

1/31/07

**OVERVIEW:  
GOVERNOR  
FY 08  
BUDGET**

**SFIN**

**FILE**



Official Business

# Alaska State Senate

## Senate Finance Committee

Mail Stop 3100  
State Capitol  
Juneau, Alaska 99801-1182

### AGENDA

Wednesday, January 31, 2007

9:00 a.m.

Overview of Governor's FY 08 Budget

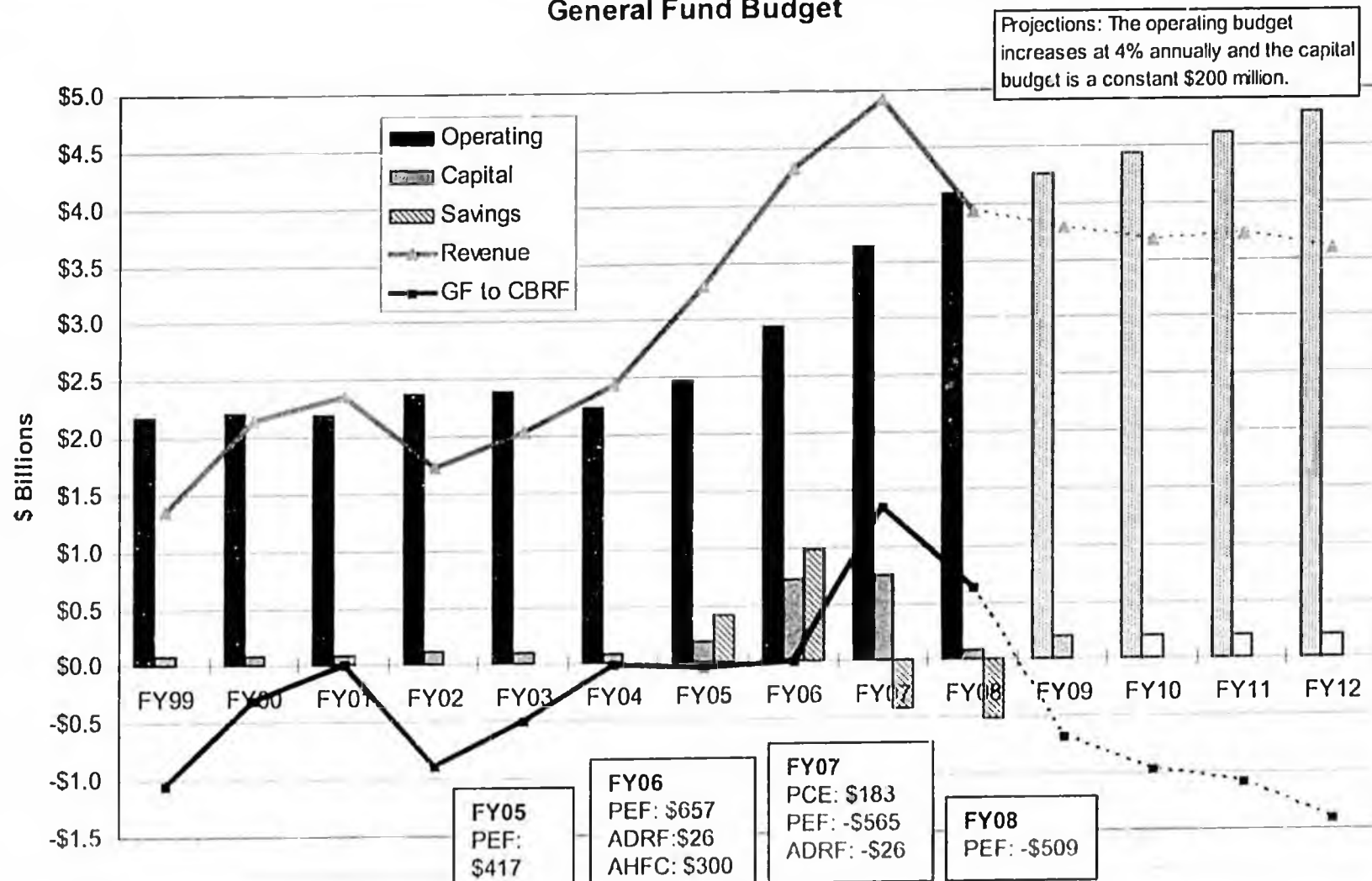
Karen Rehfeld, Director, Office of Management and  
Budget

David Teal, Director, Division of Legislative Finance

# Putting the FY08 Budget in Perspective

1. Where have we been?
2. Where are we now?
3. Where are we going?

### General Fund Budget

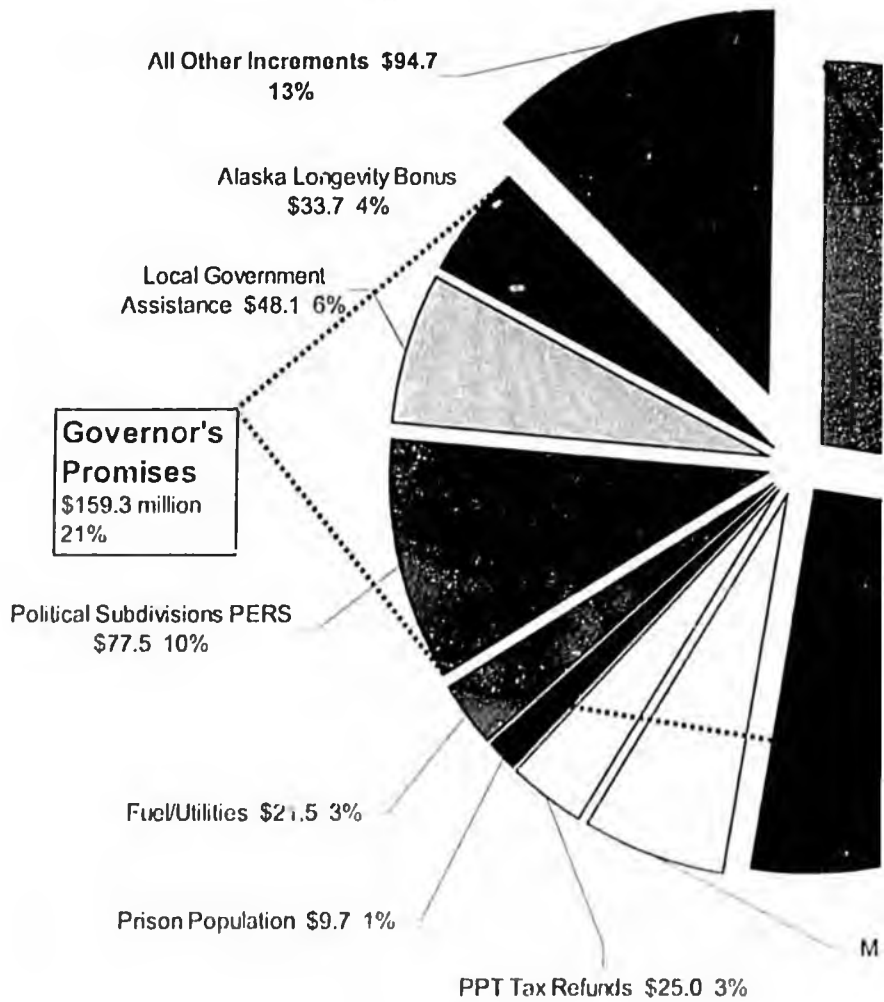


7/17/07

# The FY08 Budget Cycle

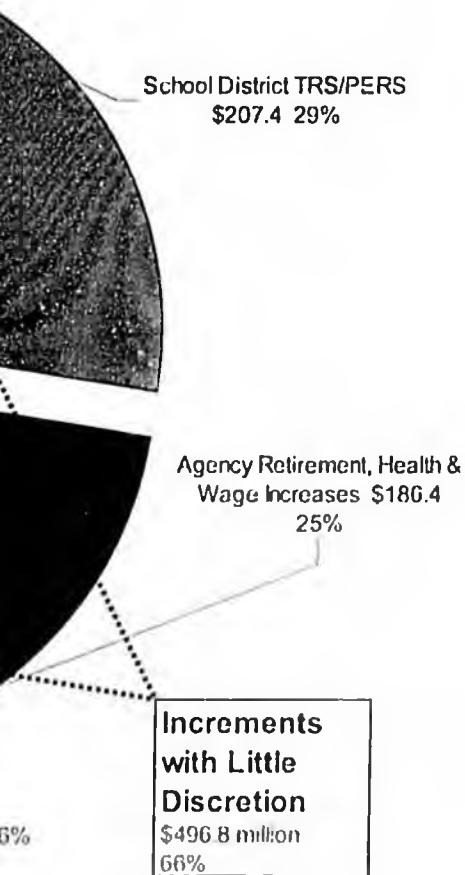
- **The Legislature's savings plan set aside nearly \$1 billion last year:**
  - \$509 million to the Public Education Fund
  - \$300 million to a capital savings account in AHFC
  - \$183 million to the Power Cost Equalization Endowment
- **The Governor's spending plan eliminates accumulated savings in the Public Education Fund and effectively transfers the balance to the Constitutional Budget Reserve Fund:**
  - \$565 million in FY07
  - \$509 million in FY08
- **From the FY07 Base, the Governor's general fund operating budget adds \$750 million.**
- **Without depleting savings balances, the Governor's FY08 budget shows a surplus of about \$140 million.**
- **This \$140 million surplus is based on**
  - Achieving \$150 million in operating budget efficiency reductions.
  - Avoiding additional appropriations for K-12 education, Medicaid and other programs.
  - Holding the capital budget to \$92 million.

## Categorization of the Governor's (\$750.8 Million Total from



Legislative Finance D

Increments  
(se)



# Conditions for an FY08 Surplus

1. Achieving \$150 million in operating budget efficiency reductions.
  - A difficult task that will require reductions in existing programs—not merely denying increments
2. Avoiding additional appropriations for K-12 education, Medicaid and other programs.
3. Holding the capital budget to \$92 million.

# Issues Not Addressed in the Governor's Operating Budget

- **Additional K-12 funding**
  - Base Student Allocation \$??
  - District Cost Factors \$75 million for full implementation
- **Medicaid Match** \$37 million
- **State Employee Contracts** \$30 million??
- **Retirement System Unfunded Liability** \$??

# Capital Budget

## “Bare Bones”

- Minimum level of state funds to maximize federal funding (\$92 million GF)
- Federal Funding Concern
  - Potential Highway Trust Fund problems
  - Senator Stevens no longer Chair of Appropriations Committee

# What's not addressed?

- Deferred Maintenance
  - “> \$950 million and growing”
    - Buildings, Roads, Harbors, Rural Airports, Parks, AMHS Vessels
- State Funded Road Program
  - Fed funds drying up?
- School Construction
  - DEED's Construction and Major Maintenance Priority Lists total - \$921 million
    - Excluding the \$90 million from last year
- University
  - Board of Regents Request - \$431 million
- Local Issues/ Community Grants

<b>How much is available to spend/save?</b>			
1	<b>Available to Spend (unrestricted GF)</b>		
2	Fall Revenue Forecast for FY08	\$ 51.25	3,936
3	FY07 Surplus (Fall forecast)	\$ 59.15	1,351
4	<b>Total Available for this budget cycle</b>		<b>5,288</b>
5	<b>Spending</b>		
6	FY08 Operating		3,734
7	FY08 Capital		181
8	New Legislation		25
9	FY08 Supplemental Placeholder		60
10	<b>Total Spending</b>		<b>4,000</b>
11	<b>Potential Spending/Savings</b>		<b>1,288</b>
The amount available excludes \$509 million in the Public Education Fund			

**Senate Finance Committee  
Governor's FY2008 Budget Overview  
Wednesday, January 31, 2007**

**Co-Chair Lyman Hoffman**  
**Co-Chair Bert Stedman**  
Senator Charlie Huggins  
Senator Donny Olson  
Senator Fred Dyson

Senator Kim Elton  
Senator Joe Thomas

Identify for the Record

Thank for the opportunity to present the Governor's FY2008 Operating Budget

**Introduce OMB Staff**

Budget Analysts:	Karen Elliott	Kym Mauseth
	Steve Hildebrand	Mike Crabb
	Tuula Marquardt	Lena Simmons
	Mary Sutton	
Management Analyst:	Jo Ellen Hanrahan	
Internal Auditor:	Diane Burnham	
Policy Analysts:	John Boucher	Jack Kreinheder
Chief Budget Analyst:	Joan Brown	

**Compliment Legislative Finance** for excellent work in preparing the overview document and the Senate Finance Committee staff

Beginning of the budget process and fortunately have excellent staff in both the legislative and executive branches to help with the budget package

**Governor Palin's budget philosophy is to**

Spend less, control government growth

Save our surplus

Live within our means

**Highlights of the FY2008 budget include**

Keeping operating & capital spending at or below FY2008 revenues to live within our means

FY2008 Revenue Estimate of \$3.9 billion based on \$51.25 ppb

Revenue estimates for FY2009-FY2012 show declining revenue – even more reason to look for ways to control spending and balance the budget

Save the surplus by depositing \$1.9 billion into the Constitutional Budget Reserve

FY07 est surplus of \$1.4 and FY08 of \$0.5 = \$4.3 billion Balance in the CBR

## **Key components of the governor's proposed operating budget**

### **HB97/SB52 Education Funding Bill –**

Full Funding for K-12 Education public school funding program and pupil transportation – including \$35 million allocated to school districts based on the same amount received in the current year - \$207.4 million for PERS/TRS — hoping for early action so that school districts would know the level of funding in early March – allows them to plan for and deliver effective instructional programs.

### **HB95/SB50 – FY2008 Operating Budget**

### **HB96/SB51 – FY2008 Mental Health Operating & Capital Budget**

Covers \$77.5 million for PERS/TRS increases for local governments and \$178.4 for state government including the legislature, Court System, and University

Restores Longevity Bonus – estimated \$33.7 million

Provides Local Government Support at \$48.1 million

Includes Alaska Public Offices Commissioner investigator \$100,000

Efficiencies and spending reductions of \$150.0 million

### **Program Reviews**

In reviewing program effectiveness, agencies will be utilizing the accountability framework established as Missions and Measures, to determine if programs are achieving the desired results and how proposed funding changes may impact those results. This

performance based approach focuses on defining, and then achieving, the results that are important to the public and government. Through the use of key indicators, or measures, we are in a better position to make decisions about the effectiveness of the program and the value to the public. Accountability measures provide a connection between where we are, current performance, where we want to go, desired end result, and how we get there, resources and strategies.

These frameworks are also a great value as a way to learn about department programs and the results they are delivering to Alaskans.

A summary called **Results at a Glance** for each department will be available to the subcommittees along with the Missions & Measures framework.

The Governor's amended budget will detail \$150.0 million in reductions –

Working with commissioners and staff to achieve savings

Targets were established to give departments a goal to work toward and to give some options to consider in making the reductions.

The governor has also asked the University, Court System, and Legislature to assist in this process.

Will be working with departments over the next several weeks to identify reduction options and make decisions to meet the March 1 budget amendment deadline.

## **HB98/SB53 - FY2008 Capital Budget**

The current capital budget is bare bones –

\$81.1 million GF generates approx \$710 million in federal funds

\$10.6 million match for Mental Health budget projects

\$89.7 million for 5 previously authorized school construction projects:

Russian Mission K-12 School Replacement (LYSD) \$18.5

Howard Valentine-Coffman Cove- K-12 School Replacement (SEISD) \$5.3

Arctic Village K-12 School Replacement (YFSD) \$11.8

St. Michael K-12 School Replacement (BSSD) \$22.5

Savoonga K-12 School Replacement (BSSD) \$31.6

In the December 15 spending plan, the governor identified approx \$134 million that would be available for capital projects if we are able to achieve the spending reductions on the operating side.

The governor will include a list of capital project priorities in the March 1 budget amendments.

## **Supplementals**

**Early Supplemental – HB107/SB61 – 3 items – one GF**

Copper River/Prince William Sound Regional Seafood Development Association --

\$153.0 pass through taxes collected in 2005

Law -- \$12 million supplemental related to litigation related to actuarial services received by the State of Alaska – funds from \$8,271.0 for PERS; \$3,729.0 TRS (funds from a settlement of \$15.6 million related to securities fraud – the ARMS board supports the use of these funds)

April 3 election regarding same-sex benefits \$1,156.3 GF

## **Regular supplemental –**

Preparing the requests from agencies – target of \$60 million – still refining those numbers – will have the bill to the legislature by Feb 14 –

## **Other Items in the Budget Package include:**

**HB106/SB60 Tire Tax Repeal** - The governor has also introduced legislation to repeal the tax on studded tires, approx (\$1.4 million reduction in Revenue) as part of her desire to get rid of unnecessary taxes, particularly when they impact the safety of families driving on winter roads.

**SB66/HB111 - Business License Fee** – legislation will be introduced to reduce the cost of a business license to \$25 – the current fee discouraging small business by imposing hefty fees for a business license.

**HB99/SB54 - Appropriation to the Principal of the Permanent Fund–**

Finally, the governor is proposing an appropriation to the principal of the Permanent Fund of approximately \$1.3 billion at the end of FY2007. This will leave over \$1.7 billion in the earnings reserve fund to pay for dividends and inflation proofing.

The Governor is committed to working with the legislature and the public to further refine the operating and capital budgets to ensure that the budget for the next fiscal year provides the services Alaskans expect from government and is sustainable in the future.

# Missions Measures

Results at a Glance

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## RESULTS AT A GLANCE

### DEPARTMENT OF ADMINISTRATION

- 100% of payroll transactions processed without penalty pay caused by central processing problems (FY2004 through FY2006).
- 100% of payments to vendors and grantees processed within one business day of certification (FY2004 through FY2006).
- Projected \$4.9 million cost reduction in health care claims administration (FY2006 to FY2007)
- Estimated \$3.8 million cost reduction in health care claims as a result of reducing the number of ineligible dependents of active employees (FY2005 to FY2006).
- Projected \$10.7 million cost reduction in health care claims as a result of reducing the number of ineligible dependents of retirees (FY2006 to FY2007).
- 17% increase in State Travel Office (STO) customer satisfaction as measured by quarterly STO customer surveys (3<sup>rd</sup> quarter FY2006 through 1<sup>st</sup> quarter FY2007).
- Over 90% of Public Guardian clients had shelter available in FY2006. Further progress is anticipated for FY2007.
- 99% of children involved in Child in Need of Aid (CINA) cases are provided Guardian Ad Litem services to advocate for the child's best interests.
- ETS mainframe computer systems and data and voice communications systems were usable and available over 99% of the time during FY2005 and FY2006.

## RESULTS AT A GLANCE

### COMMERCE, COMMUNITY & ECONOMIC DEVELOPMENT

- Identified 2 unregistered broker dealers and investment advisors, unregistered securities and fraudulent offerings.
- 5% increase from 2005 to 2006 in the number of municipalities and unincorporated communities seeking training in local government management. This has assisted communities in developing skills to run local government services more efficiently.
- 8% increase in communities receiving utility management training in 2006. This has increased the number of utilities passing Management Capacity Assessments, becoming provisionally certified with RCA and reducing long term debts.
- Participated in 6 trade shows and conventions in FY06, providing strong advocacy for mineral resource development by imparting information to prospective investors on taxation, environmental laws and regulations.
- Fillet equipment grants to Alaska producers influenced an increase in the annual fillet production by 12%.
- Film production spending created economic benefit for Alaska Communities. Three feature films shot a portion of their footage in Alaska creating temporary jobs and spending \$2.0 million for wages.
- 30% improvement in processing time of electronic insurance filings due to a new installation of VPN connected to the electronic filings server.
- The average annual loan delinquency rate went down from 14.8% in FY05 to 6.8% in FY06 for portfolios serviced for other agencies.
- Launch services operating revenue levels increased from \$400.0 in FY03 to \$16.0 million in FY06 supporting Alaska Aerospace Development Corporation mission to promote aerospace related economic growth.
- 0.16% of Alaska Industrial and Export Authority loans were delinquent compared to 2.82% of Alaska financial industry loans in FY06. The loan portfolio is primarily concentrated in commercial real estate, so it is important for the delinquency rate to remain below the more diversified portfolios of Alaska banks.
- Upgraded 50 Bulk Fuel projects, leaving 38 projects to complete. Upgrading Bulk Fuel facilities reduces the cost of energy by replacing leaking tanks with code-compliant tanks allowing the use of all fuel stored in upgraded facilities.
- Increased value of exports of Alaska seafood to the European Union, Japan, and China by 15% and increased volume of exports by 5%.

## RESULTS AT A GLANCE

### DEPARTMENT OF CORRECTIONS

- 8.43% overall reduction in the percent of new crimes committed by offenders within 1-year after release from institutions or supervision. (FY2003 - FY2005)
- Increased the annual number of offenders without a High School diploma or General Education Development (GED) diploma who receive a GED while incarcerated by 49. (FY2003 - FY2006)
- Increase the amount of vegetables produced by inmate workers at Point MacKenzie Correctional Farm for distribution and consumption at correctional facilities by 484,746 pounds. (2003 – 2006)
- Increased the number of Residential Substance Abuse Treatment (RSAT) enrollees who completed the RSAT program by 19. (FY2004 - FY2006)
- 16% increase in the percent of graduates of the Residential Substance Abuse Treatment (RSAT) program who follow aftercare recommendations when checked at six months after release from incarceration. (FY2005-FY2006)
- Increased the number of filled correctional officer positions at all institutions by 12, with an additional 47 contingent job offers. (January 2006 to October 2006)
- Increased the number of filled probation officer positions by three, with an additional 12 contingent job offers. (October 2005 – October 2006)

## RESULTS AT A GLANCE

### EDUCATION & EARLY DEVELOPMENT

- 5% increase from 2005 in the number of schools demonstrating Annual Yearly Progress, for a total of 307 out of 497 schools making the target.
- 1% increase from 2005 of students in grades 3 through 10 who meet proficiency levels in Standard Based Assessments in **reading**
- 1.2% increase from 2005 of students in grades 3 through 10 who meet proficiency levels in Standard Based Assessments in **writing**
- 1.9% increase from 2005 of students in grades 3 through 10 who meet proficiency levels in Standard Based Assessments in **mathematics**
- 4% increase in proficiency levels on the state high school graduation qualifying exam for 10th grade students in **reading** (2003-2006)
- 6.5% increase in proficiency levels on the state high school graduation qualifying exam for 10th grade students in **writing** (2003-2006)
- 6.9% increase in proficiency levels on the state high school graduation qualifying exam for 10th grade students in **mathematics** (2003-2006)

### Alaska Commission on Postsecondary Education

- 10% increase in federal education loan volume, showing progress toward goal of 35% of overall lending through guaranteed education loans and increasing federal revenues to the AlaskAdvantage programs.
- 38% increase in Alaskans served through the College Goal Sunday program, which assists Alaskans in preparing to finance their college attendance.
- The job placement rate for graduates from Alaska vocational institutions was 79%, exceeding the goal of 75%.

## RESULTS AT A GLANCE

### ENVIRONMENTAL CONSERVATION

- Impacts of new and historical pollution to land and water were reduced with a 3% increase in the number of polluted environments remediated or restored for use. (2005-2006)
- 100% of the population is living in areas in compliance with health based Air Quality Standards (natural events excluded).
- The department's four year strategic plan to establish protective standards for the environment is on track with 74.5 % of priority program revisions completed.
- 99.5% of newly reported spills of oil and hazardous substances and contaminated sites were cleaned up, exceeding the 98% annual target to contain and cleanup pollution in the environment.
- 99.7% of regulated facilities and vessel operators are without major violations of their contingency plans.
- 33% of criminal violations were successfully resolved with the other 67% still under investigation.
- In FY2006, there were only two public illness outbreaks in the state's 5,767 regulated food facilities, with 19 people becoming ill. There were no public illness outbreaks in the 3,187 public drinking water facilities across the state.
- The department's four year strategic plan to establish protective standards for protecting citizens from unsafe sanitary practices exceeds expected performance with 96.0 % of food safety standards completed.
- 98% of Class I and Class II municipal landfills, regulated industry landfills and storage transfer areas are properly located, operating and authorized/permited. The remaining 2% are in process.
- 83% of serviceable rural Alaska homes are served by safe and sustainable sanitation facilities.

## RESULTS AT A GLANCE

### DEPARTMENT OF FISH & GAME

- 9.7% increase in the ex-vessel value of Alaska's commercial fisheries (2004-2005).
- 42% increase in number of aquatic farms operating under approved permits (2003-2005).
- 100% of fishery limitations implemented meet constitutional and statutory criteria for limited entry since the year 2000.
- 11 % increase in number of days anglers spent sport fishing statewide (2003-2005)
- Surpassed target (450,000) by 8% for number of sport fishing licenses sold in 2005.
- Let a bond in 2006 to support construction of new hatcheries which will allow the Division of Sport Fish to meet hatchery production goals in coming years.
- Completed fish passage assessments for nearly 48% of state owned roads since 2000, leading to the completion of 70% of all state-owned roads by the end of 2007.
- A 2% increase in sales of hunting and trapping licenses (2004-2005), with 2005 sales exceeding the 3-year average total.
- A 300% increase since 2004 in the number of forums, lectures, brochures, news articles, radio programs and webpages produced by the Division of Wildlife Conservation offering the public opportunities to learn about wildlife and wildlife management in Alaska.
- Comprehensive subsistence harvest data collected and reported for select communities in all 6 regions of the state in 2006 for the first time in the past 5 years.
- Two-fold increase since 2003 in reporting and disseminating subsistence harvest data in web-accessible information systems and technical paper formats for management, planning, and to provide continued subsistence hunting and fishing opportunities throughout Alaska.

## **RESULTS AT A GLANCE**

### **OFFICE OF MANAGEMENT & BUDGET**

- In FY 06, 100% of recurring expenditures were paid with current revenues
- \$2.4 billion beginning balance in Constitutional Budget Reserve FY2007
- AA credit rating
- 75% of agencies show progress towards achieving desired end results

## RESULTS AT A GLANCE

### HEALTH & SOCIAL SERVICES

- 5% reduction in the number of children placed in out-of-state residential psychiatric treatment centers (2004-2006)
- 47% change in the percentage of children maltreated by an Out of Home Provider moving Alaska from a high of 2.09% to 1.1% in three years and closer to the goal of .57%.
- 19% change in the rate of substantiated child abuse reports (2002-2004), showing improvement towards the goal of child safety.
- The rate of maltreatment within six months of a substantiated report was 10.6% in 2005 moving Alaska closer to the goal of 6.1% or less.
- 6% change in rate of children unified with parents within 12 months of discharge from foster care (2002-2004), heading in a positive direction towards achieving the federal PIP goal of 57.91% by 2006.
- Pioneer Home average injury rate decreased from 2.2% to 1.43% between FY2005 and FY2006.
- 20% decline in juvenile crime referrals (2003- 2005).
- 21% reduction in API re-admissions from FY2004 to FY2006 (16.2% to 12.7%) bringing Alaska closer to the goal of 10%.
- 18% decline in the number of clients receiving temporary assistance cash benefits (2004-2006).

## RESULTS AT A GLANCE

### LABOR AND WORKFORCE DEVELOPMENT

- Non-Resident Workers in Alaska increased slightly in FY 2004 to 18.4%. This percentage has held relatively steady over recent years. (2001-2004)
- 55% of certified payrolls for public construction projects were checked for compliance with resident hire requirements in FY 2006. With the new on-line system the checked percentage should rise to 100% in FY 2008.
- 52% of Workforce Investment System participants entered employment in FY 2006. This level will serve as the baseline for future results reporting.
- There were 79,228 participants in the Workforce Investment System in FY 2006. This level will serve as the baseline for future results reporting.
- In FY 2006 524 individuals with disabilities exited the Vocational Rehabilitation program employed. This is an increase from 521 in FY 2005.
- 5,276 fewer job openings were listed on the department's labor exchange system in FY 2006 than were listed in FY 2005. With the transition to an online system now complete the 48,634 listings are expected to increase annually.
- 96% of participants trained by department grant programs entered employment in FY 2006. This is an increase of 4% over FY 2005.
- 62% of participants trained by department grant programs in FY 2006 were trained in priority occupations as identified by the Alaska Workforce Investment Board. This is an increase from 58% in FY 2005.
- 2% reduction in the rate of lost workday accidental injury and illness in FY 2006 as compared to FY 2005. This brings the rate down to 2.24 per 100 employees.
- There were 6 accidental workplace fatalities in FY 2006 at workplaces subject to Alaska Occupational Safety and Health Administration jurisdiction. This is an increase from 4 in FY 2005.
- 22% increase in employers participating in voluntary safety programs administered by the Alaska Occupational Safety and Health Administration. This is an increase to 22 employers in FY 2006 up from 18 in FY 2005.

## RESULTS AT A GLANCE

### DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS

Overall, the department end result targets are being met with a 90% success rate, our strategy targets are being met with an overall success rate of 95%.

- 100% of the Alaska Army National Guard and Air Guard units attain minimum readiness standards.
- 84% of jurisdictions completed their plans for the State's Three Year Emergency Exercise Plan in 2006
- 100% of emergency events are responded to directly or through coordination with multiple agencies (2005/2006).
- Over 90% of cadets are placed in school or work at the time they graduate from the residential phase of the Alaska Military Youth Academy. This target has been exceeded over the past 4 years.
- In FY2006, the Veterans Service office assisted in the dollar recovery of over \$22 million dollars, which is 10% over the prior year. Even higher increases are anticipated in FY2007 due to the return of the Veterans' Education Approving Office to the department.
- STARBASE has increased their student attendance by 20% from 1st to 2<sup>nd</sup> quarter 2007. (Science, Technology, Academics, Reinforcing Basic Aviation and Space Exploration)
- 10% more communities now have emergency satellite telephone communications systems available and the number will continue to grow at an expected rate of 15% annually.

## **RESULTS AT A GLANCE**

### **DEPARTMENT OF NATURAL RESOURCES**

- Facilitated the increase of the total employment in the Natural Resources & Mining Industries category, as reported in the Alaska Economic Trends, by 9%--from 10,700 in 2005 to 11,650 in 2006.
- Maximized non-tax revenue from state oil and gas production through the collection of \$2.4 billion in revenues.
- Issued only 84% of the authorizations (target was 90%) for new applications received for the environmentally sound use and development of state lands and resources due to staffing levels and vacancies in Claims, Permit, & Leasing Component.
- Acquired title to 1,489,618 acres of land from the Federal government promised at Statehood, a 49% increase over the FY06 target of 1,000,000 acres.
- Experienced a 17% annual increase for web site hits (61 million in 2005 to 71.5 in 2006) and a 19% increase in the # of terabytes of data downloads (from 2,113 GB in 2005 to 2,513 in 2006), making it easier for the industries we serve to do business with the State without requiring staff intervention.
- Transferred 243,359 acres (target was 80,000 acres) of state land to municipalities under the Municipal Entitlement Act.
- More than a 20-fold increase in accessions of geologic resource and hazards information highlights the increased activity in nearly all sectors of resource and infrastructure development over a three year period.- user sessions were FY04 248,806, FY05 1,670,802, and FY06 5,789,148.
- Sold 24.9 million board feet of state timber in 61 sales to Alaskan purchasers for value-added processing. This timber directly helped support 34 different businesses, including 14 new purchasers.
- 99.7% of all developers were in compliance with Fish Habitat permits protecting fish, wildlife, and their habitats. The staff increased the number of permits processed from 2,397 in FY05 to 2,648 in FY06.
- Provided safe and healthy access to 121 of our park facilities for more than 4 million visits, 80% of which are estimated to be from Alaska residents.
- Increased the Federal Phytosanitar certification inspections 165% from 2004 to 2006 facilitating over 20 million dollars of forest and agriculture products sold.

## RESULTS AT A GLANCE

### PUBLIC SAFETY

- 53% reduction in homicide rate in the area of Alaska where the department has primary jurisdiction (FY2005-2006).
- 25% reduction in deaths as a result of motor vehicle accidents (MVA) over previous 3-year average (CY2005).
- 38% reduction in driving under the influence (DUI) fatalities compared to previous 3-year average (CY2005).
- 17% reduction in dollar value of property loss due to fire compared to the previous 5-year average (CY2004-2005).
- 93% of sex offenders known to the department submitted required documentation on quarterly or annual basis per AS 12.63 (Registration of Sex Offenders), moving towards goal of 100% (FY2006).
- Increase of 4% in FY2006 in rate of unsolved criminal investigations aided by Alaska's DNA database, continuing trend from previous year.
- 56% increase in the number of DNA forensic profiles entered into the DNA database (FY2006).
- 82% increase in the number of latent fingerprints identified using automated identification systems (FY2006).

## RESULTS AT A GLANCE

### DEPARTMENT OF REVENUE

- Five of the six funds managed by Treasury exceeded their benchmarks for the year ended June 30, 2006; 29 of the 33 sub-funds also exceeded their benchmarks for this time period.
- During FY2006, the Tax Division's voluntary compliance efforts yielded 855 new taxpayers. Of these, 700 were the result of the Internet tobacco tax compliance project.
- Online applications for the Permanent Fund Dividend increased by more than 143,000 over the previous dividend year, from 34% in 2005 to 57% in 2006. PFD surpassed their 2006 goal of having 50% of all applicants using online filing.
- The Child Support Services Division increased collections of child support by 3.72%, or \$3.3 million, when compared to the previous fiscal year (calculation is net of garnished PFD payments.)
- Complaints received by the Long-term Care Ombudsman from or on behalf of Alaskan seniors decreased by 9.42% during FY2006, compared to the previous fiscal year.
- The Alaska Municipal Bond Bank issued \$77 million for 14 loans to eleven communities during FY2006. These communities are estimated to have saved over \$3.8 million in reduced issuance costs and lower interest expense.

## RESULTS AT A GLANCE

### TRANSPORTATION & PUBLIC FACILITIES

- 27% reduction in highway fatalities per 100 million vehicle miles traveled (2003-2005).
- 6% decrease in the number of state-owned bridges that are considered deficient by FHWA standards. 151 out of 765 state owned bridges are considered structurally deficient or functionally obsolete. (2003-2006)
- 4.5% reduction in the annual injury rate of department employees as a result of increased emphasis on safety training, inspections and hazard analysis (2004-2005).
- 19% reduction in the number of airports that are closed seasonally as airport reconstruction and surface improvements address seasonal closure issues (2005-2006).
- 11% increase in estimated investments at Alaska's rural airports, well over the department's annual goal of 5% (2005-2006).

## RESULTS AT A GLANCE

### UNIVERSITY OF ALASKA

- The number of UA students graduating with degrees qualifying them to work in Alaska high demand jobs – like nursing, allied health, behavioral health, engineering, computer networking, construction management and technology, and many others - is up more than 22 percent since FY99. The UA system is fully integrated in this effort, with more than half of these graduates using courses from several different campuses to meet degree requirements.
- UA has doubled the number of graduates who are able to become registered nurses over the last five years, meeting the state's need for new nurses.
- Student demand for programs qualifying them to work in Alaska high demand jobs is large. Annual fall semester enrollment in these programs has grown by more than 3,000 students since FY99.
- The University continues to expand its revenue generating ability through sources such as federal funding and university receipts. University generated revenue grows by an average of 8 percent per year and is up \$164M since FY99.
- UA's research enterprise is strong with annual grant-funded research expenditures growing by \$42M over the last five years, a 50 percent increase.
- A significant portion of the University's research is in areas of importance to the State of Alaska such as health/biomedical, climate change, resource development, fisheries and ocean science, logistics, geosciences and atmospheric sciences. In FY06, UA received 335 new research grant awards in areas of importance to the state of Alaska, an increase of 38 percent over the last five years.
- Undergraduate retention for students in certificate, associate and baccalaureate programs is up 11 percentage points (a 20 percent increase) since FY99 and is at an all time high of 66 percent.
- Student credit hour enrollment at the University of Alaska has grown 15 percent, about 76,000 student credit hours in total, since FY99.

Office of Management and Budget  
Missions and Measures  
[www.gov.state.ak/omb/results](http://www.gov.state.ak/omb/results)  
907-465-4660