its operational areas seeking to increase efficiency and improve the quality of services to generate savings for the customer agencies.

JPATS Efficiencies: JPATS continues to lead optimization efforts to improve performance in the delivery of services and gain efficiencies in both time and cost. Central to JPATS' program initiatives is the data and analysis made possible through the JPATS' Management Information System (JMIS). More accurate and timely data is now available to help management analyze program areas. Working both internally and externally across its customer base, JPATS is using performance data to identify potential problems, create viable solutions and thus drive program improvement. JPATS measures and monitors weekly and monthly performance and reports quarterly performance to its customers and the JPATS Executive Committee (JEC).

JPATS Savings: JPATS projected that the acquisition of two 737 aircraft versus the continued leasing of two MD-80 aircraft would result in a yearly savings of approximately six million dollars per year. Since purchasing the aircraft in FY 2013, actual savings have exceeded this estimate as the combined costs incurred for owning – including aircraft maintenance, depreciation, capital investment, and replacement leases for extended maintenance – are less than the cost of the long-term aircraft lease. In addition to cost savings, owned–and-operated aircraft provide greater operational flexibility and, in the case of the large aircraft operational profile, less of a security risk. Finally, due to a reduction in fuel burn rate of over 200 gallons per flight hour, the change in aircraft type has provided a positive environmental impact.

In 2015, JPATS conducted a small aircraft program review and solicited customer input to determine its small aircraft program total cost of ownership was misaligned with actual customer demand. As such, the cost of small aircraft flight hours continued to rise at an alarming rate. After securing a more cost-effective small aircraft lease alternative, the JEC approved the sale of the two Hawker aircraft resulting in a return of capital investment funds to the revolving account and, more significantly, a substantial reduction in FY 2016 and FY 2017 flight hour rates for the small aircraft mission.

JPATS renewed its Universal Service (maintenance) Agreement with the Federal Aviation Administration (FAA) for the thirteenth consecutive year, including the 737 aircraft for the second year. The FAA services all JPATS-owned aircraft, thus achieving the best value for the government.

JPATS conducted a large aircraft contingency assessment and a "lease to own" procurement proof of concept to cover missions when one of the owned 737s was down for maintenance. The options

for procurement were wet lease, dry lease, or purchase. The results indicated that a purchase would have a significant cost avoidance potential over the next 20 years. JPATS currently has a lease for a replacement plane. The terms of the lease give JPATS the option to purchase the plane. The decision to purchase, or not, will be made after the second quarter of FY 2016.

C. Budget Summary

The following table provides the JPATS Revolving Fund program estimates for Obligation Authority (OA) and Personnel Data. The OA requested is based upon the customers' projected requirements and estimated carry forward authority for FY 2016 and FY 2017.

Financial Operations, 2017

(Dollars in Thousands)

Operating	49,540	55,971	53,211
Less Depreciation	(2,244)	(3,055)	(1,646)
Operating Authority	47,296	52,916	51,565
*Carry Forward Authority	24,626	24,626	24,626
Total Authority	71,922	77,542	76,191
Staffing			
Civilian Positions	123	123	123
Civilian End Strength	96	107	108
Personal Contract Guards	90	90	90
Average GS Salary	86,927	88,418	90,110
Average SES Salary	177,275	180,912	186,614

*Carry Forward Authority from FY 2015 SF-133, "Report on Budget Execution and Budgetary Resource," dated September 30, 2015

D. Revenues and Expenses

Revenues and Expenses, 2017

(Dollars in Thousands)

	FY 2015	FY 2016	FY 2017
Revenue	49,267	55,971	53,211
Cost Of Operations (Includes Depreciation)	(51,432)	(55,971)	(53,211)
Operating Results	(2,165)	0	0
Adjustment - Other	0	0	0
Net Operating Results (NOR)	(2,165)	0	0
Prior Year Accumulated Operating Results (AOR)	1,235	(930)	(930)
AOR Adjustments	0	0	0
Net Accumulated Operating Results (AOR)	(930)	(930)	(930)

The actual FY 2015 AOR results are reported as well as the anticipated AOR for FY 2016 and FY 2017. The Revenue and Expenses chart on page 14 provides the corollary details.

II. JPATS Performance Challenges

Transporting Prisoners in a Safe, Timely, and Economical Manner

Challenge: JPATS must continue to successfully transport prisoners safely, timely, and economically with limited resources to provide the best value to its customers. JPATS must look for innovative solutions to create greater efficiency and sustain optimum program performance within the current transportation infrastructure.

1. Conduct Safe, Secure, Humane Prisoner Transport

Strategy: Increase intelligence capability to improve the quality and timeliness of intelligence and reduce threat. JPATS is building the capabilities to research and produce quality and timely intelligence on prisoner attributes and operational threats which is critical to safe and secure missions. JPATS is creating an Intelligence Research Specialist program that ties into intelligence assets across the USMS and BOP to develop and share prisoner attributes and threat information relevant to prisoner operations and transportation. JPATS continues to increase the capture of prisoner attribute data in JMIS and has developed daily intelligence products for its crews to access through mobile devices.

Strategy: Ensure safe and reliable aviation mission execution while minimizing risk. JPATS is leveraging new aviation technologies to minimize safety and operational effectiveness risks. JPATS' large aircraft are undergoing upgrades to avionics and navigations systems to meet the Federal Aviation Administration's (FAA) NextGen compliance requirements. This will ensure access to airspace and airports needed to service the mission as well as increase flight safety margins. JPATS is implementing industry best practices" by adding analysis tools to its Safety Management System (SMS) that will predict and mitigate significant risks of future incidents or accidents.

2. Transport Prisoners in a Timely Manner

Strategy: Reduce Scheduling Process Time and Movement Request Backlog. JPATS continues to optimize the JMIS Assisted Routing and Scheduling System (JARS), which plans the trips and routes of routine prisoner transportation through automated processes. JARS schedules nearly 60% of JPATS prisoner movement requests, 77% of which are completed as scheduled, allowing schedulers to focus on high-priority and more complex prisoner transportation schedules. JPATS continuously monitors and assesses movement request timelines to ensure maximum delivery with minimal backlog. The greatest percentage of backlogged prisoners results from designated prisoners being delayed in transit due to lack of bed space at their final BOP destination. JPATS is partnering with the BOP to leverage facility bed space data and integrate with JMIS movement request destination data to achieve greater efficiencies and reduce timelines for prisoner scheduling to final destination.

3. Transport Prisoners in an Economical Manner

Strategy: Utilize the Most Economic Bed Space Pre/In-Transit. JPATS continues to develop methods and procedures to move prisoners awaiting movement from high-cost jail beds to lower-cost beds during the pre-transit status. Likewise, JPATS continues to house prisoners-in-transit in the most economical jail beds available while at the same time reducing to the greatest extent possible the number of days a prisoner is in both pre- and in-transit status.

III. Performance Tables

PERFORMANCE AND RESOURCES TABLE												
Decision Unit: Justice Prisoner and Alien Transportation System												
RESOURCES			**Target**		**Actual**		**Projected**		**Changes**		**Requested (Total)**	
			FY 2015		**FY 2015**		**FY 2016**		**Current Services Adjustments and FY 2017 Program Changes**		**FY 2017 Request**	
Total Costs and FTE			**FTE**	**$000**	**FTE**	**$000**	**FTE**	**$000**	**FTE**	**$000**	**FTE**	**$000**
			102	$49,603	96	$47,296	107	$52,916	1	-$1,351	108	$51,565
TYPE	**STRATEGIC OBJECTIVE**	**PERFORMANCE**	**FY 2015**		**FY 2015**		**FY 2016**		**Current Services Adjustments and FY 2017 Program Changes**		**FY 2017 Request**	
Program Activity		Prisoner Movement	**FTE**	**$000**	**FTE**	**$000**	**FTE**	**$000**	**FTE**	**$000**	**FTE**	**$000**
			102	$49,603	96	$47,296	107	$52,916	1	-$1,351	108	$51,565
Performance Measure: Workload	3.2	1. Number of requests for air and ground transportation of prisoners	119,629		111,540		119,629		(4,629)		115,000	
Performance Measure: Outcome	3.2	2. Transportation Unit Cost	$1,350		$1,282		$1,300		$0		$1,300	

Definition of Terms or Explanations for Indicators.

Workload:
JPATS receives requests to move prisoners and determines the appropriate mode of transportation (i.e., ground and/or air movement). JPATS uses the JPATS Transportation module within the JMIS to schedule and track movements electronically.
Total Workload: Includes the number of ground, as well as air transportation requests. This gives a broad view of actions needed to facilitate prisoner movements.

Performance Measure:

1. Transportation Unit Cost

a. Data Definition: The total cost per prisoner (transportation coordinated by JPATS) incurred from the prisoner's point of origin to final destination. Component costs include the cost of transporting the prisoner (by air, bus, van, and car) and the cost of housing the prisoner while in-transit. The cost of BOP-provided in-transit housing and bus transportation is included as part of the reported costs.

b. Data Collection and Storage: Data describing prisoner transportation and the costs associated with transportation and housing is maintained in several databases. The USMS JMIS data system maintains information describing prisoner movements such as the points of origin and final destination, how the prisoner was moved, and where the prisoner was housed, as applicable, while in-transit. JMIS also maintains information describing the cost of air movements and JPATS-coordinated ground transportation. BOP provides information describing the cost of BOP-sponsored bus transportation. The USMS Justice Detainee Information System (JDIS), and the eIGA system and other records managed by Federal Prisoner Detention (FPD), provide information describing the cost of non-federal housing. Data is maintained on each prisoner transported by JPATS. Data from the various systems is aggregated together by JMIS to determine the prisoner-specific total transportation costs.

c. Data Validation and Verification: Component data is provided to JPATS by the various agencies. JPATS validates the data for completeness and to ensure that the data provided is within historical parameters.

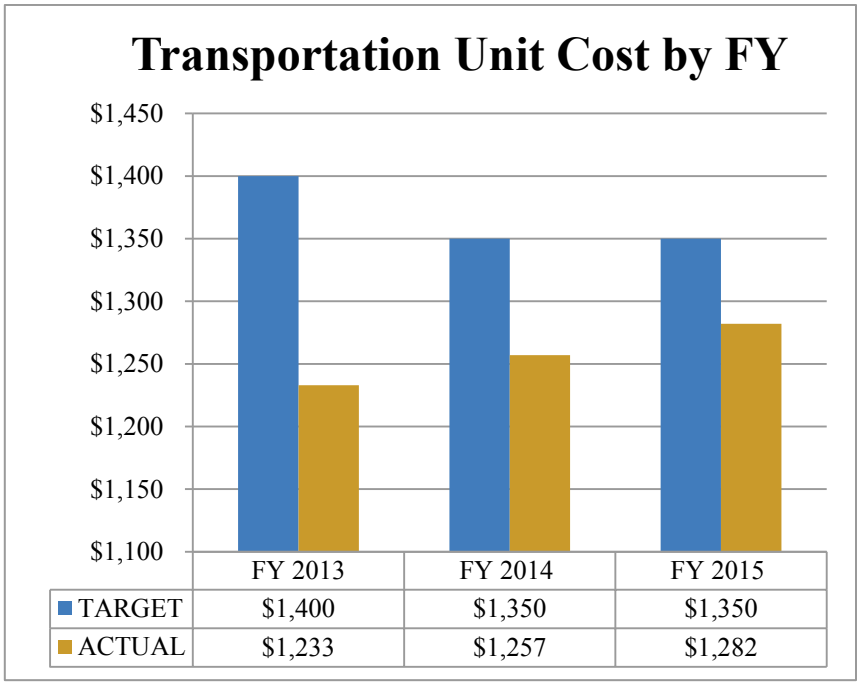
d. Data Limitations: Maintaining prisoner transportation data is a labor-intensive process. The reliability of the component data is often compromised by invalid data entry. Accordingly, labor-intensive data analysis is often required to ensure that the data provided to JPATS passes certain logical tests. Additionally, data describing the cost of BOP-sponsored transportation is based on standardized formulae provided by the BOP for calculating the cost of operating their buses. The costs of BOP-provided in-transit housing are based on BOP-reported per capita cost of operating BOP facilities, particularly the Federal Transfer Center in Oklahoma City.

2. Factors Affecting FY 2016 and FY 2017 Plans. The USMS and JPATS' strategic plans encompass the efforts to optimize use of the transportation network. The performance metric captures the entire prisoner cost of transportation, including in-transit housing. Given finite resources and uncontrollable fuel prices, USMS must look for innovative solutions to create greater efficiency within the current infrastructure. The interdependence of transportation and housing precludes addressing one without the other. The measure of Transportation Unit Cost shows the cost effectiveness of strategies to reduce total transportation time, strategies to optimize routing (since there are normally several legs to the trip), strategies to maximize seat utilization, and strategies to utilize the most cost effective housing available.

Strategic Objective	PERFORMANCE MEASURE TABLE							
	Decision Unit: Justice Prisoner and Alien Transportation System							
	Performance Report and Performance Plan Targets		FY 2013	FY 2014	FY 2015		FY 2016	FY 2017
			Actual	Actual	Target	Actual	Target	Target
3.2	**Performance Measure: Workload**	1. Number of requests for air and ground transportation of prisoners.	124,412	117,255	119,629	111,540	119,629	115,000
3.2	**Performance Measure: Output**	2. Transportation Unit Cost.	$1,233	$1,257	$1,350	$1,282	$1,300	$1,300

Transportation Unit Cost: The FY 2017 target remains at $1,300 per rate-based prisoner.

Historical Transportation Unit Cost is depicted in the graph below.



Performance, Resources, and Strategies

1. Performance Plan and Report for Outcomes

JPATS strategic plan involves partnering with its customers to meet financial and management responsibilities for transporting prisoners, produce immediate positive results on daily operations, and promise improvement on a national level. JPATS will leverage JMIS OTM/JARS, explore the use of web-based software and integration with the advanced avionics on the large aircraft to advance these goals, and strive for outcomes that the partner agencies expect.

JMIS to JDIS Custody Housing integration eliminated 87% of the data entry from JDIS-maintained data. The automatic integration of JDIS custody records from JPATS movements in and out of JPATS RTCs/JTAs resulted in a reduction of time consuming data entry into JDIS to update custody and housing records. The JMIS to JDIS Custody Housing Data also includes validation reporting to improve data quality.

2. Strategies to Accomplish Outcomes

JPATS will leverage automation to reduce/eliminate the paper-based processes and create dynamic-based scheduling that is responsive to facility capacity constraints. JPATS will leverage the upgraded avionics on the 737-400 aircraft that will provide improved communications, navigation, and flight-control systems.

JPATS will create a central repository for electronic prisoner data available via mobile devices with the ability to produce prisoner manifests with prisoner photos and key information. Use of mobile devices will improve in-flight weather tracking and communication with JPATS' dispatch. For medical technicians, mobile devices will improve in-flight productivity and communication with JPATS' medical officers to avoid/resolve prisoner refusal issues and prevent flight delays.

JPATS must manage the balance between effective law enforcement, cost, and crew duty restrictions. JPATS will conduct an assessment of the correct employee/contractor ratio, pursue scheduling alternatives and software tools to ensure personnel with special skill sets are available when needed. JPATS will develop training in recent advances in tactical and safety training programs for personal contract guards.

IV. JPATS Operating Budget

FY 2017 Budget Estimates
Changes in the Costs of Operation

(Dollars in Thousands)

FY 2015 Actual Cost of Operations with Depreciation	51,432	
Pricing Adjustment		
Aircraft Fuel		4,046
Aircraft Maintenance		72
Civilian Labor		1,130
Employee Training		440
Security Guards		(518)
Mission Support Expenses		(98)
Depreciation		811
Admin & Support Expenses		812
Non-Cap Equip Purchases/Rental		(2,034)
Other		(122)
Subtotal		4,539
FY 2016 Budget Estimate	55,971	
Pricing Adjustments:		
Aircraft Fuel		(1,672)
Aircraft Maintenance		(1,995)
Aircraft Leases		1,377
Civilian Labor		224
Security Guards		689
Aircraft Depreciation		(1,405)
Medical Hospital Services		(165)
Other		187
Subtotal		(2,760)
FY 2017 Budget Estimate	53,211	

Chart 1

FY 2017 Budget Estimates
Sources of New Orders and Revenue

(Dollars in Thousands)

1. New Orders	FY 2015* Actual	FY 2016 Estimate	FY 2017 Estimate
a. Orders from Customers			
USMS	29,727	37,406	33,920
BOP	19,058	18,565	19,291
Other	482	0	0
a. Total Orders from Customers	49,267	55,971	53,211

* FY 2015 orders based on JPATS Revenue reported on JPATS FY 2015 Income Statement

Chart 2

FY 2017 Budget Estimates
Revenues and Expenses

Financial Operations
(Dollars in Thousands)

	FY 2015 Actual	FY 2016 Estimate	FY 2017 Estimate
Revenue			
Operations	49,267	55,971	53,211
Other Income			
Total Revenue	**49,267**	**55,971**	**53,211**
Expenses			
Aircraft Operating Expenses			
Aircraft Fuel	9,854	13,900	12,228
Aircraft Maintenance	10,144	10,216	8,221
Aircraft Leases	5,395	5,398	6,775
Aircraft Operating Expenses Total	25,393	29,514	27,224
Labor Related Expenses			
Civilian Labor	12,757	13,887	14,075
Employee Training	219	659	569
Guards, Contract Services	3,122	2,604	3,292
Labor Related Expenses Total	16,098	17,150	17,936
Mission Support Expenses			
Contract Crew	321	143	385
Aircraft Ground Spt Expenses	303	187	297
Navigation Data, Tech Periodicals	178	186	204
Medical/PHS Expenses	208	243	78
Mission Travel	502	655	695
Mission Support Expenses Total	1,512	1,414	1,659
Non-Mission Support Expenses			
Facilities Expenses	1,301	1,736	1,690
Admin & Support Expenses	1,472	2,284	2,151
Non-Cap Equip Purchases/Rental	2,172	138	193
Non-Mission Travel	275	472	474
Other Expenses	965	208	238
Non-Mission Support Expenses Total	6,185	4,838	4,746
Total Expenses	**49,188**	**52,916**	**51,565**
Operating Results	79	3,055	1,646
Depreciation	(2,244)	(3,055)	(1,646)
Net Operating Results	(2,165)	0	0
Prior Year Accumulated Operating Results	1,235	(930)	(930)
Accumulated Operating Result Adjustments	0	0	0
Net Accumulated Operating Results	(930)	(930)	(930)

Chart 3