

LEGISLATIVE RESEARCH REPORT

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ANNUAL REPORT DISTRIBUTION REQUIREMENTS

PREPARED FOR REPRESENTATIVE MAX GRUENBERG

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You asked about annual report distribution by state agencies and departments. Specifically, you wished to know what the distribution requirements are for these reports, whether the law requires reports to be printed, and if distributing reports electronically would be more cost effective.

DISTRIBUTION REQUIREMENTS FOR ANNUAL REPORTS

As you know, Alaska laws require certain state agencies to produce annual reports. These laws often establish what information the report must contain, and to whom it must be distributed. Distribution requirements vary; however, often agencies must distribute reports to the Legislature, the Governor, and the public. The majority of statutes on the subject do not specify what form an annual report must take, and we were unable to identify any general requirement that all agencies produce a printed report. AS 44.99.200 authorizes the Department of Administration to establish standards for the production of state publications, which are outlined in the publication section of the Alaska Administrative Manual (AAM 83). These standards are focused on printing methods and do not address distribution requirements or methods. AS 44.99.200 does state that the standards "shall be designed to promote simplicity, low cost, and consistency." Many of the statutes and regulations regarding annual reports may have been written before electronic distribution was a possibility.¹

We identified a number of specific instances in which an organization is required by law or regulation to produce an annual report in a certain format. For example, AS 41.08.030 requires the Division of Geological and Geophysical Surveys to print and publish their annual report. Pursuant to 23 AAC 40.010, the Office of Victim's Rights must post an annual report on their web

¹ Personal Communication from Vern Jones, chief procurement officer, Division of General Services, Department of Administration. Mr. Jones can be reached at (907) 465-5684.

site. Many statutes contain language that is not specific about the format of the report, such as the following section of AS 37.13.170, relating to the Permanent Fund Corporation:

By September 30 of each year, the board shall publish a report of the fund for distribution to the governor and the public. The board shall notify the legislature that the report is available. The report shall be written in easily understandable language.²

The only statute that we identified that applies generally to the distribution of annual reports is the requirement under AS 14.56.120 that state agencies submit several copies of any publication they produce to the Alaska State Library (ASL) for the State Publication Program. The State Library then distributes these documents to Alaska Depository Libraries in Juneau, Anchorage, Fairbanks, and Washington, D.C. One of the goals of the program is to ensure that state publications are accessible to all Alaskans. Alaskans can request to have materials sent to their local library through inter-library loan. The Publication Program also maintains older state documents that an agency may no longer be able to provide.³

According to ASL personnel, the library distribution requirement can be satisfied with electronic documents. One librarian, nevertheless, expressed concern that digital materials may be more difficult to preserve, and that some constituents who request materials through inter-library loan may have difficulty with the format.⁴

THE IMPACT OF TECHNOLOGY

Many organizations that are mandated by Alaska law to produce annual reports already post the documents on-line. Agencies that post their annual reports on-line may also produce a printed copy, but some agencies appear to be cutting back on the number of printed copies they generate. According to Michael Matthews, with the Alaska Bureau of Vital Statistics, his agency has reduced the number of printed copies they produce as more people have started using the Internet.⁵ The Regulatory Commission of Alaska (RCA) has cut the number of annual reports that it prints in half in recent years. The RCA still mails printed copies of their annual report to all Alaska Legislators, although AS 42.05.211 and AS 42.06.220 appear to require that the agency only, "notify" the legislature that the report is available.⁶

² The word "publish" is frequently included in similar statutes. While "publish" may imply print, the relevant definition in *Black's Law Dictionary* is simply, to "distribute" copies of a work to the public. Bryan A. Garner, ed., *Black's Law Dictionary*, 8th ed., St. Paul, MN, West, 2004, p. 1268.

³ For more information about the Alaska State Publications Program, see the Alaska State Library website at <http://www.library.state.ak.us/asp/>.

⁴ Personal communication from Daniel Cornwall, government publications librarian, Alaska State Library. Mr. Cornwall can be reached at (907) 465-2927.

⁵ Personal communication from Michael Matthews, research analyst, Bureau of Vital Statistics, Alaska Department of Health and Social Services. Mr. Matthews can be reached at (907) 465-8602.

⁶ Personal communication from Grace Salazar, chief of Consumer Protection & Information, Regulatory Commission of Alaska. Ms. Salazar can be reached at (907) 263-2134.

A number of agencies are saving money by reducing the number of printed copies they produce. For example, printing costs for the RCA annual report are as follows:

Regulatory Commission of Alaska Annual Report Printing Costs			
Fiscal Year	Reports Printed	Cost per Copy	Total Cost
2003	400	\$11.09	\$4,436
2004	200	\$6.62	\$1,324
Cost Reduction			\$3,112

Source: Cost per copy is included in the FY2003 and FY2004 annual reports available at <http://www.state.ak.us/rca/AnnualReport/>. The number of copies produced was provided by Grace Salazar.

Similarly, we show printing costs for the Alaska Permanent Fund Corporation (APFC) below:

Alaska Permanent Fund Corporation Annual Report Printing Costs			
Fiscal Year	Reports Printed	Cost per Copy	Total Cost
2004	2,500	\$7.85	\$19,625
2005	1,500	\$7.24	\$10,860
Cost Reduction			\$8,765

Source: Cost per copy is included in the FY2004 and FY 2005 annual reports available at <http://www.apfc.org/publications/AnRptArch.cfm>. The number of copies produced was provided in a personal communication from Laura Achee, director of communications, Alaska Permanent Fund Corporation. Ms. Achee can be reached at (907) 465-2047.

Note: Costs for printing the APFC annual report are paid with Permanent Fund earnings, and do not come out of the general fund.

The Alaska Housing Finance Corporation (AHFC) posts the annual report on-line, and distributes the document on compact discs (CDs) which are easy to circulate, and can also be used as a marketing tool. The AHFC estimates that switching from printed reports to CDs has saved \$10,000 to \$15,000 a year. A printed annual report costs \$8 to \$12 to produce, while producing a CD and cover costs only \$1.70. Corporate communications officer, Sherrie Simmonds, notes that because of the large file size, sending the extensive report by email would not be feasible. The AHFC will print a hard copy of the annual report in-house for anyone who requests one; however, they only receive one or two requests a year for paper copies.⁷ The Alaska Division of Oil & Gas also mails copies of its annual report on CD to individuals who are not able to download the large files from the division's website.⁸

In addition to reducing printing costs, increased use of technology may be helping to reduce postage costs as well. Some agencies are shortening their mailing lists in response to the increased use of on-line documents. For example, The RCA stopped routinely mailing annual reports to regulated utilities several years ago; now they only mail reports to utilities that

⁷ Personal communication from Sherrie Simmonds, corporate communications officer, Alaska Housing Finance Corporation. Ms. Simmonds can be reached at (907) 330-8447.

⁸ Personal communication from Brian Havelock, natural resources specialist, Division of Oil & Gas, Alaska Department of Natural Resources. Mr. Havelock can be reached at (907) 269-8807.

specifically request a printed copy.⁹ According to personnel in several agencies we contacted, while the use of electronic distribution can help reduce printing and postage costs, the majority of the cost of generating an annual report is the amount of staff time needed to gather and arrange all of the information.

CHALLENGES TO ELECTRONIC DISTRIBUTION

Electronic distribution could be more cost effective than printing and mailing documents for state agencies that already possess the technological resources necessary to send files by email or post them on their website. Indeed, it seems that several state agencies have recognized the opportunity to cut costs by relying more heavily on technology in their distribution of reports. Electronic distribution, however, could potentially be more costly for recipients of the documents, particularly in rural areas that may rely on slow, long distance dial up services. Distributing annual reports on CD provides a way around the challenge of opening large documents with a slow Internet service, but still requires recipients to have computer access. The consumer would also bear any printing cost.

Some agencies expressed concern that switching to electronic distribution exclusively would prevent certain constituents from having access to the reports, or make the reports difficult to read. For example, the Bureau of Vital Statistics sends copies of its annual report to rural health care facilities, many of which may have slow, unreliable Internet connections.¹⁰ Laura Achee, the director of communications for the APFC, commented as follows:

State law directs us to "publish the report for distribution to . . . the public." Not every Alaskan has easy access to a computer and printer, so we will always have to have print copies available for those who request one. State law also directs us to write the report in "easily understood language." I think following the spirit of that means we should also be able to provide the report in an easily accessible format for each Alaskan, which for many may be print. The size and complexity of the document can make it difficult to review online.

A number of agencies already use electronic distribution to reduce printing costs. It appears that state agencies could distribute reports solely in electronic form; however, this could transfer printing and access costs from the agency to the recipient, and may adversely impact residents who lack the necessary technology.

I hope you find this information to be useful. Please do not hesitate to contact us if you have questions or need additional information.

⁹ Grace Salazar.

¹⁰ Michael Matthews.