SCOMM

122:50

SUBCOMMITTEE MINUTES

Subcommittee Name: Office of the Governor

Date: October 6, 1999

Place: Anchorage LIO, 6th Floor Conference Room
No teleconference participants

Members in attendance: Chairman Wayne Ross
Tom T. Anderson
Jack Frost
Greg Hall
Spence Hochstein
Pauline Martens
Terry Martin
Andree McLeod

Paul Weaver

Staff: Angela Moss, Senator Ward's Office

- CONVENE: 9:07 a.m.

- APPROVAL OF MINUTES - CHAIR ROSS entertained a motion to approve the Oct. 1, 1999 minutes. GREG HALL made the motion to approve and SPENCE HOCHSTEIN seconded the motion. There was no objection. The minutes were thereby approved.

- CHAIRMAN'S REPORT: CHAIRMAN ROSS asked for subcommittee commentary of the draft report

- ANDREE MCLEOD stated the report was sufficient. She cautioned that state government budget planners must think "outside the box" and also avoid dilution..

- GREG HALL noted a spelling error on Page 4.

- TERRY MARTIN - recommended the majority of HB297 be added to Section 5.

- SPENCE HOCHSTEIN - recommended a system be adopted that anticipates what the state budget will require and reduces the forecast in writing. Following adoption by the legislature, RFPs (request for proposals) should be issued to the market place for various services.

- TERRY MARTIN - reminded the subcommittee about the five state-owned corporations

and how their business form and procedural guidelines should be emulated.

- CHAIRMAN ROSS - Requested the subcommittee members write their suggestions and revisions, then present the changes at the next meeting.

- SPENCE HOCHSTEIN - Stressed the importance of GAP (general accounting principles).

- JACK FROST - Reminded the subcommittee that a more thorough explanation of the privatization/public transformation is necessary.

- PAULINE MARTENS - Noted that the report is not "readable" and should be simplified for better understanding by the general public.

- CHAIRMAN ROSS - Requested the following: TERRY MARTIN provide an excerpt on how to avoid last minute free conference committee reports (releasing draft budget 48 hours in advance for legislature to review); GREG HALL to address whistle blowing and employee input; SPENCE HOCHSTEIN to address GAP reporting. The revisions/ excerpts will be faxed to TOM ANDERSON by the members on Friday, October 8, 1999. CHAIRMAN ROSS agreed to simplify the report by the next meeting.

- The subcommittee agreed to meet on Wednesday, October 13, 1999 at the Anchorage LIO on the 6th Floor at 9:00 a.m. The consensus of the subcommittee was to have a final review draft by Oct.13, 1999.

- ADJOURNMENT: 9:45 a.m.

Commission on Privatization
Office of the Governor Subcommittee

DRAFT

Subcommittee Report

Mission Statement: The State of Alaska adheres to a budgetary process that is complex, ambiguous and often challenging for the general public to comprehend. The Commission on Privatization was created to investigate privatization alternatives for budget compilation, development and reporting in an effort to simplify the process through efficient and discernible accounting of expenditures and revenue.

This report provides the following perspective and suggestions regarding six categories encompassing budget evaluation and analysis. The report's format evaluates: 1) Integrity, accountability and comprehendible budget reporting; 2) Incorporation of professionals through format and procedure; 3) Creating an incentive program for input both internally (employees) and externally; 4) Initiate a privatization study based on a new/modified budget; 5) Amalgamate HB297 into the budget process; and 6) Establish solid dates and times and procedures for development and reporting.

Background: The Office of the Governor, though not an actual "department" in terms of budget reporting, is the smallest agency within the State's Operating Budget. Also considered a branch of government, in association with the executive and judiciary, the Office of the Governor houses the Office of Management and Budget, Division of Elections, and Human Rights Commission. In FY2000, the total Operating budget for the Office of the Governor was $18,775,800.[1]

1) INTEGRITY, ACCOUNTABILITY AND COMPREHENDIBLE BUDGET REPORTING

The budget process is inherently detailed and voluminous, but it need not be so complexly written that analysts and the public alike cannot adequately understand or interpret its contents. Whereas the Office of the Governor's budget is considerably smaller than other departmental expenditure totals, full disclosure of the costs for all section of this budget including "front sections" of both the operating and capital budget will afford a more open report for the bureaucracy, legislature and public to disseminate. Definitions of the financial principles, concepts and terminology used in the accounting and computation of the budget should be published so as to prevent deceptive reporting, as well as to deter misuse of the public trust. To this end, the Alaska Constitution and mandate by the voters should be an integral part of each budget cycle and the compilation of the annual budget must have safeguards to prevent improper activity. Through a simplified presentation, perhaps adopting corporate and/or business-style reporting practices, the entire process could be easier to scrutinize, less costly and burdensome to

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[1] **Source:** Conference Committee total found in State of Alaska, Legislative Finance Division, FY2000 Operating Budget Summary.

produce and ultimately beneficial to the State in terms of a cost effective operating and capital budget. An entire State financial accounting "package" could be combined as an all-encompassing unit - rather than in such increment that delays occur in the legislature and public receiving the full proposal. In addition, anticipated/forecasted spending and revenue sources would be sufficiently provided to the legislature in a manner that allows expedited consideration and evaluation - avoiding delays and cumulative committee review.

2) INCORPORATION OF PROFESSIONALS THROUGH FORMAT AND PROCEDURE

When the State budget is compared to the budgets of corporations and other business forms whose budgets follow the conventional "accounting" format, it is discovered the private sector presentation requires less assistance to overview and less explanation to comprehend. Perhaps this is due to the inherent safeguards imposed through legislative scrutiny and executive veto power - all a part of the checks and balances of government.

In actuality, no technical difference exists between governmental and private sector accounting methods. The calculations are the same, the mathematics do not change and the general accounting principles are identical. In fact, the major national and regional accounting firms have qualified staff who are often contracted to perform compilation reviews and government audits for various divisions. To that end, a complete transfer of an agency's budget to the private sector could be less costly in training and educational expense considering the absence of a learning curve. Another advantage to budget privatization would be the absence of a collective bargaining unit within the labor workforce since the private sector substantially employs non-union staff. This will likely lower salaries/benefits, enhance competition and reduce the high costs accompanied with labor. As for direct benefit to the aspect of accounting, benefits surface from the reduction in costs and liability.

Conversely, it should be noted that the "Big Four" accounting firms (Ernst Young, Price Coopers, KPMG, and DeLoitte & Touche) must still follow budgetary procedure methods, even though spreadsheet format may be different - and the privatization stigma is not likely to alter the actual principles adopted in accounting a budget. As for salaries and benefits, the larger firms are not necessarily less expensive when considering a third or fourth year accountant handling a project, therefore the cost/benefit could lean towards a public sector accountant who has a capped salary. Whereas the theory of *outsourcing* is encouraged through competitive contracts in private organizations, the fundamental budget process is essentially comparable to that of state government and may not need to be transferred. This approach requires further analysis.

3) CREATING AN INCENTIVE PROGRAM FOR INPUT BOTH INTERNALLY (EMPLOYEES) AND EXTERNALLY

An analysis of the State's limited adoption of an "employee suggestion program"

revealed this process is not utilized to the fullest capacity. State employees are seldom encouraged to recommend cost-reduction ideas in their respective offices, nor do these agencies solicit substantive input from their staff. Yet, employee contributions to public-sector management's attempt at cost-savings has been proven to increase productivity and reduce overall costs. This is a tenet of privatization theory. It is further noted that certain State employee fear reprisals from superiors for making such recommendations. Protection under "whistleblower" laws do not diminish the apprehension of adverse consequences.

One recommendation is to implement a process-cost reduction program whereby State employees have a forum to generate ideas and suggestions regarding time savings, productivity; profitability; service quality, safety and customer service. A procedure could be established to compensate and/or recognize the employees and maintain anonymity if requested. Regular publication, distribution and commentary by staff would be encouraged, ultimately making the budget process and actual agency an evolving entity rather than a rigidly structured, unmalleable system of government. The process would be galvanized through routine reassessment and recognition. Avoidance of over-analysis is also recommended so that a foundation always remains to keep the structure and process intact.

4) INITIATE A PRIVATIZATION STUDY BASED ON A NEW/MODIFIED BUDGET

Practicality and efficiency dictate that an effort to privatize does not end in a study/analysis period lasting ad infinitum. Many individuals feel that results matter, rather than "studying something to death." Concurrence exists as to the threat of the depletion of income sources to operate our State government. A lengthy and intricate privatization study is not conducive to solving the problem. However, a report that assesses two or three budgetary schemes, recommended by private sector institutions, would be of use in improving the efficiency and clarity of the reporting process. If the OMB was to provide an alternative budget, coupled with recommendations from chief fiscal analysts in the Dept. of Revenue and Dept. of Administration, the selectivity and range of alternatives (public and private sector) would be comprehensive and in such a presentation as to allow thorough comparisons. The key is to include analysts from both sectors in patching a budgetary methodology.

As eluded to throughout this report, time is of the essence. Shoddy draftsmanship of our State budget is not the intent, nor is a lengthy delay in adopting prudent budgetary strategies. A time line of no more than one (1) year should be afforded to a salaried committee that pursues a privatization study. The sunset of the committee would be immediately prior to the convening of the Twenty-Second Legislature, with a full report provided to the legislative and executive branches and to the public by hard copy and Internet. The organization of the committee to perform the study should mix private and public backgrounds. It should be well-funded to aide in research and remain autonomous from any governmental entity. The study would have a specific criteria to overview - established by the legislation enacting it.

5) AMALGAMATE HB297 INTO THE BUDGET PROCESS

[Insert language from House Bill 297 with an explanation and rationale]

6) ESTABLISH SOLID DATES AND TIMES AND PROCEDURES FOR DEVELOPMENT AND REPORTING

This element of the budget is the lifeline to its existence. It is also one of the primary concerns of the subcommittee. If reasonable dates are established for recommendations, compilation, overview and presentation - the State budgetary process would be far more efficient. Regardless of what is budgeted, or how much/little, or why - it is the foundation of the process that requires stability and consistency.

The OMB is essentially in charge of this process, yet it resides under the Office of the Governor. Such gubernatorial purview should not be so extensive. Further, all State operating items and grants to non-profit or profit organizations and business should be in the annual operating budget. They should be visible, discernible and not hidden in the capital budget in the final days of legislative debate through conference committee interaction.

The total budget must be presented to the governor no later than December 31st of each year. All state expenditures, toward any purpose, should be fully disclosed (as in private enterprise) annually, as well as orally presented and in writing. All other recommendations shall be completed no later than the end of the fiscal year.

A unified procedural system will allow for better government and public review. It will put state officials and our legislators on notice that the budget can longer be fast-tracked without accountability. Time constraints and reporting requirements will ensure the budget can ve accessed, reviewed and ultimately revised if necessary. The end result will be more efficient fiscal planning for the State, with private and public sector forces working in unison.

ADMIN & GOV

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit

P.O. Box 113300
Juneau, AK 99811-3300
(907) 465-3830
FAX (907) 465-2347
Internet e-mail address:
legaudit@legis.state.ak.us

SUMMARY OF: State of Alaska. Single Audit. For the Fiscal Year Ended June 30, 1998.

PURPOSE AND SCOPE OF THE REPORT

This report summarizes our review of the State of Alaska's general purpose financial statements, and the State's compliance with federal laws and regulations in the administration of over $1.2 billion of federal financial assistance programs. The audit was conducted in accordance with generally accepted auditing standards. *Government Auditing Standards* issued by the Comptroller General of the United States, and complies with the federal Single Audit Act Amendments of 1996 and the related Circular A-133 issued by the U.S. Office of Management and Budget.

REPORT CONCLUSIONS

The FY 98 General Purpose Financial Statements for the State of Alaska are fairly presented in accordance with generally accepted accounting principles, except for the two issues discussed below. The amounts reported in the General Fixed Asset account group are inaccurate. Buildings are currently reported at replacement or insured value rather than on a historical cost basis as required by generally accepted accounting principles.

Additionally we were unable to gather sufficient audit evidence to support the year 2000 disclosures included in the Notes to the Financial Statements. Accordingly we do not provide any assurance that the State of Alaska is or will be year 2000 ready, that the State's year 2000 remedition efforts will be successful in whole or in part, or that parties with which the State does business will be year 2000 ready.

Over $420 million was transferred from the Constitutional Budget Reserve Fund (CBRF) to the General Fund in accordance with Chapter 98 SLA 1997, section 35(b).

We were unable to obtain sufficient documentation supporting the State's compliance regarding allowable costs for the following federal programs:

- Department of Fish and Game, Pacific Salmon Treaty program.
- Department of Fish and Game Wildlife Restoration program; and
- Department of Administration, Aging cluster program.

Additionally the State of Alaska did not comply with requirements regarding allowable costs for the Public Water System Supervision program administered by the Department of Environmental Conservation or the special tests and provisions applicable to the Child Support Enforcement program administered by the Department of Revenue.

FINDINGS AND RECOMMENDATIONS

This report contains 36 recommendations, of which 12 were presented last year. Many of the recommendations made in this report require significant changes in procedures or a shifting of priorities, and therefore may take more than one year to implement.

Improving The Alaska State Budget Format

During the course of meetings of the Governor's Budget Privatization Committee and the required perusal of the State Budget, it became apparent that comprehension of budget documents was difficult at best. When compared with the budgets of corporations or other entities whose budgets all seem to follow a more conventional and familiar format, it was discovered that greater need for assistance and explanation was required for comprehension of even parts of the State budget.

Similarly, in contacting other Privatization Committee Members on other subjects, it was discovered that they were also having similar difficulties in reading and understanding budgetary documents.

It is the collective opinion of the membership of this committee that the budget of the State should more closely follow standard accounting format, and additionally, the budget should be easily read and understood by the average citizen.

Recommendation:

Accordingly, as a supplementary recommendation from our committee, it is recommended that the entire State financial account be incorporated into one, all encompassing source and distribution of funds document. This document would include all anticipated/forecasted sources of income and expenditures. It is further recommended that the conversion of the budget to a standard corporate format be out-sourced to the private accounting sector and the market process be employed to realize the lowest cost.

GUIDELINES:

1. FULL DISCLOSURE IN A SINGLE DOCUMENT OF ALL OPERATING REVENUES & EXPENSES.
2. DEFINE OPERATING OP. REV & EXP AND DISTINGUISH FROM CAPITAL REV. & EXP. PROHIBIT INCLUSION OF CAPITAL ITEMS OPS BDGT. & VICE VERSA.
3. ENUMERATE ALL GRANTS WITHIN THE OP. BDGT.
4. BDGT. VS. ACTUAL COMPARISON FOR EACH COMPONENT MUST BE COMPLETED WITHIN 6 MOS FROM END OF F.Y. & SUBMITTED TO LEGIS.
5. Bdgt. ~~FORMAT~~ SHOULD INCLUDE ~~RELATE~~ $, MISSION, PERSONNEL, PE.'s IN ONE PLACE

August 25th, 99

Wayne, my write up for the Friday morning (19 August) meeting.

I pretty well read everything that was provided. In order to follow some kind of methodology so that we may get things started, I offer the following:

Based on my analysis, I discern that the following tasks have to be completed:

Determine which state functions can be contracted out;

- transferring to local governments or regional service organizations;
- the federal government:
- private sector;
- consolidation, merging, or other efficiency changes;
- functions that should be eliminated entirely; or
- a combination of these initiatives; and
- a recommendation for those functions that are best performed by the state.

Because we have only 2 months to do the research and complete a report, I suggest that each participant
is tasked with one or more areas in which they have some king of background or expertise (i.e.
commerce), and slice their functional area, to see were it would apply, across the aforementioned areas or criteria above.

There are private agencies out there that are doing economic development for Alaska; such as,

Commonwealth of the North and Northern Forum. Northern Forum is focused more on international economic development. There are agencies in State Government that are also working economic development at both the state and international level. This is one area or example in which efforts can be consolidated or contracted out.

Facts and assumptions bearing on the case:

Based on my reading of the basic legislation it would seem that the theme of the legislature, and my own sensing, is the cost of State Govt is lessened by downsizing and running it more efficiently. What is not desirable (by the legislature or constituents) is that any services or perks are reduced or eliminated. Making recommendations like eliminating the longevity bonus or property tax exemption for seniors or disabled veterans, for example, would not sit well with this special interest group or the legislature.

As workers, do we have any power to expect cooperation from government workers?

What we, the workers, would need from you is some kind of format to follow for enclosing information and level of research desired. There is only two months. The subcommittee does not have that much time and we should not do a lot of volume, which is not going to be read.

You should set some timelines for quality control of work performed and for final submission.

The Bibliography of Privatization handout is a good framework and model to follow for seeing what was done elsewhere. It has many examples of how other levels of government privatized, downsized, merged, etc.

To recapitulate what I have said, the steps to be taken are:

- Each worker takes a specialty area.
- For each specialty area slice the research across the criteria outlined and see were it fits (merged, contracted out, etc).
- Level of research desired (quantitative and qualitative).
- Have a format to put information into.
- Timelines for work to be performed, reviewed and submitted
- Someone who will package it all up.

You can pick an operations officer who can program manage the six aforementioned areas; particularly, for developing a format to follow. This person would not do any work.

I hope all this is helpful to you. If you want to designate functional areas, I will take commerce and economic development.

Email: power@aol.com or woernerp@9rsc-usar.army.mil (reserves unit).
3381216 (H/W/Fax) msg rec
4123 Resurrection Dr
Anchorage AK 99504

Recommendations from Sub-committee on Prioritization of Governor's Office

Most concerns centered around how the Office of Management and Budget prepairs and presents the annual budget to the Legislature.

1) We strongly recommend beginning with the FY2001 budget to be presented Dec. 15, 1999, that the Governor and his Office of Budget and Management return their efforts of 1997 to a honest, simple and totally numerated ~~[illegible]~~ budget in a form that the average citizen can visualize and understand.

2) Full disclosure of cost for all sections of the budget. The so called "front sections" of both the operating and capital budgets must have a clearly stated financial sum explicitly stated and added to the total summation of each bill. At a minimum the prior year's final cost should be a cap for section dependent upon program receipts of the new budget and additional revenues from program receipts or general revenues should be approved only during the following session by the full legislature

3) Gov's Office and Legislature should stop the very anti-constitutional activity of bonding through AK Housing Finance Corp. for programs and capitol projects outside of AHFC Corp legal mission.

4) All State operating budget items and grants to non-profet or for profet organizations and businesses should be in the annual operating budget and not hidden in the capital budget at the last day through the free conference committee.

5) The Legislative Division of Budget and Audits along with the Dep. of Finance and assisted by the Director of the Legislature Legal Services should be directed to develope legislation that would define ~~by~~ financial principal, concepts, and termenology to decrease deceptions and misuse of the pabtic trust in following the original intent of a constitutionally sound annual budget.

Office of the Governor Subcommittee Membership							
Ross	Wayne Anthony	276-5307	276-6672	346-2697	Ross & Miner, Law Office	waralaska@aol.com	
Allen	Bill	459-2100	451-9293		Doyon Properties	allenb@doyon.com	
Anderson	Tom	276-5307	276-6672		Ross & Miner		327 E Fireweed Lane
Frost	Jack	563-9147	562-9257	441-3381	Frost & Friends	jfrost@customcou.com	
Hall	Gregory	862-6262	694-6324	694-6324	Eagle River Endeavors	rdiamond@arctic.net	
Hochstein	Spence	273-1635	273-1699	562-6137	Michael Baker Jr., Inc.	shockstein@mbakercorp.com	
Martens	Pauline	276-8616	562-0283		Property Manager	afnw@alaska.net	
Martin	Terry	333-6990	N/A	333-6990	N/A		
Mathias	Art	563-3188	563-7416		State Farm Ins.	amat586.aol.com	
McConnell	Annalee	465-4660	465-3008		Office of the Governor - Contact Individual		
McLeod	Andree	561-8595	561-3757			mcleodak@alaska.net	
Page	Jay	777-3883	348-2500		First National Bank of Anchorage	jpage@alaskalife.net	
Prax	Mike	488-2400	488-2600	488-2400		mprax@gci.net	
Roth	Jason	276-6300					
Woerner	Paul	338-1216	338-1216	338-1216	N/A	pwoer@aol.com	

Commission on Privatization
Office of the Governor Subcommittee
August 27, 1999 at 10:00am

Anchorage LIO Conference Room
Wayne Anthony Ross, Chair
Members: Greg Hall, Spence Hochstein and Andree McLeod
Mike Abbott, contact for the Office of the Governor

On teleconference from Juneau
Annalee McConnell, Director of OMB and contact for the Office of the Governor

Format: Questions in bold with responses from Annalee (AM) on following lines. Materials requested are preceded by ***.

Questions on new budget system in development: a) will information be available to anyone, and b) whether format will be similar to information provided by private corporations.
AM: a) The new budget system developed internally at OMB is scheduled for release this December. This new format will show all fund sources and should make the process clearer and more acceptable to the public. Under the old format, all information including actual expenses from the prior year is currently available at the Loussac Library and comprehensive financial statements can be found on the web. But the old format makes it virtually impossible for anyone to find any information.
b) Financial information for the state is presented in a different format than the private sector because they operate under different accounting principles than the private sector does.

***Requested a copy of a budget distribution sample of the new plan

Question on combining OMB within the Admin Dept.
AM: The location of the department is not the issue. OMB moved from the Admin Dept. to the Office of the Governor in the late 70's. Since the budget is the Governor's responsibility, having OMB in this department reflects that responsibility more clearly.

Questions on Office of EEO - why it is located in the Office of the Governor, whether every department has an OEEO, and whether it might be more efficient to contract out EEO and Human Rights Commission.
AM: There is a federal mandate for the location of the OEEO. Office provides centralized services for complaints and appeals from the public. Every department has a contact person within it for EEO, but they are not exclusively EEO officers.

***Request for copies of the Alaska Constitution relating to the state budget plus any summary documents relating to the Human Rights Commission.

Questions on Contingency Funds - a) are departments closing out contingency funds each year to the GF, or do they spend entire amount and include in next year's budget requests and b) could contingency funds in different departments be consolidated into one long-term fund for all departments - for disasters, etc.
AM: a) "Use it or lose it theory" no longer applies because current budgets are so tight and have been in the past few years. There would be no economy of scale by aggregating contingency funds. Governor is the only one with a contingency fund that he uses for situations where things don't fit into the normal budget. It is not a tool for ongoing budgetary items, but for unanticipated expenses that come up every year.
b) There isn't a separate "Disaster Fund." The legislature has preferred to not put money up front, but put money in when disasters occur. In the event of a disaster, Governor notifies the Legislature with an estimated cost

***Requested list of expenditures for the last three years from the Governor's Contingency Fund.

Question on Dept. of Government Coordination - look at efficiencies realized, if any, by this department.
Mike Abbott: This Department has been in place since 1984 or 1985 and was required by statute for states with coastal zones.

The next meeting is scheduled for Friday, September 3rd at 11:00am. A vote will be taken on what issues the Subcommittee wants to look at.

Commission on Privatization
Office of the Governor Subcommittee
Meeting of September 3, 1999 at 11:00am

Anchorage LIO Conference Room
Wayne Anthony Ross, Chair
Members: Spence Hochstein and Andree McLeod
Mike Abbott, contact for the Office of the Governor
Paula Haley, Executive Director for the Human Rights Commission
On Teleconference from Juneau
Annalee McConnell, Director of OMB and contact for the Office of the Governor
Mike Nizich and Patrick Galvin, Office of the Governor

Paula Haley gave an overview of the Human Rights Commission. Handouts included the HRC 1998 Annual Report.
***Requested statistics for public sector cases HRC handles versus private sector cases.

The remainder of the meeting dealt with membership on the Subcommittee and contacting members regarding their participation. Tom Anderson was added to the Subcommittee.

The next meeting would be scheduled at a later date.

ADD TO Membership List

OFFICE OF THE GOVERNOR Subcommittee
Contact Information Sheet

Name: TOM ANDERSON

Work Phone: 276-5307

Home Phone:

Fax: 276-6672

Company: LAW OFFICES OF ROSS & MINER

Email:

Address: 327 E. FIREWEED LANE, STE. 201
ANCHORAGE, AK 99503

NOTE: TOM ANDERSON IS THE CHRONICLER FOR THIS COMMITTEE EFFECTIVE W/ 9/20 MEETING.

P.01

TRANSACTION REPORT

AUG-26-1999 THU 01:20 PM

BROADCAST

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
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	01:19 PM	919074518733	**′**″	0	SEND	BUSY	140	
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COMMISSION ON PRIVATIZATION AND THE SEAL OF THE STATE OF ALASKA

and Delivery of Government Services

www.privatizealaska.org

NOTICE OF SUBCOMMITTEE MEETING

Subcommittee Name: **Office of the Governor**

Chairperson: Wayne Anthony Ross
Phone: 276-5307
Fax: 276-6672

Committee Members:

Bill Allen	Andree McLeod
Matthew Fagnani	Mike Prax
Cheryl Frasca	Jim Holm
Jack Frost	Gregory Hall
Spence Hochstein	Paul Wocrner
Pauline Martens	Terry Martin
Annalee McConnell	

Date: **FRIDAY, AUGUST 27, 10:00 AM**

COMMISSION ON PRIVATIZATION and Delivery of Government Services

www.privatizealaska.org

NOTICE OF SUBCOMMITTEE MEETING

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Chairperson: Wayne Anthony Ross
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Jack Frost	Gregory Hall
Spence Hochstein	Paul Woerner
Pauline Martens	Terry Martin
Annalee McConnell	

Date: **FRIDAY, AUGUST 27, 10:00 AM**

Place: Legislative Information Office
716 W. 4th Avenue
Second Floor Conference Room
Juneau & Fairbanks LIO Teleconference On-line

If you have any questions please call Representative John Cowdery's office at 269-0222 or Senator Wards office at 269-0106.

The web site has a current list of members and schedule of meetings posted daily!

www.privatizealaska.org

716 W. 4th Ave. Anchorage, AK 99501
Senator Jerry Ward: 907-269-0107 Fax 907-269-0109
Representative John Cowdery: 907-269-0222 Fax 907-269-0223

Office of the Governor Subcommittee Membership

Ross	Wayne Anthony	276-5307	276-6672	Ross & Miner, Law Office	akwar@aol.com	346-2697	
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Frost	Jack	563-9147	562-9257	Frost & Friends	jfrost@customcpu.com	441-3381	
Hochstein	Spence	273-1635	273-1699	Michael Baker Jr., Inc.	shockstein@mbakercorp.com	562-6137	Anchorage
Martens	Pauline	276-8616	562-0283	Property Manager	afrw@alaska.net		Anchorage
McConnell	Annalee	465-4660	465-3008	Office of the Governor - Contact Individual			Juneau
McLeod	Andree	561-8595	561-3757		mcleodak@alaska.net		
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Holm	Jim	457-2760	451-8733		htn@gci.net		Fairbanks
Hall	Gregory	862-6262	694-6324	Eagle River Endeavors	rdiamond@arctic.net	694-6324	
Woerner	Paul	338-1216	338-1216	N/A	pwoer@aol.com	338-1216	
Martin	Terry	333-6990	N/A	N/A		333-6990	

8/26/99 10:10 AM

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COMMISSION ON PRIVATIZATION — THE SEAL OF THE STATE OF ALASKA

and Delivery of Government Services

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NOTICE OF SUBCOMMITTEE MEETING

Subcommittee Name: **Office of the Governor**

Chairperson: Wayne Anthony Ross
Phone: 276-5307
Fax: 276-6672

Committee Members:

Bill Allen	Andree McLeod
Matthew Fagnani	Mike Prax
Cheryl Frasca	Jim Holm
Jack Frost	Gregory Hall
Spence Hochstein	Paul Woerner
Pauline Martens	Terry Martin
Annalee McConnell	

Date: **FRIDAY, AUGUST 27. 10:00 AM**

OMB File

Subject: Priv TF
Date: Sat, 17 Jul 1999 11:54:33 -0800
From: "Cheryl Frasca" <cfrasca@alaska.net>
To: Marco_Pignalberi@legis.state.ak.us

Marco:
Just a thought based on our phone conversation yesterday, one way to address areas of government such as OMB would to have a "sub-area" of "financial administration." This could then include the Division of Finance in DOA (check writing), OMB, Leg Finance, and Leg Audit. It could lead to recommendations such as contracting out check writing (Alberta did this but haven't checked on how it has worked), and performance evaluations/audits of state programs by third party auditors.

Talk to you later.
Cheryl Frasca

Alaska Constitution
Article IX

Article IX

Finance and Taxation

SECTION 1. TAXING POWER. The power of taxation shall never be surrendered. This power shall not be suspended or contracted away, except as provided in this article.

SECTION 2. NONDISCRIMINATION. The lands and other property belonging to citizens of the United States residing without the State shall never be taxed at a higher rate than the lands and other property belonging to the residents of the State.

SECTION 3. ASSESSMENT STANDARDS. Standards for appraisal of all property assessed by the State or its political subdivisions shall be prescribed by law.

SECTION 4. EXEMPTIONS. The real and personal property of the State or its political subdivisions shall be exempt from taxation under conditions and exceptions which may be provided by law. All, or any portion of, property used exclusively for non-profit religious, charitable, cemetery, or educational purposes, as defined by law, shall be exempt from taxation. Other exemptions of like or different kind may be granted by general law. All valid existing exemptions shall be retained until otherwise provided by law.

SECTION 5. INTERESTS IN GOVERNMENT PROPERTY. Private leaseholds, contracts, or interests in land or property owned or held by the United States, the State, or its political subdivisions, shall be taxable to the extent of the interests.

SECTION 6. PUBLIC PURPOSE. No tax shall be levied, or appropriation of public money made, or public property transferred, nor shall the public credit be used, except for a public purpose.

SECTION 7. DEDICATED FUNDS. The proceeds of any state tax or license shall not be dedicated to any special purpose, except as provided in Section 15 of this article or when required by the federal government for state participation in federal programs. This provision shall not prohibit the continuance of any dedication for special purposes existing upon the date of ratification of this section by the people of Alaska.

SECTION 8. STATE DEBT. No state debt shall be contracted unless authorized by law for capital improvements or unless authorized by law for housing loans for veterans, and ratified by a majority of the qualified voters of the State who vote on the question. The State may, as provided by law and without ratification, contract debt for the purpose of repelling invasion, suppressing insurrection, defending the State in war, meeting natural disasters, or redeeming indebtedness outstanding at the time this constitution becomes effective.

SECTION 9. LOCAL DEBTS. No debt shall be contracted by any political subdivision of the State, unless authorized for capital improvements by its governing body and ratified by a majority vote of those qualified to vote and voting on the question.

SECTION 10. INTERIM BORROWING. The State and its political subdivisions may borrow money to meet appropriations for any fiscal year in anticipation of the collection of the revenues for that year, but all debt so contracted shall be paid before the end of the next fiscal year.

SECTION 11. EXCEPTIONS. The restrictions on contracting debt do not apply to debt incurred through the issuance of revenue bonds by a public enterprise or public corporation of the State or a political subdivision, when the only security is the revenues of the enterprise or corporation. The restrictions do not apply to indebtedness to be paid from special assessments on the benefited property, nor do they apply to refunding indebtedness of the State or its political subdivisions.

SECTION 12. BUDGET. The governor shall submit to the legislature, at a time fixed by law, a budget for the next fiscal year setting forth all proposed expenditures and anticipated income of all departments, offices, and agencies of the State. The governor, at the same time, shall submit a general appropriation bill to authorize the proposed expenditures, and a bill or bills covering recommendations in the budget for new or additional revenues.

SECTION 13. EXPENDITURES. No money shall be withdrawn from the treasury except in accordance with appropriations made by law. No obligation for the payment of money shall be incurred except as authorized by law. Unobligated appropriations outstanding at the end of the period of time specified by law shall be void.

SECTION 14. LEGISLATIVE POST-AUDIT. The legislature shall appoint an auditor to serve at its pleasure. He shall be a certified public accountant. The auditor shall conduct post-audits as prescribed by law and shall report to the legislature and to the governor.

SECTION 15. ALASKA PERMANENT FUND. At least twenty-five per cent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the State shall be placed in a permanent fund, the principal of which shall be used only for those income-producing investments specifically designated by law as eligible for permanent fund investments. All income from the permanent fund shall be deposited in the general fund unless otherwise provided by law.

SECTION 16. APPROPRIATION LIMIT. Except for appropriations for Alaska permanent fund dividends, appropriations of revenue bond proceeds, appropriations required to pay the principal and interest on general obligation bonds, and appropriations of money received from a nonstate source in trust for a specific purpose, including revenues of a public enterprise or public corporation of the State that issues revenue bonds, appropriations from the treasury made for a fiscal year shall not exceed $2,500,000,000 by more than the cumulative change, derived from federal indices as prescribed by law, in population and inflation since July 1, 1981. Within this limit, at least one-third shall be reserved for capital projects and loan appropriations. The legislature may exceed this limit in bills for appropriations to the Alaska permanent fund and in bills for appropriations for capital projects, whether of bond proceeds or otherwise, if each bill is approved by the governor, or passed by affirmative vote of three-fourths of the membership of the legislature over a veto or item veto, or becomes law without signature, and is also approved by the voters as prescribed by law. Each bill for appropriations for capital projects in excess of

the limit shall be confined to capital projects of the same type, and the voters shall, as provided by law, be informed of the cost of operations and maintenance of the capital projects. No other appropriation in excess of this limit may be made except to meet a state of disaster declared by the governor as prescribed by law. The governor shall cause any unexpended and unappropriated balance to be invested so as to yield competitive market rates to the treasury.

SECTION 17. BUDGET RESERVE FUND. (a) There is established as a separate fund in the State treasury the budget reserve fund. Except for money deposited into the permanent fund under Section 15 of this article, all money received by the State after July 1, 1990, as a result of the termination, through settlement or otherwise, of an administrative proceeding or of litigation in a State or federal court involving mineral lease bonuses, rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments or bonuses, or involving taxes imposed on mineral income, production, or property, shall be deposited in the budget reserve fund. Money in the budget reserve fund shall be invested so as to yield competitive market rates to the fund. Income of the fund shall be retained in the fund. Section 7 of this article does not apply to deposits made to the fund under this subsection. Money may be appropriated from the fund only as authorized under (b) or (c) of this section.

(b) If the amount available for appropriation for a fiscal year is less than the amount appropriated for the previous fiscal year, an appropriation may be made from the budget reserve fund. However, the amount appropriated from the fund under this subsection may not exceed the amount necessary, when added to other funds available for appropriation, to provide for total appropriations equal to the amount of appropriations made in the previous calendar year for the previous fiscal year.

(c) An appropriation from the budget reserve fund may be made for any public purpose upon affirmative vote of three-fourths of the members of each house of the legislature.

(d) If an appropriation is made from the budget reserve fund, until the amount appropriated is repaid, the amount of money in the general fund available for appropriation at the end of each succeeding fiscal year shall be deposited in the budget reserve fund. The legislature shall implement this subsection by law.

Executive Budget Act

- **Statement of policy**
- **Responsibilities of the legislature**
- **Governor's primary duty**
- **Office of Management and Budget**

The Department of Administration for grants under AS 37.06.010 and the Department of Community and Regional Affairs for grants under AS 37.06.020

___(1) may adopt regulations that impose additional requirements or procedures to implement, interpret, make specific, or otherwise carry out the applicable provisions of this chapter for grants administered by the department;

___(2) shall adopt regulations providing for periodic audits of the use of money for grants administered by the department under this chapter, including audit of the department's determination of the value of, and adequacy of the verification of the actual use of, locally funded or contributed labor on projects funded by a grant under this chapter.

Sec. 37.06.090. Definition of ""capital project.".

In this chapter, "capital project" means a project with a cost exceeding $10,000 to acquire or improve an asset with an anticipated life exceeding one year and includes land acquisition, construction, repair or structural improvement of a facility, engineering and design for a facility, and acquisition or repair of equipment.

Chapter 37.07. EXECUTIVE BUDGET ACT

Sec. 37.07.010. Statement of policy.

It is the purpose of this chapter to establish a comprehensive system for state program and financial management that furthers the capacity of the governor and legislature to plan and finance the services that they determine the state will provide for its citizens. The system must include procedures for

___(1) the orderly establishment, continuing review, and periodic revision of the program goals and policies of state agencies and financial goals and policies of the state;

___(2) the development, coordination and review of long-range program and financial plans that will implement established state goals and policies;

___(3) the preparation, coordination, analysis, and enactment of a budget that is organized to focus on the services provided by state agencies and on the cost of those services and that provides for implementation of policies and plans, in the succeeding budget period;

___(4) the evaluation of alternatives to existing policies, plans and procedures that offer potential for more efficient state services;

___(5) the regular appraisal and reporting of program performance;

___(6) public participation in the development of the annual budget, including opportunity for the public to review and comment upon the plans and programs of the Office of the Governor and all state agencies in the executive branch, the legislature, the judicial system, the University of Alaska, and the public corporations of the state.

Sec. 37.07.014. Responsibilities of the legislature.

___(a) To carry out its legislative power under art. II, sec. 1, Constitution of the State of Alaska, and to promote results-based government, the legislature shall issue a mission statement for each agency and the desired results the agency should achieve. The legislature may issue a separate mission statement for a subunit of an agency. A mission statement and desired results should promote the efficient, measured use of the state's resources. A mission statement and desired results constitute policy under which an agency shall operate, and, where appropriate, the mission statement may be implemented by statute.

___(b) The legislature shall provide for a budget review function that promotes results-based government. The legislature shall adopt a method of measuring results for each agency, and measurements shall be reported semi-annually by each agency to the legislature. The reports shall be used by the legislature to evaluate whether the mission and desired results for that agency or subunit of the agency are being achieved.

___(c) The legislature shall analyze the comprehensive operating and capital improvements programs and financial plans recommended by the governor.

___(d) To foster results-based government, to carry out the mission statements, and to obtain desired results, the legislature shall authorize the comprehensive operating and capital improvements programs and financial plans. The legislature shall allocate the state's resources for effective and efficient delivery of public services by

___(1) clearly identifying desired results;

___(2) setting priorities;

___(3) assigning accountability; and

___(4) using methods for measuring, reporting, and evaluating results.

___(e) The legislature shall

___(1) provide for a post-audit function to cover financial transactions, program accomplishment, and compliance with legislative intent;

___(2) adopt or revise the estimate of receipts required to balance the succeeding fiscal year's budget in order that proposed expenditures do not exceed estimated receipts for that fiscal year;

___(3) adopt, revise, or initiate revenue measures in order to balance the succeeding fiscal year's budget and the capital improvements section of the budget for the succeeding six years.

___(f) To help fulfill the legislature's responsibilities under this section and achieve results-based government, each agency shall

___(1) allocate resources to achieve the mission and desired results established by the legislature;

___(2) express desired results established by the legislature and other program results in measurable terms;

___(3) measure progress towards mission statements and desired results established by the legislature and other results;

___(4) promote activities consistent with mission statements and desired results established by the legislature that reduce or avoid future costs;

___(5) plan for the short-term and the long-term using consistent assumptions for major demographic and other trends; and

___(6) require accountability at all levels for meeting program mission statements and desired results established by the legislature.

Sec. 37.07.016. Governor's primary duty.

To carry out the executive power under art. III, sec. 1 and sec. 16, Constitution of the State of Alaska, the governor shall use the mission statements and desired results issued by the legislature as a guide to

implement and execute the law. The governor shall assure that each agency complies with the mission statement and achieves the desired results identified by the legislature.

Sec. 37.07.020. Responsibilities of the governor.

___(a) The governor shall prepare a budget for the succeeding fiscal year that must cover all estimated receipts, including all grants, loans, and money received from the federal government and all proposed expenditures of the state government. The budget shall be organized so that the proposed expenditures for each agency are presented separately. The budget must be accompanied by the information required under AS 37.07.050 and by the following separate bills: (1) an appropriation bill authorizing the operating and capital expenditures of the state's integrated comprehensive mental health program under AS 37.14.003(a); (2) an appropriation bill authorizing state operating expenditures other than those included in the state's integrated comprehensive mental health program; (3) an appropriation bill authorizing capital expenditures other than those included in the state's integrated comprehensive mental health program; and (4) a bill or bills covering recommendations, if any, in the budget for new or additional revenue. The budget for the succeeding fiscal year and each of the bills shall become public information on December 15 at which time the governor shall submit copies to the legislature and make copies available to the public. The bills, identical in content to the copies released on December 15, shall be delivered to the rules committee of each house before the fourth legislative day of the next regular session for introduction.

___(b) In addition to the budget and bills submitted under (a) of this section, the governor shall submit a capital improvements program and financial plan covering the succeeding six fiscal years.

___(c) Proposed expenditures may not exceed estimated revenue for the succeeding fiscal year. The expenditures proposed in the six-year capital improvements program and financial plan may not exceed the estimated revenue and bond authorizations passed and proposed.

___(d) [Repealed, Sec. 35 ch 126 SLA 1994].

___(e) The budget prepared under (a) of this section must present the proposed operating expenditures for each agency for annual facility operations, annual maintenance and repair, and periodic renewal and replacement for components of public buildings and facilities separately from the other proposed operating expenditures by the agency. Proposed annual appropriations for an agency's facility operations, maintenance and repair, and renewal and replacement for components of public buildings and facilities contained in an appropriation bill prepared under (a) of this section must be presented separately from appropriations for other proposed operating expenditures by the agency.

Sec. 37.07.030. Responsibilities of the legislature. [Repealed, Sec. 9 ch 27 SLA 1998].

___Repealed or Renumbered

Sec. 37.07.040. Office of management and budget.

The Alaska office of management and budget shall

___(1) assist the governor in the preparation and explanation of the proposed comprehensive program and financial plan, including the coordination and analysis of state agency goals and objectives, plans, and budget requests;

___(2) prepare for submission to the governor an annually updated six-year capital improvements program and the proposed capital improvements budget for the coming fiscal year, the latter to include individual project justification with documentation of estimated project cost;

___(3) develop procedures to produce the information needed for effective policy decision making, including procedures to provide for the dissemination of information about plans, programs, and budget requests to be included in the annual budget and opportunity for public review and comment during the

period of budget preparation;

___(4) assist state agencies in their statement of goals and objectives to achieve, among other things, the legislature's mission and desired results, preparation of plans, assessments of the extent to which missions and desired results have been achieved, budget requests, and reporting of program performance; all documents forwarded by the office to a state agency containing instructions for the preparation of program plans and budget requests and the reporting of program performance are public information after the date they are forwarded;

___(5) administer its responsibilities under the program execution provisions of this chapter so that the policy decisions and budget determinations of the governor and the legislature are implemented;

___(6) provide the legislative finance division with the budget information it may request;

___(7) provide the legislative finance division with an advance copy of the governor's budget workbooks by the first Monday in January of each year, except that following a gubernatorial election year the advance copy shall be provided by the second Monday in January;

___(8) prepare the proposed capital improvements budget for the coming fiscal year evaluating both state and local requests from the standpoint of need, equity, and priorities of the jurisdiction; other factors such as project amounts, population, local financial match, federal funds being used for local match, municipality or unincorporated community acceptance of the facility, and all associated costs of the facility may be considered;

___(9) for each department in the executive branch, report to the legislature by the 45th day of each regular session the amount of money appropriated to the department that is expected to lapse into the general fund at the end of the current fiscal year.

Article 06. OFFICE OF MANAGEMENT AND BUDGET

Sec. 44.19.141. Alaska office of management and budget.

There is in the Office of the Governor the Alaska office of management and budget.

Sec. 44.19.142. Director.

The office of management and budget is administered by a director who is appointed by, and serves at the pleasure of, the governor.

Sec. 44.19.143. Personnel.

The director shall employ such personnel as may be necessary to carry out the provisions of AS 44.19.141 - 44.19.152 and the relevant provisions of AS 37.07.

Sec. 44.19.144. Powers and duties of the director.

(a) The director shall

(1) supervise and administer the activities of the office;

(2) advise the governor on matters of comprehensive state planning;

(3) [Repealed, Sec. 35 ch 126 SLA 1994].

(b) The director may

(1) with the written concurrence of the governor, enter into contracts and subcontracts on behalf of the state to carry out the provisions of AS 44.19.141 - 44.19.152; contracting under this paragraph is governed by AS 36.30 (State Procurement Code);

(2) act for the state in the initiation, investigation, evaluation of or participation in any program relative to the stated purpose of AS 44.19.141 - 44.19.152 that may involve more than one government or governmental unit;

(3) on behalf of the state, accept and expend any gifts or grants made to the state with the approval of the governor when the gifts or grants were made for the purposes of furthering the objectives of the office.

Sec. 44.19.145. Functions and duties of the office.

(a) The office shall

(1) provide technical assistance to the governor and the legislature in identifying

long range goals and objectives for the state and its political subdivisions;

(2) prepare and maintain a state comprehensive development plan;

(3) provide information and assistance to state agencies to aid in governmental coordination and unity in the preparation of agency plans and programs;

(4) review planning within state government as may be necessary for receipt of federal, state, or other funds;

(5) participate with other countries, provinces, states, or subdivisions of them in international or interstate planning, and assist the state's local governments, governmental conferences, and councils in planning and coordinating their activities;

(6) encourage educational and research programs that further state planning and development, and provide administrative and technical services for them;

(7) publish such statistical information or other documentary material as will further the provisions and intent of AS 44.19.141 - 44.19.152;

(8) assist the governor and the Department of Community and Regional Affairs in coordinating state agency activities that have an effect on the solution of local and regional development problems;

(9) serve as a clearinghouse for information, data, and other materials that may be helpful or necessary to federal, state, or local governmental agencies in discharging their respective responsibilities or in obtaining federal or state financial or technical assistance;

(10) review all proposals for the location of capital improvements by any state agency and advise and make recommendations concerning location of these capital improvements;

(11) render, on behalf of the state, all federal consistency determinations and certifications authorized by 16 U.S.C. 1456 (Sec. 307, Coastal Zone Management Act of 1972), and each conclusive state consistency determination when a project requires a permit, lease, or authorization from two or more state resource agencies.

(b) The office shall, in carrying out its functions, consult with local, regional, state and federal officials, private groups and individuals, and with officials of other countries, provinces, and states, and may hold public hearings to obtain information for the purpose of carrying out the provisions of AS 44.19.141 - 44.19.152.

(c) The governor may establish coordinating or advisory planning groups.

(d) The office shall

(1) coordinate its services and activities with those of other state departments and agencies to the fullest extent possible to avoid duplication;

(2) [Repealed, Sec. 35 ch 126 SLA 1994].

(3) cooperate with the University of Alaska and other appropriate public and private institutions in research and investigations.

Sec. 44.19.150. [Renumbered as AS 44.19.046].

Repealed or Renumbered

Sec. 44.19.152. Definitions.

In AS 44.19.141 - 44.19.152,

(1) "director" means the director of the office of management and budget;

(2) "office" means the Alaska office of management and budget;

(3) "render" means to coordinate and issue;

(4) "resource agency" means

(A) the Department of Environmental Conservation;

(B) the Department of Fish and Game; or

(C) the Department of Natural Resources.

State Financial Web Resources

Revenue Sources Book:
http://www.revenue.state.ak.us/oga/99SpringSources/SPR99.htm#top

Income and Excise annual report: http://www.revenue.state.ak.us/iea/98report/index.htm

Comprehensive Annual Financial Report:
http://www.state.ak.us/local/akpages/ADMIN/dof/fin-afr.htm

Alaska Public Debt: http://www.revenue.state.ak.us/treasury/debtbook/98debtbook.htm

Population, Demographic Data, Cost of Living:
http://www.labor.state.ak.us/research/research/col.htm

Summaries of Appropriations:
http://www.legfin.state.ak.us/Summary/99Summary/Summary.html

Statewide Transportation Improvement Program:
http://www.dot.state.ak.us//external/state_wide/planning/stip.html

School Construction and Major Maintenance List:
http://www.eed.state.ak.us/facilities/FacilitiesPL.html

Office of Equal Opportunity

- **Statutes**
- **Administrative orders**
- **Separate investigative function in the department of Administration**
- **Federal EEO information**

Cross references. — For transitional provisions relating to the 1995 transfer of the Office of Equal Employment Opportunity from the Department of Administration to the Office of the Governor, see § 4, E.O. 91, in the Executive Orders pamphlet.

Effective dates. — Section 5, E.O. No. 91 (1995) makes this article effective March 18, 1995.

Sec. 44.19.450. Office established. The office of equal employment opportunity is established in the Office of the Governor. The governor shall appoint a director to administer the office. (E.O. No. 91, § 2 (1995))

Sec. 44.19.451. Powers and duties of the office. (a) The office shall administer the equal employment opportunity program for the executive branch of state government to ensure compliance with AS 44.19.450 — 44.19.458 and shall

(1) assist state officials to carry out their equal employment opportunity responsibilities, including promoting the recruitment, employment, training, and retention of members of protected classes, and recommend solutions to any problems identified;

(2) train state managers and supervisors in their equal employment opportunity and affirmative action responsibilities and offer orientation programs to employees to inform them of their rights and responsibilities under AS 44.19.450 — 44.19.458;

(3) monitor records of personnel actions, develop auditing and reporting systems to acquire statistical information, and prepare federal and state reports concerning the composition of the work force;

(4) prepare and submit the affirmative action plan for employment in the executive branch of state government to the governor;

(5) prepare guidelines for the affirmative action programs of agencies and review, audit, and make recommendations concerning the programs;

(6) ensure that agencies comply with the affirmative action plan and with the agency affirmative action program;

(7) implement standards by which performance evaluations of supervisors reflect compliance with affirmative action plans and objectives, including the granting or denial of merit increases;

(8) assist the division of labor relations in collective bargaining negotiations between the state and employee bargaining organizations to ensure that each collective bargaining agreement negotiated by the state ensures equal employment opportunity;

(9) file quarterly reports with the governor and the legislature concerning agency compliance with and progress in its affirmative action program, the affirmative action plan, state and federal equal employment opportunity laws and regulations;

(10) accept, investigate, and resolve complaints of discrimination from employees, previous employees, or applicants for employment;

(11) serve as primary liaison between the executive branch and state and federal agencies, minority and women's organizations, and community groups concerned with equal employment opportunity; and

(12) prepare and submit an annual report to the governor and the legislature by February 15 on the progress and problem areas in the equal employment opportunity program and the implementation of the affirmative action plan.

(b) The office may

(1) recommend legislative or administrative action to the governor relating to equal employment opportunity and affirmative action matters;

(2) require the purging of the records of a complaint of unlawful discrimination from the personnel file of an employee who has filed a complaint of unlawful discrimination;

(3) forbid an agency to hire or promote employees based on a discriminatory employment practice;

(4) require an agency to reverse a personnel action including a hiring decision if it finds that the action was based on a discriminatory employment practice;

(5) require an agency to change its selection procedures if it finds that the procedures violate state or federal laws prohibiting employment discrimination; and

(6) when there is reason to believe that an employee has violated this subsection, require the agency to investigate and to impose discipline if the investigation reveals facts warranting it.

(c) A collective bargaining agreement adopted under AS 23.40.070 — 23.40.260 (Public Employment Relations Act) must be consistent with principles of equal employment opportunity and affirmative action. AS 44.19.450 — 44.19.458 supersede the provisions of AS 39.25 (State Personnel Act). (E.O. No. 91, § 2 (1995))

Sec. 44.19.452. Administrative regulations. The director of the office shall adopt regulations under AS 44.62 (Administrative Procedure Act) to carry out the office's duties. (E.O. No. 91, § 2 (1995))

Sec. 44.19.453. Affirmative action plan. The governor shall establish an equal employment opportunity program and adopt annually an affirmative action plan for the executive branch of state government. The plan remains in effect until the governor establishes a subsequent plan. The office shall work with each agency to enhance equal employment opportunity. (E.O. No. 91, § 2 (1995))

Sec. 44.19.454. Compliance with affirmative action plan. (a) Each agency shall comply with the affirmative action plan. Each commissioner or executive head of an agency shall adopt an affirmative action program to implement the plan within the agency. At the request of the office, a state official shall report to the office about agency employment practices and activities to implement and comply with the plan or program.

(b) When the office finds that an agency has violated the affirmative action plan or its affirmative action program, the office may

(1) suspend the hiring authority of the agency; and

(2) impose mandatory affirmative action measures on the agency to bring the agency into compliance. (E.O. No. 91, § 2 (1995))

Sec. 44.19.455. Employment discrimination complaints. (a) The office shall accept complaints of employment discrimination in the executive branch of state government and shall confer with the complaint and the agency involved to bring about an informal resolution of complaint.

(b) An agency shall notify the office when the agency receives a complaint alleging employment discrimination.

(c) The office may not make public the records of a complaint or investigation. (E.O. No. 91, § 2 (1995))

Sec. 44.19.456. Retaliation prohibited. (a) An agency, officer, or state employee may not directly or indirectly refuse to hire, transfer, or promote, or dismiss, demote, suspend, lay off, or otherwise discipline a person for filing a complaint with the office for a failure to comply with affirmative action or equal employment opportunity or for assisting the office in an investigation of a complaint.

(b) A person who knowingly violates this section is liable for a civil penalty of not more than $1,000. (E.O. No. 91, § 2 (1995))

Sec. 44.19.457. Access to confidential records. The office may have access to all data, records, and reports necessary to carry out its functions under AS 44.19.450 — 44.19.458. The office may not make public information designated as confidential by AS 39.25.080 or another law. However, the office may make public statistical information compiled from confidential records. (E.O. No. 91, § 2 (1995))

Sec. 44.19.458. Definitions. In AS 44.19.450 — 44.19.458,

(1) "agency" means a department, office, agency, public corporation, board, commission, authority, or other organizational unit of the executive branch;

(2) "employment in the executive branch of state government" includes employment as a permanent, probationary, provisional, nonpermanent, or temporary employee in the classified, partially exempt, or exempt services in the executive branch of state government;

(3) "member of a protected class" means a person protected by federal or state laws that prohibit discrimination in employment or a person who experiences or has experienced difficulty in obtaining employment or advancement in employment because of another factor not related to merit;

(4) "office" means the office of equal employment opportunity in the Office of the Governor. (E.O. No. 91, § 2 (1995))

Article 10. Telecommunications Information Council.

Section	Section
502. Telecommunications Information Council	506. Court system
504. Powers and duties	519. Definitions

Cross references. — For statement of legislative purpose, see § 1, ch. 53, SLA 1987, in the Temporary and Special Acts.

Sec. 44.19.502. Telecommunications Information Council. (a) There is created within the Office of the Governor the Telecommunications Information Council.

(b) The council is composed of the governor, the commissioner from each principal department of the executive branch, the president of the University of Alaska, the executive director of the Legislative Affairs Agency, a member of the public appointed by the governor, and one legislator from each house, appointed by the respective presiding officer. The legislators shall serve as nonvoting members of the council. The public member appointed by the governor may not have a financial interest in the information services industry. The chief justice of the supreme court may appoint a member to serve on the council. Each commissioner shall appoint a deputy commissioner to serve as an alternate for the commissioner. The vice-president of the University of Alaska shall serve as alternate for the president.

(c) The governor shall preside over the council. The council shall meet at least four times each year. The council may meet more frequently at the call of the chair or if requested by a majority of the council's members.

(d) The Office of the Governor shall provide professional and clerical staff for the council. (§ 2 ch 53 SLA 1987; am § 1 ch 156 SLA 1990)

Effect of amendments. — The 1990 amendment, effective June 22, 1990, deleted "and" following "Alaska" in the first sentence, added the phrase beginning with "a member of the public" at the end of the first sentence and added the second and third sentences in subsection (b).

Sec. 44.19.504. Powers and duties. (a) The council shall

(1) establish guidelines and prepare a state short-range and long-range information systems plan to meet state needs;

(2) in accordance with the state information systems plan, establish guidelines and direct state agencies to prepare agency information systems plans;

Be it enacted by the Legislature of the State of Alaska:

Section 1. This Act establishes the office of equal employment opportunity in the Office of the Governor to ensure fair employment practices and eliminate barriers to employment in state government and to monitor the state's progress in accomplishing the goals set out in the state affirmative action plan and in reaching equal employment opportunity.

Sec. 2. Permanent law. See Table of Disposition of Acts.

Sec. 3. This Act may not be applied to limit the right of a person to file a complaint with the State Commission for Human Rights under AS 18.80.100.

Approved June 7, 1985
Effective: September 5, 1985

CHAPTER 98

AN ACT MAKING APPROPRIATIONS FOR THE OPERATING AND LOAN PROGRAM EXPENSES OF STATE GOVERNMENT; AND PROVIDING FOR AN EFFECTIVE DATE.

(CCSHB 60)

Be it enacted by the Legislature of the State of Alaska:

Editor's Notes. — Italics indicates new figures inserted by the governor. The former figures and vetoed items are not set out.

Section 1. Included within the general fund amounts appropriated according to the schedules in this Act, the following amounts are from the unreserved special accounts in the general fund:

	Operating
Highway Fuel Tax Account	$22,500,000
Aviation Fuel Tax Account	8,000,000

Sec. 2. Federal or other program receipts that exceed the amounts appropriated in this Act are appropriated conditioned upon compliance with the program review provisions of AS 37.07.080(h).

ILL SHEFFIELD
GOVERNOR

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

ADMINISTRATIVE ORDER NO. 81

In furtherance of the State of Alaska's commitment to human rights and equal employment opportunity, I, Bill Sheffield, Governor of the State of Alaska, under the authority granted by Article III of the Alaska Constitution and by Alaska Statute 44.17.060, hereby order the following as the policy and guidelines for the Executive Branch of Alaska State Government on discriminatory harassment and more specifically on sexual harassment. This Order amends and supplements Administrative Order No. 75, the general policy on equal employment opportunity.

1. STATEMENT OF POLICY

1.1 The Executive Branch of the State of Alaska, as an employer, will not tolerate, condone or permit any kind of harassment of employees or applicants for employment on the basis of their sex, color, race, religion, national origin, age, handicap, marital status, changes in marital status, pregnancy or parenthood. Such harassment is in direct violation of Federal and State law and is inconsistent with the State's policy on equal employment opportunity.

1.2 Persons who knowingly engage in or instigate such harassment will be subject to disciplinary actions which may lead to suspension and discharge. Additionally, managers and supervisors who knowingly permit harassment activity to occur without further action will be subject to disciplinary action. Where such prohibited activity is perpetrated by a non-employee, the State will take available and appropriate disciplinary action which may include, by way of example, loss of contract.

2. GENERAL PROVISIONS

2.1 Scope: The policy and guidelines herein apply to all agencies, employees and applicants for employment within the Executive Branch of Alaska State Government.

2.2 Frivolous or Malicious Accusations: Persons making frivolous or malicious accusations of harassment may be subjected to disciplinary actions.

2.3 Management Activities: This Order is not intended to restrict bonafide activities such as reprimands, disciplinary actions and employee performance evaluations which are clearly within the scope of a supervisor's duties and responsibilities, and which

serve a legitimate management purpose.

3. DEFINITIONS

3.1 Harassment: Unwanted communication and/or conduct by a supervisor, co-worker or non-employee in the workplace which adversely affects the employment relationship or working environment for the employee or applicant for employment and is based on the sex, race, religion, national origin, age, handicap, marital status, changes in marital status, pregnancy or parenthood of that individual. Harassment may include slurs, abusive language, threats, derogatory comments, unwelcome jokes, teasing and other such verbal or physical conduct.

3.2 Sexual harassment: Addressed and defined by the U.S. Equal Employment Opportunity Commission in the Federal Guidelines on Discrimination Because of Sex published on November 10, 1980, and codified as 29 CFR Section 1604.11, sexual harassment is defined as follows:

"(a) Harassment on the basis of sex is violation of Sec. 703 of Title VII. Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or (3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment."

4. GUIDELINES FOR THE IMPLEMENTATION OF POLICY

4.1 Responsibility for Implementation:

(a) Overall responsibility for the administration of this order is delegated to the Director of the Division of Equal Employment Opportunity.

(b) All agency heads, managers and supervisors within the Executive Branch of State Government are responsible for taking immediate and appropriate corrective action where they have any knowledge of such prohibited practices. Such corrective actions should be taken only after consultation with the State Division of Equal Employment Opportunity.

4.2. Complaints:

(a) Employees believing they have been subjected to harassment

should contact their department or agency's Equal Employment Opportunity Representative or the State Division of Equal Employment Opportunity.

(b) A complaint may be formally filed on the "Complaint of Discrimination Form" available through agency personnel offices and the State Division of Equal Employment Opportunity.

(c) The Division of Equal Employment Opportunity shall develop the appropriate administrative process to resolve harassment complaints.

(d) Any form of retaliation, reprisal or adverse action taken against an employee for complaining about, reporting, or cooperating in the investigation of such harassment is prohibited and will be dealt with severely. Such disciplinary action may include suspension and dismissal.

4.3 Dissemination of Policy:

(a) The policy is to be posted in the form provided in Appendix A of this order on all bulletin boards and at every facility and office within each department.

(b) It will be the responsibility of each agency head to ensure that copies of this policy are disseminated to all supervisory staff and that copies of this policy are included in all agency policy manuals and employee handbooks.

This Order takes effect October 25, 1984.

Dated at Anchorage, Alaska October 25

Bill Sheffield
Governor
State of Alaska

APPENDIX A:

STATE OF ALASKA
EXECUTIVE BRANCH

APPENDIX A
POLICY ON DISCRIMINATORY HARASSMENT

The following policy on discriminatory harassment was issued by Governor Bill Sheffield in Administrative Order No. 81 effective October 25, 1984.

The Executive Branch of the State of Alaska, as an employer, will not condone, permit or tolerate any kind of harassment of employees or applicants for employment on the basis of sex, color, race, religion, national origin, age, handicap, marital status, changes in marital status, pregnancy, or parenthood. Such harassment is in direct violation of Federal and State law and is inconsistent with the State's policy on equal employment opportunity.

Persons who knowingly permit, engage in or instigate such harassment will be subject to disciplinary actions which may lead to suspension and discharge. Where such prohibited activity is perpetrated by a nonemployee, that person may be subject to prosecution, loss of contract, or other appropriate sanctions.

DEFINITION OF DISCRIMINATORY HARASSMENT

Harassment is unwanted conduct or communication by a supervisor, co-worker, or nonemployee in the work place which is based on the sex, color, race, religion, national origin, age, handicap, marital status, changes in marital status, pregnancy, or parenthood of an individual and which adversely affects the employment relationship or working environment. This includes slurs, epithets, threats, derogatory comments, unwelcome jokes, teasing and other verbal or physical conduct.

Sexual harassment has been defined by the U.S. Equal Employment Opportunity Commission as:

Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or (3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

FILING COMPLAINTS

Employees or applicants for employment who believe that they have been subjected to harassment should contact either the State Division of Equal Employment Opportunity, Pouch CE, Juneau, AK 99811 (telephone: 465-3570) or the agency Equal Employment Opportunity Representative listed below.

DEPARTMENT/AGENCY: _____

EEO REPRESENTATIVE: _____ (Name) _____ (Title)

_____ (Mailing Address) _____ (Telephone Number)

_____

No individual will be adversely affected for bringing any violation of this policy to the attention of management. Retaliation in any form is prohibited.

Sec. 7. This Order takes effect July 1, 1994.

WALTER J. HICKEL
Governor

EXECUTIVE ORDER NO. 91

Under the authority of art. III, sec. 23, of the Alaska Constitution, and in accordance with AS 24.08.210, I order the following:

Section 1. Findings. As governor, I find that the transfer of the office of equal employment opportunity from the Department of Administration to the Office of the Governor would be in the best interests of efficient administration. The transfer will permit closer coordination within state government regarding equal employment opportunity policy, and will ensure that pressing issues in the area of equal employment opportunity will come to the immediate attention of the Office of the Governor.

Secs. 2, 3. Permanent law. See Table of Disposition of Acts.

Sec. 4. Transition. (a) Litigation, hearings, investigations, and other proceedings pending under a law repealed by this Order, or in connection with functions transferred by this Order, continue in effect and may be continued and completed notwithstanding a transfer or repeal provided for in this order.

(b) Regulations adopted by the commission of administration under authority of former AS 44.21.502 before March 18, 1995, remain in effect until regulations are adopted under AS 44.19.452 by the director, and take effect. The director of the office of equal employment opportunity may enforce the regulations adopted under AS 44.21.502 until the director's own take effect.

(c) Contracts, rights, liabilities, and obligations created by or under a law repealed by this Executive Order, and in effect on March 17, 1995, remain in effect notwithstanding this Order's taking effect. Records, equipment, appropriations, and other property of an agency of the state whose functions are transferred under this Order shall be transferred to implement the provisions of this Order.

Sec. 5. This Order takes effect March 18, 1995.

TONY KNOWLES
Governor

9

Overview of the Investigations Function

Department of Administration
Division of the Personnel
Anchorage Personnel Office

The Anchorage office acts as a central point of contact for the EEOC and the ASHRC in the processing, investigation, and eventual resolution of employment related discrimination complaints filed with their agencies. In brief, our roles include acting as an intermediary between the EEOC/ASHRC and the department named in the complaint; assisting the department with their response; representing the department and protecting its interest during the Commission's investigation of the complaint; and working for a resolution of the complaint which best benefits the department and the State.

The Anchorage office of the Division of Personnel is not connected in any way with the Office of Equal Employment Opportunity under the Office of the Governor. Complaints filed with that office have no bearing on complaints filed with the Federal Equal Employment Office Commission (EEOC) in Seattle and the Alaska State Human Rights Commission (ASHRC) in Anchorage.

The Process:

Step 1:

- Receive and record complaint from the ASHRC and/or the EEOC.

- Review complaint for procedural/technical flaws, and compare to cases decided in the Ninth Circuit. If applicable, write letter to the ASHRC/EEOC rejecting claim.

- If claim is not rejected, request the department respond to the allegations in 30 days.

- If mediation is offered by the ASHRC/EEOC, discuss with department and respond to Commission.

- If mediation is accepted, represent the department at the mediation.

Step 2:

- Review department's response. Anticipate questions the ASHRC/EEOC investigator will ask, and if the questions are not answered in department's response, request department provide additional information and supporting documents.

- If questions remain unanswered either conduct, or ask the department to conduct, interviews with appropriate individuals to validate/rebut allegations.

Step 3:

- If allegations prove valid, or somewhat valid, discuss possibility of a predetermination settlement with department (PDS). If department decides to settle, negotiate with complainant through the ASHRC/EEOC on the terms of the PDS.

- If the allegations are disputed by the department, and the department's investigation concluded there was no evidence to support the allegations, then prepare the department's formal response to the complaint (a Position Statement) and submit to the ASHRC/EEOC.

Step 4:

- Serve as the liaison between the department and the ASHRC/EEOC; answer questions asked by the Commission investigator if answer is known (Workplace Alaska procedures, how a "register" works, interpretation of codes used, etc.); schedule interviews with the supervisors/managers at the Commission investigator's request; collect and review additional information requested by the Commission investigator and deliver to the ASHRC/EEOC.

- Function as management's representative during the ASHRC/EEOC investigator's interview of a supervisor or manager, and protect the department's interest as much as possible. Sometimes this means putting the best light on what would otherwise be a damaging response by the person being interviewed; sometimes it means challenging a half-truth or misrepresentation made by interviewee; it always means insuring the investigator keeps the question relevant to the allegation, and insuring the investigator's questions are of an investigative nature. Although the interview cannot be taped, a record of the interview must be made and kept pending the outcome of the investigation. **The interview is one of the most important, and often the most time consuming, part of the investigative process.**

Step 5:

- If the Commission's investigation results in a finding favorable to the department, the case is closed and determination letter and closing notice are sent to the department.

- If there is sufficient evidence to support the claim of discrimination, the Commission's investigator will call this office to discuss the finding and the terms of the proposed Conciliation Agreement that will accompany the determination letter from the ASHRC/EEOC.

- Function as a liaison between the department and the ASHRC/EEOC in working out the terms of the Conciliation Agreement. We recommend possible compromises to the department and negotiate with the ASHRC/EEOC until an agreement is reached. When one of the parties refuses to negotiate any further, conciliation fails and the case is scheduled for public hearing.

Step 6:

- Represent the department at the scheduling of the public hearing, the preparation for the public hearing, and at the public hearing. Usually the parties, through their attorneys, reach a settlement before the case is heard.

Additional Information:

In the vast majority of cases the department's initial response the complaint does not contain all the information and documents necessary to prepare a formal response to the ASHRC/EEOC, and in many cases the response does not address one or more of the allegations made in the complaint. Those problems are corrected by this office prior to submitting a response to the Commission.

This office coordinates cases with Labor Relations, the Department of Law, and other interested parties. Many of the ASHRC/EEOC cases are also filed as labor grievances and/or as civil cases.

EEO CORE SVC SUMMARY FY00

CORE SERVICES SUMMARY — Charges to departments for EEO function in Dept. of Administration

A5	A14	B14	D7	F12	D10
	E-NOTICE TO DIR	E-APPROVE FROM DIR	ORIGINAL DOLLARS	BALLANCE DUE	HARD COPY SIGNED
1 OFFICE OF GOVENOR	0	0	2600.00	2600.00	0
2 ADMIN	0	0	17800.00	17800.00	0
3 LAW	0	0	6300.00	6300.00	0
4 REVENUE	0	0	11000.00	11000.00	0
5 EDUCATION	0	0	5399.00	5399.00	0
6 HSS	0	0	29300.00	29300.00	0
7 LABOR	0	0	10057.00	10057.00	0
8 COMMERCE AND ECON DEV	0	0	6144.00	6144.00	0
9 MIL & VET AFFAIRS	0	0	3000.00	3000.00	0
10 NAT RES	0	0	7800.00	7800.00	0
11 FISH & GAME	0	0	11400.00	11400.00	0
12 PUBLIC SAFETY	0	0	10700.00	10700.00	0
18 ENV CON	0	0	6900.00	6900.00	0
20 CORRECTION	0	0	19200.00	19200.00	0
25 TRANSPORTATION	0	0	38500.00	38500.00	0
31 LEG AFFAIRS	0	0	0.00	0.00	0
41 COURTS	0	0	0.00	0.00	0
			186100.00	186100.00	

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FYI: federal EEO information

Executive Order 11246

Under and by virtue of the authority vested in me as President of the United States by the Constitution and statutes of the United States, it is ordered as follows:

PART I--NONDISCRIMINATION IN GOVERNMENT EMPLOYMENT

SECTION 101. It is the policy of the Government of the United States to provide equal opportunity in Federal employment for all qualified persons, to prohibit discrimination in employment because or race, creed, color, or national origin, and to promote the full realization of equal employment opportunity through a positive, continuing program in each executive department and agency. The policy of equal opportunity applies to every aspect of Federal employment policy and practice.

SEC. 102. The head of each executive department and agency shall establish and maintain a positive program of equal employment opportunity for all civilian employees and applicants for employment within his jurisdiction in accordance with the policy set forth in Section 101.

SEC. 103. The Civil Service Commission shall supervise and provide leadership and guidance in the conduct of equal employment opportunity programs for the civilian employees of and applications for employment within the executive departments and agencies and shall review agency program accomplishments periodically. In order to facilitate the achievement of a model program for equal employment opportunity in the Federal service, the Commission may consult from time to time with such individuals, groups, or organizations as may be of assistance in improving the Federal program and realizing the objectives of this Part.

SEC. 104. The Civil Service Commission shall provide for the prompt, fair, and impartial consideration of all complaints of discrimination in Federal employment on the basis of race, creed, color, or national origin. Procedures for the consideration of complaints shall include at least one impartial review within the executive department or agency and shall provide for appeal to the Civil Service Commission.

SEC. 105. The Civil Service Commission shall issue such regulations, orders, and instructions as it deems necessary and appropriate to carry out its responsibilities under this Part, and the head of each executive department and agency shall comply with the regulations, orders, and instructions issued by the Commission under this Part.

LYNDON B. JOHNSON

THE WHITE HOUSE,

September 24, 1965.

13

AFFIRMATIVE ACTION AND EEO

Affirmative action and equal employment opportunity laws are designed to help employers recognize possible discrimination in their workplaces and to discontinue such discrimination.

Equal Employment Opportunity (EEO) was legislated with Title VII of the 1964 Civil Rights Act. It prohibits discrimination on the basis of race, color, national origin, religion, sex, and any condition related to pregnancy. Title VII prohibits employers with 15 or more employees from illegally discriminating in employment decisions. The Equal Employment Opportunity Commission is responsible for controlling EEO violations. Employers who violate Title VII may have to reinstate the employee with back pay, fringe benefits, and attorney's fees.

Affirmative Action (AA) was mandated by Presidential Executive Order 11246. Executive Order 11246 prohibits discrimination against any employee or applicant because of race, color, religion or national origin. It applies to employers with at least $10,000 in government contracts. The law also requires contractors and subcontractors with 50 or more employees and government contracts of $50,000 or more to detail in writing the steps they will take to increase or maintain an appropriate percentage of minority and female employees. The Office of Federal Contract Compliance Programs (OFCCP) is responsible for controlling AA violations. Violators may have their federal contracts suspended or terminated.

Both EEO and AA are designed to encourage employers to take positive steps toward eliminating the present and future effects of past discrimination against women and minorities. AA applies to larger companies and requires employers to establish and follow a written policy designed to lessen discrimination and its effects. EEO requires employers to uniformly avoid illegal discrimination. Even if your company is not required to have a written Affirmative Action plan by law, it is important that you remain aware of any discrimination occurring in your workplace and that you eliminate it.

AFFIRMATIVE ACTION: EXECUTIVE ORDER 11246

Enforcement Agency: Office of Federal Contract Compliance Programs (OFCCP).

Summary: Executive Order 11246 prohibits government contractors and subcontractors with contracts in excess of $10,000 annually from discriminating on the basis of race, color, religion, sex, or national origin. A statement reflecting this must be included in every contract. Covered employers must take affirmative action to ensure equal treatment of employees and applicants.

In addition, Revised Order No. 4 requires employers with 50 or more employees and government contracts totaling at least $50,000 to take affirmative action to encourage employment on behalf of women and minorities. Employers must have written Affirmative Action plans on file.

Penalties for Violations:

- **Cancellation of current government contracts**
- **Debarment from future government contracts**
- **Backpay (The Office of Federal Contract Compliance Programs takes the position that backpay is available; the question is unsettled in courts)**
- **Criminal penalties (for filing false information)**

Human Rights Commission

- **Statute**
- **Background paper**
- **Caseload statistics**
- **Detailed budget information**

the internal management of state agencies, and their adoption is not subject to the Administrative Procedure Act (AS 44.62).

Sec. 3. AS 39.35 is amended by adding a new section to read:

Sec. 39.35.042. **Regulations.** Regulations adopted by the board under this chapter relate to the internal management of state agencies and their adoption is not subject to the Administrative Procedure Act (AS 44.62).

Approved March 16, 1963

CHAPTER 14

AN ACT

Appropriating for the reissue of stale date warrants; and providing for an effective date.

(HB 103)

Be it enacted by the Legislature of the State of Alaska:

Section 1. The sum of $15,562.55 is appropriated from the general fund to the Department of Revenue for the reissue of stale date warrants.

Sec. 2. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved March 18, 1963

CHAPTER 15

AN ACT

Relating to the creation of a Commission for Human Rights.

(HB 120)

Be it enacted by the Legislature of the State of Alaska:

Section 1. AS 18 is amended by adding a new chapter to read:

Chapter 80. State Commission for Human Rights

Article 1. Creation and Organization of Commission

Sec. 18.80.010. **Creation.** There is created in the office of the governor a State Commission for Human Rights.

Sec. 18.80.020. **Composition and Appointment.** The commission consists of five commissioners, appointed by the governor for staggered terms of five years, and confirmed by the legislature.

Sec. 18.80.030. **Chairman of Commission.** The commission shall elect one of its members as chairman.

Sec. 18.80.040. **Commission Meetings.** The commission shall hold a regular annual meeting and shall hold special meetings as necessitated by sec. 120 of this chapter.

Sec. 18.80.050. **Regulations.** The commission shall adopt procedural and substantive regulations necessary to implement this chapter.

Sec. 18.80.060. **Executive Director.** The commission shall appoint an executive director approved by the governor, and may hire other administrative staff as may be necessary to the commission's function. The commission may delegate to the executive director all powers and duties given it by this chapter except the duties given it in secs. 120 and 130 of this chapter.

Sec. 18.80.070. **Compensation.** The members of the commission are authorized per diem and travel allowances allowable to members of other boards and commissions.

Article 2. Commission Investigation and Hearing

Sec. 18.80.100. **Complaint.** A person who believes he is aggrieved by any discriminatory conduct prohibited by AS 11.60.230, AS 11.60.240, AS 23.10.155, AS 23.10.190, or AS 23.10.255 may sign and file with the commission a written, verified complaint stating the name and address of the person alleged to have engaged in discriminatory conduct, and the particulars of the discrimination. The executive director may file a complaint in like manner when an alleged discrimination comes to his attention.

Sec. 18.80.110. **Investigation and Conciliation.** The executive director or a member of the commission's staff designated by the executive director shall informally investigate the matters set out in a filed complaint, promptly and impartially. If the investigator determines that the allegations are supported by substantial evidence, he shall immediately try to eliminate the discrimination complained of by conference, conciliation, and persuasion.

Sec. 18.80.120. **Hearing.** If the informal efforts to eliminate the alleged discrimination are unsuccessful, the executive director shall inform the commission of the failure, and the commission shall serve written notice requiring the person charged in the complaint to answer the allegations of the complaint at a hearing before the commission. The case in support of the complaint shall be presented before the commission by the executive director. The person charged in the complaint may file a written answer to the complaint and may appear at the hearing in person or otherwise, with or without counsel, and submit testimony. The executive director has the power reasonably and fairly to amend the complaint, and the person charged has the power reasonably and fairly to amend his answer. The commission shall not be bound by the strict rules of evidence prevailing in courts of law or equity. The testimony taken at the hearing shall be under oath and be transcribed.

Sec. 18.80.130. **Order.** At the completion of the hearing, if the commission finds that a person against whom a complaint was filed has engaged in the discriminatory conduct alleged in the complaint, it shall order him to refrain from engaging in the discriminatory conduct. The order shall include findings of fact, and may prescribe conditions on the accused's future conduct which the commission determines are relevant to the cessation of the discrimination. A copy of the order shall be delivered in all cases to the attorney general of Alaska.

Sec. 18.80.140. **Effect of Compliance with Order.** Immediate and continuing compliance with all the terms of a commission order is a bar to criminal prosecution for the particular instances of discriminatory conduct described in the accusation filed before the commission.

Article 3. Commission Reports and Publications.

Sec. 18.80.150. **Report to the Legislature.** The commission shall, at the beginning of each legislative session, report to the legislature on civil rights problems it has encountered in the preceding year, and may recommend legislative action. The commission shall file the report with the governor of Alaska and the Alaska Legislative Council by December 31 of each year. The Alaska Legislative Council shall prepare a copy of the report for each member of the legislature.

Sec. 18.80.160. **Informative Publications.** The commission may prepare and distribute pamphlets and press releases to inform the public of its constitutional and statutory civil rights. The commission shall submit proposed publications to the Department of Law for a review of legal accuracy.

Approved March 19, 1963

CHAPTER 16

AN ACT

Relating to subsistence licenses; and providing for an effective date.

(C.S.H.B. 52)

Alaska State Commission for Human Rights
Issue Paper

I. History

Alaska has a rich history of protecting its citizens from discrimination. Long before Statehood, in 1945, the Territorial Legislature enacted its first civil rights law when it declared it unlawful to discriminate against a person in any place of public accommodation because of race, creed, color or national origin. In 1949, the Territory's Legislators passed a law stating that women must be paid the same as men, and in 1953, enacted the Fair Employment Practices Act outlawing discrimination in the workplace.

Four years after Alaska became a State, the Legislature declared discrimination against Alaskans to be a matter of public concern and created the Alaska State Commission for Human Rights (Commission). With overwhelming support from the Legislature and Governor Egan, the Commission was created to provide a more flexible means for enforcing the state's anti-discrimination laws. In enacting the Human Rights Law and creating the Commission, the Legislature established the important state policy of eliminating and preventing discrimination, and provided the means for all Alaskans to seek redress for discrimination through an administrative process.

When first passed, the Alaska Human Rights Law was among the first comprehensive laws of its kind, and over the years it has been consistently strengthened. The law now makes it illegal to discriminate in employment, housing, public accommodation, credit and financial practices, and practices by the State and its political subdivisions. Discrimination is prohibited on the bases of race, religion, color, national origin, sex, age, marital status, changes in marital status, pregnancy, parenthood, and physical and mental disability. Alaskans may resolve discrimination complaints with the Commission more informally and efficiently than would be possible in another forum. Today, only three states—Alabama, Mississippi, and Arkansas—do not have agencies to process complaints of discrimination by their citizens.

II. Commission in Relationship to Others

The Commission serves as Alaska's civil rights enforcement agency. The Commission's primary mission is to eliminate unlawful discrimination by investigating complaints and conciliating disputes. Where necessary, the Commission resolves violations at public hearings. In addition to its enforcement activities, and as resources allow, the Commission works to prevent discrimination through public education. The Commission provides training in anti-discrimination laws to other state agencies and to members of the Alaska business community with limited resources.

When the Legislature placed the Commission in the Office of the Governor, it structured the Commission to be uniquely independent, resting final program and administrative responsibilities with seven Commissioners who are appointed by the Governor and confirmed by the Legislature. Because the Commission has enforcement authority over other state agencies, this structure serves to insulate the Commission from political pressures and insures that its investigations and determinations are impartial.

The Commission maintains a worksharing agreement with its federal counterpart, the U.S. Equal Employment Opportunity Commission (EEOC). EEOC is responsible for enforcing federal civil rights laws pertaining to employment. Pursuant to the Congressional mandates in Title VII EEOC has entered into charge resolution contracts with some 92 State and local agencies across the nation. In employment cases filed with the Commission where violations of both state and federal anti-discrimination laws are alleged, EEOC provides the Commission with a contribution towards the cost of conducting and processing the investigation. This allows the Commission to independently resolve issues of mixed state and federal jurisdiction without unnecessary federal oversight.

The Commission's role also differs significantly from that of the Office of Equal Employment Opportunity (OEEO). The OEEO is responsible for the development and implementation of the State's Affirmative Action plan, and may informally resolve employment complaints against the State of Alaska. The OEEO does not, however, have any authority to provide remedies for illegal acts of discrimination. By contrast, the Commission has jurisdiction to investigate complaints filed by all Alaskans in employment, housing, public accommodations, financing practice, and practices by the State or its

political subdivisions. Furthermore, the Commission is the only state body authorized to enforce Alaska's civil rights laws.

III. Workload and Resources

Over the years the numbers of Alaskans contacting the Commission for assistance has fluctuated. For example, in 1981 the Commission completed 261 investigations with 26 staff and had an end-of-year inventory of 401 cases. In 1995 the Commission completed 455 investigations with 17 staff and had a year end inventory of 721 cases. The agency thus completed 74% more investigations with 35% fewer staff. That year, then-Chairman Edna DeVries stated, in her letter transmitting the Commission's annual report, that "complaint filings have increased in each of the last five years and the Commission's inventory is at an all time high". The Commission had a burgeoning inventory *despite* the fact that staff completed more and more investigations each year. Noting that Alaskans had to wait longer for investigations to be completed, Chairman DeVries asked for the Governor's and Legislature's support of the Commission's efforts to prevent and eliminate discrimination in Alaska. At its worst, the backlog required a wait of nearly a year before a case could be assigned to an investigator.

Over the past few years, through a combination of changes to the agency's procedures, regulations, and statutes, along with the addition of much needed resources, the Commission began to reduce its investigative backlog[1]. Today the Commission is pleased to report that all cases are assigned for investigation within a month of filing.

[1] *Past five years of Annual Report's Case Processing Statistics attached.*

ATTACHMENT

1994 Case Processing Statistics

Analysis of Filings By Complainant's Sex

Female	298
Male	323
Total Filings	621

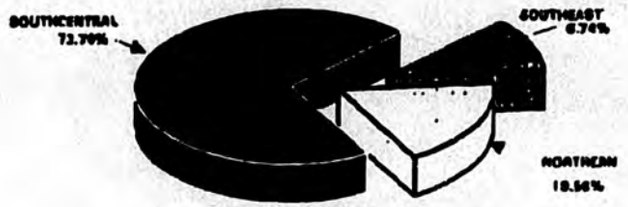
Analysis of Filings By Complainant's Race

Caucasian	319
Black	123
Alaska Native	63
Hispanic	37
Unknown	27
Asian	26
American Indian	13
Other	13
Total Filings	621

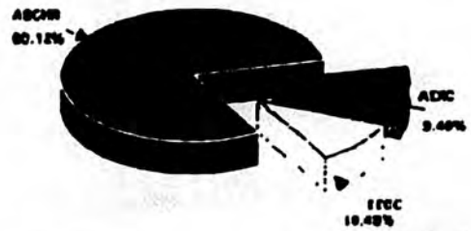
Analysis of Filings By Type

Employment	545
Public Accommodation	29
Housing	17
Government Practices	26
Finance	0
Multiple	4
Total Filings	621

Origin of Complaints Filed with ASCHR for Initial Processing (By Region)



Location of Cases at Year End Including Filings Under Worksharing Agreements



Analysis of Filings By Basis

Basis	Single Basis Complaint	Multiple Basis Complaint
Race/Color	124	80
Sex	69	106
Physical Disability	72	35
Age	56	59
National Origin	29	25
Retaliation for Filing	11	20
Pregnancy	15	9
Retaliation	13	87
Marital Status	5	16
Mental Disability	15	11
Parenthood	4	9
Religion	14	7
Multiple Bases	194	0
Total Filings	621	464

Analysis of Filings By Issue

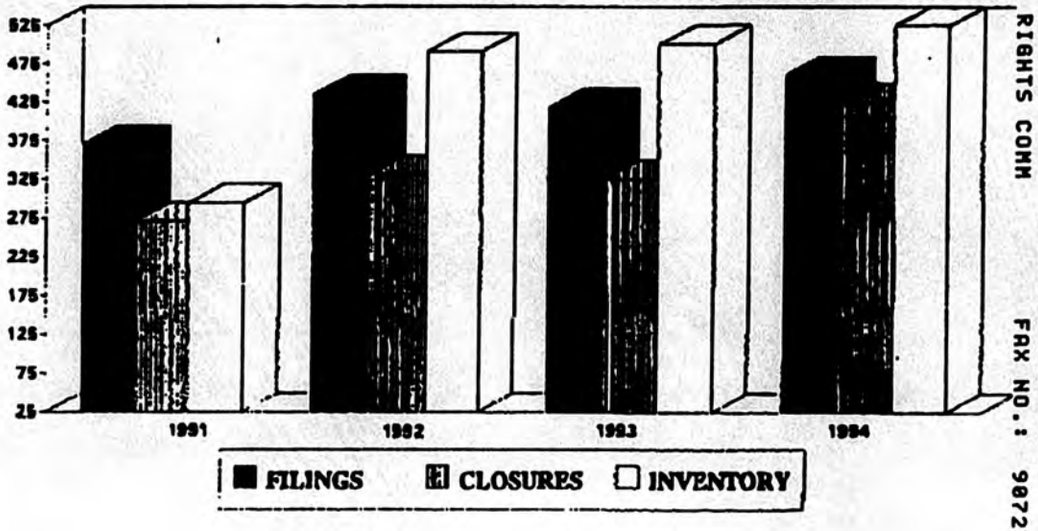
Issue	Single Issue Complaint	Multiple Issue Complaint
Discharge	139	167
Failure to Hire	97	24
Terms & Conditions	95	157
Other	12	20
Denied Service	21	4
Sexual Harassment	5	55
Failure to Rent	3	0
Failure to Promote	13	17
Pay Equity	4	15
Eviction	2	7
Demotion	1	18
Harassment	3	46
Multiple Issue	226	0
Total Filings	621	530

FROM: AK HUMAN RIGHTS COMM FAX NO.: 9072767462 08-31-99 04:16P P.05

Analysis of 1994 Closures

Reason For Closure	Number of Closures	Percentage of Total
ADMINISTRATIVE:	96	16.11%
Complaint Withdrawn	36	6.04%
Lack of Jurisdiction	8	1.34%
Complainant Not Available	11	1.85%
Failure of Complainant to Proceed	9	1.51%
Complainant to Court	14	2.35%
Administrative Dismissal	18	3.02%
NOT SUBSTANTIAL EVIDENCE	424	71.14%
CONCILIATION/SETTLEMENT:	70	11.74%
Complaint Withdrawn with Successful Settlement	8	1.34%
Predetermination Settlement (PDS)	51	8.56%
PDS-Full Relief	3	.50%
PDS-Cause/Full Relief	1	.17%
Substantial Evidence/ Conciliation Agreement	7	1.17%
HEARING:	6	1.01%
Decision for Respondent	1	.17%
Pre-Hearing Settlement	3	.50%
Hearing Unit-Other	2	.34%
TOTAL 1994 CLOSURES	596	100%

FILINGS, CLOSURES AND YEAR END INVENTORY OF CASES PROCESSED BY ASCHR



SUMMARY OF CLOSURES

Category of Closure	1992 No.	1992 %	1993 No.	1993 %	Detail of 1994 Closures: ASCHR No.	ASCHR %	EEOC No.	EEOC %	AERC No.	AERC %
Administrative	97	19.6	102	22.0	68	11.4	16	2.7	12	2.0
Not Substantial Evidence	293	59.2	264	57.0	317	53.2	25	4.2	82	13.8
Conciliation/Settlement	98	19.8	93	20.1	33	5.5	1	0.2	36	6.0
Hearing	7	1.4	4	.9	6	1.0	0	0	0	0
Total Closures	495		463		424		42		130	
					596					

FROM: AK HUMAN RIGHTS COMM FAX NO.: 9072767462
08-31-99 04:16P P.06

ATTACHMENT

1995 Case Processing Statistics

Analysis of Filings By Complainant's Sex

Female	346
Male	318
Total Filings	664

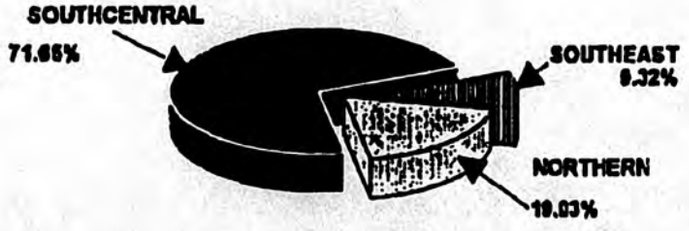
Analysis of Filings By Complainant's Race

Caucasian	344
Black	122
Alaska Native	73
Hispanic	41
Asian	38
Unknown	24
American Indian	14
Other	8
Total Filings	664

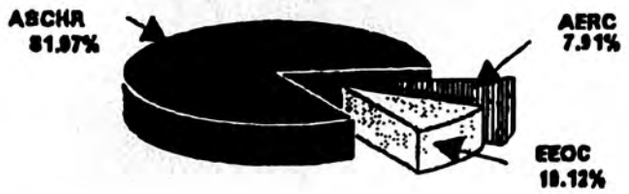
Analysis of Filings By Type

Employment	543
Public Accommodation	46
Government Practices	31
Housing	29
Finance	1
Coercion	1
Multiple	13
Total Filings	664

ORIGIN OF COMPLAINTS FILED WITH ASCHR FOR INITIAL PROCESSING (BY REGION)



LOCATION OF CASES AT YEAR END INCLUDING FILINGS UNDER WORKSHARING AGREEMENTS



Analysis of Filings by Basis

Basis	Single Basis Complaint	Multiple Basis Complaint
Race/Color	118	112
Sex	94	96
Physical Disability	82	55
Age	37	76
National Origin	24	33
Retaliation for Filing	24	25
Pregnancy	19	5
Marital Status	15	19
Mental Disability	12	19
Retaliation	8	122
Religion	6	5
Parenthood	1	12
Multiple Bases	224	0
Total Filings	664	579

Analysis of Filings by Issue

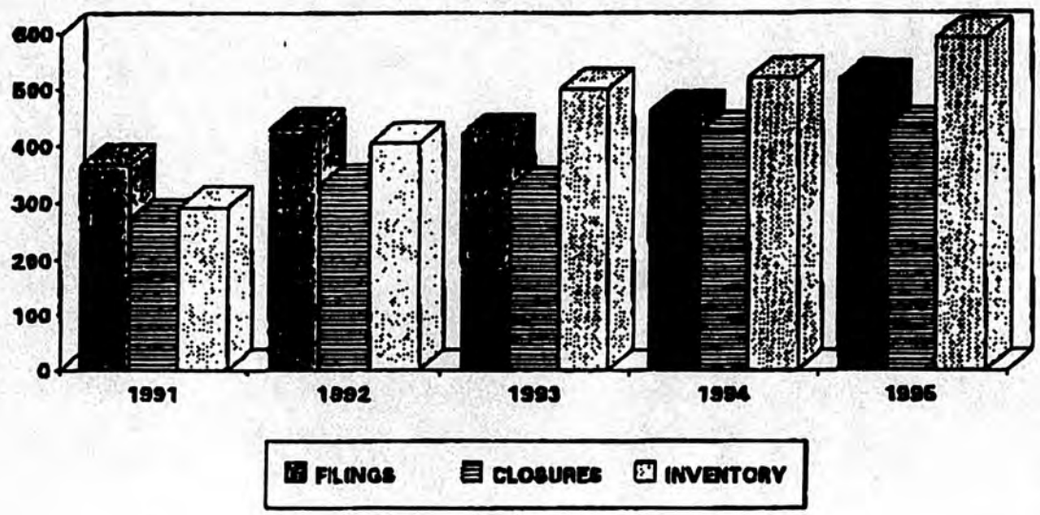
Issue	Single Issue Complaint	Multiple Issue Complaint
Discharge	94	203
Failure to Hire	87	27
Terms & Conditions	73	211
Denied Service	33	5
Other	16	18
Failure to Promote	14	34
Sexual Harassment	12	58
Harassment	5	77
Pay Equity	5	22
Demotion	5	17
Eviction	4	11
Failure to Rent	4	0
Failure to Dispatch	3	0
Multiple Issue	309	0
Total Filings	664	683

FROM: AK HUMAN RIGHTS COMM FAX NO.: 9872767462 08-31-99 04:17P P.07

Analysis of 1995 Closures

Reason For Closure	Number of Closures	Percentage of Total
Administrative:	112	18.63%
Complaint Withdrawn	41	6.82%
Lack of Jurisdiction	14	2.33%
Complainant Not Available	6	1.00%
Failure of Complainant to Proceed	8	1.33%
Complainant to Court	23	3.82%
Administrative Dismissal	20	3.33%
Not Substantial Evidence	377	62.73%
Conciliation/Settlement:	98	16.31%
Complaint Withdrawn with Successful Settlement	22	3.66%
Predetermination Settlement (PDS)	62	10.32%
Substantial Evidence/ Conciliation Agreement	12	2.00%
Substantial Evidence/ Complainant Rejected Full Relief	2	.33%
Hearing:	14	2.33%
Decision for Complainant	7	1.16%
Pre-Hearing Settlement	6	1.00%
Administrative Dismissal	1	.17%
Total 1995 Closures	601	100%

Filings, Closures and Year End Inventory of Cases Processed by ASCHR



Summary of Closures

Category of Closure	1993		1994		Detail of 1995 Closures					
					ASCHR		EEOC		AERC	
	No.	%	No.	%	No.	%	No.	%	No.	%
Administrative	102	22.0	96	16.1	75	12.5	22	3.7	15	2.5
Not Substantial Evidence	264	57.0	424	71.1	293	48.7	28	4.7	56	9.3
Conciliation/Settlement	93	20.1	70	11.8	49	8.2	5	0.8	44	7.3
Hearing	4	.9	6	1.0	14	2.3	0	0	0	0
Total Closures	463		596		431*		55		115	
					601					

* *This total does not include completed investigations for cases still in conciliation or transferred to the hearing unit. ASCHR completed 435 investigations in 1995.*

FROM: AK HUMAN RIGHTS COMM FAX NO.: 9072767462
08-31-99 04:17P P.08

ATTACHMENT

1996 Case Processing Statistics

Analysis of Filings By Complainant's Sex

Female	299
Male	241
Total Filings	540

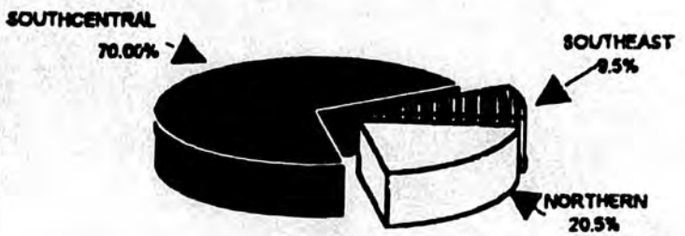
Analysis of Filings By Complainant's Race

Caucasian	287
Black	96
Alaska Native	49
Hispanic	34
Asian	28
Unknown	24
American Indian	14
Other	8
Total Filings	540

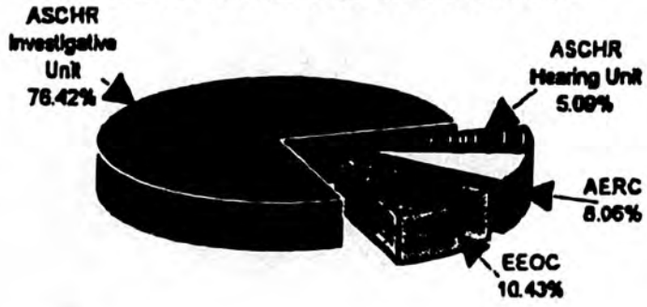
Analysis of Filings By Type

Employment	447
Government Practices	33
Public Accommodation	31
Housing	27
Coercion	0
Finance	0
Multiple	2
Total Filings	540

Origin of Complaints Filed with ASCHR for Initial Processing (By Region)



Location of Open Cases at Year End Including Filings Under Worksharing Agreements



Analysis of Filings By Basis

Basis	Single Basis Complaint	Multiple Basis Complaint
Race/Color	103	79
Physical Disability	73	37
Sex	54	96
Age	34	46
National Origin	22	26
Retaliation for Filing	19	18
Religion	15	12
Mental Disability	8	15
Marital Status	7	19
Pregnancy	7	10
Retaliation	5	69
Parenthood	1	10
Multiple Bases	192	0
Total Filings	540	437

Analysis of Filings By Issue

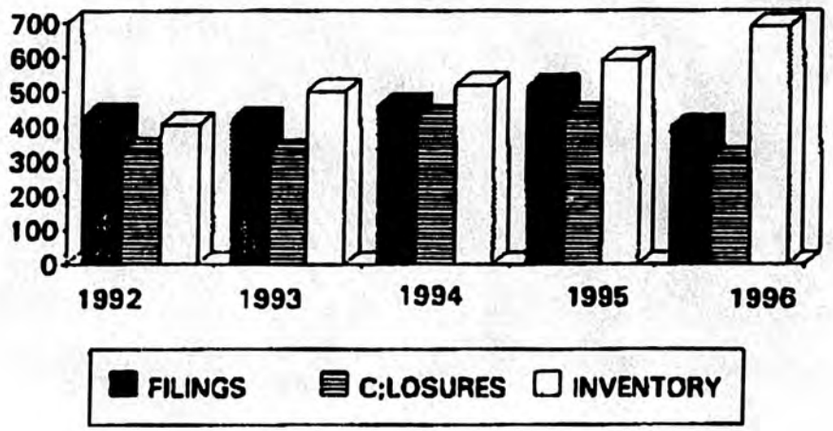
Issue	Single Issue Complaint	Multiple Issue Complaint
Discharge	86	154
Failure to Hire	76	21
Terms & Conditions	68	171
Denied Service	26	5
Failure to Promote	9	20
Other	8	16
Harassment	7	75
Sexual Harassment	5	46
Failure to Rent	5	3
Pay Equity	3	14
Demotion	3	13
Eviction	1	7
Failure to Dispatch	0	3
Multiple Issue	243	0
Total Filings	540	548

FROM: AK HUMAN RIGHTS COMM FAX NO.: 9872767462 08-31-99 04:17P P.09

ANALYSIS OF 1996 CLOSURES

REASON FOR CLOSURE	NUMBER OF CLOSURES	PERCENTAGE OF TOTAL
ADMINISTRATIVE:	91	21.36%
Complaint Withdrawn	42	9.86%
Lack of Jurisdiction	30	7.04%
Complainant Not Available	2	.47%
Failure of Complainant to Proceed	6	1.41%
Complainant to Court	5	1.17%
Administrative Dismissal	6	1.41%
NOT SUBSTANTIAL EVIDENCE	261	61.27%
CONCILIATION/SETTLEMENT:	61	14.32%
Complaint Withdrawn with Successful Settlement	13	3.05%
Predetermination Settlement (PDS)	31	7.28%
Substantial Evidence/ Conciliation Agreement	14	3.29%
Substantial Evidence/ Complainant Rejected Full Relief	3	.70%
HEARING:	13	3.05%
Decition for Respondent	3	.70%
Pre-Hearing Settlement	9	2.11%
Administrative Dismissal	1	.24%
TOTAL 1996 CLOSURES	426	100%

FILINGS, CLOSURES AND YEAR END INVENTORY OF CASES PROCESSED BY ASCHR



SUMMARY OF CLOSURES

	1994		1995		Detail of 1996 Closures					
					ASCHR		EEOC		AERC	
CATEGORY OF CLOSURE	No.	%	No.	%	No.	%	No.	%	No.	%
Administrative	96	16.1	112	18.7	45	10.5	12	2.8	34	8.0
Not Substantial Evidence	424	71.1	377	62.7	206	48.4	16	3.8	39	9.2
Conciliation/Settlement	70	11.8	98	16.3	41	9.6	3	.7	17	4.0
Hearing	6	1.0	14	2.3	13	3.0	0	0	0	0
					305*		31		90	
TOTAL CLOSURES	596		601		426					

*This total does not include completed investigations for cases still in conciliation or transferred to the Hearing Unit. ASCHR completed 328 investigations in 1996.

FROM: AK HUMAN RIGHTS COMM FAX NO.: 9072767462 08-31-99 04:18P P.10

ATTACHMENT

1997 CASE PROCESSING STATISTICS

ANALYSIS OF FILINGS BY COMPLAINANT'S SEX

Female	285
Male	186
Total Filings	471

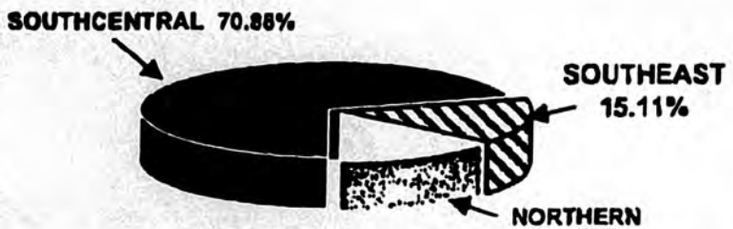
ANALYSIS OF FILINGS BY COMPLAINANT'S RACE

Caucasian	238
Black	81
Alaska Native	79
Asian	27
Hispanic	19
Unknown	14
American Indian	7
Other	6
Total Filings	471

ANALYSIS OF FILINGS BY TYPE

Employment	415
Government Practices	22
Public Accommodation	17
Housing	12
Finance	3
Coercion	0
Multiple	2
Total Filings	471

ORIGIN OF COMPLAINTS FILED WITH ASCHR FOR INTIAL PROCESSING (BY REGION)



LOCATION OF OPEN CASES AT YEAR END INCLUDING FILINGS UNDER WORKSHARING AGREEMENTS

ANALYSIS OF FILINGS BY BASIS

Basis	Single Basis Complaint	Multiple Basis Complaint
Race/Color	121	68
Physical Disability	65	25
Sex	54	72
Age	41	36
Retaliation for Filing	12	6
National Origin	10	31
Pregnancy	9	4
Retaliation	9	55
Mental Disability	6	4
Religion	3	6
Parenthood	2	1
Marital Status	0	7
Multiple Bases	139	1
Total Filings	471	315

ANALYSIS OF FILINGS BY ISSUE

Issue	Single Issue Complaint	Multiple Issue Complaint
Failure to Hire	104	25
Discharge	79	135
Terms & Conditions	51	53
Denied Service	14	2
Sexual Harassment	6	45
Failure to Promote	4	18
Harassment	3	51
Pay Equity	3	4
Failure to Sell	3	0
Other	2	10
Demotion	1	12
Denied Credit	1	1
Failure to Rent	1	0
Eviction	0	5
Failure to Dispatch	0	1
Multiple Issue	199	1
Total Filings	471	362

FROM: AK HUMAN RIGHTS COMM FAX NO.: 9872767462 08-31-99 04:18P P.11

Analysis of 1997 Closures

Reason For Closure	Number of Closures	Percentage of Total
Administrative:	104	22.22%
Complaint Withdrawn	44	9.40%
Lack of Jurisdiction	7	1.50%
Complainant Not Available	16	3.42%
Failure of Complainant to Proceed	14	2.99%
Complainant to Court	9	1.92%
Administrative Dismissal	14	2.99%
Not Substantial Evidence	293	62.61%
Conciliation/Settlement:	58	12.39%
Complaint Withdrawn with Successful Settlement	4	.85%
Predetermination Settlement (PDS)	42	8.97%
Substantial Evidence/ Conciliation Agreement	10	2.14%
Substantial Evidence/ Complainant Rejected Full Relief	2	.43%
Hearing:	13	2.78%
Decision for Complainant	2	.43%
Decision for Respondent	1	.21%
Pre-Hearing Settlement	9	1.93%
Other	1	.21%
Total 1997 Closures	468	100%

FILINGS, CLOSURES AND YEAR END INVENTORY OF CASES PROCESSED BY ASCHR

Summary of Closures

Category of Closure	1995 No.	1995 %	1996 No.	1996 %	Detail of 1997 Closures: ASCHR No.	ASCHR %	EEOC No.	EEOC %	AERC No.	AERC %
Administrative	112	18.7	91	21.4	75	16.0	14	3.0	15	3.2
Not Substantial Evidence	377	62.7	261	61.3	228	48.7	44	9.4	21	4.5
Conciliation/Settlement	98	16.3	61	14.3	33	7.1	1	.2	24	5.1
Hearing	14	2.3	13	3.0	13	2.8	0	0	0	0
					349*		59		60	
Total Closures	601		426		468					

*This total does not include completed investigations for cases still in conciliation or transferred to the Hearing Unit. NOTE: A number of Substantial Evidence Determinations were prepared for legal review, however, due to the vacancy of the attorney position these Substantial Evidence Determinations were not issued in 1997.

FROM: AK HUMAN RIGHTS COMM FAX NO.: 9072767462 08-31-99 04:18P P.12

ATTACHMENT

1998 CASE PROCESSING STATISTICS

ANALYSIS OF FILINGS BY COMPLAINANT'S SEX

Female	252
Male	189
Total Filings	441

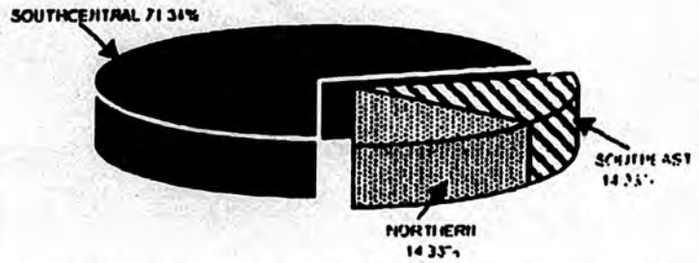
ANALYSIS OF FILINGS BY COMPLAINANT'S RACE

Caucasian	217
Black	79
Alaska Native	48
Asian	29
Unknown	26
Hispanic	24
American Indian	14
Other	4
Total Filings	441

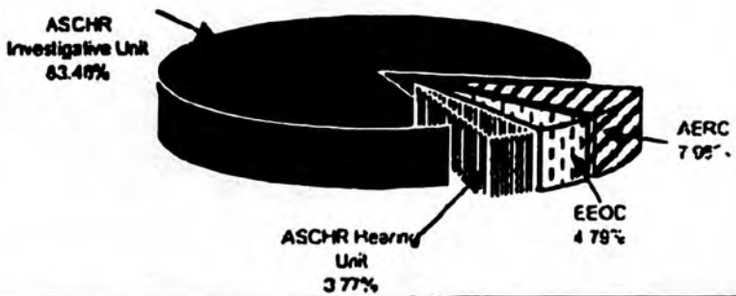
ANALYSIS OF FILINGS BY TYPE

Employment	393
Public Accommodation	26
Housing	11
Government Practices	9
Finance	0
Coercion	0
Multiple	2
Total Filings	441

ORIGIN OF COMPLAINTS FILED WITH ASCHR FOR INITIAL PROCESSING (BY REGION)



LOCATION OF OPEN CASES AT YEAR END INCLUDING FILINGS UNDER WORKSHARING AGREEMENTS



ANALYSIS OF FILINGS BY BASIS

Basis	Single Basis Complaint	Multiple Basis Complaint
Race/Color	81	72
Age	66	31
Sex	62	61
Physical Disability	37	20
National Origin	21	24
Retaliation for Filing	16	10
Mental Disability	9	6
Religion	8	4
Pregnancy	6	1
Retaliation	3	45
Parenthood	2	9
Marital Status	0	3
Multiple Bases	130	--
Total Filings	441	286

ANALYSIS OF FILINGS BY ISSUE

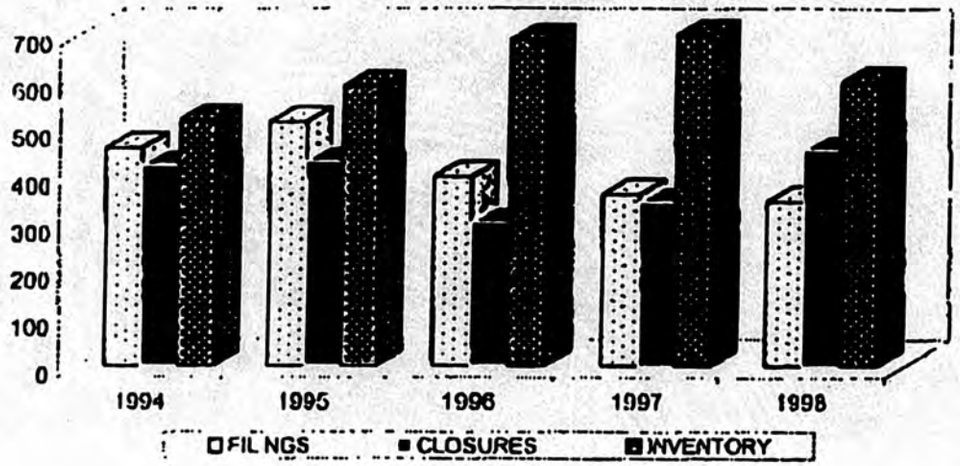
Issue	Single Issue Complaint	Multiple Issue Complaint
Failure to Hire	85	9
Discharge	68	155
Terms & Conditions	56	130
Denied Service	16	4
Failure to Promote	8	11
Sexual Harassment	7	35
Failure to Rent	6	0
Other	5	5
Harassment	3	31
Demotion	2	11
Pay Equity	2	4
Eviction	2	1
Failure to Dispatch	1	1
Multiple Issue	180	--
Total Filings	441	397

FROM: AK HUMAN RIGHTS COMM FAX NO.: 9872767462 08-31-99 04:19P P.13

ANALYSIS OF 1998 CLOSURES

REASON FOR CLOSURE	NUMBER OF CLOSURES	PERCENTAGE OF TOTAL
ADMINISTRATIVE:	96	15.84%
Complaint Withdrawn	35	5.78%
Lack of Jurisdiction	5	.82%
Complainant Not Available	15	2.48%
Failure of Complainant to Proceed	20	3.30%
Complainant to Court	9	1.48%
Administrative Dismissal	12	1.98%
NOT SUBSTANTIAL EVIDENCE	417	68.81%
CONCILIATION/SETTLEMENT:	69	11.39%
Complaint Withdrawn with Successful Settlement	9	1.48%
Predetermination Settlement (PDS)	42	6.93%
Substantial Evidence/ Conciliation Agreement	15	2.48%
Substantial Evidence/ Complainant Rejected Full Relief	3	.50%
HEARING:	24	3.96%
Decision for Complainant	2	.33%
Decision for Respondent	7	1.16%
Decision - Other	8	1.31%
Pre-Hearing Settlement	7	1.16%
TOTAL 1998 CLOSURES	606	100%

FILINGS, CLOSURES, AND YEAR END INVENTORY OF CASES PROCESSED BY ASCHR



SUMMARY OF CLOSURES

	1996		1997		Detail of 1998 Closures					
					ASCHR		EEOC		AERC	
CATEGORY OF CLOSURE	No.	%	No.	%	No.	%	No.	%	No.	%
Administrative	91	21.4	104	22.2	68	11.2	8	1.3	20	3.3
Not Substantial Evidence	261	61.3	293	62.6	327	54.0	43	7.1	47	7.7
Conciliation/Settlement	61	14.3	58	12.4	38	6.3	4	.7	27	4.4
Hearing	13	3.0	13	2.8	24	4.0	0	0	0	0
					457*		55		94	
TOTAL CLOSURES	426		468		606					

**This total does not include completed investigations of 26 cases which are still in conciliation or have been transfe to the Hearing Unit.*

FROM: AK HUMAN RIGHTS COMM FAX NO.: 9072767462 08-31-99 04:19P P.14

Component: Human Rights Commission

Manager: Paula M. Haley, Executive Director
Tel: (907) 276-7474 **Fax:** (907) 376-7462 **E-mail:** Unknown

Component Mission

Eliminate and prevent discrimination in employment, in credit and financing practices, in places of public accommodation, in the sale, lease, or rental of real property, in practices by the state or its political subdivisions because of race, religion, color, national origin, sex, age, physical or mental disability, marital status, changes in marital status, pregnancy or parenthood.

Component Services Provided

- Answer questions from Alaskans regarding human rights concerns.
- Accepts jurisdictional complaints, refers others to appropriate entities.
- Provides the public with information and education regarding Alaska's Human Rights Law.

Component Goals and Strategies for FY2000

1) Enforce the Human Rights Law prohibiting discrimination through impartial investigation of complaints, conciliation, administrative hearings and public education.
   - Accept complaints of discrimination; mediate predetermination settlements; impartially investigate complaints; determine whether allegations are supported by substantial evidence; eliminate discrimination by conciliation; present cases at public hearing; issue orders dismissing the complaint or, where appropriate, enjoining the discriminatory acts and providing appropriate relief.

Key Component Issues for FY1999 – 2000

During fiscal year 1998, over 5000 Alaskans contacted the agency to inquire about their rights and responsibilities under the Human Rights Law. In recent years Alaskans filed complaints of discrimination in record numbers, resulting in the largest inventory of complaints in the agency's history. The increased demand for services and corresponding rise in inventory has caused delays in investigation and presentation of cases at public hearing. To reduce these delays, the Commission continued to revise its procedures and amend its regulations. These efforts combined with additional resources have reduced the time Alaskans must wait for complete investigation, however delays continue to be significant.

Major Component Accomplishments for FY1998

The Commission further streamlined its investigative procedures and revised its regulations to decrease the amount of time to investigate and present a case at public hearing.

Statutory and Regulatory Authority

AS 18.80.010-330
3AAC 30.011-990

Human Rights Commission

Resource Summary

All dollars in thousands

	FY1998 Actuals	FY1999 Authorized	FY2000 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,054.4	1,249.3	1,249.3
72000 Travel	17.3	33.5	33.5
73000 Contractual	236.7	164.7	164.7
74000 Supplies	16.4	10.9	10.9
75000 Equipment	47.4	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	**1,372.2**	**1,458.4**	**1,458.4**
Funding Sources:			
1002 Federal Receipts	169.5	150.5	150.5
1004 General Fund Receipts	1,202.7	1,305.7	1,307.9
1053 Investment Loss Trust Fund	0.0	2.2	0.0
Funding Totals	**1,372.2**	**1,458.4**	**1,458.4**

Estimated Human Rights Commission Revenue Collections

Description	Master Revenue Account	FY1998 Actuals	FY1999 Authorized	FY1999 Cash Estimate	FY2000 Governor
Unrestricted Revenues					
None.		0.0	0.0	0.0	0.0
Unrestricted Total		**0.0**	**0.0**	**0.0**	**0.0**
Restricted Revenues					
Federal Receipts	51010	169.4	150.5	150.5	150.5
Restricted Total		**169.4**	**150.5**	**150.5**	**150.5**
Total Estimated Revenues		**169.4**	**150.5**	**150.5**	**150.5**

Human Rights Commission

Proposed Changes in Levels of Service for FY2000

No service changes.

Component — Summary of Budget Changes

From FY1999 Authorized to FY2000 Governor

All dollars in thousands

	General Funds	Federal Funds	Other Funds	Total Funds
FY1999 Authorized	1,307.9	150.5	0.0	1,458.4
Adjustments which will continue current level of service:				
-Change Investment Loss Trust Fund to General Fund	0.0	0.0	0.0	0.0
FY2000 Governor	1,307.9	150.5	0.0	1,458.4

Human Rights Commission

Component — Personal Services Information

Authorized Positions			Personal Services Costs	
	FY1999 Authorized	FY2000 Governor		
Full-time	19	19	Annual Salaries	950,583
Part-time	3	3	Premium Pay	6,082
Nonpermanent	0	0	Annual Benefits	303,492
			Less 0.86% Vacancy Factor	(10,857)
			Lump Sum Premium Pay	0
Totals	22	22	**Total Personal Services**	1,249,300

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Admin Asst I	1	0	0	0	1
Administrative Off I	1	0	0	0	1
Attorney IV	1	0	0	0	1
Clerk IV	1	0	0	0	1
Division Director	1	0	0	0	1
Hearing Examiner	1	0	0	0	1
Human Rights Fld Rep II	1	0	0	0	1
Human Rights Fld Rep III	9	0	0	0	9
Human Rights Fld Rep IV	2	0	0	0	2
Legal Secretary I	2	0	0	0	2
Paralegal Asst II	1	0	0	0	1
Secretary I	1	0	0	0	1
Totals	22	0	0	0	22

Component Detail

Office of the Governor

Component: Human Rights Commission
BRU: Commissions/Special Offices

	FY1998 Actuals	FY1999 ABS Conference Committee	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor	FY1999 Authorized Vs FY2000 Governor	
71000 Personal Services	1,054.4	1,244.5	1,249.3	1,249.3	1,249.3	0.0	0.0%
72000 Travel	17.3	33.5	33.5	33.5	33.5	0.0	0.0%
73000 Contractual	236.7	164.7	164.7	164.7	164.7	0.0	0.0%
74000 Supplies	16.4	10.9	10.9	10.9	10.9	0.0	0.0%
75000 Equipment	47.4	0.0	0.0	0.0	0.0	0.0	0.0%
76000 Land/Buildings	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	**1,372.2**	**1,453.6**	**1,458.4**	**1,458.4**	**1,458.4**	**0.0**	**0.0%**
Funding Sources :							
1002 Fed Rcpts	169.5	150.0	150.5	150.5	150.5	0.0	0.0%
1004 Gen Fund	1,202.7	1,303.6	1,305.7	1,307.9	1,307.9	2.2	0.2%
1053 Invst Loss	0.0	0.0	2.2	0.0	0.0	-2.2	-100.0%
Positions :							
Permanent Full Time	18	19	19	19	19	0	0.0%
Permanent Part Time	1	3	3	3	3	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios

Office of the Governor

Component: Human Rights Commission
BRU: Commissions/Special Offices

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land Buildings	Grants Claims	Misc.	Non Specific	Positions PFT	Positions PPT	Positions NP
********** Changes From FY1999 ABS Conference Committee To FY1999 Authorized **********														
Breakout Conference Committee	Breakout	1,453.6	1,244.5	33.5	164.7	10.9	0.0	0.0	0.0	0.0	0.0	19	3	0
1002 Fed Rcpts 150.0														
1004 Gen Fund 1,303.6														
FY1999 Salary Adjustment	SalAdj	4.8	4.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts 0.5														
1004 Gen Fund 2.1														
1053 Invst Loss 2.2														
********** Changes From FY1999 Authorized To FY2000 Adjusted **********														
Change Investment Loss Trust Fund to General Fund	FndChg	0 0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund 2.2														
1053 Invst Loss -2.2														
********** Changes From FY2000 Adjusted To FY2000 Governor **********														

Change Record Detail With Description

Office of the Governor

Scenario: FY2000 Governor
Component: Human Rights Commission
BRU: Commissions/Special Offices

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Non Specific	Positions PFT	PPT	NP
Breakout Conference Committee	Breakout	1,453.6	1,244.5	33.5	164.7	10.9	0.0	0.0	0.0	0.0	0.0	19	3	0
1002 Fed Rcpts 150.0														
1004 Gen Fund 1,303.6														
FY1999 Salary Adjustment	SalAdj	4.8	4.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts 0.5														
1004 Gen Fund 2 1														
1053 Invst Loss 2.2														
Change Investment Loss Trust Fund to General Fund	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund 2.2														
1053 Invst Loss -2.2														
	Totals	1,458.4	1,249.3	33.5	164.7	10.9	0.0	0.0	0.0	0.0	0.0	19	3	0

Personal Services Expenditure Detail

Office of the Governor

Scenario: FY2000 Governor
Component: Human Rights Commission
BRU Name: Commissions/Special Offices

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Steps	Budg Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	GF Amount
01-9001	Division Director	FT	A	XE	Anchorage	AA	26 K	12.0		90,012	0	0	22,636	112,648	112,648
01-9002	Human Rights Fld Rep IV	FT	A	XE	Anchorage	AA	20 L	12.0		63,876	0	0	18,481	82,357	82,357
01-9003	Secretary I	FT	A	XE	Anchorage	AA	10 A	12.0		24,852	0	2,293	11,142	38,287	38,287
01-9005	Administrative Off I	FT	A	XE	Anchorage	AA	17 E	12.0		45,180	0	0	14,745	59,925	59,925
01-9006	Hearing Examiner	PT	A	XE	Anchorage	AA	24 B	8.0		43,656	0	0	10,629	54,285	46,142
01-9008	Human Rights Fld Rep IV	FT	A	XE	Anchorage	AA	20 F / J	12.0		57,920	0	0	17,291	75,211	57,912
01-9010	Human Rights Fld Rep III	FT	A	XE	Anchorage	AA	18 F	12.0		50,088	0	0	15,726	65,814	55,942
01-9011	Human Rights Fld Rep III	FT	A	XE	Anchorage	AA	18 A / B	12.0		43,430	0	0	14,396	57,826	57,826
01-9018	Human Rights Fld Rep II	FT	A	XE	Anchorage	AA	16 B	12.0		37,980	0	0	13,307	51,287	51,287
01-9022	Human Rights Fld Rep III	FT	A	XE	Anchorage	AA	18 A / B	12.0		43,430	0	0	14,396	57,826	46,261
01-9023	Human Rights Fld Rep III	FT	A	XE	Anchorage	AA	18 B / C	12.0		44,805	0	0	14,671	59,476	50,555
01-9024	Admin Asst I	FT	A	XE	Anchorage	AA	12 D	12.0		30,816	0	1,422	12,160	44,398	37,738
01-9025	Attorney IV	FT	A	XE	Anchorage	AA	24 A / B	12.0		64,514	0	0	18,608	83,122	83,122
01-9027	Clerk IV	FT	A	XE	Anchorage	AA	9 D / E	12.0		26,058	0	2,367	11,398	39,823	39,823
01-9030	Human Rights Fld Rep III	FT	A	XE	Anchorage	AA	18 B / C	12.0		45,055	0	0	14,720	59,775	59,775
01-9031	Legal Secretary I	FT	A	XE	Anchorage	AA	10 B / C	12.0		25,851	0	0	10,884	36,735	20,204
01-9032	Human Rights Fld Rep III	FT	A	XE	Anchorage	AA	18 C	12.0		45,180	0	0	14,745	59,925	59,925
01-9033	Human Rights Fld Rep III	FT	A	XE	Anchorage	AA	18 D	12.0		46,740	0	0	15,057	61,797	61,797
01-9036	Human Rights Fld Rep III	FT	A	XE	Anchorage	AA	18 D	12.0		46,740	0	0	15,057	61,797	61,797
01-9037	Paralegal Asst II	PT	A	XE	Anchorage	AA	16 A	6.0		18,294	0	0	5,085	23,379	23,379
01-9039	Human Rights Fld Rep III	FT	A	XE	Anchorage	AA	18 B	12.0		43,680	0	0	14,446	58,126	58,126

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Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column.

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672
2795 SCOMM 122: COMMISSION ON PRIVATIZATION..., 1999

Personal Services Expenditure Detail

Office of the Governor

Scenario: FY2000 Governor
Component: Human Rights Commission
BRU Name: Commissions/Special Offices

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Steps	Budg Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	GF Amount
01-9040	Legal Secretary I	PT	A	XE	Anchorage	AA	10 A	6.0		12,426	0	0	3,912	16,338	16,338

	Total Positions	New	Deleted
Full Time Positions:	19	0	0
Part Time Positions:	3	0	0
Non Permanent Positions:	0	0	0
Positions in Component:	22	0	0

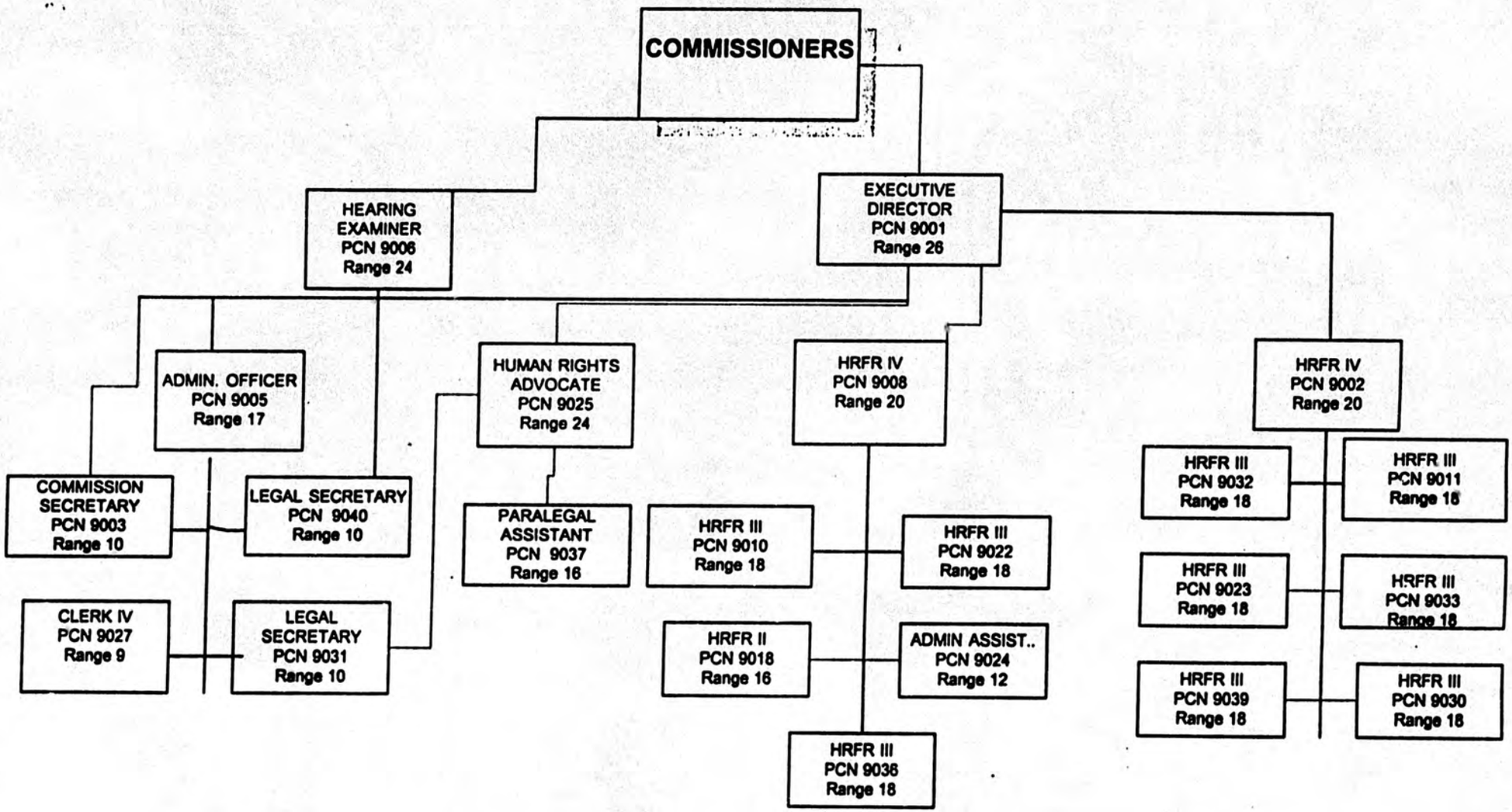
Total Salary Costs :	950,583
Total COLA :	0
Total Premium Pay :	6,082
Total Benefits :	303,492
Total Personal Services :	1,260,157
Minus Vacancy Adj. (0.86%):	(10,857)
Sub - Total :	1,249,300
Plus Lump Sum Premium Pay :	0
Personal Services Line 100 :	1,249,300

PCN Funding Sources	Amount	Percent
1002 Federal Receipts	78,990.43	6.27%
1004 General Fund Receipts	1,181,166.57	93.73%
Total PCN Funding:	1,260,157.00	100.00%

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column.

ALASKA ST. COMMISSION FOR HUMAN RIGHTS

December 11, 1998
All positions are located in **Anchorage**, and are partially exampt



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Line Item Detail
Office of the Governor
Travel

Component: Human Rights Commission
BRU: Commissions/Special Offices

Expenditure Account	Account Name	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
72000	Travel	33.5	33.5	33.5

Funding Source

Fund Code	Fund Source Name	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
1002	Federal Receipts	6.5	6.5	6.5
1004	General Fund Receipts	27.0	27.0	27.0

Detail Information

Sub-Expenditure Account		Explanation	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
72240	Field Travel	Field travel by investigators, the Hearing Unit attorney, and the Hearing Examiner	10.3	10.3	10.3
72270	Administr Travel	Administrative travel by Executive Director to Juneau for testimony and statewide education	2.8	2.8	2.8
72330	Boards Comm's Leg	Commissioners' travel to Commission meetings	6.1	6.1	6.1
72390	Non-Employee Travel	Non-employee travel	0.9	0.9	0.9
72500	Per Diem/Other Costs	Travel related to per diem	13.4	13.4	13.4

Line Item Detail
Office of the Governor
Contractual

Component: Human Rights Commission
BRU: Commissions/Special Offices

Expenditure Account	Account Name	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
73000	Contractual	164.7	164.7	164.7

Funding Source

Fund Code	Fund Source Name	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
1002	Federal Receipts	30.4	60.4	60.4
1004	General Fund Receipts	104.3	104.3	104.3

Detail Information

Sub-Expenditure Account		Explanation	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
73100	Professional Srvcs	Hearing costs, court reporters, transcribers, tape duplication, medical and expert witnesses	33.6	36.9	36.9
73253	DP Chargeback (DOA)	Computer services chargeback	3.1	0.1	0.1
73289	RSAs	DOA core services/lease - central mailroom .7, finance .7, office space lease 24.0	25.7	25.4	25.4
73300	Communications	Telephone, postage, and communications, including TTY/TDD	52.0	56.0	56.0
73400	Transportation	Transportation and freight	2.5	2.5	2.5
73500	Adv Print & Bind	Legal notices of Commission meetings, recruitment advertising, printing of Annual Reports, public education materials, and subscriptions	19.0	19.0	19.0
73574	Centrl Dup/Quik Copy	Central Duplicating	4.0	0.0	0.0
73700	Minr Repairs & Maint	Equipment repairs and maintenance, service agreements	11.5	11.5	11.5
73800	Rentals/Leases	Rental of space for Commission meetings and training sessions/record storage	1.1	1.1	1.1
73860	Machinery & Equip	Lease/rental of copiers and postage meter	8.1	8.1	8.1
73900	Other Expend/Svcs	Membership dues, conference fees, and other miscellaneous costs	3.6	3.6	3.5
73905	Insurance/Bonds	Risk Management - property insurance/bond	0.5	0.5	0.6

Line Item Detail
Office of the Governor
Supplies

Component: Human Rights Commission
BRU: Commissions/Special Offices

Expenditure Account	Account Name	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
74000	Supplies	10.9	10.9	10.9

Funding Source

Fund Code	Fund Source Name			
1002	Federal Receipts	3.7	3.7	3.7
1004	General Fund Receipts	7.2	7.2	7.2

Detail Information

Sub-Expenditure Account		Explanation	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
74220	Offce/Library Supply	Office and library supplies	8.5	8.5	8.5
74560	Data Proc. Supplies	Data processing supplies	2.4	2.4	2.4

Revenue Summary

Office of the Governor

Component: Human Rights Commission
BRU: Commissions/Special Offices

Type of Revenue		FY1998 Actuals	FY1999 Authorized	FY1999 Cash Estimate	FY2000 Governor	FY2001 Forecast
Restricted Revenues						
Federal Receipts		169.4	150.5	150.5	150.5	150.5
	Total Restricted	169.4	150.5	150.5	150.5	150.5
Total Revenues		169.4	150.5	150.5	150.5	150.5

Restricted Revenue Detail

Office of the Governor

Component: Human Rights Commission
BRU: Commissions/Special Offices

Revenue Account	Revenue Description	FY1998 Actuals	FY1999 Authorized	FY1999 Cash Estimate	FY2000 Governor	FY2001 Forecast
51010	Federal Receipts	169.4	150.5	150.5	150.5	150.5

Detail Information

Sub-Revenue Account	Revenue Description	AKSAS Fund	Collocation Code	FY1998 Actuals	FY1999 Authorized	FY1999 Cash Estimate	FY2000 Governor	FY2001 Forecast
57910	Fed Proj-Prot/Adm Ju	11100	1651057	133.8	0.0	0.0	0.0	0.0
57910	Fed Proj-Prot/Adm Ju	11100	1651058	35.6	150.5	150.5	150.5	150.5

Equal Employment Opportunity Commission (EEOC) receipts are generated on a fixed fee per contract case received by the agency and accepted by EEOC.

Interagency Services
Office of the Governor

Component: Human Rights Commission
BRU: Commissions/Special Offices

Sub-Expenditure Account		Service Description	Service Type	Servicing Agency	FY1999 Authorized	FY2000 Adjusted	FY2000 Governor
73253	DP Chargeback (DOA)	Computer services chargeback	Internal - RSA	DOA	3.1	0.1	0.1
			73253 DP Chargeback (DOA) subtotal:		**3.1**	**0.1**	**0.1**
73289	RSAs	DOA core services/lease - central mailroom .7, finance .7, office space lease 24.0	Internal - RSA	DOA	25.7	25.4	25.4
			73289 RSAs subtotal:		**25.7**	**25.4**	**25.4**
73905	Insurance/Bonds	Risk Management - property insurance/bond	Internal - RSA	DOA	0.5	0.5	0.6
			73905 Insurance/Bonds subtotal:		**0.5**	**0.5**	**0.6**
			Human Rights Commission total:		**29.3**	**26.0**	**26.1**

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Expenditures from the Contingency Fund in the Office of the Governor

FY97 Contingency Fund Expenditures:

-- to Commerce to assist with staff and travel costs for the State Coordinated Response Team to the Ketchikan Pulp Mill closure.	$ 10,000
-- to Law for Tort Reform Task Force public hearing costs	$ 4,600
-- to DF&G to assist with Sustainable Salmon Fisheries Project	$ 8,000
-- to Law for balance of fiscal year Telecommunications Counsel contract	$ 35,000
-- to U of A for Western Governor's University	$ 50,000
-- to Commerce: 25.0 for Ketchikan Mill team wind-down and 25.0 for Marketing Alaska Project	$ 50,000
Total FY97 Expenditures	$157,600

FY 98 Contingency Fund expenditures:

-- to Public Safety to develop comprehensive system for accurate and timely access by appropriate agencies to child physical and sexual abuse information; and to offset costs associated with the Sex Offender Registration program	$ 62,000
-- to Dept. of Law to offset costs related to assignment of a special project attorney to address child protection issues	$ 50,000
-- to Education to assist with implementing the Quality Schools Init.	$ 20,000
-- to DCRA for Rural Governance Council costs	$ 22,500
-- to DCED/Tourism to offset costs associated with the emergency highway marketing program	$ 25,000
-- to Law for Governor's Task Force on Confidentiality of Children's Matters costs	$ 13,000
-- to F&G to support subsistence related projects	$ 43,000
-- to Public Safety for final equipment necessary to implement digital archiving system to provide immediate records access to department personnel and other law enforcement agencies	$100,000
-- to International Red Cross for Sakha Republic flood victims relief	$ 10,000
Total FY98 Expenditures	$345,500

FY 99 Contingency Fund expenditures to date:

-- to DEC for increased public education and enforcement action in Quinhagak relating to sewage disposal during the fishing season	$ 24,660
-- to Public Safety to assist with FY99 costs associated with the Sex Offender Registration Program coordinator position	$ 55,000
-- to DCRA for the Rural Governance commission	$ 40,000
-- to Public Safety to convert surplus military Beechcraft King Air 200 for civil certification for use by DPS	$ 250,000
-- to DCRA for Rural Governance Council final expenses	$ 20,000
Total FY99 Expenditures	$389,660

August 21, 1999

Minutes of the meeting of the Subcommittee for the Commission on Privatization and Delivery of Government Services

The meeting took place at 12 noon at the legislative office (second floor) on Fourth Ave in Anchorage.

The subcommittee chairman, Wayne Ross, opened the meeting by giving each member in attendance the opportunity to introduce him or herself.

The basic legislation creating the commission (SB 33) was passed out. The duties and goals of the commission are set out in paragraph 5. Among these are:

- Determine which state functions can be contracted out;
- transferring to local governments or regional service organizations;
- the federal government;
- private sector;
- consolidation, merging, or other efficiency changes;
- functions that should be eliminated entirely; or
- a combination of these initiatives; and
- a recommendation for those functions that are best performed by the state.

The remainder of the meeting focused on an analysis of these goals (which were specified, implied, and essential tasks) and some methodology to follow to get started.

Timeline: The final report has to be submitted by the end of Oct. This leaves the subcommittee only 2+ months. The final report will be submitted to the commission by January 1, 2000.

Other information:

The commission could be extended.
Former House legislator Terry Martin discussed the importance of honesty in reporting the state budget.

Subcommittee Chairman, Wayne Ross, ended the 1.5 hour meeting by suggesting that those in attendance review the documents that were provided, and try to develop some methodology for moving forward on this effort.

The next meeting will take place on August 27th, 11AM at the legislative office.

MOA

Budget in Brief

CITIZENS' GUIDE TO THE APPROVED 1999 GENERAL GOVERNMENT OPERATING BUDGET

Municipality of Anchorage
Rick Mystrom
Mayor

The Department of Administration for grants under AS 37.06.010 and the Department of Community and Regional Affairs for grants under AS 37.06.020

___(1) may adopt regulations that impose additional requirements or procedures to implement, interpret, make specific, or otherwise carry out the applicable provisions of this chapter for grants administered by the department;

___(2) shall adopt regulations providing for periodic audits of the use of money for grants administered by the department under this chapter, including audit of the department's determination of the value of, and adequacy of the verification of the actual use of, locally funded or contributed labor on projects funded by a grant under this chapter.

Sec. 37.06.090. Definition of ""capital project.".

In this chapter, "capital project" means a project with a cost exceeding $10,000 to acquire or improve an asset with an anticipated life exceeding one year and includes land acquisition, construction, repair or structural improvement of a facility, engineering and design for a facility, and acquisition or repair of equipment.

Chapter 37.07. EXECUTIVE BUDGET ACT

Sec. 37.07.010. Statement of policy.

It is the purpose of this chapter to establish a comprehensive system for state program and financial management that furthers the capacity of the governor and legislature to plan and finance the services that they determine the state will provide for its citizens. The system must include procedures for

___(1) the orderly establishment, continuing review, and periodic revision of the program goals and policies of state agencies and financial goals and policies of the state;

___(2) the development, coordination and review of long-range program and financial plans that will implement established state goals and policies;

___(3) the preparation, coordination, analysis, and enactment of a budget that is organized to focus on the services provided by state agencies and on the cost of those services and that provides for implementation of policies and plans, in the succeeding budget period;

___(4) the evaluation of alternatives to existing policies, plans and procedures that offer potential for more efficient state services;

___(5) the regular appraisal and reporting of program performance;

___(6) public participation in the development of the annual budget, including opportunity for the public to review and comment upon the plans and programs of the Office of the Governor and all state agencies in the executive branch, the legislature, the judicial system, the University of Alaska, and the public corporations of the state.

Sec. 37.07.014. Responsibilities of the legislature.

___(a) To carry out its legislative power under art. II, sec. 1, Constitution of the State of Alaska, and to promote results-based government, the legislature shall issue a mission statement for each agency and the desired results the agency should achieve. The legislature may issue a separate mission statement for a subunit of an agency. A mission statement and desired results should promote the efficient, measured use of the state's resources. A mission statement and desired results constitute policy under which an agency shall operate, and, where appropriate, the mission statement may be implemented by statute.

___(b) The legislature shall provide for a budget review function that promotes results-based government. The legislature shall adopt a method of measuring results for each agency, and measurements shall be reported semi-annually by each agency to the legislature. The reports shall be used by the legislature to evaluate whether the mission and desired results for that agency or subunit of the agency are being achieved.

___(c) The legislature shall analyze the comprehensive operating and capital improvements programs and financial plans recommended by the governor.

___(d) To foster results-based government, to carry out the mission statements, and to obtain desired results, the legislature shall authorize the comprehensive operating and capital improvements programs and financial plans. The legislature shall allocate the state's resources for e:. .ctive and efficient delivery of public services by

___(1) clearly identifying desired results;

___(2) setting priorities;

___(3) assigning accountability; and

___(4) using methods for measuring, reporting, and evaluating results.

___(e) The legislature shall

___(1) provide for a post-audit function to cover financial transactions, program accomplishment, and compliance with legislative intent;

___(2) adopt or revise the estimate of receipts required to balance the succeeding fiscal year's budget in order that proposed expenditures do not exceed estimated receipts for that fiscal year;

___(3) adopt, revise, or initiate revenue measures in order to balance the succeeding fiscal year's budget and the capital improvements section of the budget for the succeeding six years.

___(f) To help fulfill the legislature's responsibilities under this section and achieve results-based government, each agency shall

___(1) allocate resources to achieve the mission and desired results established by the legislature;

___(2) express desired results established by the legislature and other program results in measurable terms;

___(3) measure progress towards mission statements and desired results established by the legislature and other results;

___(4) promote activities consistent with mission statements and desired results established by the legislature that reduce or avoid future costs;

___(5) plan for the short-term and the long-term using consistent assumptions for major demographic and other trends; and

___(6) require accountability at all levels for meeting program mission statements and desired results established by the legislature.

Sec. 37.07.016. Governor's primary duty.

To carry out the executive power under art. III, sec. 1 and sec. 16, Constitution of the State of Alaska, the governor shall use the mission statements and desired results issued by the legislature as a guide to

implement and execute the law. The governor shall assure that each agency complies with the mission statement and achieves the desired results identified by the legislature.

Sec. 37.07.020. Responsibilities of the governor.

___(a) The governor shall prepare a budget for the succeeding fiscal year that must cover all estimated receipts, including all grants, loans, and money received from the federal government and all proposed expenditures of the state government. The budget shall be organized so that the proposed expenditures for each agency are presented separately. The budget must be accompanied by the information required under AS 37.07.050 and by the following separate bills: (1) an appropriation bill authorizing the operating and capital expenditures of the state's integrated comprehensive mental health program under AS 37.14.003(a); (2) an appropriation bill authorizing state operating expenditures other than those included in the state's integrated comprehensive mental health program; (3) an appropriation bill authorizing capital expenditures other than those included in the state's integrated comprehensive mental health program; and (4) a bill or bills covering recommendations, if any, in the budget for new or additional revenue. The budget for the succeeding fiscal year and each of the bills shall become public information on December 15 at which time the governor shall submit copies to the legislature and make copies available to the public. The bills, identical in content to the copies released on December 15, shall be delivered to the rules committee of each house before the fourth legislative day of the next regular session for introduction.

___(b) In addition to the budget and bills submitted under (a) of this section, the governor shall submit a capital improvements program and financial plan covering the succeeding six fiscal years.

___(c) Proposed expenditures may not exceed estimated revenue for the succeeding fiscal year. The expenditures proposed in the six-year capital improvements program and financial plan may not exceed the estimated revenue and bond authorizations passed and proposed.

___(d) [Repealed, Sec. 35 ch 126 SLA 1994].

___(e) The budget prepared under (a) of this section must present the proposed operating expenditures for each agency for annual facility operations, annual maintenance and repair, and periodic renewal and replacement for components of public buildings and facilities separately from the other proposed operating expenditures by the agency. Proposed annual appropriations for an agency's facility operations, maintenance and repair, and renewal and replacement for components of public buildings and facilities contained in an appropriation bill prepared under (a) of this section must be presented separately from appropriations for other proposed operating expenditures by the agency.

Sec. 37.07.030. Responsibilities of the legislature. [Repealed, Sec. 9 ch 27 SLA 1998].

___Repealed or Renumbered

Sec. 37.07.040. Office of management and budget.

The Alaska office of management and budget shall

___(1) assist the governor in the preparation and explanation of the proposed comprehensive program and financial plan, including the coordination and analysis of state agency goals and objectives, plans, and budget requests;

___(2) prepare for submission to the governor an annually updated six-year capital improvements program and the proposed capital improvements budget for the coming fiscal year, the latter to include individual project justification with documentation of estimated project cost;

___(3) develop procedures to produce the information needed for effective policy decision making, including procedures to provide for the dissemination of information about plans, programs, and budget requests to be included in the annual budget and opportunity for public review and comment during the

period of budget preparation;

___(4) assist state agencies in their statement of goals and objectives to achieve, among other things, the legislature's mission and desired results, preparation of plans, assessments of the extent to which missions and desired results have been achieved, budget requests, and reporting of program performance; all documents forwarded by the office to a state agency containing instructions for the preparation of program plans and budget requests and the reporting of program performance are public information after the date they are forwarded;

___(5) administer its responsibilities under the program execution provisions of this chapter so that the policy decisions and budget determinations of the governor and the legislature are implemented;

___(6) provide the legislative finance division with the budget information it may request;

___(7) provide the legislative finance division with an advance copy of the governor's budget workbooks by the first Monday in January of each year, except that following a gubernatorial election year the advance copy shall be provided by the second Monday in January;

___(8) prepare the proposed capital improvements budget for the coming fiscal year evaluating both state and local requests from the standpoint of need, equity, and priorities of the jurisdiction; other factors such as project amounts, population, local financial match, federal funds being used for local match, municipality or unincorporated community acceptance of the facility, and all associated costs of the facility may be considered;

___(9) for each department in the executive branch, report to the legislature by the 45th day of each regular session the amount of money appropriated to the department that is expected to lapse into the general fund at the end of the current fiscal year.

Municipality of Anchorage

Office of the Mayor

P.O. Box 196650
Anchorage, Alaska 99519-6650
Telephone: (907) 343-4431
Fax: (907) 343-4499
http://www.ci.anchorage.ak.us

Rick Mystrom, Mayor

December 2, 1998

Dear Residents of Anchorage:

Enclosed herein is the approved 1999 General Government Operating Budget.

The 1999 budget will allow us to continue our efforts to make Anchorage a safer and more livable city. Crime in Anchorage has continued its dramatic decline, our citywide cleanup and beautification efforts have continued to expand, the economy is growing and becoming much more diversified, and our future is healthy. We will work to continue the safer city trend by maintaining the appropriate quality and quantity of Anchorage police officers, keeping our police department connected with the community, keeping the community involved in public safety issues, and keeping up the momentum for a cleaner city. All of these actions work to reduce crime.

As we enter the next century, I believe that quality of life will be the most important economic development force of our foreseeable future. To a larger degree than ever, people will be able to choose where they want to live and do business. I believe they will seek a community that is safe, clean, and offers a healthy lifestyle and businesses will look for communities that can offer their employees a good place to live and raise a family.

Diversification is key to maintaining a stable economy. Anchorage has shown resiliency in absorbing the loss of oil and gas and military jobs over the past several years. Much of the diversification of our economy has been growth in areas such as:

- Air cargo and tourism
- Hotel and lodging services
- Food services
- Fisheries industry
- Retail industry
- Health care
- Communications
- Education

As I have always stressed during my four years as Mayor, the future belongs to the communities that understand the importance of quality of life. That is why it is so important that we continue our progress towards making Anchorage the safer, cleaner, healthier city we all would like it to be. The 1999 budget will allow us to continue our efforts to make Anchorage such a city.

Others around the United States have taken notice of our city.

- Two different national publications have identified Anchorage as having the lowest taxes of any major American city
- The two major bond rating agencies, Standard and Poor and Moody's, have given Anchorage their highest debt ratings based on our financial management and outlook
- The United States Conference of Mayor's just selected Anchorage's drinking water as "the best tasting in the Nation"
- Our Solid Waste Utility recently received the gold medal for best overall landfill operation in America
- Cities around the country are calling our office asking about our "Bridge Builders" and "Parent Network" programs
- Readers Digest called Anchorage one of the fifty best places in America to raise a family

I want to thank the Assembly, the various involved Municipal boards and commissions, and the general public for their efforts during the 1999 budget process. We continued the steps to reach our goal of making Anchorage an even better place to live and raise our families.

Sincerely,

Rick Mystrom

BUDGET IN BRIEF

CITIZENS' GUIDE TO THE

APPROVED 1999

GENERAL GOVERNMENT OPERATING BUDGET

Rick Mystrom, Mayor

ASSEMBLY

Pat Abney	Dan Kendall	Fay Von Gemmingen, Chair
Bob Bell	Kevin Meyer	Charles Wohlforth
Ted Carlson	Joe Murdy	George Wuerch
Cheryl Clementson	Melinda Taylor	

ADMINISTRATION

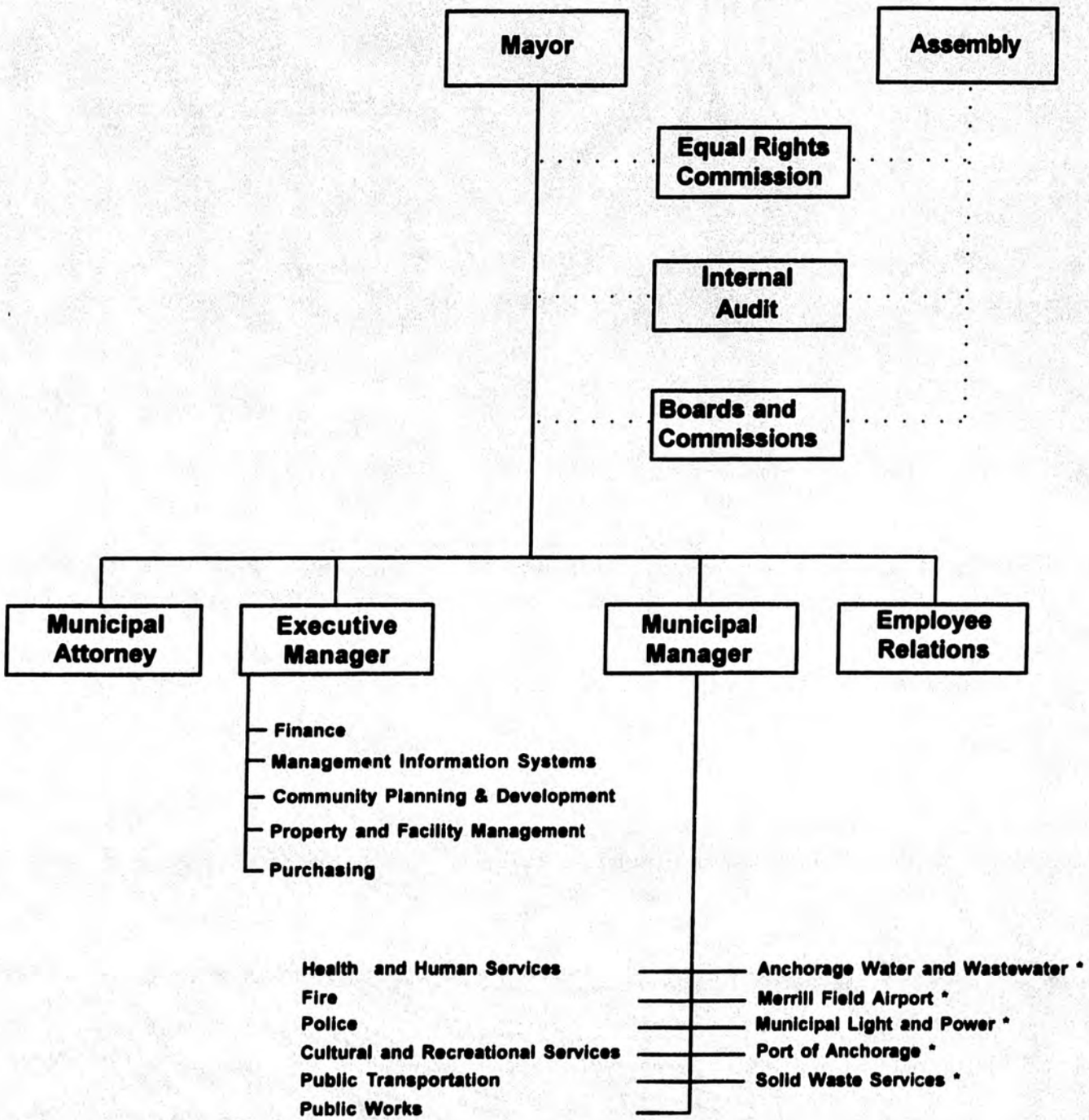
George J. Vakalis ..... Municipal Manager

Mary K. Hughes ..... Municipal Attorney

Thomas C. Tierney ..... Employee Relations Director

Elaine A. Christian ..... Executive Manager

1999 GENERAL GOVERNMENT OPERATING BUDGET
MUNICIPALITY OF ANCHORAGE
ORGANIZATION



* The public utilities publish a separate budget document.

BUDGET IN BRIEF

CITIZENS' GUIDE TO THE APPROVED 1999 GENERAL GOVERNMENT OPERATING BUDGET

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WELCOME

The municipal budget is the financial plan of operation for the government of the Municipality of Anchorage. The municipal budget is divided into three parts: general government, utilities and capital improvement.

The General Government Operating Budget is of particular interest to the Anchorage taxpayer since it is partially financed by property taxes. The general government budget covers the operation and maintenance of police, fire, street maintenance, parks and recreation and other organizations that provide general government services. Approximately 59% of the general government budget is funded by property taxes. The remainder comes from federal and state revenues and other local sources.

The 1999 ***Budget in Brief*** is intended to provide the reader with an overview of the 1999 General Government Operating Budget. If you are interested in more detailed information regarding the 1999 budget than presented in this ***Budget in Brief***, copies of the 1999 General Government Operating Budget are available for your review in the Alaska Collection at the Loussac Library and the reference area of each branch library. Copies of the General Government Capital Budget and the Utilities Operating and Capital Budgets are also available for your review at each library. General Government Capital Budget and Utility Budgets summary information is also available at the Municipality's web site (see bottom of this page).

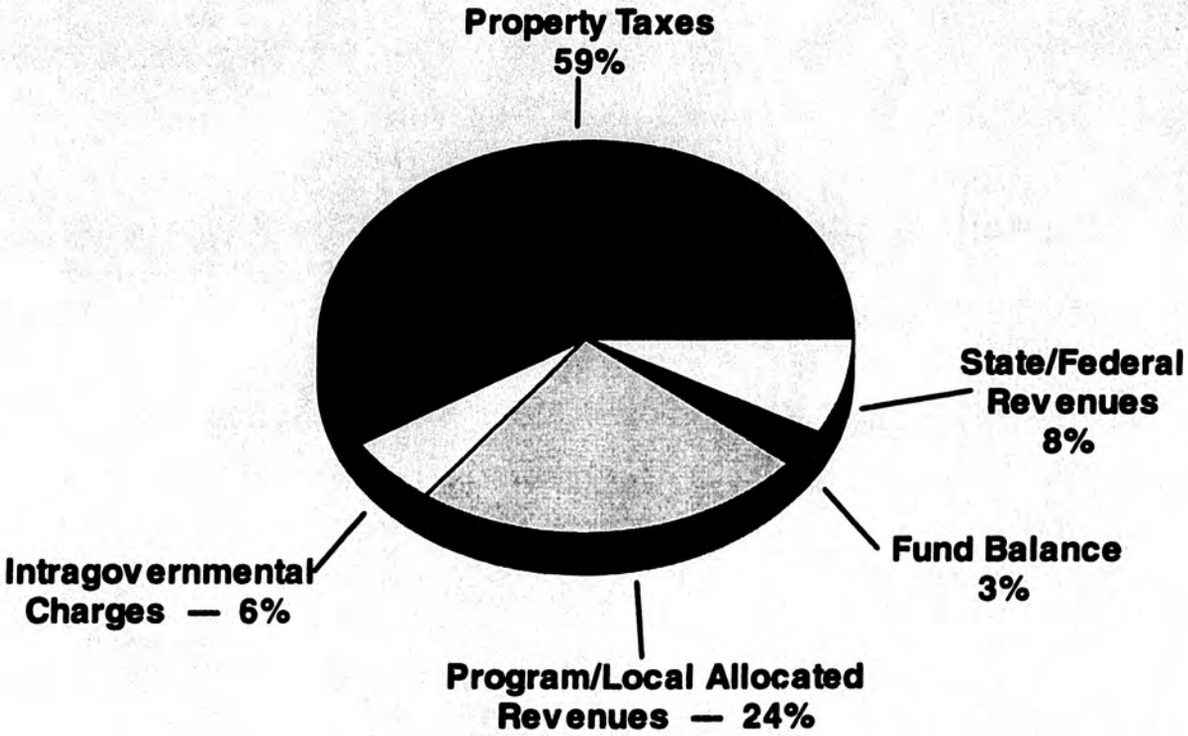
Visit the Municipality's Home Page at http://www.ci.anchorage.ak.us

HOW THE 1999 BUDGET COMPARES TO 1998

	1998 Revised	1999 Approved	Increase/(Decrease) Amount	Percent
EXPENDITURES (DIRECT COSTS)	$ 251,084,978	$ 257,014,620	$ 5,929,642	2.4 %
REVENUES (NON-PROPERTY TAX)				
State/Federal	$ 20,987,050	$ 21,186,630	$ 199,580	
Local Allocated	35,539,430	36,339,430	800,000	
Program	24,306,150	25,879,140	1,572,990	
IGCs to Non-General Government	16,110,720	15,691,850	(418,870)	
Applied Fund Balance	12,442,773	6,632,090	(5,810,683)	
Total	$ 109,386,123	$ 105,729,140	$ (3,656,983)	
PROPERTY TAXES REQUIRED TO FUND BUDGET	$ 141,698,855	$ 151,285,480	$ 9,586,625	
PROPERTY TAX CAP		151,632,685		
AMOUNT UNDER TAX CAP		$ (347,205)		
PROPERTY TAX ON NEW CONSTRUCTION			3,677,220	
PROPERTY TAX INCREASE ON EXISTING PROPERTY			$ 5,909,405 *	4.2 %

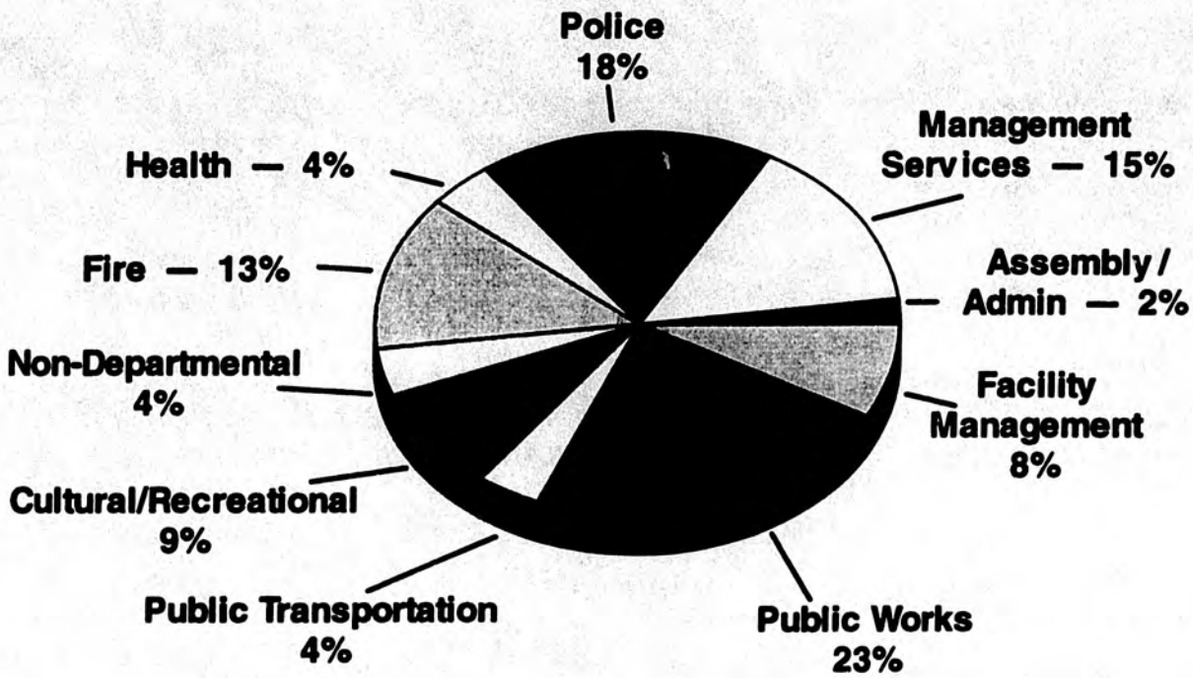
* $	2,467,135	Public Safety Increases
	2,062,020	Voter Approved Increases
	600,000	Reduced ATU Dividend
	260,040	Library Books Increase
	117,000	Paratransit ADA Federal Mandate Increase
	403,210	Other Increases/(Decreases) [Net]
$	5,909,405	

Where the Money Comes From . . .



(see pages 10-11 for additional details)

. . . Where It Goes



(see pages 12-14 for additional details)

SERVICE PRIORITIES FOR A BETTER ANCHORAGE

THE ADMINISTRATION AND MUNICIPAL EMPLOYEES ARE COMMITTED TO THE GOAL OF MAKING ANCHORAGE AN EVEN BETTER PLACE TO LIVE AND RAISE OUR FAMILIES. THE ADMINISTRATION WILL PROVIDE THE HIGHEST POSSIBLE LEVEL OF SERVICE TO THE PEOPLE OF ANCHORAGE WITHIN THE BUDGET CONSTRAINTS FACING US IN 1999.

In achieving our goal to make Anchorage a more livable city, the Administration will continue to focus on seven broad priorities. Although shown as seven separate priorities, there is in fact much overlap. For example, public safety and quality of life are very important economic development forces; and fiscal stability is key in ensuring adequate funding for the other six priorities.

- **Public Safety**

  We will continue to provide a safe environment for our City's residents and visitors by maintaining the appropriate quality and quantity of Anchorage police officers, keeping our police department connected with the community, keeping the community involved in public safety issues, and keeping up the momentum for a cleaner city. All of these work to reduce crime.

  Crime in Anchorage for 1997 was down from 1996 in all categories. Comparisons of the 1997 crime rate per 100,000 population to 1995 show how much crime conditions have improved in the last two years. Based on the population statistic, Anchorage has experienced a 28% decrease in homicides, 36% decrease in rape, 43% decrease in robbery, 43% decrease in stolen autos, 32% decrease in burglary, 27% decrease in assaults, and a 20% decrease in theft during the last two years. The downturn in the crime statistics can be largely credited to the Anchorage Police Department; to a good job by the Municipal Prosecutor's Office, State District Attorney's Office, and the U.S. Attorney's Office in prosecuting offenders; and to the volunteer support and commitment of the general public.

  The continued downward trend in crime gives a good indication that Anchorage's aggressive stance against crime, including the move to community policing, is really beginning to show good results. Although we can be pleased by this information, we should not yet be satisfied. These crime statistics are a good sign that Anchorage is moving toward being the safer city we all want, but there is still work to be done. The community's constant vigilance and high level of awareness to criminal activities is one of the major keys to making Anchorage a safer city.

  We must ensure that the Police Department is properly staffed and scheduled to ensure the continued reduction in the occurrence of violent crime in Anchorage. Increased on-street presence is having a dramatic impact in the areas of domestic violence, DWI arrests, and juvenile crime. The 1999 budget provides for 15 additional police officers. In addition, it provides full Municipal funding of the 15 police officers hired under the 1995 federal grant that expired September 30, 1998. Funding has also been included for the increased local match required of the federal grant received in mid-1997 that provided for an additional 6 police officers.

  At full strength in 1999, we will have 370 sworn officers compared to 248 sworn officers actually on board in November 1994 — this equates to a 49% increase in the number of sworn officers over the past four years.

Our fire and emergency medical response capabilities are increased in the 1999 budget with the addition of 24 new positions. The fully integrated fire and medical services have improved emergency response times, while the number of emergency calls continues to increase due to population increases. In 1999, our major emphasis on public education and cost-effective fire and medical response will continue.

The Public Safety Financial Plan introduced by the Mayor and approved by the Assembly in 1997 continues the Municipality's ability to provide financial support for public safety programs while reducing the impact on property taxpayers. The Plan utilized Anchorage's $12.1 million share of the State's "Safe Communities" legislation early one-time payment to reduce existing long-term bonds or was used in lieu of selling new bonds associated with public safety programs which will save $22 million over the life of the bonds.

- **Fiscal Stability**

Two of our biggest challenges during recent years have been trying to keep taxes down in the wake of decreasing State revenues and effecting the sale of the Anchorage Telephone Utility.

If falling State Revenues require the reduction of the State government budget, it is only fair for local governments to share in that reduction. However, the trend for the State to balance its budget by disproportionate reductions in State revenues to municipalities is inequitable and only serves to increase the pressure on local taxpayers. Such reductions represent a form of tax shifting from the State to the local level. We will continue to work with other Alaska communities to help prevent this trend from continuing.

In April 1998 Anchorage voters approved going forward with the sale of the Anchorage Telephone Utility (ATU). We are aggressively proceeding with the sale process and plan on closing the ATU transaction during the first half of 1999.

We are well along in the process of converting to a new financial accounting, payroll, and personnel system and addressing the year 2000 computer problem.

As a result of our stable financial outlook, strong financial performance, and excellent cash management, national bond rating agencies rate Anchorage among the best in the nation.

In the most recent annual study of taxes in the largest city in each state plus the District of Columbia, called the "Tax Rates and Tax Burdens: A Nationwide Comparison", Anchorage again was identified as having the lowest taxes in the nation.

- **Economic Development**

We will continue to help facilitate orderly, attractive growth in our community.

We will work to create an anchor for coordinated development of the city's waterfront including a diversity of uses such as government and commercial offices, research facilities and conference facilities, recreational and educational opportunities, and tourism.

We are doing a funding feasibility study for the development of the Alaska Salmon Research and Fisheries Center which could be built in the Ship Creek area. The facility would be a tourist attraction and working salmon research center. We are working on the development of a Commercial Fisheries Center in Anchorage. The Center would be established as a central gathering location for the statewide commercial fishing industry.

We will assure that our local government is a partner, not a barrier, to business. Our reputation as a safe place to invest, to work, and to live can be among the best in America and the Pacific Rim. We are restructuring the current building permitting process to be more efficient and effective in responding to community needs.

The expansion of tourism will have a very positive impact on our economy. We will work to ensure Anchorage grows as a popular tourist destination.

We will continue to work in partnership with the Anchorage Convention and Visitors Bureau, the Anchorage Economic Development Corporation and the Anchorage and Eagle River Chambers of Commerce. By working with these groups and others, we can lead the way in building economic strength for our community.

- **Quality of Life**

As we enter the next century, quality of life will be the most important economic development force of our foreseeable future. People want to live and do business in a community that is safe, clean, and offers a healthy lifestyle. Business will seek out communities that can offer their employees a good place to live and raise a family.

A city must always strive to keep costs down just as a family must always live within its means. But within a tight budget we must provide, as efficiently as possible, those cultural and recreational amenities such as a museum, libraries, bike trails, parks and recreation opportunities that make a city livable and enjoyable. We will also provide basic social and public health services to those in need.

Cultural and arts facilities contribute to the quality and the economic strength of our community. We will be especially supportive of those facilities and programs which receive substantial portions of their revenue from user fees and private contributions.

Using cost effective non-profit organizations is the best way to deliver needed social, cultural, and recreational services. We must work closely with these groups to encourage them to play a major part in solving the challenge of providing social, cultural, and recreational services in a period of declining revenues.

- **Maintenance of Municipal Roads and Facilities**

Attractive, functional streets are an important asset of a community. We will continue to make the streets throughout our City safer and cleaner. Continued use of de-icing agents and high quality gravel combined with earlier street sweeping will reduce spring dust levels. Continued emphasis on streetlight maintenance will continue to improve the safety of our neighborhoods.

We will adequately maintain our municipal basic facilities, roads and public buildings, as well as parks, bike trails, and cultural facilities. We will maintain existing facilities to allow our children to enjoy the benefits of these improvements for many years.
Emphasis will continue to be placed on rehabilitating and maintaining our Municipal infrastructure through an aggressive program to obtain State grant funding and through the use of bond proceeds and other local funds identified for this purpose.

In addition to adequate roads, a basic public transportation program is an important element of our comprehensive transportation system. We expect to see continued improvement in People Mover ridership through a focused marketing program. Efficiencies in the Munilift paratransit program should continue to improve as combined ride scheduling for the disabled and seniors transportation programs are implemented. The increased commuter participation in the Share-A-Ride and Vanpool programs will help to reduce roadway congestion and improve local air quality.

- **Community Planning**

The preparation of a new Anchorage Bowl Comprehensive Plan which will provide guidance for the City's development over the next twenty years is well under way. This plan will be based on our community's vision of the future. It will present goals, policies, and strategies which can be used to guide our daily urban design decisions. Resources have been made available to produce data to do trend and population analysis, develop and identify essential planning districts and provide interface with current planning activities, and to develop transportation plans which are all necessary for the update of our Comprehensive Plan.

Our Community Planning and Development Department will efficiently respond to the increasing number of active rezoning, conditional use, and variance cases. We will build a new Permit and Development Center that will allow the public and the development/ construction industry to obtain all necessary permits from one location.

- **Beautification**

We will continue our efforts to make Anchorage a more beautiful, attractive city for both the people who live here and those who visit. The maintenance and watering of our sports and parks facilities and road right-of-ways/medians will enjoy a high priority. The flowers throughout our city play an important role in its beauty. We will continue our efforts on timely zoning enforcement. Programs such as Operation Clean Sweep, junk car removal, and Graffiti Busters make our city more attractive and a better place in which to live or visit.

1999 GENERAL GOVERNMENT OPERATING BUDGET

WHERE THE MONEY COMES FROM . . .

	1998 Budget	1999 Approved Budget	Increase/ (Decrease)
State Revenues	$ 20,208,770	$ 20,423,350	$ 214,580
Federal Revenues	778,280	763,280	(15,000)
Program Revenues	24,306,150	25,879,140	1,572,990
Local Allocated Revenues	35,539,430	36,339,430	800,000
Intragovernmental Charges	16,110,720	15,691,850	(418,870)
Applied Fund Balance	12,442,773	6,632,090	(5,810,683)
Property Taxes	141,698,855	151,285,480	9,586,625
	$251,084,978	$ 257,014,620	$ 5,929,642

Revenues for 1999

State Revenues

Safe Communities Program	$ 11,484,220
State Revenue Sharing	5,999,990
Reimbursement for Maintenance of State Traffic Signals	1,271,550
Electric Co-Op Allocation	930,000
Liquor Licenses	365,500
Other	372,090
	$ 20,423,350

Federal Revenues

Mass Transportation (Transit)	$ 353,700
Federal in Lieu of Property Tax	306,450
Civil Defense	64,000
Other	39,130
	$ 763,280

Program Revenues

These are revenues earned by the departments, including fees for services, license and permit fees, and fines:

Police	$ 5,802,700
Public Works	8,124,980
Health and Human Services	3,348,310
Cultural & Recreational Services	3,347,660
Fire (includes EMS)	2,592,580
Public Transportation	2,233,830
Other	429,080
	$ 25,879,140

Local Allocated Revenues

These are revenues received or earned by the Municipality from other than the State or Federal governments which are not attributed to a particular department/ program or service:

Hotel-Motel Tax	$ 9,000,000
Revenue Distribution from Municipal Utilities	7,500,000
Interest/Penalties	7,220,260
Tobacco Tax	4,979,000
Auto Tax (collected by State)	3,758,870
Police/Fire Retiree Medical Trust Fund Contribution	1,744,740
Police Capital Budget Fund Contribution	1,000,000
Assessments	780,560
Other	356,000
	$ 36,339,430

Intragovernmental Charges

These are revenues received by General Government for services performed for the Municipal utilities, capital projects, and State/Federal grants.

Municipal Utilities	$ 7,789,270
Capital Projects	4,921,960
State and Federal Grants	2,980,620
	$ 15,691,850

Applied Fund Balance

Fund balances are cash balances in the various Municipal funds/service areas (i.e., Police; Anchorage Parks & Recreation; Anchorage Fire; Anchorage Roads and Drainage; etc.). These cash balances increase if actual expenditures during the year are less than budgeted or if revenues are more than budgeted; the balances decrease if revenues during the year are less than budgeted.

In order to avoid accruing unnecessarily large fund balances, fund balances have been reduced as much as possible, consistent with maintenance of bond ratings and types of contingencies which could require additional support from a particular fund. Such excess fund balances are "applied" to the budget to help fund it and reduce the requirement for property taxes.

Less fund balance is projected to be available to help fund the 1999 budget than in 1998 due to items such as the use of fund balances for one-time items in 1998 (e.g., firefighters retroactive salary increase) and less budget savings in 1998 due to tighter budgeting.

Property Taxes

This is the total amount of revenue to be raised by levying taxes on real property (including Municipal utilities except Merrill Field Airport) and personal property.

The property tax cap approved by the voters in 1983 was intended as a limit; however, available taxes should be used only when needed for priority services. The 1999 approved budget is $347,205 below the tax cap.

1999 GENERAL GOVERNMENT OPERATING BUDGET

. . . WHERE THE MONEY GOES (BY DEPARTMENT)

Department	Direct Cost				Total Positions			
			Increase (Decrease)				Increase (Decrease)	
	1998 Revised	1999	Amount	%	1998 Revised	1999	Number	%
Assembly	$ 2,278,750	$ 2,314,710	$ 35,960	1.6%	26	26	0	0.0%
Equal Rights	470,130	446,860	(23,270)	(4.9%)	6	6	0	0.0%
Internal Audit	459,160	476,150	16,990	3.7%	7	7	0	0.0%
Office of the Mayor	849,230	851,940	2,710	0.3%	9	9	0	0.0%
Municipal Attorney	4,106,530	4,244,940	138,410	3.4%	60	61	1	1.7%
Employee Relations	2,935,110	2,947,510	12,400	0.4%	32	32	0	0.0%
Municipal Manager	1,590,950	1,587,330	(3,620)	(0.2%)	20	23	3 *	15.0%
Health & Human Services	9,942,360	10,085,620	143,260	1.4%	86	88	2	2.3%
Fire	33,624,645	32,438,380	(1,186,265)	(3.5%)	282	306	24	8.5%
Police	45,362,983	47,433,640	2,070,657	4.6%	527 **	542 **	15	2.8%
Cultural & Recreational Services	21,811,780	22,946,990	1,135,210	5.2%	530	548	18	3.4%
Public Transportation	9,727,920	9,914,550	186,630	1.9%	132	132	0	0.0%
Public Works	58,035,780	59,464,330	1,428,550	2.5%	334	347	13	3.9%
Executive Manager	766,290 ***	844,100	77,810	10.2%	12 ***	9	(3) *	(25.0%)
Finance	13,717,070	13,288,840	(428,230)	(3.1%)	129	123	(6)	(4.7%)
Management Info Systems	12,170,720	13,450,580	1,279,860	10.5%	82	85	3	3.7%
Community Planning and Development	2,758,820	2,787,610	28,790	1.0%	36	36	0	0.0%
Property & Facility Management	19,581,390	19,573,220	(8,170)	(0.0%)	90	90	0	0.0%
Purchasing	946,030	1,075,040	129,010	13.6%	14	15	1	7.1%
Non-Departmental	9,949,330	10,842,280	892,950	9.0%	0	0	0	0.0%
TOTAL	**$ 251,084,978**	**$ 257,014,620**	**$ 5,929,642**	**2.4%**	**2,414**	**2,485**	**71**	**2.9%**

* Reflects net transfer of 3 positions from Executive Manager to Municipal Manager.

** Includes partially federally funded sworn positions (21 in 1998; 6 in 1999).

*** The 1998 Revised budget represents the Operations Manager's budget for 1998.

CHANGES IN THE BUDGET BETWEEN 1998 AND 1999

The following is a brief explanation of the major reasons for change where the increase or decrease for a department is greater than $150,000.

Fire - $1.1 million of expanded services for a firefighter company for the Eagle River fire station's new aerial ladder tower truck (voter-approved), an advanced life support company at the downtown fire station, a new firefighter-paramedic unit at the Huffman Road station, and a Fire/Rescue Dispatch Center supervisor. These increases together with increases in medical insurance and retirement costs and increased debt service from previously voter-approved bonds are more than offset by the elimination of a $2.9 million one-time cost required in the 1998 budget for payment of a retroactive (1994-1997) salary increase.

Police - Full Municipal funding of 15 police officers hired under a 1995 federal grant that expired in 1998. Increased local match required for 1997 federal grant for 6 additional police officers. Part-year funding for an additional 15 new police officers. Increases in medical insurance and retirement costs.

Cultural and Recreational Services - Maintenance for 13 new sports fields. New right-of-way landscaping maintenance along "C" Street (Tudor to Potter), 5th/6th Avenues, and other high priority areas. Expanded urban tree management program. Additional library books. Expanded library on-line and video services (revenue supported).

Public Transportation - Federally mandated (Americans with Disabilities Act - ADA) increased requirements for paratransit service. Increased senior citizen transportation.

Public Works - Increased debt service from previously voter-approved roads and drainage bonds. Increased snow removal around bus stops (100% State funded). Additional staff and equipment to expedite the building permitting process (100% funded by permit revenues). Traffic engineering safety studies and trial programs.

Finance - Deleted self-insurance and remittance processing services to Anchorage Telephone Utility (ATU) resulting from sale of ATU.

Management Information Systems - Increased costs of paying debt for (1) modification of existing computer systems to correct the Year 2000 problem, (2) new Financial Information/Human Resources/Payroll System to replace existing 20-year-old system, and (3) other computer hardware and software applications. Staff increases required to support on-going computer applications.

Non-Departmental - Increased funding to Anchorage Convention and Visitors Bureau (of the $600,000 projected increase in Hotel-Motel Tax collections, 50% will go to the ACVB for tourism promotion and 50% will be used to reduce property taxes). Transfer back of $464,320 of expenditures transferred to the operating budget of the Port of Anchorage for 1998. Grant to University of Alaska Anchorage to help establish a Logistics Management Degree program. Grants to various non-profit organizations.

1999 GENERAL GOVERNMENT OPERATING BUDGET

. . . WHERE THE MONEY GOES (BY EXPENDITURE TYPE)

Department	Personal Services	Supplies	Other Services	Debt Service	Capital Outlay	Total Direct Cost
Assembly	$ 1,268,060	$ 53,900	$ 875,600	$ 0	$ 117,150	$ 2,314,710
Equal Rights Commission	401,010	2,500	43,350	0	0	446,860
Internal Audit	461,750	3,000	7,990	0	3,410	476,150
Office of the Mayor	681,120	18,710	146,110	0	6,000	851,940
Municipal Attorney	3,795,990	34,760	347,810	5,880	60,500	4,244,940
Employee Relations	1,989,630	73,720	883,220	0	940	2,947,510
Municipal Manager	1,426,820	19,040	87,460	39,170	14,840	1,587,330
Health and Human Services	4,907,380	366,380	3,354,890	1,418,070	38,900	10,085,620
Fire	25,086,180	695,980	5,312,300	460,550	883,370	32,438,380
Police	38,560,520	695,390	7,342,410*	610,350	224,970	47,433,640
Cultural and Recreational Services	15,018,910	830,180	3,257,730	1,742,240	2,097,930	22,946,990
Public Transportation	7,207,110	1,274,550	1,372,940	56,950	3,000	9,914,550
Public Works	21,107,870	2,500,510	12,933,280	22,689,110	233,560	59,464,330
Executive Manager	621,430	7,750	206,570	0	8,350	844,100
Finance	6,986,590	91,940	6,170,970	0	39,340	13,288,840
Management Information Systems	5,954,730	301,230	7,015,720	178,900	0	13,450,580
Community Planning and Development	2,390,910	27,890	316,460	0	52,350	2,787,610
Property and Facility Management	5,351,700	2,579,710	11,391,810	250,000	0	19,573,220
Purchasing	983,920	14,400	70,720	0	6,000	1,075,040
Non-Departmental	0	520	10,229,130	612,630	0	10,842,280
TOTAL	$ 144,201,630	$ 9,592,060	$ 71,366,470	$ 28,063,850	$ 3,790,610	$ 257,014,620

HOW MUCH PROPERTY TAX YOU ARE PAYING FOR EACH MUNICIPAL SERVICE

The Municipality of Anchorage operates under a "service area concept" whereby taxpayers in different areas or taxing districts of the Municipality pay property taxes only for those services which are either required by law or which they vote to receive. **The following shows, for each $100,000 assessed valuation, what residents pay for each of the services they receive including Anchorage School District.**

Taxing District	Taxing Location	School District[1]	Areawide[2]	Fire	Roads	Police	Parks & Rec	Building Safety	Road Debt Serv.[3]	Total
1, 81	Anchorage Former City	$ 777	$ 226	$ 157	$ 351	$ 262	$ 91	$ 1	$ 2	$ 1,867
2, 7, 19-21 28, 31-41 44-45, 52-54	Upper Hillside/ S.E. Midtown*	777	226	157		262	91	1		1,514
3, 14	Spenard / Muldoon / Sandlake / Ocean-view areas	777	226	157	351	262	91	1	0	1,865
4	Girdwood	777	226	159	100		48			1,310
5	Glen Alps	777	226		284	262				1,549
9	Stuckagain Heights / Basher*	777	226	157		262				1,422
10, 50	Chugiak, Birchwood ER Rural Road SA*	777	226	157	200	262	52			1,674
18	Lower Hillside	777	226	157	351	262	91	1		1,865
22, 51	Chugiak*	777	226	96	200	262	52			1,613
30	Eagle River Valley	777	226		200	262	52			1,517
42	Potter Heights	777	226		351	262				1,616
46	Eaglewood Contributing RSA	777	226	157	21	262	52			1,495
47	Gateway Contributing RSA	777	226		16	262	52			1,333
15	Other Outside Bowl without Police	777	226							1,003
16, 23, 43, 55	Rabbit Ck & S. Goldenview w/o Fire / Bear Valley / Other outside bowl with Police*	777	226			262				1,265

[1] Based on same mill rate as for 1998.

[2] Some services provided by the Municipality must be offered on an "areawide" basis under state law or as provided for in the Municipal Charter. These include services such as health and environmental protection, social services, animal control, library, museum, mass transit, emergency medical services, planning and zoning, property assessment, and tax collection.

[3] This Road Debt, originally issued prior to 1975, is from the former Anchorage City and Greater Anchorage Area Borough.

* Property taxes for Limited Road Service Areas and Street Lighting Service Areas, where applicable, are not included. Other Road Service Areas are included.

NOTE: The 1999 property taxes in this appendix are based on preliminary assessed valuation estimates which may change prior to April 1999 when the actual 1999 mill rates will be approved by the Assembly.

HOW THE BUDGET IS PREPARED

The Budget as a Financial and Program Plan

The operating budget outlines the financial and program plan for the fiscal year (budget year) for the Municipality of Anchorage. It summarizes planned operating expenditures and revenues for each department/agency (excluding the Public Utilities) and explains what will be accomplished with the funds.

Preparation of the next year's budget begins each spring. The most current information on prices, population trends and public wants and needs is used. However, changes in the economy and community priorities sometimes require changing the planned municipal programs during the budget cycle, as well as after the budget is approved in November.

Service Areas and Funds

The Municipality operates under a service area concept, which means that residents of particular areas have voted on whether to receive and to pay taxes for a particular service from the Municipality. By law, some services must be offered on an areawide basis. These include education, health and environmental protection, social services, animal control, library, museum, mass transit, emergency medical services, planning and zoning, property appraisal and tax collection. Other services require a specific vote of the people in each area — these include road maintenance, fire and police protection and parks and recreation. There are currently 34 different service areas in the Municipality.

Service area expenditures and revenues are budgeted in unique funds. A fund is an accounting entity which isolates the expenses and revenues of a particular program or service — somewhat like a separate checking account. Only expenses and revenues that pertain to the unique service area are reflected in that particular fund. In addition to the areawide fund, some of the major service areas/funds are:

- Police and Fire - The service area for police covers most of the Municipality except for Girdwood and Turnagain Arm. There are separate fire service areas for Anchorage, Chugiak, and Girdwood.
- Roads and Drainage - There are 26 separate funds for budgeting the various roads and drainage service areas. Four have full maintenance and construction authority: Anchorage Roads and Drainage Service Area (ARDSA), Eagle River Rural Road Service Area (ERRRSA), Glen Alps Service Area and Girdwood Valley Service Area. Others are called Limited Road Service Areas (LRSA).
- Parks and Recreation - There are separate service areas for Parks and Recreation in Anchorage, Eagle River/Chugiak, and Girdwood.

There are also a number of separate funds for particular program operations (equipment maintenance, Heritage Land Bank) or particular expenses (self-insurance).

Balanced Budget Concept

The general government operating budget for the Municipality is a balanced budget. This means that sufficient revenues must be available to pay for the planned expenditures. Revenue sources include fees for services, state and federal shared revenues, property taxes and other local revenues such as interest earnings, assessments, licenses and permit fees. One of the most critical tasks in preparing the budget is the estimation of future revenues, since expenses that can be budgeted are dependent on the amount of revenue available.

Taxes and Mill Levies

Property taxes are an ad valorem tax, which means taxpayers pay a flat rate per dollar value of taxable property they own. The flat rate, called a mill levy or mill rate, is $1.00 of tax per $1,000 of assessed value. If you are taxed 4 mills for education and your house is assessed at $100,000, you pay $4 per $1,000 of assessed value, or $400 in taxes.

Tax Limitation

In October 1983, the voters of Anchorage passed an amendment to the charter known as the tax limitation. The measure limits the taxes the Municipality can levy (with certain exceptions) to the amount levied in the previous year, increased by annual inflation and five-year average population growth. The limit does not apply to taxes required to fund additional voter-approved services.

While the charter amendment limits tax increases, it does not limit expenditures if there are sufficient revenues from other sources to pay for them. However, the Municipal Code does include a spending limitation which restricts expenditure increases to inflation, population and voter/legally mandated services. Both the tax limitation and the spending limitation were effective with the 1984 budget.

Appropriations

Municipal agencies cannot expend funds without an appropriation. An appropriation is a level of funding authorized by the Assembly. The Assembly appropriates the operating budget by each department's direct cost, and by each fund's function cost (function costs are explained later). Appropriations for general government operations that have not been spent at the end of one fiscal year do not carry over into the next fiscal year.

PREPARATION OF THE MAYOR'S PROPOSED BUDGET

The budget process begins each spring with a preliminary planning phase. Departments review their programs and responsibilities, assess what is being done during the current year and begin making plans for the next year (the budget year). Some factors considered during this preliminary planning phase are:

- New facilities that will open and require staff, supplies and other operating expenses.
- New responsibilities or programs required by federal, state or local laws.
- New or changed programs to meet community needs or interests.
- Programs that can be eliminated because they are no longer required or desired.
- Efficiencies that can be achieved through better resource management.

Both the balanced budget concept and the tax limitation necessitate early predictions of both expenditures and revenues. First, the budget staff calculates a continuation level for each department. This is a projection of what it would cost in the budget year to continue existing programs at the same level of activity. Factors that must be considered include union wage agreements and employee benefit costs.

The total of all department continuation levels plus any new facility or program requirements is compared to the allowable budget — the level of funding that can be supported by anticipated revenues. After adjustments are made to balance expenditures to revenues, each department is given guidance for developing its detailed budget proposal. Guidance includes general directions regarding cost-saving measures and the addition or elimination of programs.

Development and Review of Budget Proposals

Departments prepare their budgets using zero-base budgeting (ZBB) concepts. ZBB is a planning and budgeting tool which helps departments identify what needs to be done, what resources (personnel, supplies, contracts, etc.) are required to do the job and what the impact would be of not doing the job.

Each budget unit develops one or more service levels — units of work or an activity. A budget is prepared for each service level, using various budget worksheets to project expenses. If the service level involves work which is supported by fees (such as building inspection or swim fees), the revenues must be estimated as well.

The service levels are then ranked by the department in descending order of priority, considering legal requirements, public needs and the Mayor's goals and objectives. A cumulative cost total is kept of the ranked service levels. A preliminary dollar amount (the funding line) is provided to each department. Those service levels above the funding line become the department's requested budget.

Department budgets are reviewed by the Office of Management and Budget, Executive Manager and the Municipal Manager. The Municipal Manager then makes budget recommendations to the Mayor. In some cases, unfunded service levels which the Mayor feels are essential are exchanged for less critical service levels in other departments to keep the overall budget balanced. The amount established for each department is called the direct cost budget.

Intragovernmental Charges

When the departmental direct cost budgets and the total funding level are finalized, the budgets are entered into the Municipal computer and the intragovernmental charges (IGCs) are calculated. These are charges for services provided by one Municipal organization to another. For example, the Facility Maintenance Division maintains all general government buildings. Maintenance costs are budgeted in Facility Maintenance and charged out to the appropriate users. Intragovernmental charges are either allocated (based on standard figures per employee, per square foot, etc.) or non-allocated (based on charges for particular services performed).

By using an intragovernmental charge system, the full cost of a program — including overhead — ends up in the budget for the program. As an example, Anchorage Police Service Area taxpayers pay for the whole police program, including the cost of maintaining the police building. The intragovernmental charge system allows general government departments/agencies to properly charge municipal utilities, grants and capital projects for services provided.

Calculation of Function Cost

After the intragovernmental charges are calculated, the budget is summarized by service area. The service area cost, or function cost, is the direct cost plus intragovernmental charges from others less intragovernmental charges to others.

FOR EXAMPLE:

Direct Cost of the Fund	$10,000,000
Intragovernmental Charges from Others	1,000,000
Intragovernmental Charges to Others	(2,000,000)
Service Area Function Cost	$ 9,000,000

All of the function costs for each service area (fund) are totaled. The total becomes the recommended appropriation for that fund.

Preparation of Revenue Budget

The other side of the balanced budget is revenues. Some departments earn program revenues, such as bus fares, building permit and inspection fees, swim fees and library fines. These program revenues are estimated by the departments when they prepare their service levels.

Other revenues are earned or received by the Municipality as a whole. These are allocated revenues. Examples are Hotel-Motel Tax and interest/penalties. These revenues are allocated to the various service areas (funds) as the budget is developed.

Once the function cost of each service area is calculated, and the program and allocated revenues for each fund are estimated, the tax requirement can be calculated. The tax requirement is the function cost less program revenues less allocated revenues less fund balance applied.

CONTINUING WITH THE EXAMPLE ABOVE:

Service Area Function Cost	$ 9,000,000
Program Revenues	(2,000,000)
Allocated Revenues	(4,500,000)
Fund Balance Applied	(500,000)
Service Area Tax Requirement	$ 2,000,000

Calculation of Mill Levies

To calculate mill levies, the tax requirement and the estimated assessed valuation of the taxable property in each service area must be known. The mill levy is computed as follows:

Service Area Tax Requirement	+	Service Area Assessed Valuation	x	1,000	=	Mill Levy
$2,000,000	+	$10,000,000,000	x	1,000	=	.20 mills

Subject: http://www.state.mi.us/sfa/budgview/timefram.html
Date: Sun, 19 Sep 1999 21:25:03 -0800
From: Marco Pignalberi <marco@alaska.net>
Organization: Starring You
To: Annette_Deal@legis.state.ak.us

http://www.state.mi.us/sfa/budgview/timefram.html
A, pls forward to Wayne Ross with note that I suggest Michigan as a model for our budget plan. Tx, M

TIME FRAME FOR THE DEVELOPMENT OF THE FY 1999-2000 STATE BUDGET

Glossary of Budget Terminology

BUDGET DEVELOPMENT TIME FRAME

May 1998	Department of Management and Budget (DMB - Executive Branch) Develop Program Policy Guidelines
June 1998	Guidelines Sent to Departments to Draft their Budgetary Requests
September 1998	Departments Return Budget Requests to DMB
Oct. and Nov. 1998	Departments Meet with Governor's Budget Officials
December 1998	Governor's Decisions Made
January 1999	Governor's Recommendation Prepared for Submission to Legislature, Governor's State-of-the-State and Budget Message Prepared; Consensus Revenue Estimating Conference Meets
February 1999	Budget Documents Delivered to Legislature-Legislative Action Begins
March - May 1999	Legislative Action-Subcommittee & Committee Hearings, Floor Votes
June 1999	Consensus Revenue Estimating Conference Meets; Budget Targets are Set; Conference Committees Meet
July - August 1999	Governor Signs (or Vetoes) Bills-May Include Line-item Vetoes
October 1, 1999	Fiscal Year 1999-2000 Begins
Oct.1, 1999 - Sept. 30, 2000	Possible Supplementals and Transfers
September 30, 2000	Fiscal Year 1999-2000 Ends
January 2001	Preliminary Book Closings-FY 1999-2000
March 2001	Final Book Closings-FY 1999-2000

BUDGET DEVELOPMENT TIME FRAME (DETAILED)

May 1998: The Department of Management and Budget (DMB) begins the process to develop the FY 1999-2000 State budget by preparing program guidelines and directions for State departments. The guidelines and directions will include assumptions regarding revenue changes, Federal funds, and economic adjustments. The guidelines also will include instructions for the preparation of different expenditure alternatives based on several different assumed levels of appropriations for each department.

June 1998: The Department of Management and Budget transmits the program guidelines and directions to each State department with detailed instructions as to how to complete the documents.

September 1998: The State departments return their budget requests to the DMB based on the guidelines and directions received from the DMB.

October and November 1998: The State departments meet with the Governor and the DMB to discuss their individual budget requests. At this stage the rough parameters of the Governor's budget recommendations begin to develop.

December 1998: The Governor and the DMB begin to prepare the FY 1999-2000 budget recommendations. At this point the Governor is using a revenue estimate prepared by the State Treasurer to set the amount of revenue available to fund appropriations.

January 1999: The Senate Fiscal Agency, House Fiscal Agency, and State Treasurer meet to develop consensus estimates of FY 1999-2000 State revenues. This consensus revenue estimate will be used as the basis for the Governor's formal budget recommendation to the Legislature.

February 1999: The Governor formally transmits his FY 1999-2000 budget recommendation to the Legislature. The recommendation is traditionally delivered to the Legislature at a joint meeting of the Senate and House Appropriations Committees by the Director of the DMB. The Governor's formal budget recommendation to the Legislature includes a series of appropriation bills to implement the spending recommendations, revenue bills to implement any tax changes proposed by the Governor, and a series of other bills that are necessary to implement the complete budget recommendation.

The Governor's recommended appropriation bills then are introduced in the Senate and the House of Representatives by members of the Appropriations Committees. Based on historical tradition, the annual appropriation bills are divided between the Senate and the House of Representatives. Upon introduction the Governor's recommended appropriation bills are referred to the Appropriations Committees and are then referred to the appropriate appropriation subcommittees by the Chairpersons of the Appropriations Committees.

March-May 1999: The Senate and the House of Representatives debate the Governor's FY 1999-2000 budget recommendation. The Appropriations Committees subcommittees take extensive testimony on the budget recommendations and develop alternatives or amendments to the Governor's budget recommendations. These subcommittee recommendations are reported out of the subcommittees to the full Senate or House Appropriations Committee. The subcommittee recommendations then are debated in the full Appropriations Committee and passed on to the full membership of the Senate or the House of Representatives for final action. Once the appropriation bills pass the House or the Senate, the bills then go through a similar hearing and debating process in the opposite chamber. At the same time that the

appropriation bills are being considered by the Legislature, other revenue or statutory bills that are part of the overall budget are also being debated and approved by the Legislature.

June 1999: The Consensus Revenue Estimating Conference meets to debate and agree upon updated estimates of FY 1999-2000 revenues. This revised consensus revenue estimate is then used to make final legislative adjustments on the budget pending before the Legislature. Upon completion of the revised consensus revenue estimate, legislative leadership meets with the Director of the DMB in an attempt to establish final spending targets for each State department. These meetings are referred to as budget target meetings. The participants in the budget target meetings will attempt to develop final appropriation targets for each State department. These final spending targets are developed using the latest consensus revenue estimates. The participants in the budget target meetings also will discuss and attempt to reach agreements on other overall budget issues including boilerplate issues, revenue bills, and other statutory changes to be included in the final budget. Upon reaching agreements on the final spending targets, legislative leadership informs the Legislature of these spending targets and final conference committee action on the appropriation bills begins. The conference committees are expected to ensure that the final level of appropriations in the conference reports is equal to the appropriation targets established by legislative leadership. This process helps ensure that the enacted appropriation bills do not exceed the consensus estimate of available revenues.

July 1999: The conference committees complete action on the appropriation bills and the Legislature approves the bills and sends them on to the Governor. Upon receiving the appropriation bills, the Governor has 14 days to sign the bills into law or to approve the bills with line-item vetoes.

October 1, 1999: The FY 1999-2000 budget begins.

October 1, 1999 - September 30, 2000: Throughout the fiscal year time period, the Governor can propose to the Legislature adjustments in the enacted FY 1999-2000 appropriations. These adjustments can take the form of supplemental appropriation requests or appropriation transfer requests. Supplemental appropriations add additional appropriations to the level of appropriations contained in the initial budget. Appropriation transfers move existing appropriations from one appropriation line item to another within a department without increasing the overall level of appropriations. Supplemental appropriations require approval by the entire Legislature and the Governor's signature to be effective. Appropriation transfers require approval by both the Senate and House of Representatives Appropriations Committees to be effective.

September 30, 2000: The FY 1999-2000 ends.

January 2001: Pursuant to statutory requirements the DMB releases its initial estimates of the actual year-end balances in the General Fund and School Aid Fund. These estimates are contained in a report referred to as the Preliminary Book Closing Report.

March 2001: The Department of Management and Budget releases the final accounting of FY 1999-2000 revenues, expenditures and year-end balances. These data are contained in the State of Michigan Comprehensive Financial Report.

RETURN TO THE SFA HOME PAGE

WED
12-6-99
9:00 hrs.

SUBCOMMITTEE MINUTES

Subcommittee Name: Office of the Governor

Date: September 20, 1999

Place: Anchorage LIO, 6th Floor Conference Room
No teleconference participants

Members in attendance: Chairman Wayne Ross
Tom T. Anderson
Greg Hall
Spence Hochstein
Pauline Martens
Terry Martin
Andree McLeod
Paul Woerner

Staff in attendance: Debbie Higgins, Senator Ward's Office

- START TIME: 12:40 p.m.

- CHAIRMAN"S REPORT: Chairman Ross spoke on the subcommittee's intent to prepare a draft report in early October and the final report by mid-October, 1999 to be presented to the full committee. He asked for committee member's input.

- SPENCE HOCHSTEIN stated that a consensus is necessary in the most efficient method of proposing, drafting, creating and interpreting/reading the budget. At present it is not fully understood by the public and not a convincing presentation - it must be concise w/ clarity and non-cryptic. He noted that the Administration and Transportation subcommittees arrived at the same conclusion. He recommended the subcommittee determine what the other subcommittee's plans are and establish a uniform front. He added research should be made of professional services contracts and a corporate budget should be reviewed as an example of format.

- GREG HALL stated the parochial and bureaucratic type verbiage in the budget is too difficult to understand and read. He reminded that if OMB cannot manage and produce the budge succinctly, the State could have problems. He added that the budget presentation is misleading and the public can't follow it. He recommended the subcommittee: 1. Review the current presentation of the budget; 2. adopt a more corporate style; 3. Revise the general dynamic to make it easier to analyze; and 4. Afford employees and the public more input.

- ANDREE MCLEOD stated employee input is critical and mechanisms should be put in place that deter retaliation against whistleblowers in state agencies who discover problems and discrepancies in the budget or operation of the department. She recommended securing membership of individuals w/ accounting/pr backgrounds. She presented two names: Jay Page w/ First Natl. Bank of Anchorage who is in public relations and Seth Jones from First Natl. who is an accountant. She recommended developing a budget timeframe. She wants the Human Rights Commission outside of the Governor's Office.

- CHAIRMAN ROSS - In response to member input, recommended the subcommittee merge intent w/ other subcommittees and attempt to provide a report in sync w/ the other subcommittees to the full committee. The key is to show consistency and concurrence between subcommittees which provides a legitimacy to the recommendations.

- SPENCE HOCHSTEIN - Noted that he doesn't agree that it is possible to adopt a uniform proposal between subcommittees before the full committee has an opportunity to review input.

- GREG HALL AND TERRY MARTIN - Reminded the subcommittee that the nucleus of the Governor's Office - the OMB, is generally ineffective.

- PAUL WOERNER - Recommended the subcommittee choose one item in the Governor's budget rather than addressing the entire budget process. He referred to the enabling legislation for the Commission on Privatization, reminding the subcommittee their goal in providing a report to the full committee should be less broad and more incremental. He opined that w/ more time the full committee could provide a thorough assessment of the budget, but the Oct. deadline for the subcommittee report translated into an expedited and brief analysis that should not be too all-encompassing beyond the objective.

- TERRY MARTIN - Presented a brief history of the legislative budget process and how off-budget reporting, or lack thereof, is mastered to hide spending. He recommended private organizations should review the government's methodologies and reminded the subcommittee of his previous legislation, HB 297 and suggested it be followed and adopted in the report. He summarized w/ a recommendation the budget be presented in a clear and malleable version.

- CHAIRMAN ROSS - Asked for six (6) categories to be analyzed in the report. The subcommittee decided on the following 6 categories:

  1) Integrity, accountability and comprehendible budget reporting;
  2) Incorporation of professionals through format and procedure;
  3) Creating an incentive program for input both internally (employees);

and externally;
4) Initiate a privatization study based on a new/modified budget;
5) Amalgamate HB297 into the budget process;
6) Establish solid dates and times and procedures for development; and reporting.

- A Report Subcommittee was created w/ SPENCE HOCHSTEIN as chair and TERRY MARTIN, GREG HALL, ANDREE MCLEOD and TOM ANDERSON as members. TERRY MARTIN agreed to write a paragraph on categories 1) and 5), SPENCE HOCHSTEIN agreed to write a paragraph on category 2); GREG HALL agreed to write paragraphs for categories 3) and 6); and TOM ANDERSON agreed to write a paragraph w/ the aide of ANDREE MCLEOD for category 4). ANDREE MCLEOD also stated she would assist SPENCE and GREG w/ their categories.

- The Report Subcommitte agreed to meet on Monday, September 27, 1999 at the Anchorage LIO on the 6th Floor at 10:00 a.m. The consensus was for the Report Subcommittee to provide a draft report to the subcommittee at the Oct. 1st meeting.

- It was agreed the next meeting of the subcommittee would be Friday, October 1, 1999 at 9:00 a.m. in the 6th Floor Conf. Room of the Anch LIO.

- END TIME: 2:00 p.m.

Commission on Privatization
Office of the Governor Subcommittee

DRAFT

Subcommittee Report

Mission Statement: The State of Alaska adheres to a budgetary process that is complex, ambiguous and often challenging for the general public to comprehend. The Commission on Privatization was created to investigate privatization alternatives for budget compilation, development and reporting in an effort to simplify the process through efficient and discernible accounting of expenditures and revenue.

This report provides the following perspective and suggestions regarding six categories encompassing budget evaluation and analysis. The report's format evaluates: 1) Integrity, accountability and comprehendible budget reporting; 2) Incorporation of professionals through format and procedure; 3) Creating an incentive program for input both internally (employees) and externally; 4) Initiate a privatization study based on a new/modified budget; 5) Amalgamate HB297 into the budget process; and 6) Establish solid dates and times and procedures for development and reporting.

Background: The Office of the Governor, though not an actual "department" in terms of budget reporting, is the smallest agency within the State's Operating Budget. Also considered a branch of government, in association with the executive and judiciary, the Office of the Governor houses the Office of Management and Budget, Division of Elections, and Human Rights Commission. In FY2000, the total Operating budget for the Office of the Governor was $18,775,800.[1]

1) INTEGRITY, ACCOUNTABILITY AND COMPREHENDIBLE BUDGET REPORTING

The budget process is inherently detailed and voluminous, but it need not be so complexly written that analysts and the public alike cannot adequately understand or interpret its contents. Whereas the Office of the Governor's budget is considerably smaller than other departmental expenditure totals, full disclosure of the costs for all section of this budget including "front sections" of both the operating and capital budget will afford a more open report for the bureaucracy, legislature and public to disseminate. Definitions of the financial principles, concepts and terminology used in the accounting and computation of the budget should be published so as to prevent deceptive reporting, as well as to deter misuse of the public trust. To this end, the Alaska Constitution and mandate by the voters should be an integral part of each budget cycle and the compilation of the annual budget must have safeguards to prevent improper activity. Through a simplified presentation, perhaps adopting corporate and/or business-style reporting practices, the entire process could be easier to scrutinize, less costly and burdensome to

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[1] **Source: Conference Committee total found in State of Alaska, Legislative Finance Division, FY2000 Operating Budget Summary.**

produce and ultimately beneficial to the State in terms of a cost effective operating and capital budget. An entire State financial accounting "package" could be combined as an all-encompassing unit - rather than in such increment that delays occur in the legislature and public receiving the full proposal. In addition, anticipated/forecasted spending and revenue sources would be sufficiently provided to the legislature in a manner that allows expedited consideration and evaluation - avoiding delays and cumulative committee review.

2) INCORPORATION OF PROFESSIONALS THROUGH FORMAT AND PROCEDURE

When the State budget is compared to the budgets of corporations and other business forms whose budgets follow the conventional "accounting" format, it is discovered the private sector presentation requires less assistance to overview and less explanation to comprehend. Perhaps this is due to the inherent safeguards imposed through legislative scrutiny and executive veto power - all a part of the checks and balances of government.

In actuality, no technical difference exists between governmental and private sector accounting methods. The calculations are the same, the mathematics do not change and the general accounting principles are identical. In fact, the major national and regional accounting firms have qualified staff who are often contracted to perform compilation reviews and government audits for various divisions. To that end, a complete transfer of an agency's budget to the private sector could be less costly in training and educational expense considering the absence of a learning curve. Another advantage to budget privatization would be the absence of a collective bargaining unit within the labor workforce since the private sector substantially employs non-union staff. This will likely lower salaries/benefits, enhance competition and reduce the high costs accompanied with labor. As for direct benefit to the aspect of accounting, benefits surface from the reduction in costs and liability.

Conversely, it should be noted that the "Big Four" accounting firms (Ernst Young, Price Coopers, KPMG, and DeLoitte & Touche) must still follow budgetary procedure methods, even though spreadsheet format may be different - and the privatization stigma is not likely to alter the actual principles adopted in accounting a budget. As for salaries and benefits, the larger firms are not necessarily less expensive when considering a third or fourth year accountant handling a project, therefore the cost/benefit could lean towards a public sector accountant who has a capped salary. Whereas the theory of *outsourcing* is encouraged through competitive contracts in private organizations, the fundamental budget process is essentially comparable to that of state government and may not need to be transferred. This approach requires further analysis.

3) CREATING AN INCENTIVE PROGRAM FOR INPUT BOTH INTERNALLY (EMPLOYEES) AND EXTERNALLY

An analysis of the State's limited adoption of an "employee suggestion program"

revealed this process is not utilized to the fullest capacity. State employees are seldom encouraged to recommend cost-reduction ideas in their respective offices, nor do these agencies solicit substantive input from their staff. Yet, employee contributions to public-sector management's attempt at cost-savings has been proven to increase productivity and reduce overall costs. This is a tenet of privatization theory. It is further noted that certain State employee fear reprisals from superiors for making such recommendations. Protection under "whistleblower" laws do not diminish the apprehension of adverse consequences.

One recommendation is to implement a process-cost reduction program whereby State employees have a forum to generate ideas and suggestions regarding time savings, productivity; profitability; service quality, safety and customer service. A procedure could be established to compensate and/or recognize the employees and maintain anonymity if requested. Regular publication, distribution and commentary by staff would be encouraged, ultimately making the budget process and actual agency an evolving entity rather than a rigidly structured, unmalleable system of government. The process would be galvanized through routine reassessment and recognition. Avoidance of over-analysis is also recommended so that a foundation always remains to keep the structure and process intact.

4) INITIATE A PRIVATIZATION STUDY BASED ON A NEW/MODIFIED BUDGET

Practicality and efficiency dictate that an effort to privatize does not end in a study/analysis period lasting ad infinitum. Many individuals feel that results matter, rather than "studying something to death." Concurrence exists as to the threat of the depletion of income sources to operate our State government. A lengthy and intricate privatization study is not conducive to solving the problem. However, a report that assesses two or three budgetary schemes, recommended by private sector institutions, would be of use in improving the efficiency and clarity of the reporting process. If the OMB was to provide an alternative budget, coupled with recommendations from chief fiscal analysts in the Dept. of Revenue and Dept. of Administration, the selectivity and range of alternatives (public and private sector) would be comprehensive and in such a presentation as to allow thorough comparisons. The key is to include analysts from both sectors in patching a budgetary methodology.

As eluded to throughout this report, time is of the essence. Shoddy draftsmanship of our State budget is not the intent, nor is a lengthy delay in adopting prudent budgetary strategies. A time line of no more than one (1) year should be afforded to a salaried committee that pursues a privatization study. The sunset of the committee would be immediately prior to the convening of the Twenty-Second Legislature, with a full report provided to the legislative and executive branches and to the public by hard copy and Internet. The organization of the committee to perform the study should mix private and public backgrounds. It should be well-funded to aide in research and remain autonomous from any governmental entity. The study would have a specific criteria to overview - established by the legislation enacting it.

5) AMALGAMATE HB297 INTO THE BUDGET PROCESS

[Insert language from House Bill 297 with an explanation and rationale]

6) ESTABLISH SOLID DATES AND TIMES AND PROCEDURES FOR DEVELOPMENT AND REPORTING

This element of the budget is the lifeline to its existence. It is also one of the primary concerns of the subcommittee. If reasonable dates are established for recommendations, compilation, overview and presentation - the State budgetary process would be far more efficient. Regardless of what is budgeted, or how much/little, or why - it is the foundation of the process that requires stability and consistency.

The OMB is essentially in charge of this process, yet it resides under the Office of the Governor. Such gubernator'al purview should not be so extensive. Further, all State operating items and grants to non-profit or profit organizations and business should be in the annual operating budget. They should be visible, discernible and not hidden in the capital budget in the final days of legislative debate through conference committee interaction.

The total budget must be presented to the governor no later than December 31st of each year. All state expenditures, toward any purpose, should be fully disclosed (as in private enterprise) annually, as well as orally presented and in writing. All other recommendations shall be completed no later than the end of the fiscal year.

A unified procedural system will allow for better government and public review. It will put state officials and our legislators on notice that the budget can longer be fast-tracked without accountability. Time constraints and reporting requirements will ensure the budget can ve accessed, reviewed and ultimately revised if necessary. The end result will be more efficient fiscal planning for the State, with private and public sector forces working in unison.