

**7 / 19 / 11**  
**GOVERNMENT**  
**EFFICIENCY**  
**REVIEW**

<TARGET><BILL></BILL><SUBJECT>7-19-11 GOVERNMENT  
EFFICIENCY REVIEW</SUBJECT><COMM>SSTA27</COMM></TARGET>

July 19, 2011

**Senate State**

**Affairs**

**Committee**

**Government**

**Efficiency**

**Review**

**Department  
of  
Commerce  
&  
Economic  
Development**

## Key Performance Indicators

### Department of Commerce, Community, & Economic Development

- Viewing Performance Indicators
- [See Results Summary »](#)
- [See Performance Details »](#)
- [See Questions/Comments »](#)

### Mission

Promote a healthy economy, strong communities, and protect consumers in Alaska.

### Key Program Performance Indicators

Arrow indicates trend: =Improving =Worsening =Maintaining

FY11 Authorized as of 9/30/2010 (in thousands)

Department of Commerce, Community, & Economic Development Totals	Funding					Positions		
	UGF Funds	DGF Funds	Other Funds	Federal Funds	Total Funds	Full Time	Part Time	Non Perm
	\$43,592.3	\$73,490.1	\$30,208.3	\$65,828.5	\$213,119.2	534	3	16

#### 1. Economic Growth

*Includes resources for Office of Economic Growth, Qualified Trade Association Contract, Investments, Alaska Aerospace Corporation, Alaska Industrial Development and Export Authority, Alaska Seafood Marketing Institute and Community Development Quota Program.*

	Funding					Positions		
	UGF Funds	DGF Funds	Other Funds	Federal Funds	Total Funds	Full Time	Part Time	Non Perm
	\$19,162.1	\$19,779.1	\$9,697.2	\$31,626.6	\$80,265.0	174	2	4

- **38 jobs in rural Alaska were created or maintained utilizing the Rural Development Initiative and Small Business Economic Development loan funds in FY2010, 52 fewer jobs than targeted.**
- **652 jobs were created or maintained in the Alaska commercial fishing industry by utilizing the Commercial Fishing Revolving Loan Fund, exceeding the FY2010 goal of 450.**
- **963 permanent jobs were created or retained in Alaska by Alaska Industrial Development and Export Authority financing in FY10, exceeding the target of 500.**
- **The value of Alaska seafood exports to Alaska Seafood Marketing Institute program destination countries decreased by 5.9% from 2008 to 2009, not meeting the target of a 0.5% increase.**
- **Tourism's five-year, 30% growth to over 1.7 million summer visitors showed a slight 0.4% decrease in 2008, followed by another 7.27% decrease in 2009.**
- **In-state spending by Alaska Aerospace Corporation totaled \$15.2 million in FY10; this is an 11% increase of in-state spending from FY09.**

#### 2. Sustainable Energy

*Includes resources for Alaska Industrial Development and Export Authority and Alaska Energy Authority.*

	Funding					Positions		
	UGF Funds	DGF Funds	Other Funds	Federal Funds	Total Funds	Full Time	Part Time	Non Perm
	\$16,811.3	\$24,780.4	\$12,639.1	\$571.9	\$54,802.7	61	0	2

- **As of August 2010, the proportion of electricity generated from renewable sources continues to be estimated at 24%. An updated estimate is expected in December 2010.**

# Performance Details

## Department of Commerce, Community, & Economic Development


- [See Key Program Indicators »](#)
- [See Results Summary »](#)
- [Viewing Performance Details](#)
- [See Questions/Comments »](#)

### Mission

*Promote a healthy economy, strong communities, and protect consumers in Alaska.*

### Core Services

- Coordinate, develop and promote programs for sustainable economic growth.
- Regulate and enforce to protect the consumer and to provide a stable business climate.
- Assist in the development of sustainable energy systems and reduce the cost of energy in rural Alaska.
- Assist communities to achieve maximum local self-government and foster volunteerism statewide.

End Result: 	Strategies to Achieve End Result
<p>A: Sustainable economic growth. <a href="#">Details &gt;</a></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1: Increase by 0.5% the ex-vessel value of key commercial species in Alaska's commercial harvest.</b></li> <li>• <b>STATUS #1: Ex-vessel value of key commercial species in Alaska's commercial harvest decreased 27% from CY2008-2009, target of a 0.5% increase was not met.</b></li> <li>• <b>TARGET #2: One or more successful tourism development projects or new businesses developed in four to six rural Alaska community clusters each year.</b></li> <li>• <b>STATUS #2: Met objective of assisting development of four to six new tourism projects or businesses by assisting in start-up of four new businesses and working with communities in</b></li> </ul>	<p>A1: Implement economic development programs and projects. <a href="#">Details &gt;</a></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1: Restore advertising and public relations campaign supporting core U.S. marketing programs. Build consumer print and online media campaign that generates awareness among the target audience that Alaska seafood is a delicious, wild and sustainable choice.</b></li> <li>• <b>STATUS #1: FY11 U.S. advertising and public relations campaign funded at one third lower level than FY08. Resulting in loss of certainty of key messages being delivered timely to millions of Americans.</b></li> <li>• <b>TARGET #2: Provide technical assistance through mentorship in four to six rural community clusters each year through</b></li> </ul>

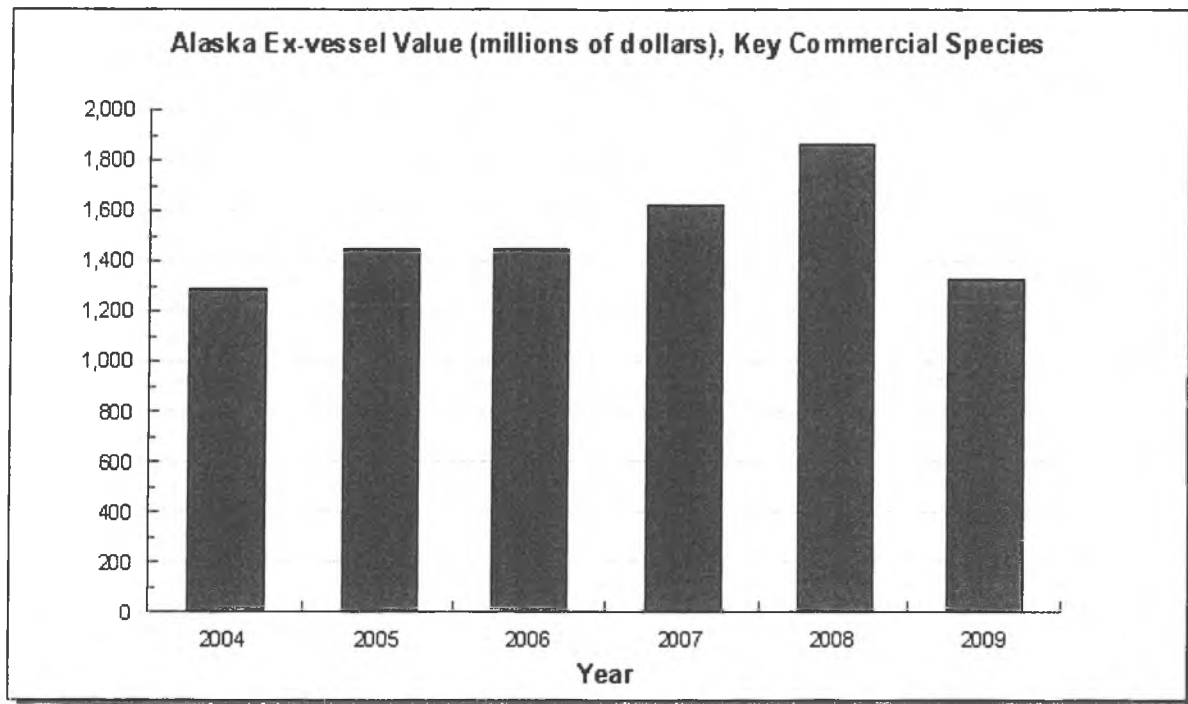
<p>southeast and western Alaska on four new projects.</p> <ul style="list-style-type: none"> <li>• <b>TARGET #3:</b> 2% increase per year in visitors between May 1 and September 30 annually.</li> <li>• <b>STATUS #3:</b> Tourism's five-year, 30% growth to over 1.7 million summer visitors showed a slight 0.4% decrease in 2008, followed by another 7.27% decrease in 2009.</li> <li>• <b>TARGET #4:</b> 19,000 jobs created and maintained in four years.</li> <li>• <b>STATUS #4:</b> Met the target of creating and maintaining 19,000 jobs in four years with 20,339 new jobs in the four years of 2005 - 2008.</li> </ul>	<p>Developing Alaska Rural Tourism program.</p> <ul style="list-style-type: none"> <li>• <b>STATUS #2:</b> Exceeded goal of providing mentorship services in four to six rural community clusters by assisting 11 tourism entrepreneurs in 11 communities.</li> <li>• <b>TARGET #3:</b> 500,000 brochures distributed to potential Alaska visitors annually.</li> <li>• <b>STATUS #3:</b> Exceeded target of distributing 500,000 brochures to potential Alaska visitors by distributing 610,760 brochures in FY10.</li> </ul>
<p><b>End Result:</b> &gt;&gt;&gt;</p>	<p><b>Strategies to Achieve End Result</b></p>
<p>B: Increase number of Alaska citizens who have access to local government services. <b>Details &gt;</b></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1:</b> 100% of municipal governments provide essential public services (i.e. elections, legal, health, financial/contracting, fuel).</li> <li>• <b>STATUS #1:</b> In FY10, 96% of municipal governments were estimated to have provided essential public services, an increase of 5% over the prior year.</li> </ul>	<p>B1: Improve quality of department's available resources to the public. <b>Details &gt;</b></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1:</b> 5% increase per year in successful interventions in communities due to monitoring of key indicators.</li> <li>• <b>STATUS #1:</b> 38.46% increase in the number of successful interventions in communities due to monitoring of key indicators from FY09, significantly exceeding the target of 5%.</li> </ul>

## Performance Detail

**A: Result - Sustainable economic growth.**

**Target #1:** Increase by 0.5% the ex-vessel value of key commercial species in Alaska's commercial harvest.

**Status #1:** Ex-vessel value of key commercial species in Alaska's commercial harvest decreased 27% from CY2008-2009, target of a 0.5% increase was not met.



*Methodology: ADF&G, NOAA-NMFS, SMIS estimates, ASMI estimates*

Table contains no rows.

**Analysis of results and challenges:** Over the past several years, Alaska has succeeded in raising the value of the seafood harvest; however, reduced harvest quotas and the global recession led to a decline in overall value of the resource in 2009. Value (ex-vessel) of key commercial species totaled nearly \$1.3 billion in 2009, falling short of the 0.5% growth target for the year (-27 % growth from 2008 to 2009).

**2009 Highlights:** The ex-vessel value of Alaska pollock and Pacific cod fell by 34% (\$249 million), accounting for most of the decline in total ex-vessel value across all fisheries. Alaska pollock and Pacific cod account for 55-to-65% of Alaska fisheries, by volume and roughly a third of their overall value. The North Pacific Fishery Management Council (NPFMC) lowered TAC's (Total Allowable Catch) for Alaska pollock by 18% in 2009, and while Pacific cod harvests were similar to 2008 the price of cod fell due, in part, to the rebound of wild cod stocks especially in the North Atlantic and the current crisis in Iceland.\* Salmon values fell 12% to \$398 million; sockeye were the only salmon species that didn't see lower ex-vessel prices. Halibut and sablefish values fell by 18% in 2009. The decline in ex-vessel value stems from lower quotas assigned to each species as well as recession-related problems in the restaurant industry. Shellfish values were essentially unchanged although the ex-vessel price for Bristol Bay red king crab and snow crab went up. For the second time in the past 10 years, the seafood industry paid over \$100 million to federal, state, and local governments in the form of taxes, fees, and self-assessments (not including income taxes). Alaska seafood was far from the only protein source to be affected by the economic downturn; producer prices of pork, beef and chicken declined 13%, 10% and 4% in 2009. Collectively, the ex-vessel price per pound of Alaska seafood declined 11% in 2009.

Continuing support for marketing efforts will be needed to return ex-vessel values to those seen in 2008 and continue the upward growth trend. The outlook for 2010 is much improved as markets for Alaska seafood around the globe are rebounding from the poor economic conditions that plagued businesses in 2009. According to preliminary information from Alaska

Department of Fish & Game and trade press reports, early season prices for salmon, halibut and sablefish have generally increased. Through May 2010, export values are up for salmon, Alaska pollock and Pacific cod compared to last year. Future threats to the value of Alaska's fishery resource include foreign competition from Russia which harvests many of the same species, a possible resurgence of Chilean salmon farming, aggressive targeting of U.S. salmon market by Norwegian farmed salmon producers, incorporating Alaska seafood into changing palates, and the ever-present competition from other protein sources which fund their own expansive marketing campaigns.

\*Iceland is the second largest cod producer in Europe behind Norway. The 2008/2009 financial crisis hit Iceland extremely hard, causing their currency to lose over half of its value relative to the dollar. As a result, it made their cod much cheaper from the European and American buyer's point of view. Cod imports into the U.S. from Iceland increased 44% in 2009 and contributed to a lower global price for cod.

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**Target #2:** One or more successful tourism development projects or new businesses developed in four to six rural Alaska community clusters each year.

**Status #2:** Met objective of assisting development of four to six new tourism projects or businesses by assisting in start-up of four new businesses and working with communities in southeast and western Alaska on four new projects.

#### New Tourism Projects in Rural Alaska

Fiscal Year	YTD Total
FY 2010	7 -12.5%
FY 2009	8 +100%
FY 2008	4 +33.33%
FY 2007	3 -57.14%
FY 2006	7 0%
FY 2005	0

*Methodology: Count of new projects in rural Alaska.*

**Analysis of results and challenges:** The Developing Alaska Rural Tourism (DART) program was started in FY09 with a grant from the U.S. Economic Development Administration (EDA) and funding from the Alaska Department of Commerce Community and Economic Development. EDA funding was in place during FY10.

The FY10 Tourism Mentorship Assistance program was instrumental in the start-up or expansion of at least four new businesses in rural communities. The DART program also expanded opportunities for regional projects. These businesses and regional products include the following:

(1) Mentorship of business start-ups in Klukwan (Klukwan Cultural and Heritage Center),

Ouzinkie, Admiralty Island and Ruby;

(2) Guide training and 6-Pack training for polar bear viewing guides in Kaktovik;

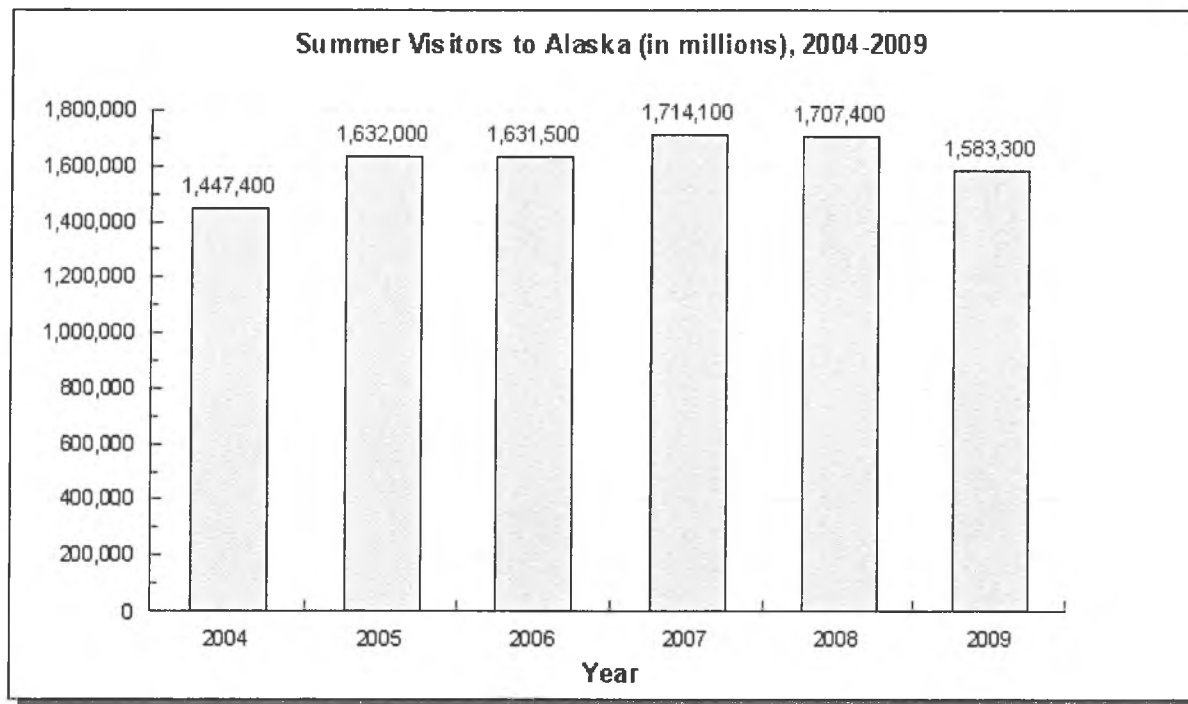
(3) Tour itineraries in southwest Alaska and expanded tour products on Prince of Wales Island.

**Related links:**

- **Developing Alaska Rural Tourism Program**
- **Tourism Mentorship Assistance Program**

**Target #3:** 2% increase per year in visitors between May 1 and September 30 annually.

**Status #3:** Tourism's five-year, 30% growth to over 1.7 million summer visitors showed a slight 0.4% decrease in 2008, followed by another 7.27% decrease in 2009.



*Methodology: Source: Alaska Visitor Statistics Program V, Interim Visitor Volume Report, Summer 2009, Prepared by the McDowell Group, Inc., for Alaska Office of Economic Development, December 2009.*

*The Interim Visitor Volume Report provides visitor volume estimates for Alaska between May 1 and September 30, 2009. Volume estimates are based on data collected for Alaska Visitor Statistics Program V, a study administered by the Alaska Department of Commerce, Community and Economic Development. The estimates are compiled using two sets of data: exiting traffic data (ferry embarkations, airplane enplanements, cruise passenger traffic, and highway border crossings) and visitor/resident ratio data (the ratio of out-of-state visitors to Alaska residents exiting Alaska, by traffic mode, location, and month). Summer ratio data was collected during the AVSP V summer study period, between May 1 and September 30, 2006. Nearly 50,000 travelers were tallied by survey field staff during this period. Ratios collected during 2006 were applied to 2009 traffic data to arrive at the estimates in this report.*

**Summer Visitors to Alaska (in millions), 2004-2009**

Year	YTD Total
2009	1,583,300 -7.27%
2008	1,707,400 -0.39%
2007	1,714,100 +5.06%
2006	1,631,500 -0.03%
2005	1,632,000 +12.75%
2004	1,447,400

**Analysis of results and challenges:** The 2009 Alaska Visitor Statistics program (AVSP) estimates that 1.58 million out-of-state visitors came to Alaska between May and September 2009, a 7.27% decrease from 2008. Primarily responsible for the decline was the decrease in visitors exiting by air (15% drop in passengers), the state's second largest visitor segment. Visitors exiting by highway and ferry continued a pattern of decline. Cruise exits remained essentially the same.

Of the total visitors, 1,026,600 were cruise ship passengers; an estimated 482,800 entered and exited the state by air; and an estimated 63,900 entered or exited the state by highway or ferry.

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**Target #4:** 19,000 jobs created and maintained in four years.

**Status #4:** Met the target of creating and maintaining 19,000 jobs in four years with 20,339 new jobs in the four years of 2005 – 2008.

**Number of Jobs Created and Maintained**

Year	YTD Total
2008	4,536 +48.77%
2007	3,049 -52.23%
2006	6,382 +0.16%
2005	6,372 +41.32%

2004	4,509 -1.76%
2003	4,590

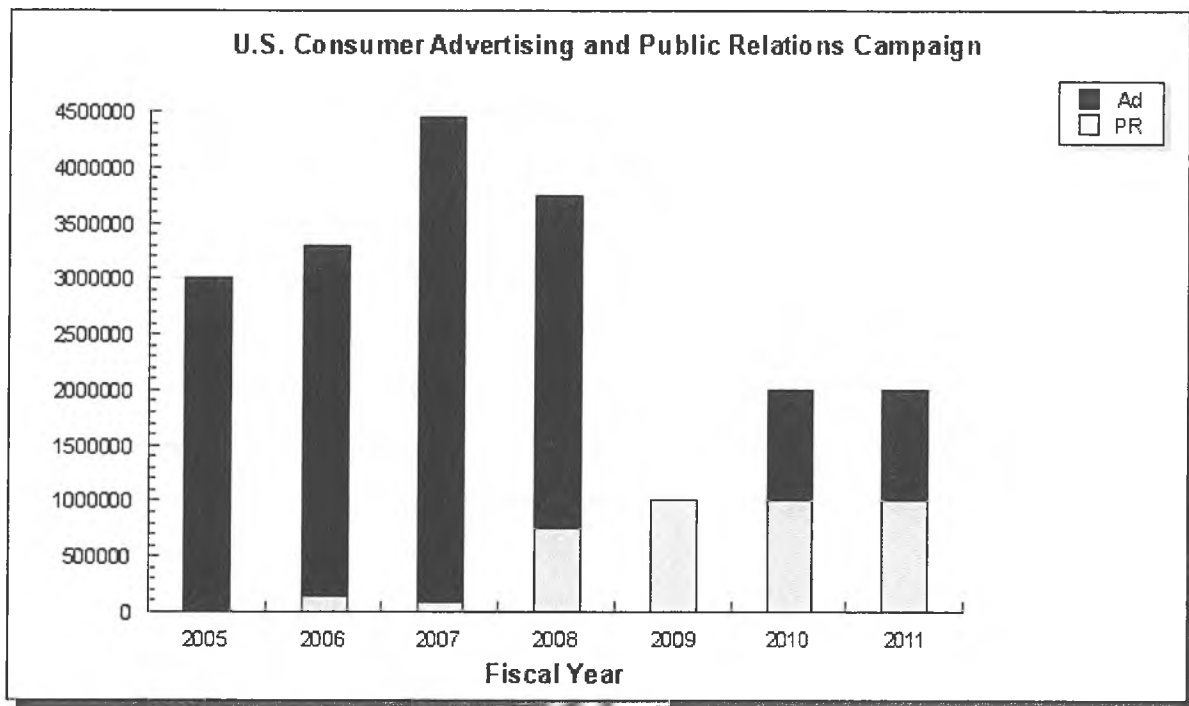
*Methodology: This data is reported from the State of Alaska Department of Labor.*

**Analysis of results and challenges:** This data represents all jobs created or maintained in Alaska from all sources including those from continued state investment in different programs that help to stimulate the economy and create jobs.

**A1: Strategy - Implement economic development programs and projects.**

**Target #1:** Restore advertising and public relations campaign supporting core U.S. marketing programs. Build consumer print and online media campaign that generates awareness among the target audience that Alaska seafood is a delicious, wild and sustainable choice.

**Status #1:** FY11 U.S. advertising and public relations campaign funded at one third lower level than FY08. Resulting in loss of certainty of key messages being delivered timely to millions of Americans.



*Methodology: Alaska Seafood Marketing Institute; Schiedermaier & Associates*

**U.S. Consumer Advertising and Public Relations Campaign**

Fiscal Year	PR	Ad
FY 2011	1000000 0%	1000000 0%
FY 2010	1000000 0%	1000000 0%

FY 2009	1000000 +33.33%	0 -100%
FY 2008	750000 +812.41%	2998000 -31.44%
FY 2007	82200 -46.2%	4372800 +38.94%
FY 2006	152800 0%	3147200 +4.91%
FY 2005	0	3000000

**Analysis of results and challenges:** ASMI was forced to curtail its overall promotional effort in FY10. The level of resources allocated to the effort in FY09 and FY10 did not allow for advertising placements that offer guaranteed delivery of key messages to the target audience according to a schedule. The resources allocated to consumer advertising and public relations are currently designed to obtain media exposure for Alaska Seafood, however this approach with less funds allocated than FY08 lacks the certainty of guaranteed, timely delivery of key messages to the target demographic, and awareness over time erodes. The goal is to regain the ability to reach as many people with key Alaska Seafood messages delivered via advertising as were reached through that means in FY08. Through consumer advertising in FY08, key messages were delivered according to schedule to more than 213 million U.S. households via cable TV, and to the readers of magazines with circulation totaling more than seven million.

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**Target #2:** Provide technical assistance through mentorship in four to six rural community clusters each year through Developing Alaska Rural Tourism program.

**Status #2:** Exceeded goal of providing mentorship services in four to six rural community clusters by assisting 11 tourism entrepreneurs in 11 communities.

#### Number of Community Clusters Receiving Technical Assistance

Fiscal Year	YTD Total
FY 2010	11 +22.22%
FY 2009	9 0%
FY 2008	9 0%
FY 2007	9

**Analysis of results and challenges:** The Tourism Mentorship Assistance program (TMAP) was started in FY07 with a grant from the U.S. Department of Agriculture (USDA), Rural Development agency. The FY10 TMAP program is currently funded through a matching grant from the U.S. Economic Development Administration (EDA). The program is designed to provide 12-18 months of technical advice and assistance to potential entrepreneurs in rural Alaska.

The 11 entrepreneurs are located in Kaktovik, Perryville, Gambell, Nome, Bethel, Ruby, Tanana, Glennallen, Admiralty Island, Kodiak Island, and Klukwan.

**Related links:**

- **Developing Alaska Rural Tourism**

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**Target #3:** 500,000 brochures distributed to potential Alaska visitors annually.

**Status #3:** Exceeded target of distributing 500,000 brochures to potential Alaska visitors by distributing 610,760 brochures in FY10.

**Number of Alaska Marketing Brochures Distributed**

Fiscal Year	YTD Total
FY 2010	610,760 +4.73%
FY 2009	583,156 +9.04%
FY 2008	534,816 -4.99%
FY 2007	562,904 -4.44%
FY 2006	589,082 +18.94%
FY 2005	495,277 -4.51%
FY 2004	518,693

*Methodology: Source: July 20, 2010 Advertising Response Report.*

**Analysis of results and challenges:** The role of the Alaska Travel Industry Association (ATIA) consumer marketing programs is to find potential visitors throughout North America and provide them with compelling information about Alaska in an effort to convert their interest in Alaska to actual travel to the state. Aggressive direct response programs in FY10 allowed ATIA to reach millions of potential visitors and resulted in 610,760 qualified requests for Alaska travel information. The goal for the year was exceeded and the total number of brochures distributed to consumers responding to the marketing increased over the prior year.

Each year, ATIA establishes a goal in regards to the number of marketing brochures distributed to potential visitors. ATIA also prints additional brochures for distribution to travel agents and Alaska residents.

Due to the high demand for Alaska travel information in FY10, ATIA printed additional copies of the State Vacation Planner mid-year so fulfillment of requests could be continued. When that supply was exhausted, Alaska postcards were sent to consumers directing them to the

official Alaska Travel website. They were also advised they would be among the first to receive the 2011 Vacation Planner in September.

ATIA will continue to measure the number of brochures being sent each week, along with the total for the year, and share this information with the state and ATIA's member businesses. This is important data because it substantiates how effectively ATIA marketing programs deliver Alaska's message.

**B: Result - Increase number of Alaska citizens who have access to local government services.**

**Target #1:** 100% of municipal governments provide essential public services (i.e. elections, legal, health, financial/contracting, fuel).

**Status #1:** In FY10, 96% of municipal governments were estimated to have provided essential public services, an increase of 5% over the prior year.

**Percentage of Governments Providing Essential Public Services**

Fiscal Year	YTD Total
FY 2010	96%
FY 2009	91%
FY 2008	83%
FY 2007	82%
FY 2006	83%
FY 2005	80%
FY 2004	85%

**Analysis of results and challenges:** There is no requirement for communities to report inadequate provision of public services, such as interruption of public utilities, reduction or elimination of police or public safety, not holding required public meetings or elections, or inadequate financial disclosure of public finances. DCRA is collecting this information through a new system called Community Status Report. Information for this data system is collected from other agencies that collect issue specific data. The challenge is to identify agencies that are collecting data on an ongoing basis and being able to incorporate these various systems into one comprehensive system.

**B1: Strategy - Improve quality of department's available resources to the public.**

**Target #1:** 5% increase per year in successful interventions in communities due to monitoring of key indicators.

**Status #1:** 38.46% increase in the number of successful interventions in communities due to monitoring of key indicators from FY09, significantly exceeding the target of 5%.

**Number of Successful Interventions**

<b>Year</b>	<b># of Interventions</b>
2010	54 +38.46%
2009	39 +62.5%
2008	24 +14.29%
2007	21 +10.53%
2006	19

**Analysis of results and challenges:** This increase in successful interventions has been accomplished through reassignment of staff from other duties within the division to provide monitoring of tax reporting, fuel ordering, Power Cost Equalization reporting, and liens filed. Additional allocated resources both in staffing and travel allow the division to proactively contact communities prior to a financial crisis which may cause interruptions to electrical, sanitation, or governmental services.

Current as of November 30, 2010

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**Department**

**Of**

**Natural**

**Resources**

## Key Performance Indicators

### Department of Natural Resources

- Viewing Performance Indicators
- **See Results Summary »**
- **See Performance Details »**
- **See Questions/Comments »**

### Mission

Develop, conserve and enhance natural resources for present and future Alaskans.

### Key Program Performance Indicators

Arrow indicates trend: =Improving =Worsening =Maintaining

FY11 Authorized as of 9/30/2010 (in thousands)

Department of Natural Resources	Funding					Positions		
	UGF Funds	DGF Funds	Other Funds	Federal Funds	Total Funds	Full Time	Part Time	Non Perm
<b>Totals</b>	\$72,011.3	\$25,513.6	\$35,185.3	\$19,782.7	\$152,492.9	777	248	82

#### 1. Development and Use of State Land and Natural Resources

*Provide economic and recreational opportunities by facilitating responsible use and development of state land and water resources, which generate approx. 90% of the state's revenue. Acquire, dispose, and transfer state land. Defend title/rights to state land, navigable and public waters, trails.*

	Funding					Positions		
	UGF Funds	DGF Funds	Other Funds	Federal Funds	Total Funds	Full Time	Part Time	Non Perm
	\$46,483.3	\$25,448.1	\$31,398.4	\$10,079.3	\$113,409.1	700	62	82

- In FY10, five area wide oil and gas lease sales were held in the North Slope, North Slope Foothills, Beaufort Sea, Cook Inlet and Alaska Peninsula areas. A total of \$11.8 million was received in valid bids, an estimated 482,594 new acres leased, and a potential 134 new leases awarded to-date. This is in line with FY09 when five lease sales were held in the same areas, with \$12.8 million received in valid bids, an estimated 355,000 new acres leased and a potential 112 new leases were awarded.
- In FY10, 100 percent of pipeline right-of-way amendments and operational permits were processed within prescribed or negotiated timelines, consistent with FY09.
- In FY10, the state acquired 1.6 million acres of land from the federal government under the Statehood entitlement authority with another 6 million left to receive. Division of Mining, Land & Water project staff processed 100 percent of the Statehood entitlement conveyances that came in from the Bureau of Land Management; conveyance acreage received was 254,536 acres less than the previous year. Acreage added the last five years totals 8.3 million, which considerably increases the land management responsibilities of the department.
- In FY10, 87 percent of new applications from industry and individuals for use and development of state land were processed by the Division of Mining, Land & Water (575 processed of 662 received), an increase from 72 percent in FY09, when 473 of 655 were processed. Although this is an improvement in percentage processed over FY09, the backlog of unprocessed applications continues to increase, and stands at 2,376 at the end of FY10. Although we continue to try and improve processes, backlogs are increasing in part due to population and business growth, increased complexity and scrutiny, and litigation slows down the process time for permit issuance. These applications for land use permits and

leases are fundamental to Alaska's development of jobs, businesses, new homes and recreational opportunities.

- In FY10, the Division of Mining, Land & Water sold 286 parcels of land, putting a total of 2,539 acres into private ownership, a decline from FY09 when 400 parcels of land were sold for a total of 3,583 acres.
- In FY10, the Division of Mining, Land & Water processed 69 percent (49 of 71) of new water right applications received, a slight increase from FY09 when 63 percent (78 of 124) of new applications received were processed, but both far below the 100 percent target. Although we continue to try and improve processes, water permit backlogs are increasing in part due to population and business growth, increased complexity and scrutiny, and litigation slows down the process time for permit issuance. Almost all development activities require water use permits and these activities positively impact Alaska businesses and families.
- In FY10, 94 percent of the 53 requests for title navigability determinations were responded to by the Division of Mining, Land & Water. This was an increase over FY09, when 86 percent of 42 requests were responded to. While this is an improvement in the percent responded to, and we continue to try and improve processes, the backlog continues to grow and stands at 9 at the end of FY10, up from 6 at the end of FY09.
- Forest management practice compliance was below standards in CY09, declining from 92 percent to 70 percent in the Interior because forest roads on State lands were not adequately maintained.
- Timber was sold to 52 Alaskan businesses in FY10, exceeding the target but down from 64 businesses in FY09. To compensate for the lack of available federal timber, the Division of Forestry is encouraging increased use of state forest land for Alaskan businesses by allowing uses that are pushing the state's maximum allowable yield for sustainable forests.
- In FY10, annual visits to Alaska state park units were 5.39 million with 72 percent of visits made by resident Alaskans, as compared to 5.22 million and 75 percent resident Alaskans visiting in FY09.
- The Division of Parks and Outdoor Recreation received \$6.0 million in deferred maintenance funding in FY10. The cost of identified maintenance needs in state park units decreased to an estimated \$65.8 million in FY10, a decrease of \$1.4 million over FY09. Deferred maintenance needs grow an average of \$5,000,000 per year; to make progress reducing the inventory of deferred projects, funding of more than \$5,000,000 is needed annually.
- Since the Alaska Boating Safety program began, at least 19 Alaskan children have survived a water emergency thanks to a Kids Don't Float loaner life jacket, and Alaska's recreational boating fatality rate has declined. This summer (2010) saw 2 additional children saved in a rafting accident with loaner life jackets, bringing the lives saved count from 17 to 19. Life jacket wear rates in Alaska among adults have doubled, and wear rates among all age groups are now higher than the national average.
- In FY10, the Division of Geological and Geophysical Surveys published 480 square miles of new energy-related geologic mapping, down from 1,020 square miles in FY09. Geologic maps for three areas totaling 2,256 square miles are nearly completed and will be published in FY11, a significant increase over FY10. These publications are used by industry in making resource development decisions.
- In FY10, the Division of Geological and Geophysical Surveys published new airborne geophysical survey data for 653 square miles of high mineral-resource potential lands, exceeding the FY10 target of 640 and up from 442 square miles published in FY09. These publications are used by industry in making resource development decisions.
- At the end of FY10, the department had 20 online business services, out of an estimated total of 200, which is up from 19 in FY09 and 16 in FY08. The department continues the effort to streamline permit processes through the capital project for Unified Permitting; every improvement made in this area results in better services for our customers and improved efficiency for our staff.
- In FY10, 428 USDA-related inspections were requested and 100 percent were completed by the Division of Agriculture to meet statutory, federal, and international contract requirements related to commercial sales activity. These inspections represent approximately \$66.4 million realized primarily from timber exports and domestic produce. This compares to 401 inspections requested and completed in FY09, representing approximately \$43.1 million primarily from timber exports and domestic produce.

- The Department of Natural Resources maintains Public Information Centers in Anchorage, Fairbanks, and Juneau, with staff available to respond to customer needs in person or via phone. In addition, many of our services are available electronically, including land status and mapping information, geological and geophysical information, recorded documents, and park cabin reservations.

2. <b>Natural Resource Conservation and Protection</b> <i>Protect and enhance the value of state land and water resources and Alaska's coastal areas.</i>	Funding					Positions				
	UGF Funds	DGF Funds	Other Funds	Federal Funds	Total Funds	Full Time	Part Time	Non Perm		
	\$1,887.2	\$9.6	\$1,218.0	\$2,883.7	\$5,998.5	34	5	0		

- In FY10, those projects requiring a 50-day individual consistency review were completed by the Division of Coastal and Ocean Management, on average, in 42 days, the same as in FY09.
- As of August 2010, there was no change to the number of Coastal District Plans approved since November 2009, when 25 of 28 Coastal Districts had approved plans in place. During FY10, one Coastal District completed a minor plan amendment, and four others are in the process of updating and amending their plans.

3. <b>Wildland Fire Management</b> <i>Provide wildland fire protection on state, private and municipal lands.</i>	Funding					Positions				
	UGF Funds	DGF Funds	Other Funds	Federal Funds	Total Funds	Full Time	Part Time	Non Perm		
	\$23,640.8	\$55.9	\$2,568.9	\$6,819.7	\$33,085.3	43	181	0		

- Calendar Year (CY) 2010 to date was an average fire season in both number of fire starts (648) and acres burned (1.1 million). However, due to low precipitation, the month of May had 230 fire starts which is nearly 50 percent more than the 10 year average for May. The 250,475 acres burned in May of 2010 is significantly higher than the 10 year average of 113,000 acres. These fire starts were due to an increase in human caused fires and lightning ignitions. Six of these fires were due to fires from the fall of 2010 burning through the winter. This early fire season threatened communities across the interior of Alaska. No structures were lost during this fire season but several interior communities were impacted by smoke. For comparison, the record fire year was CY2004 when 6.6 million acres burned, and CY2009 saw 3.0 million acres burned. For CY2009, the Division of Forestry safely managed the 9th largest fire season on record, by suppressing 93.2 percent of fires in critical/full protection at <10 acres, exceeding the target of 90 percent (but a slight decrease from 94.9 percent in CY2008). Kept significantly under the 5-year average loss of structures with 22 lost in CY2009 compared to a 5-year average of 49. Experienced a 7 percent decrease in human caused wildfire starts, with 241 in CY2009 compared to 259 in CY2008.
- Although in calendar year 2009 the number of firefighters qualified by the State of Alaska increased by 7 percent, in FY10, the number of firefighting resources delivered from the Lower 48 increased for the third consecutive year at a cost of more than \$9 million.

Current as of October 22, 2010

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## Performance Details

### Department of Natural Resources


- [See Key Program Indicators »](#)
- [See Results Summary »](#)
- [Viewing Performance Details](#)
- [See Questions/Comments »](#)

### Mission

*Develop, conserve and enhance natural resources for present and future Alaskans.*

### Core Services

- Meet our mission through both resource management (land, water, forest, subsurface) and regulatory activities
- Manage the human and commercial uses of state resources to ensure we provide maximum value to Alaskans
- Provide opportunities to utilize state land and water resources
- Acquire and provide hydrologic, geologic, geographic, historical site, and other land record and natural resource information
- Acquire land for public purposes and to fulfill statehood land entitlements.
- Make land available for sale to the public, and transfer land to municipalities
- Preserve and enhance the value of state land and water resources and Alaska's coastal areas
- Mitigate potential disasters and hazards
- Implement federal regulations and programs related to natural resources.

End Result: 	Strategies to Achieve End Result
<p>A: Economic and recreational opportunities are provided, and state revenue is generated, by making land available for private, commercial and recreational use. <b>Details &gt;</b></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1: Hold five area wide oil and gas lease sales to promote exploration and development of resources.</b></li> <li>• <b>STATUS #1: In FY10, five area wide oil and gas lease sales were held in the North Slope, North Slope Foothills, Beaufort Sea, Cook Inlet and Alaska Peninsula areas. A total of \$11.8 million was received in valid bids, an estimated</b></li> </ul>	<p>A1: Process applications for land, subsurface, and water use in a timely manner. <b>Details &gt;</b></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1: Process 90 percent of new applications received for permits and leases in a fiscal year.</b></li> <li>• <b>STATUS #1: In FY10, 87 percent of new applications from industry and individuals for use and development of state land were processed by the Division of Mining, Land &amp; Water (575 processed of 662 received), an increase from 72 percent in FY09, when 473 of 655 were processed. Although this is an improvement in</b></li> </ul>

**482,594 new acres leased, and a potential 134 new leases awarded to-date. This is in line with FY09 when five lease sales were held in the same areas, with \$12.8 million received in valid bids, an estimated 355,000 new acres leased and a potential 112 new leases were awarded.**

- **TARGET #2: Process 100 percent of pipeline right-of-way amendments and operational permits within prescribed or negotiated timelines.**
- **STATUS #2: In FY10, 100 percent of pipeline right-of-way amendments and operational permits were processed within prescribed or negotiated timelines, consistent with FY09.**
- **TARGET #3: Issue permits and leases for state land and water uses in a timely manner.**
- **STATUS #3: In FY10, the backlog of applications for land use permits and leases increased by 87 to a total of 2,376; and the backlog of applications for water rights applications increased by 22 to a total of 742.**
- **TARGET #4: Increase the amount of state land transferred into private ownership and to municipalities.**
- **STATUS #4: In FY10, the Department of Natural Resources sold 286 parcels, putting 2,539 acres into private ownership, a decline from FY09 when 400 parcels for 3,583 acres were sold. In FY10, no acreage was transferred to municipalities, down from 28,266 acres in FY09.**
- **TARGET #5: Increase number of visits to Alaska state park units.**
- **STATUS #5: In FY10, annual visits to Alaska state park units were 5.39 million with 72 percent of visits made by resident Alaskans,**

**percentage processed over FY09, the backlog of unprocessed applications continues to increase, and stands at 2,376 at the end of FY10. Although we continue to try and improve processes, backlogs are increasing in part due to population and business growth, increased complexity and scrutiny, and litigation slows down the process time for permit issuance. These applications for land use permits and leases are fundamental to Alaska's development of jobs, businesses, new homes and recreational opportunities.**

- **TARGET #2: Process 100 percent of new water right applications received.**
- **STATUS #2: In FY10, the Division of Mining, Land & Water processed 69 percent (49 of 71) of new water right applications received, a slight increase from FY09 when 63 percent (78 of 124) of new applications received were processed, but both far below the 100 percent target. Although we continue to try and improve processes, water permit backlogs are increasing in part due to population and business growth, increased complexity and scrutiny, and litigation slows down the process time for permit issuance. Almost all development activities require water use permits and these activities positively impact Alaska businesses and families.**
- **TARGET #3: Award oil, gas, and geothermal leases within nine months of sale.**
- **STATUS #3: In FY10, 100 percent of leases were awarded within nine months of sale. Average award time was six months, one month less than FY09.**
- **TARGET #4: Provide stable or increasing economic benefit from use of trees and forests on state**

as compared to 5.22 million and 75 percent resident Alaskans visiting in FY09.

land by selling state timber to 40 or more Alaskan businesses.

- **STATUS #4:** Timber was sold to 52 Alaskan businesses in FY10, exceeding the target but down from 64 businesses in FY09. To compensate for the lack of available federal timber, the Division of Forestry is encouraging increased use of state forest land for Alaskan businesses by allowing uses that are pushing the state's maximum allowable yield for sustainable forests.

A2: Sell land to the public. **Details >**

- **TARGET #1:** Sell 300 parcels of land (approximately 3,000 acres) per year.
- **STATUS #1:** In FY10, the Division of Mining, Land & Water sold 286 parcels of land, putting a total of 2,539 acres into private ownership, a decline from FY09 when 400 parcels of land were sold for a total of 3,583 acres.

A3: Defend and maintain clear title to land. **Details >**

- **TARGET #1:** Respond to 100 percent of requests for navigability determinations.
- **STATUS #1:** In FY10, 94 percent of the 53 requests for title navigability determinations were responded to by the Division of Mining, Land & Water. This was an increase over FY09, when 86 percent of 42 requests were responded to. While this is an improvement in the percent responded to, and we continue to try and improve processes, the backlog continues to grow and stands at 9 at the end of FY10, up from 6 at the end of FY09.

A4: Acquire land from the federal government under the Statehood entitlement authority. **Details >**

- **TARGET #1:** Each year, receive an additional 2,000,000 acres of the remaining entitlement of state land.
- **STATUS #1:** In FY10, the state acquired 1.6 million acres of land from the federal government under the Statehood entitlement authority with another 6 million left to receive. Division of Mining, Land & Water project staff processed 100 percent of the Statehood entitlement conveyances that came in from the Bureau of Land Management; conveyance acreage received was 254,536 acres less than the previous year. Acreage added the last five years totals 8.3 million, which considerably increases the land management responsibilities of the department.

A5: Acquire and provide adequate information to support natural resource use and development decisions. [Details >](#)

- **TARGET #1:** Publish 1,625 square miles of energy-related new geologic mapping in FY11.
- **STATUS #1:** In FY10, the Division of Geological and Geophysical Surveys published 480 square miles of new energy-related geologic mapping, down from 1,020 square miles in FY09. Geologic maps for three areas totaling 2,256 square miles are nearly completed and will be published in FY11, a significant increase over FY10. These publications are used by industry in making resource development decisions.
- **TARGET #2:** Publish 700 square miles of airborne geophysical survey data of minerals-interest lands in FY11.
- **STATUS #2:** In FY10, the Division of Geological and Geophysical Surveys published new airborne geophysical survey data for 653 square miles of high mineral-

resource potential lands, exceeding the FY10 target of 640 and up from 442 square miles published in FY09. These publications are used by industry in making resource development decisions.

- **TARGET #3:** All Department of Natural Resources business transactions and permit applications can be conducted electronically.
- **STATUS #3:** At the end of FY10, the department had 20 online business services, out of an estimated total of 200, which is up from 19 in FY09 and 16 in FY08. The department continues the effort to streamline permit processes through the capital project for Unified Permitting; every improvement made in this area results in better services for our customers and improved efficiency for our staff.
- **TARGET #4:** Customers receive accurate and timely assistance.
- **STATUS #4:** The Department of Natural Resources maintains Public Information Centers in Anchorage, Fairbanks, and Juneau, with staff available to respond to customer needs in person or via phone. In addition, many of our services are available electronically, including land status and mapping information, geological and geophysical information, recorded documents, and park cabin reservations.

A6: Ensure compliance with statutory requirements and best practices. [Details >](#)

- **TARGET #1:** 100 percent compliance with FRPA (Forest Resources and Practices Act) best management practices. Compliance is measured as the percentage of best management practices rated 4 or higher out of a

perfect score of 5 in field inspections of forest operations.

- **STATUS #1:** Forest management practice compliance was below standards in CY09, declining from 92 percent to 70 percent in the Interior because forest roads on State lands were not adequately maintained.
- **TARGET #2:** Inspect for compliance with USDA grade, USDA label laws and buyer specifications.
- **STATUS #2:** In FY10, 428 USDA-related inspections were requested and 100 percent were completed by the Division of Agriculture to meet statutory, federal, and international contract requirements related to commercial sales activity. These inspections represent approximately \$66.4 million realized primarily from timber exports and domestic produce. This compares to 401 inspections requested and completed in FY09, representing approximately \$43.1 million primarily from timber exports and domestic produce.

A7: Improve safety of recreational boaters through effective implementation of the Division of Parks Boating Safety program.

**Details >**

- **TARGET #1:** Boating Safety program actions result in lives saved.
- **STATUS #1:** Since the Alaska Boating Safety program began, at least 19 Alaskan children have survived a water emergency thanks to a Kids Don't Float loaner life jacket, and Alaska's recreational boating fatality rate has declined. This summer (2010) saw 2 additional children saved in a rafting accident with loaner life jackets, bringing the lives saved count from 17 to 19. Life jacket wear rates in Alaska among adults have doubled, and wear rates

	among all age groups are now higher than the national average.
<b>End Result:</b> >>>	<b>Strategies to Achieve End Result</b>
<p>B: Alaska's coastal resources are managed to ensure a healthy and vibrant Alaskan coast that efficiently sustains long-term economic and environmental productivity. <b>Details &gt;</b></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1: Review 100 percent of the resource development projects for compliance with the Alaska Coastal Management Program requirements.</b></li> <li>• <b>STATUS #1: In FY10, the Division of Coastal and Ocean Management reviewed 100 percent of the resource development projects for compliance with the Alaska Coastal Management Program requirements, consistent with FY09.</b></li> </ul>	<p>B1: Provide efficient delivery of project management and review services. <b>Details &gt;</b></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1: Maintain a 50-day average consistency review timeframe for individual consistency reviews.</b></li> <li>• <b>STATUS #1: In FY10, those projects requiring a 50-day individual consistency review were completed by the Division of Coastal and Ocean Management, on average, in 42 days, the same as in FY09.</b></li> <li>• <b>TARGET #2: 100 percent of 28 active coastal districts develop approvable Coastal District Plans.</b></li> <li>• <b>STATUS #2: As of August 2010, there was no change to the number of Coastal District Plans approved since November 2009, when 25 of 28 Coastal Districts had approved plans in place. During FY10, one Coastal District completed a minor plan amendment, and four others are in the process of updating and amending their plans.</b></li> </ul>
<b>End Result:</b> >>>	<b>Strategies to Achieve End Result</b>
<p>C: The state wildland fire protection program preserves the value of land and resources under protection, commensurate with the values at risk. <b>Details &gt;</b></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1: Wildland fire protection on State, private and municipal land is commensurate with the values at risk.</b></li> <li>• <b>STATUS #1: Calendar Year (CY) 2010 to date was an average fire season in both number of fire starts (648) and acres burned (1.1 million). However, due to low</b></li> </ul>	<p>C1: Maintain and position adequate firefighting resources to contain most wildland fires through initial attack. <b>Details &gt;</b></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1: Firefighting resources are available for response to wildland fires that pose a threat to life and property.</b></li> <li>• <b>STATUS #1: Although in calendar year 2009 the number of firefighters qualified by the State of Alaska increased by 7 percent, in FY10, the number of firefighting resources delivered from the</b></li> </ul>

<p>precipitation, the month of May had 230 fire starts which is nearly 50 percent more than the 10 year average for May. The 250,475 acres burned in May of 2010 is significantly higher than the 10 year average of 113,000 acres. These fire starts were due to an increase in human caused fires and lightning ignitions. Six of these fires were due to fires from the fall of 2010 burning through the winter. This early fire season threatened communities across the interior of Alaska. No structures were lost during this fire season but several interior communities were impacted by smoke. For comparison, the record fire year was CY2004 when 6.6 million acres burned, and CY2009 saw 3.0 million acres burned. For CY2009, the Division of Forestry safely managed the 9th largest fire season on record, by suppressing 93.2 percent of fires in critical/full protection at &lt;10 acres, exceeding the target of 90 percent (but a slight decrease from 94.9 percent in CY2008). Kept significantly under the 5-year average loss of structures with 22 lost in CY2009 compared to a 5-year average of 49. Experienced a 7 percent decrease in human caused wildfire starts, with 241 in CY2009 compared to 259 in CY2008.</p>	<p>Lower 48 increased for the third consecutive year at a cost of more than \$9 million.</p>
<p><b>End Result:</b> &gt;&gt;&gt;</p>	<p><b>Strategies to Achieve End Result</b></p>
<p>D: Adequate facilities, equipment, infrastructure and support services are available for programs and projects. <b>Details &gt;</b></p>	<p>D1: Increase maintenance efforts in state forestry facilities and equipment to provide clean, safe, and well-maintained facilities and equipment. <b>Details &gt;</b></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1: Eliminate the deferred maintenance inventory of projects in Forestry and Firefighting facilities.</b></li> <li>• <b>STATUS #1: The Division of Forestry has an inventory of identified deferred maintenance of \$11 million in FY11. No targeted</b></li> </ul>

**deferred maintenance funding was received in FY11.**

D2: Increase maintenance efforts in state park units to provide clean, safe, and well-maintained park and recreational areas.

**Details >**

- **TARGET #1: Decrease the amount of deferred maintenance in state park units by \$10 million per year.**
- **STATUS #1: The Division of Parks and Outdoor Recreation received \$6.0 million in deferred maintenance funding in FY10. The cost of identified maintenance needs in state park units decreased to an estimated \$65.8 million in FY10, a decrease of \$1.4 million over FY09. Deferred maintenance needs grow an average of \$5,000,000 per year; to make progress reducing the inventory of deferred projects, funding of more than \$5,000,000 is needed annually.**

## Performance Detail

**A: Result - Economic and recreational opportunities are provided, and state revenue is generated, by making land available for private, commercial and recreational use.**

**Target #1:** Hold five area wide oil and gas lease sales to promote exploration and development of resources.

**Status #1:** In FY10, five area wide oil and gas lease sales were held in the North Slope, North Slope Foothills, Beaufort Sea, Cook Inlet and Alaska Peninsula areas. A total of \$11.8 million was received in valid bids, an estimated 482,594 new acres leased, and a potential 134 new leases awarded to-date. This is in line with FY09 when five lease sales were held in the same areas, with \$12.8 million received in valid bids, an estimated 355,000 new acres leased and a potential 112 new leases were awarded.

**Target #2:** Process 100 percent of pipeline right-of-way amendments and operational permits within prescribed or negotiated timelines.

**Status #2:** In FY10, 100 percent of pipeline right-of-way amendments and operational permits were processed within prescribed or negotiated timelines, consistent with FY09.

**Target #3:** Issue permits and leases for state land and water uses in a timely manner.

**Status #3:** In FY10, the backlog of applications for land use permits and leases increased by

87 to a total of 2,376; and the backlog of applications for water rights applications increased by 22 to a total of 742.

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**Target #4:** Increase the amount of state land transferred into private ownership and to municipalities.

**Status #4:** In FY10, the Department of Natural Resources sold 286 parcels, putting 2,539 acres into private ownership, a decline from FY09 when 400 parcels for 3,583 acres were sold. In FY10, no acreage was transferred to municipalities, down from 28,266 acres in FY09.

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**Target #5:** Increase number of visits to Alaska state park units.

**Status #5:** In FY10, annual visits to Alaska state park units were 5.39 million with 72 percent of visits made by resident Alaskans, as compared to 5.22 million and 75 percent resident Alaskans visiting in FY09.

#### Annual Visits to Alaska State Park Units

Year	YTD Total
2010	5,396,037 +3.28%
2009	5,224,650 +4.99%
2008	4,976,545 +2.09%
2007	4,874,635 +4.44%
2006	4,667,601 +5.72%
2005	4,414,994 +4.17%
2004	4,238,417

#### A1: Strategy - Process applications for land, subsurface, and water use in a timely manner.

**Target #1:** Process 90 percent of new applications received for permits and leases in a fiscal year.

**Status #1:** In FY10, 87 percent of new applications from industry and individuals for use and development of state land were processed by the Division of Mining, Land & Water (575 processed of 662 received), an increase from 72 percent in FY09, when 473 of 655 were processed. Although this is an improvement in percentage processed over FY09, the backlog of unprocessed applications continues to increase, and stands at 2,376 at the end of FY10. Although we continue to try and improve processes, backlogs are increasing in part due to population and business growth, increased complexity and scrutiny, and litigation slows down the process time for permit issuance. These applications for land use permits and leases are

fundamental to Alaska's development of jobs, businesses, new homes and recreational opportunities.

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**Target #2:** Process 100 percent of new water right applications received.

**Status #2:** In FY10, the Division of Mining, Land & Water processed 69 percent (49 of 71) of new water right applications received, a slight increase from FY09 when 63 percent (78 of 124) of new applications received were processed, but both far below the 100 percent target. Although we continue to try and improve processes, water permit backlogs are increasing in part due to population and business growth, increased complexity and scrutiny, and litigation slows down the process time for permit issuance. Almost all development activities require water use permits and these activities positively impact Alaska businesses and families.

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**Target #3:** Award oil, gas, and geothermal leases within nine months of sale.

**Status #3:** In FY10, 100 percent of leases were awarded within nine months of sale. Average award time was six months, one month less than FY09.

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**Target #4:** Provide stable or increasing economic benefit from use of trees and forests on state land by selling state timber to 40 or more Alaskan businesses.

**Status #4:** Timber was sold to 52 Alaskan businesses in FY10, exceeding the target but down from 64 businesses in FY09. To compensate for the lack of available federal timber, the Division of Forestry is encouraging increased use of state forest land for Alaskan businesses by allowing uses that are pushing the state's maximum allowable yield for sustainable forests.

**A2: Strategy - Sell land to the public.**

**Target #1:** Sell 300 parcels of land (approximately 3,000 acres) per year.

**Status #1:** In FY10, the Division of Mining, Land & Water sold 286 parcels of land, putting a total of 2,539 acres into private ownership, a decline from FY09 when 400 parcels of land were sold for a total of 3,583 acres.

**A3: Strategy - Defend and maintain clear title to land.**

**Target #1:** Respond to 100 percent of requests for navigability determinations.

**Status #1:** In FY10, 94 percent of the 53 requests for title navigability determinations were responded to by the Division of Mining, Land & Water. This was an increase over FY09, when 86 percent of 42 requests were responded to. While this is an improvement in the percent responded to, and we continue to try and improve processes, the backlog continues to grow and stands at 9 at the end of FY10, up from 6 at the end of FY09.

**A4: Strategy - Acquire land from the federal government under the Statehood entitlement authority.**

**Target #1:** Each year, receive an additional 2,000,000 acres of the remaining entitlement of

state land.

**Status #1:** In FY10, the state acquired 1.6 million acres of land from the federal government under the Statehood entitlement authority with another 6 million left to receive. Division of Mining, Land & Water project staff processed 100 percent of the Statehood entitlement conveyances that came in from the Bureau of Land Management; conveyance acreage received was 254,536 acres less than the previous year. Acreage added the last five years totals 8.3 million, which considerably increases the land management responsibilities of the department.

#### Number of Acres Acquired as per Statehood Entitlement

Fiscal Year	YTD Total
FY 2010	1,646,962 -13.39%
FY 2009	1,901,498 -21.81%
FY 2008	2,431,887 +863.31%
FY 2007	252,451 -87.4%
FY 2006	2,003,879 +34.52%
FY 2005	1,489,618 +5035.02%
FY 2004	29,009

**A5: Strategy - Acquire and provide adequate information to support natural resource use and development decisions.**

**Target #1:** Publish 1,625 square miles of energy-related new geologic mapping in FY11.

**Status #1:** In FY10, the Division of Geological and Geophysical Surveys published 480 square miles of new energy-related geologic mapping, down from 1,020 square miles in FY09. Geologic maps for three areas totaling 2,256 square miles are nearly completed and will be published in FY11, a significant increase over FY10. These publications are used by industry in making resource development decisions.

**Target #2:** Publish 700 square miles of airborne geophysical survey data of minerals-interest lands in FY11.

**Status #2:** In FY10, the Division of Geological and Geophysical Surveys published new airborne geophysical survey data for 653 square miles of high mineral-resource potential lands, exceeding the FY10 target of 640 and up from 442 square miles published in FY09. These publications are used by industry in making resource development decisions.

**Target #3:** All Department of Natural Resources business transactions and permit applications can be conducted electronically.

**Status #3:** At the end of FY10, the department had 20 online business services, out of an estimated total of 200, which is up from 19 in FY09 and 16 in FY08. The department continues the effort to streamline permit processes through the capital project for Unified Permitting; every improvement made in this area results in better services for our customers and improved efficiency for our staff.

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**Target #4:** Customers receive accurate and timely assistance.

**Status #4:** The Department of Natural Resources maintains Public Information Centers in Anchorage, Fairbanks, and Juneau, with staff available to respond to customer needs in person or via phone. In addition, many of our services are available electronically, including land status and mapping information, geological and geophysical information, recorded documents, and park cabin reservations.

**A6: Strategy - Ensure compliance with statutory requirements and best practices.**

**Target #1:** 100 percent compliance with FRPA (Forest Resources and Practices Act) best management practices. Compliance is measured as the percentage of best management practices rated 4 or higher out of a perfect score of 5 in field inspections of forest operations.

**Status #1:** Forest management practice compliance was below standards in CY09, declining from 92 percent to 70 percent in the Interior because forest roads on State lands were not adequately maintained.

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**Target #2:** Inspect for compliance with USDA grade, USDA label laws and buyer specifications.

**Status #2:** In FY10, 428 USDA-related inspections were requested and 100 percent were completed by the Division of Agriculture to meet statutory, federal, and international contract requirements related to commercial sales activity. These inspections represent approximately \$66.4 million realized primarily from timber exports and domestic produce. This compares to 401 inspections requested and completed in FY09, representing approximately \$43.1 million primarily from timber exports and domestic produce.

**A7: Strategy - Improve safety of recreational boaters through effective implementation of the Division of Parks Boating Safety program.**

**Target #1:** Boating Safety program actions result in lives saved.

**Status #1:** Since the Alaska Boating Safety program began, at least 19 Alaskan children have survived a water emergency thanks to a Kids Don't Float loaner life jacket, and Alaska's recreational boating fatality rate has declined. This summer (2010) saw 2 additional children saved in a rafting accident with loaner life jackets, bringing the lives saved count from 17 to 19. Life jacket wear rates in Alaska among adults have doubled, and wear rates among all age groups are now higher than the national average.

**B: Result - Alaska's coastal resources are managed to ensure a healthy and vibrant Alaskan coast that efficiently sustains long-term economic and environmental productivity.**

**Target #1:** Review 100 percent of the resource development projects for compliance with the Alaska Coastal Management Program requirements.

**Status #1:** In FY10, the Division of Coastal and Ocean Management reviewed 100 percent of the resource development projects for compliance with the Alaska Coastal Management Program requirements, consistent with FY09.

**B1: Strategy - Provide efficient delivery of project management and review services.**

**Target #1:** Maintain a 50-day average consistency review timeframe for individual consistency reviews.

**Status #1:** In FY10, those projects requiring a 50-day individual consistency review were completed by the Division of Coastal and Ocean Management, on average, in 42 days, the same as in FY09.

**Target #2:** 100 percent of 28 active coastal districts develop approvable Coastal District Plans.

**Status #2:** As of August 2010, there was no change to the number of Coastal District Plans approved since November 2009, when 25 of 28 Coastal Districts had approved plans in place. During FY10, one Coastal District completed a minor plan amendment, and four others are in the process of updating and amending their plans.

**C: Result - The state wildland fire protection program preserves the value of land and resources under protection, commensurate with the values at risk.**

**Target #1:** Wildland fire protection on State, private and municipal land is commensurate with the values at risk.

**Status #1:** Calendar Year (CY) 2010 to date was an average fire season in both number of fire starts (648) and acres burned (1.1 million). However, due to low precipitation, the month of May had 230 fire starts which is nearly 50 percent more than the 10 year average for May. The 250,475 acres burned in May of 2010 is significantly higher than the 10 year average of 113,000 acres. These fire starts were due to an increase in human caused fires and lightning ignitions. Six of these fires were due to fires from the fall of 2010 burning through the winter. This early fire season threatened communities across the interior of Alaska. No structures were lost during this fire season but several interior communities were impacted by smoke. For comparison, the record fire year was CY2004 when 6.6 million acres burned, and CY2009 saw 3.0 million acres burned.

For CY2009, the Division of Forestry safely managed the 9th largest fire season on record, by suppressing 93.2 percent of fires in critical/full protection at <10 acres, exceeding the target of 90 percent (but a slight decrease from 94.9 percent in CY2008). Kept significantly under the 5-year average loss of structures with 22 lost in CY2009 compared to a 5-year average of 49. Experienced a 7 percent decrease in human caused wildfire starts, with 241 in CY2009 compared to 259 in CY2008.

**C1: Strategy - Maintain and position adequate firefighting resources to contain most wildland fires through initial attack.**

**Target #1:** Firefighting resources are available for response to wildland fires that pose a threat to life and property.

**Status #1:** Although in calendar year 2009 the number of firefighters qualified by the State of Alaska increased by 7 percent, in FY10, the number of firefighting resources delivered from the Lower 48 increased for the third consecutive year at a cost of more than \$9 million.

**D: Result - Adequate facilities, equipment, infrastructure and support services are available for programs and projects.**

**D1: Strategy - Increase maintenance efforts in state forestry facilities and equipment to provide clean, safe, and well-maintained facilities and equipment.**

**Target #1:** Eliminate the deferred maintenance inventory of projects in Forestry and Firefighting facilities.

**Status #1:** The Division of Forestry has an inventory of identified deferred maintenance of \$11 million in FY11. No targeted deferred maintenance funding was received in FY11.

**D2: Strategy - Increase maintenance efforts in state park units to provide clean, safe, and well-maintained park and recreational areas.**

**Target #1:** Decrease the amount of deferred maintenance in state park units by \$10 million per year.

**Status #1:** The Division of Parks and Outdoor Recreation received \$6.0 million in deferred maintenance funding in FY10. The cost of identified maintenance needs in state park units decreased to an estimated \$65.8 million in FY10, a decrease of \$1.4 million over FY09. Deferred maintenance needs grow an average of \$5,000,000 per year; to make progress reducing the inventory of deferred projects, funding of more than \$5,000,000 is needed annually.

Year	YTD Total
2010	65,800,000 -2.08%
2009	67,200,000 +4.19%
2008	64,500,000 +25.73%
2007	51,300,000 +4.69%

2006	49,000,000 +13.16%
2005	43,300,000 0%
2004	43,300,000

Current as of October 22, 2010

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**Department**

**Of**

**Transportation**

**and**

**Public**

**Facilities**

## Key Performance Indicators

### Department of Transportation & Public Facilities

- Viewing Performance Indicators
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### Mission

Provide for the safe movement of people and goods and the delivery of State services.

### Key Program Performance Indicators

Arrow indicates trend: ↑=Improving ↓=Worsening ↔=Maintaining

FY11 Authorized as of 9/30/2010 (in thousands)

Department of Transportation & Public Facilities Totals	Funding					Positions		
	UGF Funds	DGF Funds	Other Funds	Federal Funds	Total Funds	Full Time	Part Time	Non Perm
	\$255,305.2	\$62,583.9	\$247,459.1	\$3,957.2	\$569,305.4	3,191	437	220

1. Maintenance & Operations of State Transportation Systems <i>Important to the safety of public use of the state's transportation systems; supports economic development in terms of travel industry, general public, and commercial vehicle transportation, etc.</i>	Funding					Positions		
	UGF Funds	DGF Funds	Other Funds	Federal Funds	Total Funds	Full Time	Part Time	Non Perm
	\$245,944.0	\$52,507.7	\$126,540.2	\$3,957.2	\$428,949.1	2,160	216	129

- The department's target of increasing by 15 centerline miles per year the national highway system (NHS) non-intermodal roads that meet current standards was exceeded this past year. In FFY2009, 1,521 miles of the State's NHS routes meet national standards, which is an increase of 75 miles over FFY2008.
- The department uses a 3-year moving average to track highway transportation safety through traffic fatalities. In 2009, this average was 4.41%, lower than the previous 3-year moving average. Alaska experienced 1.30 traffic fatalities per 100 million VMT in 2009. This compares to the early national estimate of 1.16 fatalities per 100 million VMT, which is the lowest on record at the national level.
- The department strives to reduce the number of occupational injuries and illnesses in the department to less than the national average. For 2008 the department's overall incident rate was 3.5, which is slightly higher than the 2008 national average of 3.4.
- The number of airports that were closed due to seasonally soft runway conditions or other issues decreased by three (3) from FFY2009 to FFY2010. This exceeded the target of reducing seasonally closed airports by one per year. Additionally from FFY2004 to FFY2010 there has been a reduction of closures from 23 to 8.
- Decreasing the deck area of bridges classified by the Federal Highway Administration (FHWA) as structurally deficient or functionally obsolete is calculated using a five year average. In 2009, the five year average for the deck area of all bridges classified as structurally deficient or functionally obsolete decreased by 1.9%, compared to a decrease of 1.7% for the five year average reported in the prior year.
- On-time Alaska Marine Highway System vessel departures in 2009 were 92% which is an improvement over the 88% previous 3-year average and well above the industry standard of 75.1%.

- In FY2009, Alaska Marine Highway System Vessel Car Deck Capacity Utilization rose by 1%, from 57% to 58%, and for the 4th year in a row, meeting the target of a 1% increase per year.
- The rural airport revenues collected in FY2010 increased by 4.45% from the prior fiscal year.
- During FFY2010, one runway lighting project was significantly completed, which meets the goal of increasing the number of runways with permanent lighting in remote communities by one per year. In addition, in 2010, the department received Airport Improvement Project funding for two (2) runway lighting projects.

2. <b>Measurement Standards &amp; Commercial Vehicle Enforcement</b> <i>Reduce risk of accidents or road damage from unsafe commercial vehicles and/or loads.</i>	Funding					Positions			
	UGF Funds	DGF Funds	Other Funds	Federal Funds	Total Funds	Full Time	Part Time	Non Perm	
	\$2,003.0	\$2,596.8	\$2,585.2	\$0.0	\$7,185.0	75	0	0	

- **99.3% of the commercial motor vehicles weighed at fixed and mobile inspection sites in FFY 2010 to date, were weight compliant, meeting the department's goal of 99%.**

3. <b>Transportation &amp; Facilities Construction Program</b> <i>Provides the planning and management of construction projects across the department. This includes major repair and rehabilitation of all transportation modes, and state owned facilities, operated and maintained by the State of Alaska.</i>	Funding					Positions			
	UGF Funds	DGF Funds	Other Funds	Federal Funds	Total Funds	Full Time	Part Time	Non Perm	
	\$7,358.2	\$7,479.4	\$118,333.7	\$0.0	\$133,171.3	956	221	91	

- **The percentage of administrative and engineering costs compared to total project costs was 19.6% in FFY2010; it remains the same as in FFY2009, and is well within the department's target of 30%.**

Current as of May 5, 2011

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# Performance Details

## Department of Transportation & Public Facilities


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### Mission

*Provide for the safe movement of people and goods and the delivery of State services.*

### Core Services

- The department is statutorily responsible for the planning, design, construction, maintenance, and operations of transportation facilities and buildings.
- Maintenance and Operations of State Transportation Systems: Highways, Airports, Alaska Marine Highway System, Public Facilities, Ports and Harbors and State Equipment Fleet.
- Measurement Standards & Commercial Vehicle Enforcement
- Transportation and Facilities Construction Program
- Program and Administrative Support

End Result: 	Strategies to Achieve End Result
<p>A: Provide a safe transportation system; eliminate injuries, fatalities and property damage. <b>Details &gt;</b></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1: By 2020, reduce the 3-year moving average of traffic fatalities per 100 million vehicle miles traveled (VMT) by 3% per year.</b></li> <li>• <b>STATUS #1: The department uses a 3-year moving average to track highway transportation safety through traffic fatalities. In 2009, this average was 4.41%, lower than the previous 3-year moving average. Alaska experienced 1.30 traffic fatalities per 100 million VMT in 2009. This compares to the early national estimate of 1.16 fatalities per 100 million VMT, which is the lowest on record at the national level.</b></li> </ul>	<p>A1: Build and improve state-owned roads and highways to appropriate department standards. <b>Details &gt;</b></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1: Increase by 15 centerline miles per year the national highway system (NHS) non-intermodal routes that meet current department standards.</b></li> <li>• <b>STATUS #1: The department's target of increasing by 15 centerline miles per year the national highway system (NHS) non-intermodal roads that meet current standards was exceeded this past year. In FFY2009, 1,521 miles of the State's NHS routes meet national standards, which is an increase of 75 miles over FFY2008.</b></li> <li>• <b>TARGET #2: Decrease by 3% on a five year average the deck area of all bridges (regardless of</b></li> </ul>

	<p>ownership) classified by the Federal Highway Administration (FHWA) as structurally deficient or functionally obsolete.</p> <ul style="list-style-type: none"> <li>• <b>STATUS #2: Decreasing the deck area of bridges classified by the Federal Highway Administration (FHWA) as structurally deficient or functionally obsolete is calculated using a five year average. In 2009, the five year average for the deck area of all bridges classified as structurally deficient or functionally obsolete decreased by 1.9%, compared to a decrease of 1.7% for the five year average reported in the prior year.</b></li> </ul> <p>A2: Preserve or improve condition of highway infrastructure. <b>Details &gt;</b></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1: Increase Pavement Serviceability Rating (PSR) to 3.3 by October 2012.</b></li> <li>• <b>STATUS #1: Pavement Serviceability Rating (PSR) is a national standard for reporting surface transportation condition and performance using a 0-5 rating, where 5 is perfect and 0 is failed. The average PSR for 2006 – 2010 was 3.1 (Fair), compared to last year’s average of 3.2.</b></li> </ul>
<p><b>End Result:</b> &gt;&gt;&gt;</p>	<p><b>Strategies to Achieve End Result</b></p>
<p>B: Provide a transportation infrastructure that supports and promotes economic growth. <b>Details &gt;</b></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1: 80% of strategy targets are met or exceeded in the fiscal year towards the end result of providing a transportation infrastructure that supports and promotes economic growth.</b></li> <li>• <b>STATUS #1: 83% of strategies met or exceeded targets in this area, providing a transportation infrastructure that supports and promotes economic growth.</b></li> </ul>	<p>B1: Enhance economic activities through key transportation services. <b>Details &gt;</b></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1: Alaska Marine Highway System meets or exceeds industry standard for on-time departures.</b></li> <li>• <b>STATUS #1: On-time Alaska Marine Highway System vessel departures in 2009 were 92% which is an improvement over the 88% previous 3-year average and well above the industry standard of 75.1%.</b></li> </ul>

- **TARGET #2: Reduce the number of airports that are closed due to seasonally soft runway conditions or other issues by one (1) per federal fiscal year.**
- **STATUS #2: The number of airports that were closed due to seasonally soft runway conditions or other issues decreased by three (3) from FFY2009 to FFY2010. This exceeded the target of reducing seasonally closed airports by one per year. Additionally from FFY2004 to FFY2010 there has been a reduction of closures from 23 to 8.**
- **TARGET #3: Increase the number of runways in remote communities with permanent runway lighting by one (1) per federal fiscal year through FFY12.**
- **STATUS #3: During FFY2010, one runway lighting project was significantly completed, which meets the goal of increasing the number of runways with permanent lighting in remote communities by one per year. In addition, in 2010, the department received Airport Improvement Project funding for two (2) runway lighting projects.**

B2: Enhance economic activities through increased State revenue. **Details >**

- **TARGET #1: Increase AMHS Vessel Car Deck Utilization by at least 1% over the previous year.**
- **STATUS #1: In FY2009, Alaska Marine Highway System Vessel Car Deck Capacity Utilization rose by 1%, from 57% to 58%, and for the 4th year in a row, meeting the target of a 1% increase per year.**
- **TARGET #2: Increase revenue collected at rural airports by 5% over prior state fiscal year.**
- **STATUS #2: The rural airport revenues collected in FY2010**

	<p>increased by 4.45% from the prior fiscal year.</p> <p>B3: Improve efficiency. <b>Details &gt;</b></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1: 80% or above in customer service satisfaction with department services.</b></li> <li>• <b>STATUS #1: In 2010 public satisfaction with the department's services resulted in a total satisfaction rating of 74% (combining very satisfied with somewhat satisfied). This is a decrease from the 2008 rating of 79.9%. Those reporting they were very satisfied, however, increased from 16.5% in 2008 to 26% in 2010.</b></li> </ul>
<p><b>End Result:</b> &gt;&gt;&gt;</p>	<p><b>Strategies to Achieve End Result</b></p>
<p>C: Carry out safe operations. <b>Details &gt;</b></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1: Reduce the number of occupational injuries and illnesses in the department to less than the national average.</b></li> <li>• <b>STATUS #1: The department strives to reduce the number of occupational injuries and illnesses in the department to less than the national average. For 2008 the department's overall incident rate was 3.5, which is slightly higher than the 2008 national average of 3.4.</b></li> </ul>	<p>C1: Improve employees' awareness of workplace safety requirements. <b>Details &gt;</b></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1: Reduce the number of occupational injuries and illnesses to less than the national average in the Alaska International Airport System (AIAS).</b></li> <li>• <b>STATUS #1: For 2008 the overall incident rate for the Anchorage and Fairbanks Int. Airports was 5.2, which is lower than the 2008 national average of 5.8.</b></li> <li>• <b>TARGET #2: Reduce the number of occupational injuries and illnesses to less than the national average within each of the three Regions and the MS/CVE Division.</b></li> <li>• <b>STATUS #2: For 2008, the Incident rate for all (3) regions and MS/CVE was 4.05, which is lower than the 2008 national average of 4.4.</b></li> <li>• <b>TARGET #3: Reduce the number of occupational injuries and illnesses to less than the national average in Statewide Operations.</b></li> </ul>

	<ul style="list-style-type: none"> <li>• <b>STATUS #3:</b> For 2008, the Incident Rate for Statewide Functions was 2.9, which is higher than the 2008 national average of 2.3.</li> <li>• <b>TARGET #4:</b> Reduce the number of occupational injuries and illnesses to less than the national average for Facilities functions.</li> <li>• <b>STATUS #4:</b> In 2008, the Incident rate for Facilities was 0, which is significantly lower than the 2008 national average of 1.2.</li> </ul>
<p><b>End Result:</b> &gt;&gt;&gt;</p>	<p><b>Strategies to Achieve End Result</b></p>
<p>D: Reduce the risk of accidents or road damage from unsafe commercial vehicles and/or loads. <b>Details &gt;</b></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1:</b> 99% commercial motor vehicle weight compliance at fixed and mobile inspection sites.</li> <li>• <b>STATUS #1:</b> 99.3% of the commercial motor vehicles weighed at fixed and mobile inspection sites in FFY 2010 to date, were weight compliant, meeting the department's goal of 99%.</li> </ul>	<p>D1: Reduce number of illegal oversize/overweight Commercial Motor Vehicles (CMVs) on highways. <b>Details &gt;</b></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1:</b> Increase the number of roadside (mobile enforcement) commercial truck inspections by 2% over the previous year.</li> <li>• <b>STATUS #1:</b> The number of roadside commercial truck inspections decreased in 2009 by 23.72%, bringing total inspections to 3,929.</li> </ul>
<p><b>End Result:</b> &gt;&gt;&gt;</p>	<p><b>Strategies to Achieve End Result</b></p>
<p>E: Reduce design and construction project management costs. <b>Details &gt;</b></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1:</b> Maintain the percentage of administrative and engineering costs below 30% of total project costs.</li> <li>• <b>STATUS #1:</b> The percentage of administrative and engineering costs compared to total project costs was 19.6% in FFY2010; it remains the same as in FFY2009, and is well within the department's target of 30%.</li> </ul>	<p>E1: Minimize administrative and engineering costs associated with projects. <b>Details &gt;</b></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1:</b> Maintain the percentage of administrative and engineering costs below 30% of total project costs for Central Region.</li> <li>• <b>STATUS #1:</b> The percent of administrative and engineering costs compared to total project costs for Central Region decreased by 5% to 18% in FFY2010, well within the department's target of 30%.</li> </ul>

- **TARGET #2: Maintain the percentage of administrative and engineering costs below 30% of total project costs for Northern Region.**
- **STATUS #2: The percent of administrative and engineering costs compared to total project costs for Northern Region increased by 1% to 21% in FFY2010, well within the department's target of 30%.**
  
- **TARGET #3: Maintain the percentage of administrative and engineering costs below 30% of total project costs for Southeast Region.**
- **STATUS #3: The percent of administrative and engineering costs compared to total project costs for Southeast Region increased by 11% to 21% in FFY2010, well within the department's target of 30%.**

## Performance Detail

**A: Result - Provide a safe transportation system; eliminate injuries, fatalities and property damage.**

**Target #1:** By 2020, reduce the 3-year moving average of traffic fatalities per 100 million vehicle miles traveled (VMT) by 3% per year.

**Status #1:** The department uses a 3-year moving average to track highway transportation safety through traffic fatalities. In 2009, this average was 4.41%, lower than the previous 3-year moving average. Alaska experienced 1.30 traffic fatalities per 100 million VMT in 2009. This compares to the early national estimate of 1.16 fatalities per 100 million VMT, which is the lowest on record at the national level.

Year	3 Year Average % Change
2009	-4.41%
2008	- 3.87%
2007	- 8.72%
2006	- 9.04%
2005	- 6.26%
2004	3.09%

2003	- 4.59%
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**Analysis of results and challenges:** The department's 3-year trend line showed a greater than 3% reduction for all years except 2004. Between 2007-2009 Alaska averaged 69 traffic fatalities, a decrease of 14 fatalities in comparison to the pre-Strategic Highway Safety Plan years of 2004-2006, which had an average of 83 traffic fatalities.

The U.S. national fatality rate decreased annually between 1994 and 2004, from 1.73 fatalities per 100 million vehicle miles traveled (VMT) in 1994, to 1.44 fatalities/100 million VMT in 2004, before again dropping to 1.27 fatalities per 100 million VMT in 2008. 2009 data will be available at the end of the 2010 calendar year. The final national VMT and fatalities for the previous year are typically reported late in the succeeding year. However, the early national estimate (<http://www-nrd.nhtsa.dot.gov/pubs/811291.pdf>) is 1.16 fatalities per 100 million VMT, which is the lowest on record. The 2008 national fatality rate was 1.25 fatalities per 100 million VMT. The 2009 final national rate will be posted when available.

Reducing fatalities is an important indicator of the overall safety of the highway system, but fatality crashes are also a relatively rare outcome and thus the data can be subject to significant changes year-to-year. For example, a single crash event involving a large number of fatalities (such as a crash event involving many passengers in a van or bus) would skew the year's outcome significantly. For this reason, the data is smoothed by using a moving average of three or more years. Currently, the FHWA national practice is considering a three-year average.

The seasonal number of fatalities per month peaks each summer, when there is more economic and recreational activity thus more driving. A second peak occurs in winter, with long periods of darkness and poor driving conditions. Both spring and fall experience a lower level of fatalities, reflecting generally better weather conditions, but traffic is not yet at the peak of total driving.

Historically, the most frequently cited behavioral contributors to fatal and serious injury crashes in Alaska are impaired driving, unsafe speed, and failure to heed traffic control devices. Crash types resulting in the greatest number of fatalities include run-off-road, head-on, and intersection crashes.

The overall number of fatalities has been dropping since 2004 when it was at 101. The second highest year since then was 2007 with 82 and the lowest year was 2008 with 62 fatalities. The causes and effects of this decline are hard to link, but the increase in seatbelt usage, the higher enforcement in highway safety corridors and the new Bureau of Highway Patrol funded from the Alaska Highway Safety Office are all thought to be contributing factors. A countervailing factor at this time would be the increase in distracted driving from smart phones, including texting, email and internet use while driving.

**A1: Strategy - Build and improve state-owned roads and highways to appropriate department standards.**

**Target #1:** Increase by 15 centerline miles per year the national highway system (NHS) non-intermodal routes that meet current department standards.

**Status #1:** The department's target of increasing by 15 centerline miles per year the national

highway system (NHS) non-intermodal roads that meet current standards was exceeded this past year. In FFY2009, 1,521 miles of the State's NHS routes meet national standards, which is an increase of 75 miles over FFY2008.

#### National Highway System (NHS) Miles

Fiscal Year	Miles	Meeting National Stds	Improved Centerline
FFY 2009	2151	1521	75
FFY 2008	2148	1446	15
FFY 2007	2147	1431	11
FFY 2006	2147	1420	35
FFY 2005	2123	1385	41
FFY 2004	2113	1344	41
FFY 2003	2113	1303	82

*Methodology: Methodology: \*Based on centerline miles that are not intermodal connectors, ramps, or wyes. Source:*

*[http://www.dot.state.ak.us/stwdplng/highwaydata/routelists.shtml#nhs\\_routes](http://www.dot.state.ak.us/stwdplng/highwaydata/routelists.shtml#nhs_routes).*

**Analysis of results and challenges:** As of 2009, of the 2,151 NHS centerline miles there are 1,521 miles (70.7%) that meet national standards and 630 miles (29.3%), including much of the Dalton Highway, which do not meet these standards.

**Target #2:** Decrease by 3% on a five year average the deck area of all bridges (regardless of ownership) classified by the Federal Highway Administration (FHWA) as structurally deficient or functionally obsolete.

**Status #2:** Decreasing the deck area of bridges classified by the Federal Highway Administration (FHWA) as structurally deficient or functionally obsolete is calculated using a five year average. In 2009, the five year average for the deck area of all bridges classified as structurally deficient or functionally obsolete decreased by 1.9%, compared to a decrease of 1.7% for the five year average reported in the prior year.

#### Square Feet of Structurally Deficient & Functionally Obsolete Bridge Deck

Year	YTD Total	% Change (5 yr Avg)
2009	1,498,700	-1.9%
2008	1,471,400	-1.7%
2007	1,549,600	.6%
2006	1,581,800	1.6%
2005	1,803,300	4.6%
2004	1,649,800	n/a
2003	1,614,200	n/a

2002	1,503,000	n/a
2001	1,455,800	n/a

**Analysis of results and challenges:** Because the deficient bridge list is so dynamic a five year average comprised of the reporting year and four previous years is used as the metric.

It is important to note that the deficient bridge list is dynamic. Factors affecting bridge condition include:

- Age. Alaska's bridge population continues to age and currently 13% of the publically owned bridges are older than 50 years, which is nearing the end of their 50 to 75 year design life.
- Damage. Bridges may be damaged by a variety of means including: Overstressing primary members, steel corrosion, timber deterioration and rot, collision, scour, and earthquakes.
- Functionally obsolete by definition. New marine transfer structures designed for low speed, one way traffic may be considered functionally obsolete based on federal definition yet are adequate for their intended service.
- Rehabilitation and replacement. Structurally deficient bridges are typically removed from the list following rehabilitation or replacement. Replacement bridges are typically longer and wider than the bridge being replaced.
- Changes in annual daily traffic (ADT) and functional classification. Changes in ADT and functional classification may affect the determination if a bridge is deficient.

The deck area of structurally deficient and functionally obsolete (deficient) bridges, as defined by the FHWA, is used to distribute federal funds to state transportation departments. A reduction in the deck area of deficient bridges is believed to be a reasonable metric to evaluate how well the Department is addressing deficient bridge needs. Local Agency bridges are an important component of the state's transportation system and are included in this metric. However, the Department's ability to remedy deficiencies on non-state owned bridges is limited.

Biennial bridge inspections are required by Federal regulations to assure the safety of the traveling public. Using information from these inspections staff complete the following:

- Load rate bridges to determine their vehicle live load capacity. These calculations are used to permit overweight vehicles across bridges.
- Load post and close bridges as necessary.
- Develop repair recommendations to address maintenance and structural needs.
- Design repairs to address bridge needs.
- Because many of Alaska's roads do not have reasonable or, in many locations, any available detour routes recent bridge projects have focused on maintaining road access by rehabilitating or replacing structurally deficient bridges.

**A2: Strategy - Preserve or improve condition of highway infrastructure.**

**Target #1:** Increase Pavement Serviceability Rating (PSR) to 3.3 by October 2012.

**Status #1:** Pavement Serviceability Rating (PSR) is a national standard for reporting surface transportation condition and performance using a 0-5 rating, where 5 is perfect and 0 is failed. The average PSR for 2006 – 2010 was 3.1 (Fair), compared to last year's average of 3.2.

**Yearly Statewide PSR Average**

Year	Stwd Average PSR
2010	3.1
2009	3.2
2008	3.1
2007	3.0
2006	3.0

*Methodology: Statewide PSR Average by Year*

**Analysis of results and challenges:** The Pavement Serviceability Rating (PSR) was established as a National Standard in the "1995 Status of the Nation's Surface Transportation System: Condition and Performance – Report to Congress". It is a rating system from 0 to 5, where 5 is perfect and 0 is failed.

The rating system is broken down as:

Rating-PSR Value  
 Very Good - > 4.0  
 Good - >3.5 to 3.9  
 Fair - 3.1 to 3.4  
 Mediocre - 2.6 to 3.0  
 Poor - < 2.5

The ratings for Alaska were conducted for Class 1-4 which are all paved DOT-owned roadways and do not include local streets. They do include arterials and collectors (e.g. College Road in Fairbanks, C Street in Anchorage, and North Douglas Highway in Juneau).

The PSR value is determined from a mathematical formula using the International Roughness Index (IRI) and the rut depth measurements collected annually. The formula is slightly modified for the different classes of roadway equalizing the ratings.

The challenges in reaching the target rating of 3.3 are primarily due to rutting and smoothness factors:

- Rutting is mostly caused by studded tire usage for much of the year.
- Smoothness is affected by surface irregularities such as potholes, unevenness due to heaving of the surface from ice accumulation, depressions caused from thawing, and cracks.
- Permafrost prone areas are a special challenge requiring engineers to design for the delicate

balance to keep frozen ground frozen.

•Thermal cracking also seems to be a standard for Alaska at a rate of 50 cracks per mile. This results from a thermal material property of the long "ribbon" of asphalt. It will shrink in cold temperatures in all directions and break in a fairly uniform manner.

**B: Result - Provide a transportation infrastructure that supports and promotes economic growth.**

**Target #1:** 80% of strategy targets are met or exceeded in the fiscal year towards the end result of providing a transportation infrastructure that supports and promotes economic growth.

**Status #1:** 83% of strategies met or exceeded targets in this area, providing a transportation infrastructure that supports and promotes economic growth.

**Analysis of results and challenges:** The department uses a wide variety of strategies to provide a safe transportation infrastructure that supports and promotes economic growth. The infrastructure includes surface, air, and water transportation systems. These strategies range from providing timely, reliable AMHS vessel departures and increased rural airport availability to increasing revenue received by the department. In addition, the department reaches out to public users of the transportation systems to ascertain customer satisfaction with services and gain insight into areas within the department that require additional or special attention. As a result of these myriad strategies, the department has an overall positive economic impact on the state.

**B1: Strategy - Enhance economic activities through key transportation services.**

**Target #1:** Alaska Marine Highway System meets or exceeds industry standard for on-time departures.

**Status #1:** On-time Alaska Marine Highway System vessel departures in 2009 were 92% which is an improvement over the 88% previous 3-year average and well above the industry standard of 75.1%.

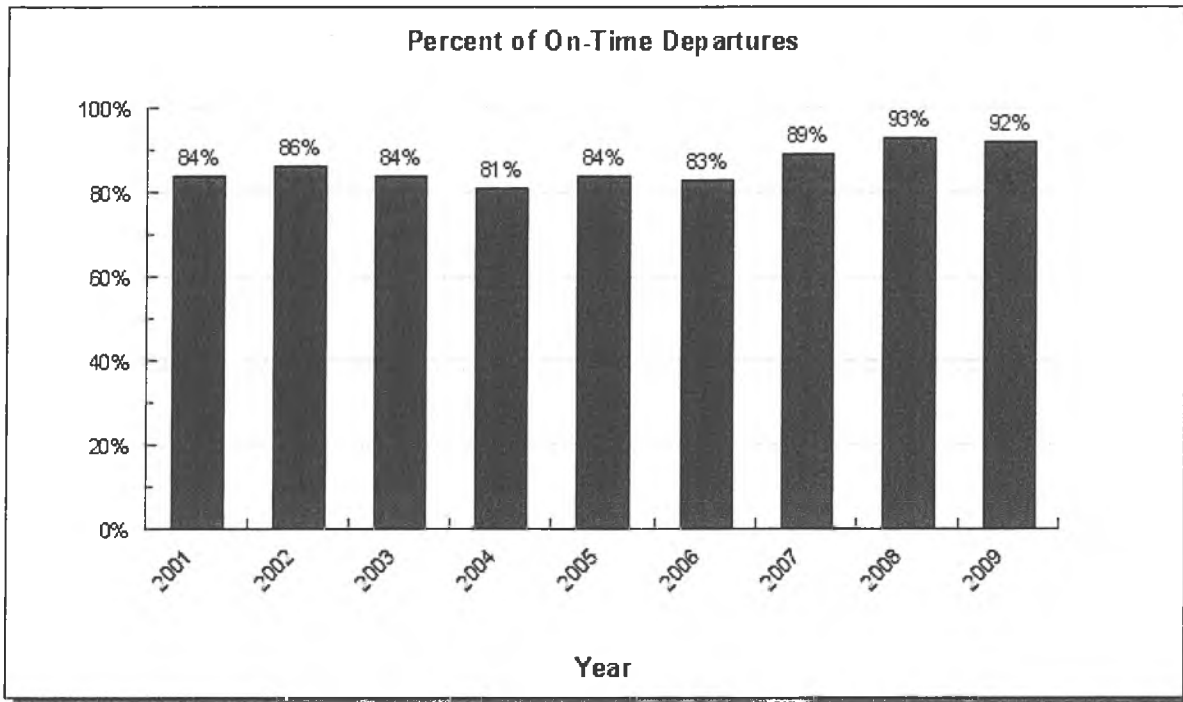


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**Analysis of results and challenges:** The target is for the Alaska Marine Highway System (AMHS) to consistently exceed the on-time departure benchmark of 75.1%. An on-time ferry departure is within 30 minutes of the scheduled departure time.

Numerous events can cause delays in ferry departure times, especially weather and tides. An additional relevant factor is the time it takes to load/unload large and/or low slung vehicles (RV's, trucks w/trailers, heavy equipment) during busy periods. Most of these factors are out of the control of AMHS. Nevertheless, making schedule modifications in the event of continual and systematic delays are within the department's control.

**Target #2:** Reduce the number of airports that are closed due to seasonally soft runway conditions or other issues by one (1) per federal fiscal year.

**Status #2:** The number of airports that were closed due to seasonally soft runway conditions or other issues decreased by three (3) from FFY2009 to FFY2010. This exceeded the target of reducing seasonally closed airports by one per year. Additionally from FFY2004 to FFY2010 there has been a reduction of closures from 23 to 8.

#### Change in Number of Airports that are Closed Seasonally

Fiscal Year	YTD Seasonal Closures	Change
FFY 2010	8	Reduction of 3
FFY 2009	11	Reduction of 2
FFY 2008	13	Reduction of 2
FFY 2007	15	Reduction of 2
FFY 2006	17	Reduction of 4

FFY 2005	21	Reduction of 2
FFY 2004	23	

**Analysis of results and challenges:** At the beginning of FFY2010 there were 11 airports (out of 253 total rural airports with which the department is involved) on the seasonal closure list with a target of improving by one (1) per year. By the end of FFY2010 only eight (8) airports experienced seasonal closure due to soft runway conditions or other issues. The Huslia and Kongiganak airports were improved during FFY2010. The Savoonga Airport was removed from the Temporary Seasonal Closure list in FFY2010, based on information from the airport manager that it was only closed briefly during heavy snow events which should not be considered as a temporary seasonal closure. The remaining eight (8) airports are: Akiachak; Ambler; Golovin; Koyuk; Kwigillingok; Nanwalek; Portage Creek; and Red Devil.

The department expects to meet the target of reducing the Temporary Seasonal Closure list by a minimum of one (1) airport annually for FFY2010 and FFY2011. After FFY2011 the delivery of improvements to the seasonal closure list is not expected on an annual basis; rather, it is expected to be one (1) airport every three (3) years. The challenges to addressing the Seasonal Closure on a continued accelerated basis are: 1) other competing priorities; 2) some airports are not eligible for federal funding; 3) extended project development times to acquire Native Allotments; and 4) very high cost for the benefit achieved.

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**Target #3:** Increase the number of runways in remote communities with permanent runway lighting by one (1) per federal fiscal year through FFY12.

**Status #3:** During FFY2010, one runway lighting project was significantly completed, which meets the goal of increasing the number of runways with permanent lighting in remote communities by one per year. In addition, in 2010, the department received Airport Improvement Project funding for two (2) runway lighting projects.

Fiscal Year	Lighting Completed
FFY 2010	1 -50%
FFY 2009	2 +100%
FFY 2008	1 0%
FFY 2007	1

**Analysis of results and challenges:** Not all communities in Alaska have adequate runway surfaces and lighting to allow night time aircraft operations. The department's goal is to make rural communities accessible for medivac and other emergency aircraft on a 24 hour per day basis. A concerted effort has been taken to provide permanent lighting, portable runway edge lights or portable helicopter landing zone lighting in rural communities. There are still communities where permanent improvements are feasible and those airports are the focus of this measure.

The department's goal is to increase the number of lighted runways in remote communities by a minimum of one each federal fiscal year. In addition, the department intends to acquire

enough grant funding to construct permanent improvements at a minimum of one remote community each year through FFY12. The difference between funding and project completion targets is due to the complexity of projects in remote villages. It is not unusual for a project to take two to four years to complete.

The Department has achieved the funding goal for 2010 through a runway lighting system that was completed at Kongiganak Airport.

**B2: Strategy - Enhance economic activities through increased State revenue.**

**Target #1:** Increase AMHS Vessel Car Deck Utilization by at least 1% over the previous year.

**Status #1:** In FY2009, Alaska Marine Highway System Vessel Car Deck Capacity Utilization rose by 1%, from 57% to 58%, and for the 4th year in a row, meeting the target of a 1% increase per year.

**Car Deck Capacity Utilization**

Fiscal Year	YTD Total	Variance
FY 2009	58%	+1%
FY 2008	57%	+5%
FY 2007	52%	+5%
FY 2006	47%	

*Methodology:* The analysis converts capacity data into vehicle miles by taking the sum of each trip's vehicle capacity and multiplying it by the distance the ship travels. This produces the capacity number. Next, the analysis considers the actual sum of lineal feet of vehicle that were on board and multiplies that number by the distance they traveled. This produces the utilized number. Finally, the utilized number is divided by the capacity number to produce the utilization percentage.

**Analysis of results and challenges:** In FY2010, the Alaska Marine Highway System (AMHS) saw increased vehicle utilization for the 5th year in a row. This is a direct result of providing a consistent schedule and ever increasing marketing strategies as well as appropriate asset deployment.

AMHS remains committed to the current schedule and will strive for the earliest possible schedule releases. It is anticipated that car deck utilization will continue to increase.

**Target #2:** Increase revenue collected at rural airports by 5% over prior state fiscal year.

**Status #2:** The rural airport revenues collected in FY2010 increased by 4.45% from the prior fiscal year.

Fiscal Year	Revenue	% Change
FY 2010	\$4,090.7	4.45%
FY 2009	\$3,897.7	6.3%

FY 2008	\$3,666.6	-1.84%
FY 2007	\$3,735.2	12.96%
FY 2006	\$3,306.7	-1.46%
FY 2005	\$3,355.6	not available

**Analysis of results and challenges:** Statewide Aviation fell short of this target for FY2010; the aviation industry in our state continues to experience the effects of the current nationwide economic downturn. We work to meet our goal by responding to land-use inquiries promptly, processing applications quickly, using a web-based application process, and improving collection methods; as well as pursuing revenue opportunities through development of lease lots and lease lot access and amenities.

In addition, a 2006 market survey indicated that many rural land lease rental rates are well below market. Through 2015, statewide leasing regulations gradually increase rural airport land lease rental rates. Increasing rates is required to: 1) offset the rising costs of maintenance, management and operating costs of the rural airports; and 2) meet Federal Aviation Administration (FAA) requirements to: a) charge fair market rent for interim, non-aviation land use; and b) develop airports that are self sustaining. It is important to note that the phased in implementation of rate increases at the rural airports over several years provides airport businesses the opportunity to plan ahead and develop budgets accordingly.

### B3: Strategy - Improve efficiency.

**Target #1:** 80% or above in customer service satisfaction with department services.

**Status #1:** In 2010 public satisfaction with the department's services resulted in a total satisfaction rating of 74% (combining very satisfied with somewhat satisfied). This is a decrease from the 2008 rating of 79.9%. Those reporting they were very satisfied, however, increased from 16.5% in 2008 to 26% in 2010.

#### Customer Satisfaction (very satisfied & somewhat satisfied)

Year	YTD Total	Very Satisfied	Somewhat Satisfied
2010	74.0%	26.0%	48.0%
2008	79.9%	16.5%	63.4%
2005	80.3%	not available	not available

**Analysis of results and challenges:** In January 2010, the department contracted with a private firm to conduct a survey to find out how the department does providing transportation services in Alaska, including roads, airports and ferry service. 1,239 people across the state participated in this survey. Even though the department has done well, resources are being directed to mitigate those problem areas identified in the survey (e.g., congestion relief, road smoothness, durable materials and rut repair). Areas of highest strength included directional signs, warning signs, road design, brush cutting and guardrails.

The department customer service satisfaction survey is conducted every other year. 1,200

people across the state participated in the January 2008 survey.

This measure will continue to gauge the department's success in addressing the survey issues.

**C: Result - Carry out safe operations.**

**Target #1:** Reduce the number of occupational injuries and illnesses in the department to less than the national average.

**Status #1:** The department strives to reduce the number of occupational injuries and illnesses in the department to less than the national average. For 2008 the department's overall incident rate was 3.5, which is slightly higher than the 2008 national average of 3.4.

Year	Region/MSCVE	Aviation	Facilities	Statewide	Department Total
Average	4.4	5.8	1.2	2.3	3.4
2008	4.05	5.2	0	2.9	3.5

*Methodology: Average=National Average*

**Analysis of results and challenges:** At present the department incident rate uses an average of recorded injuries over the 2008 calendar year and covers four Industry classification codes (NAICS). Each of these Industry classification codes are assigned nationally to a specific employee class, based on typical job functions for that class. It is important to note, typical job functions will vary across the classification index. The codes used in this analysis are as follows:

Support activities for road transportation in three regional elements and the Measurement Standards and Commercial Vehicle Enforcement (MS/CVE) Division (NAICS 488490).

Aviation functions (NAICS 488119).

Facilities support functions (NAICS 561210).

All other statewide functions, i.e., Highway, Street & Bridge Construction (NAICS 237310).

The department began tracking and recording data in this fashion in 2008; previous data is not available. The national averages for Calendar year 2009 will be available within the next six months. State data for 2009 is being compiled and was not readily available due to this being a new measure.

The challenges for this Department are the inhospitable weather and terrain that employees work in with some employees working alone in areas. Other challenges include the diversity of jobs within the Department being maintenance and operations, construction, aviation, and marine operations where each has their own set of work practices. Each of the above mentioned operations are measured nationally under separate North American Index Coding System (NAICS) criteria because of the differences in operations and work practices. Because of the differences it is important that all aspects of safety and health are managed and monitored to reduce risk to lower our Incidence Rate.

To achieve the desired results all employees need to be trained and monitored to ensure this goal is met. Currently the Department has three actual safety professionals: one in Northern Region, one as the State-wide Program Coordinator for Safety and Health, and one in the Alaska Marine Highway System. The safety professional positions are important to ensure that training, facility inspections, and advice and consultation are provided to all employees to help mitigate/abate hazards, thus reducing injuries and illnesses.

**C1: Strategy - Improve employees' awareness of workplace safety requirements.**

**Target #1:** Reduce the number of occupational injuries and illnesses to less than the national average in the Alaska International Airport System (AIAS).

**Status #1:** For 2008 the overall incident rate for the Anchorage and Fairbanks Int. Airports was 5.2, which is lower than the 2008 national average of 5.8.

**Analysis of results and challenges:** AIAS safety management had included a full time safety employee as well as an active management role in targeting and eliminating hazards. This is a new target for this year, comparing injuries and illnesses to a national average benchmark. There are no comparisons compiled yet for current or previous years.

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**Target #2:** Reduce the number of occupational injuries and illnesses to less than the national average within each of the three Regions and the MS/CVE Division.

**Status #2:** For 2008, the Incident rate for all (3) regions and MS/CVE was 4.05, which is lower than the 2008 national average of 4.4.

**Analysis of results and challenges:** Specific job functions are varied but include some similar tasks to those nationally. We are seeing a significant turnover in the workforce that brings with it an infusion of younger employees with high level of motivation to succeed. Challenges will include a continued forward progression to maintain and improve safe operations. This is a new target for this year, comparing injuries and illnesses to a national average benchmark. There are no comparisons compiled yet for current or previous years.

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**Target #3:** Reduce the number of occupational injuries and illnesses to less than the national average in Statewide Operations.

**Status #3:** For 2008, the Incident Rate for Statewide Functions was 2.9, which is higher than the 2008 national average of 2.3.

**Analysis of results and challenges:** Much of the department's functions are unlike those of any other transportation element nationally. Inclement weather conditions, isolated and remote operational elements as well as diverse system, division and regional elements add to this dynamic. Each of these areas is consistently reviewed, monitored and adjusted as conditions warrant preserving the highest level of safety to all employees. An increased effort will be targeted to lower the overall rate in all future undertakings. Challenges include a decreased number of dedicated safety personnel within the department responsible for finding and

correcting discrepancies before they escalate into incidents. This is a new target for this year, comparing injuries and illnesses to a national average benchmark. There are no comparisons compiled yet for current or previous years.

**Target #4:** Reduce the number of occupational injuries and illnesses to less than the national average for Facilities functions.

**Status #4:** In 2008, the Incident rate for Facilities was 0, which is significantly lower than the 2008 national average of 1.2.

**Analysis of results and challenges:** In recent years Statewide Facilities functions have focused on improving the overall safety of employees by increasing safety awareness at all levels of operations. Challenges include continuing to provide essential functions within limited budget, time constraints as well as a shrinking workforce. To achieve a sustained superior incident rate facilities management will maintain its focus on excellence. This is a new target for this year, comparing injuries and illnesses to a national average benchmark. There are no comparisons compiled yet for current or previous years.

**D: Result - Reduce the risk of accidents or road damage from unsafe commercial vehicles and/or loads.**

**Target #1:** 99% commercial motor vehicle weight compliance at fixed and mobile inspection sites.

**Status #1:** 99.3% of the commercial motor vehicles weighed at fixed and mobile inspection sites in FFY 2010 to date, were weight compliant, meeting the department's goal of 99%.



*Methodology: Data is reported on a federal fiscal year basis.*

Table contains no rows.

**Analysis of results and challenges:** Division inspection efforts focus on maintaining the high level of compliance at weigh stations and improving compliance at the roadside inspection

locations. Weight compliant commercial motor vehicles do not contribute to premature deterioration of Alaska's roads and bridges.

The department continues to place emphasis on inspections through expanded mobile enforcement coverage, authorized traffic stops by selected and trained Commercial Vehicle Enforcement Officers, and conducting joint operations with the Alaska State Troopers and local police departments. Measurement Standards & Commercial Vehicle Enforcement (MS&CVE) does not interact with privately owned vehicles or their drivers; however the division is authorized by the Federal Motor Carrier Safety Administration (FMCSA) to use up to 5% of the Motor Carrier Safety Assistance Program (MCSAP) budget to fund other agencies to assist in these mandated efforts. MS&CVE routinely enters into contracts with local law enforcement agencies throughout the State to supplement enforcement efforts and to increase and encourage safe operations of commercial vehicles. Additionally this past year, MS&CVE funded the Alaska State Troopers to enhance enforcement efforts on unsafe practices involving CMVs on the Elliot and Dalton Highway (Haul Road), from Fairbanks to the end of the road.

**D1: Strategy - Reduce number of illegal oversize/overweight Commercial Motor Vehicles (CMVs) on highways.**

**Target #1:** Increase the number of roadside (mobile enforcement) commercial truck inspections by 2% over the previous year.

**Status #1:** The number of roadside commercial truck inspections decreased in 2009 by 23.72%, bringing total inspections to 3,929.

Fiscal Year	Total Inspections	% Change
FFY 2009	3,929	-23.72%
FFY 2008	5,151	-9.82%
FFY 2007	5,712	+5.36%
FFY 2006	5,421	+3.85%
FFY 2005	5,220	+66.4%
FFY 2004	3,137	+20.36%

*Methodology: Data is reported on a federal fiscal year basis.*

**Analysis of results and challenges:** Commercial Motor Vehicles (CMVs) that do not routinely pass through a fixed weigh station location for inspection are more likely to be non-compliant in both size and weight. Division inspection efforts focus on identifying and correcting non-compliant oversize and overweight vehicles as both pose serious threats to highway safety and premature deterioration of Alaska's roads and bridges. The frequency of roadside commercial vehicle inspections will be monitored to ensure that non-compliant CMVs operating on the public roadways are found and inspected.

Measurement Standards & Commercial Vehicle Enforcement (MS&CVE) did not achieve the target of increasing roadside (mobile enforcement) inspections by 5% over the previous year. The main reason for the decrease in the number of roadside inspections is due to position vacancies that, for budgetary purposes, were left unfilled longer than normal. Four Commercial

Vehicle Enforcement Officers were recently hired and are in the process of being trained. While MS&CVE has continued to conduct roadside inspections, these are now being done by a number of less experienced officers, thereby decreasing the number of overall inspections. As these officers become more experienced, we anticipate the number of roadside inspections to increase to previous levels. The time that it takes to train an officer to MS&CVE standards is lengthy and is continuous throughout their career.

**E: Result - Reduce design and construction project management costs.**

**Target #1:** Maintain the percentage of administrative and engineering costs below 30% of total project costs.

**Status #1:** The percentage of administrative and engineering costs compared to total project costs was 19.6% in FFY2010; it remains the same as in FFY2009, and is well within the department's target of 30%.

Fiscal Year	Central Region	Northern Region	Southeast Region	Department Total
FFY 2010	18%	21%	21%	20%
FFY 2009	23%	20%	10%	20%
FFY 2008	24%	19%	10%	20%
FFY 2007	22%	24%	26%	24%
FFY 2006	21%	23%	13%	18%
FFY 2005	20%	22%	23%	21%
FFY 2004	21%	26%	23%	22%

**Analysis of results and challenges:** The aim of this measure is to get more capital dollars into construction or into other related fieldwork by maintaining overhead costs at an acceptable level. This will benefit the private sector and the travelling public. Percentages are calculated by summing up all administrative and engineering costs, i.e. all costs that are not direct construction payments, right-of-way acquisition/relocation payments, or utility relocation payments, and dividing those administrative and engineering costs by the total of all project costs.

It is anticipated that this measure will undergo cost increases during FY2011 and into the future to account for increased storm water compliance during the design and construction of our projects due to new regulations. Nationally, erosion and sediment control allowances vary from about 1% to 10% of construction costs. The department is anticipating an overall 2% increase in administrative and engineering costs to account for storm water compliance.

**E1: Strategy - Minimize administrative and engineering costs associated with projects.**

**Target #1:** Maintain the percentage of administrative and engineering costs below 30% of total project costs for Central Region.

**Status #1:** The percent of administrative and engineering costs compared to total project costs for Central Region decreased by 5% to 18% in FFY2010, well within the department's target of 30%.

**Analysis of results and challenges:** Central Region has maintained a highly consistent percentage of administrative and engineering costs compared to total project costs and has met the target for six years in a row.

Challenges in continuing to meet this target include an increase in the number of employee retirements coupled with increased federal regulatory requirements.

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**Target #2:** Maintain the percentage of administrative and engineering costs below 30% of total project costs for Northern Region.

**Status #2:** The percent of administrative and engineering costs compared to total project costs for Northern Region increased by 1% to 21% in FFY2010, well within the department's target of 30%.

**Analysis of results and challenges:** Northern Region has consistently met the target percentage of administrative and engineering costs compared to total project costs and for six years in a row.

Challenges in continuing to meet this target include an increase in the number of employee retirements coupled with increased federal regulatory requirements.

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**Target #3:** Maintain the percentage of administrative and engineering costs below 30% of total project costs for Southeast Region.

**Status #3:** The percent of administrative and engineering costs compared to total project costs for Southeast Region increased by 11% to 21% in FFY2010, well within the department's target of 30%.

**Analysis of results and challenges:** Southeast Region met the target percentage of administrative and engineering costs compared to total project costs six years in a row.

Challenges in continuing to meet this target include an increase in the number of employee retirements coupled with increased federal regulatory requirements.

Current as of May 5, 2011

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**Department  
Of  
Revenue**

# Key Performance Indicators

## Department of Revenue

- Viewing Performance Indicators
- **See Results Summary »**
- **See Performance Details »**
- **See Questions/Comments »**

## Mission

The mission of the Department of Revenue is to collect, distribute and invest funds for public purposes.

## Key Program Performance Indicators

Arrow indicates trend: ↑ =Improving ↓ =Worsening ↔ =Maintaining

FY11 Authorized as of 9/30/2010 (in thousands)

Department of Revenue Totals	Funding					Positions		
	UGF Funds	DGF Funds	Other Funds	Federal Funds	Total Funds	Full Time	Part Time	Non Perm
	\$51,673.3	\$9,074.7	\$171,708.7	\$77,748.5	\$310,205.2	877	40	20

### 1. Funds Collection

*Collection activities for the Department of Revenue include but are not limited to: Child Support Services collecting from obligors, AHFC collecting rents and mortgage payments, and the Tax Division collecting state taxes owed.*

	Funding					Positions		
	UGF Funds	DGF Funds	Other Funds	Federal Funds	Total Funds	Full Time	Part Time	Non Perm
	\$18,626.4	\$1,098.3	\$8,464.1	\$36,186.8	\$64,375.6	442	27	17

- **The Criminal Investigation Unit is gaining authorization to access state and national criminal records for criminals. By accessing a name, all criminal activity associated with the person would be displayed so that the investigator can coordinate his/her investigation with any other enforcement activity deemed necessary.**
- **Currently, department investigators are entering situations where unknown dangers are present. By sharing information between divisions and by using the criminal database, dangerous situations can be better managed or avoided.**
- **In FY2010, 95% of known taxpayers filed their tax returns and made their tax payments timely. This is a slight decrease from FY2009, but above the goal of 90%.**
- **The decrease in child support collections from the Permanent Fund Dividend and from other states resulted in decreased disbursements to custodial parents and children by Child Support Services of \$12.4 million during FY2010, or -10.03% less than in FY2009.**

### 2. Funds Distribution

*Distribution activities for the Department of Revenue include but are not limited to: Permanent Fund Dividend Division distribution of PFDs to eligible Alaskans, Child Support Services distributing payments to the custodial parent, and Tax Division distributing shared taxes to communities.*

	Funding					Positions		
	UGF Funds	DGF Funds	Other Funds	Federal Funds	Total Funds	Full Time	Part Time	Non Perm
	\$9,085.5	\$7,735.9	\$29,312.9	\$41,311.1	\$87,445.4	307	13	1

- The number of cases worked by the Permanent Fund Dividend Division's fraud unit in 2010 decreased compared to the previous year. Of the 442 cases open in 2010, 245 received criminal or other penalties, and 183 were denied payment of the PFD due to ineligibility.
- During FY2009, The Alaska Mental Health Trust Authority provided services to 20,569 beneficiaries (duplicated and unduplicated) in all areas of funding. The Trust also trained 6,216 professionals who work with beneficiaries to improve or create new skills and knowledge. This is an increase over the prior fiscal year in both categories.
- AHFC's Multi-Family unit production increased by 0.6% due to the availability of federal and state grants that cover the monetary gap between development costs and appraised value. AHFC has not met its 10% target and cannot compete with other financing options to pursue that level of originations.
- There are a total of 30 new Senior Housing units that will be available to seniors as a result of the AHFC 2010 funding cycle, an increase of 3.3%. AHFC is working to increase senior housing units by 10%.

3. Funds Investment

<i>Funds Investment activities for the Department of Revenue include but are not limited to: Permanent Fund Corporation investment of the fund, Treasury and ARMB investment of the state's funds and retirement systems, and AMHTA and AHFC corporate investments.</i>	Funding					Positions		
	UGF Funds	DGF Funds	Other Funds	Federal Funds	Total Funds	Full Time	Part Time	Non Perm
	\$23,740.5	\$240.5	\$133,513.6	\$250.6	\$157,745.2	123	0	2

- During FY2010, returns for 9 of the 10 funds under the fiduciary responsibility of the Commissioner of Revenue exceeded the applicable 1-year target returns.
- The Permanent Fund FY2010 year end value was \$33.3 billion, up \$3.4 billion from the prior year. The 10-year rolling real rate of return was 1.1%, falling short of the 5% target
- Savings were achieved in each of the four issues of the Alaska Municipal Bond Bank and each one of the 12 loans made with those funds and one additional loan made directly from the bond bank. Savings aggregated \$9.6 million. AMBBA has achieved its target of 100% for the past five years.
- As of the end of FY2010, five members of the Treasury Portfolio Investment staff have their Chartered Financial Analyst designation. This is consistent with the prior fiscal year and exceeds the Treasury Division's target of four.
- For FY2010 the Trust Land Office projected principal revenue was \$2.5 million with \$3.1 million received.

4. Safety for Alaskans

<i>The Long Term Care Ombudsman is located with the Alaska Mental Health Trust Authority and performs investigations on Alaskans in long term care who may be experiencing a negative care situation.</i>	Funding					Positions		
	UGF Funds	DGF Funds	Other Funds	Federal Funds	Total Funds	Full Time	Part Time	Non Perm
	\$220.9	\$0.0	\$418.1	\$0.0	\$639.0	5	0	0

- There were a total of 486 different complaints received from complainants in FY2010 by the Long Term Care Ombudsman. Of these, 305 required action on the part of the LTCO, and 167 (54%) were partially or fully resolved to the satisfaction of the complainant.
- The Long Term Care Ombudsman conducted one formal training course for volunteers during FY2010. Training was also made available at 29 community education events.

Current as of September 2, 2010

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# Performance Details

## Department of Revenue


- [See Key Program Indicators »](#)
- [See Results Summary »](#)
- [Viewing Performance Details](#)
- [See Questions/Comments »](#)

### Mission

*The mission of the Department of Revenue is to collect, distribute and invest funds for public purposes.*

### Core Services

- Coordinate, develop and promote programs for collection and investment of public funds
- Provide controls and enforcement for the collection, investment and payment of funds for the Tax Division, Treasury Division, Permanent Fund Dividend Division, and Child Support Services Division
- Provide administrative support for the following authorities, boards, and corporations: Alaska Retirement Management Board; Alaska Mental Health Trust Authority; Office of the Long-term Care Ombudsman; Alaska Municipal Bond Bank Authority; Alaska Natural Gas Development Authority; Alaska Housing Finance Corporation; and Alaska Permanent Fund Corporation

End Result: 	Strategies to Achieve End Result
<p>A: Maximize compliance with current tax and gaming statutes. <b>Details &gt;</b></p>	<p>A1: Increase audit coverage (audit activities improve compliance and revenue). <b>Details &gt;</b></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1: Open 20 new audit cases (taxpayers that have not been audited by the Tax Division in the prior five years).</b></li> <li>• <b>STATUS #1: The Tax Division opened 36 new audit cases in FY2010 due to an increase in audit staff and focusing on auditing new taxpayers discovered in previous years through compliance activities. These audits will be worked throughout FY2011 in addition to maintaining a target of 20 new audits for that year.</b></li> </ul>

End Result: >>>	Strategies to Achieve End Result
<p>B: Maximize the value of the funds under the stewardship of the Treasury Division. <b>Details &gt;</b></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1: For the funds under the fiduciary responsibility of the Commissioner of Revenue, exceed the applicable 1-year target returns.</b></li> <li>• <b>STATUS #1: During FY2010, returns for 9 of the 10 funds under the fiduciary responsibility of the Commissioner of Revenue exceeded the applicable 1-year target returns.</b></li> </ul>	<p>B1: Portfolio Investment Officer staff is continually upgraded in experience and education. <b>Details &gt;</b></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1: Increase average longevity of the investment officers to five years.</b></li> <li>• <b>STATUS #1: The average longevity of the Treasury investment officers during FY2010 was 4.8 years, an increase over the prior year.</b></li> <li>• <b>TARGET #2: At least four investment staff will have their Chartered Financial Analyst (CFA) designation.</b></li> <li>• <b>STATUS #2: As of the end of FY2010, five members of the Treasury Portfolio Investment staff have their Chartered Financial Analyst designation. This is consistent with the prior fiscal year and exceeds the Treasury Division's target of four.</b></li> </ul>
End Result: >>>	Strategies to Achieve End Result
<p>C: Collection and disbursement of child support due to the children served by Child Support Services Division. <b>Details &gt;</b></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1: Increase collections by 0.75%, net of Permanent Fund Dividend collections.</b></li> <li>• <b>STATUS #1: FY2010 collections net of Permanent Fund Dividends decreased 0.08% over FY2009. The division saw a \$2.3 million increase in unemployment benefit collections and a \$0.5 million reduction in child support collections by other states. This continues to show the downturn in the economy as more CSSD clients are unemployed or underemployed which results in lower monthly child support payments.</b></li> </ul>	<p>C1: Improve the environment necessary for increased collections. <b>Details &gt;</b></p> <ul style="list-style-type: none"> <li>• <b>TARGET #1: Ensure that paternities established are at least 95%.</b></li> <li>• <b>STATUS #1: The percentage of paternities established in FFY10 was 92.4%, an increase of 2.4% from the prior year.</b></li> <li>• <b>TARGET #2: Increase cases with orders to 93.5%.</b></li> <li>• <b>STATUS #2: The division saw a decrease of 1.5% in the number of cases with orders when compared to the prior fiscal year.</b></li> </ul>

End Result: >>>	Strategies to Achieve End Result
D: Improve business efficiencies and safety for Department employees investigating criminal activity related to the collection and distribution of funds for the Tax, Child Support Services and Permanent Fund Dividend Divisions. <b>Details &gt;</b>	D1: Centralize all investigation staff from three divisions to one unit under the direction of the Commissioner to reduce duplication of efforts and combine some activities that would accommodate the needs of more than one program. <b>Details &gt;</b>

## Performance Detail

**A: Result - Maximize compliance with current tax and gaming statutes.**

**A1: Strategy - Increase audit coverage (audit activities improve compliance and revenue).**

**Target #1:** Open 20 new audit cases (taxpayers that have not been audited by the Tax Division in the prior five years).

**Status #1:** The Tax Division opened 36 new audit cases in FY2010 due to an increase in audit staff and focusing on auditing new taxpayers discovered in previous years through compliance activities. These audits will be worked throughout FY2011 in addition to maintaining a target of 20 new audits for that year.

### Number of New Audit Cases Opened

Fiscal Year	# of Audit Cases
FY 2010	36
FY 2009	40
FY 2008	78
FY 2007	42
FY 2006	5
FY 2005	14

**Analysis of results and challenges:** The Tax Division maintains 100% coverage in oil and gas income and production taxes (and new oil and gas audit subjects are not included in this measure). An audit presence in each of the other tax types improves long-term voluntary compliance as well as generates new audit revenues. Furthermore, once established, audit generated revenues tend to recur as taxpayers modify their reporting to become consistent with the audit findings. Not included in the new audit count are audits of exploration tax credit claims by existing taxpayers. These audits do not meet our definition of "new audits" although they represent new and expanded audit efforts by the division.

The division exceeded its goal in FY2010 as a result of new and stable audit staff in the Production, Corporate and Excise tax units. As in FY2009, we limited the scope on several audits, choosing to look at several taxpayers with similar audit issues as opposed to

conducting a full audit of a few taxpayers. Limited scope audits not only allow us to audit more taxpayers, but they also allow us to focus on audit issues that have a greater return to the State. We also opened several full-scope audits with the intent of looking at all aspects of the taxpayer's business, from internal controls to record keeping to compliance which resulted in fewer new audits from the previous year, but still above our goal.

We view twenty new audit subjects annually as an appropriate target and this remains our goal for FY2011.

**B: Result - Maximize the value of the funds under the stewardship of the Treasury Division.**

**Target #1:** For the funds under the fiduciary responsibility of the Commissioner of Revenue, exceed the applicable 1-year target returns.

**Status #1:** During FY2010, returns for 9 of the 10 funds under the fiduciary responsibility of the Commissioner of Revenue exceeded the applicable 1-year target returns.

**One-year Return Data for Funds Managed by the Treasury Division**

Fiscal Year	Fund	Actual Return	Target Return
FY 2010	Gen Fund/Other Non-segregated F	3.38%	2.36%
FY 2010	AK Children's Trust Fund	12.99%	13.01%
FY 2010	Public School Trust Fund	12.58%	12.56%
FY 2010	Int'l Airports Revenue Fund	4.59%	3.53%
FY 2010	Const Budg Resv Fund-Main Acc	5.74%	4.76%
FY 2010	Const Budg Resv Fund-Sub Acc	12.33%	11.87%
FY 2010	Retirement Hlth Ins Fund-Longter	12.48%	12.03%
FY 2010	Retirement Hlth Ins Fund-Maj Med	1.17%	0.16%
FY 2010	Power Cost Equalization Fund	12.74%	11.86%
FY 2010	Int'l Airports Development Fund	4.56%	3.56%

*Methodology: FY2010 one-year return data is for the period 7/1/2009 through 6/30/2010.*

**Analysis of results and challenges:** A combination of investments that is expected to produce the highest investment return for a given amount of risk is known as a "point on the efficient frontier." Each fiduciary for a fund reviews points on the efficient frontier and selects the combination of investments consistent with their appetite for risk and return of the fund. This selection is known as the target asset allocation. Target returns assume the total rate of return of passively managed indexes invested in the same proportions as the target asset allocation. A fund's investment return will differ from its target return if its asset allocation differs from the target asset allocation or if the returns of the underlying investments differ from those of the passively managed indexes.

**B1: Strategy - Portfolio Investment Officer staff is continually upgraded in experience and education.**

**Target #1:** Increase average longevity of the investment officers to five years.

**Status #1:** The average longevity of the Treasury investment officers during FY2010 was 4.8 years, an increase over the prior year.

**Average Longevity of Investment Staff**

Fiscal Year	Number of Years
FY 2010	4.8 years
FY 2009	4.4 years
FY 2008	4.2 years
FY 2007	4.6 years
FY 2006	3.8 years

**Analysis of results and challenges:** A seasoned investment staff contributes to improved investment performance. Turnover of the investment officers has been minimal in the recent few years, resulting in increased longevity of investment staff.

---

**Target #2:** At least four investment staff will have their Chartered Financial Analyst (CFA) designation.

**Status #2:** As of the end of FY2010, five members of the Treasury Portfolio Investment staff have their Chartered Financial Analyst designation. This is consistent with the prior fiscal year and exceeds the Treasury Division's target of four.

**Number of Staff Holding CFA Designation**

Fiscal Year	Number of Staff
FY 2010	5
FY 2009	5
FY 2008	5
FY 2007	5
FY 2006	4

**Analysis of results and challenges:** The Chartered Financial Analyst (CFA) designation takes a minimum of three years to obtain. No investment staff achieved the charter during FY2010.

**C: Result - Collection and disbursement of child support due to the children served by Child Support Services Division.**

**Target #1:** Increase collections by 0.75%, net of Permanent Fund Dividend collections.

**Status #1:** FY2010 collections net of Permanent Fund Dividends decreased 0.08% over FY2009. The division saw a \$2.3 million increase in unemployment benefit collections and a \$0.5 million reduction in child support collections by other states. This continues to show the downturn in the economy as more CSSD clients are unemployed or underemployed which results in lower monthly child support payments.

#### Percent Change in Total Collections for a Fiscal Year

Fiscal Year	% Change
FY 2010	-0.08%
FY 2009	-0.08%
FY 2008	3.25%
FY 2007	3.66%
FY 2006	3.72%
FY 2005	1.92%

**Analysis of results and challenges:** FY2010 collections net of Permanent Fund Dividends (PFDs) decreased by 0.08% over FY2009. Collections overall (including PFDs) were down 9.7%. \$11.8 million less was received in PFD payments, a 53% decrease compared to the prior year. In addition, \$0.5 million less was collected in child support payments received from other states. In contrast, collections from unemployment benefits continue to increase, a trend that began in FY2009. In FY2010, there was an increase of \$2.3 million collected from unemployment benefits over FY2009. This continues to be an indication of the downturn in the economy as more CSSD clients are unemployed or underemployed, resulting in lower monthly child support payments.

The division is concerned about the economy and how this downturn will continue to impact child support collections in the coming year(s). Increased unemployment collections and less money coming in from other states are significant indicators of the struggling economy. The division anticipates that collections will continue to decrease in FY11, which is reflected in the lower target of 0.75% for the current year.

**C1: Strategy - Improve the environment necessary for increased collections.**

**Target #1:** Ensure that paternities established are at least 95%.

**Status #1:** The percentage of paternities established in FFY10 was 92.4%, an increase of 2.4% from the prior year.

#### Percentage of Paternities Established

Fiscal Year	% Established
FFY 2010	92.4%

FFY 2009	90%
FFY 2008	95%
FFY 2007	91%
FFY 2006	98%
FFY 2005	105%

**Analysis of results and challenges:** Percentage of paternities established is measured by the federal government by taking the number of children statewide with paternity established or acknowledged in the current fiscal year (3,951 in FFY10) divided by the number of children born out of wedlock statewide for the prior fiscal year (4,277 in FFY09), which is 92.4%.

The number of paternities established since FFY 2005 continues to fluctuate, however the number of cases in the division needing paternity established also fluctuates. This percentage has gone up and down over the years and is due to contingent factors that are out of the division's control such as cases that are still working their way through the court system, increases in the number of unwed births, or cases where no attempt is made by the family to establish paternity.

---

**Target #2:** Increase cases with orders to 93.5%.

**Status #2:** The division saw a decrease of 1.5% in the number of cases with orders when compared to the prior fiscal year.

#### Percentage of Cases with Orders

Fiscal Year	Cases with Orders	Change from Prior Year
FY 2010	91.5%	-1.5%
FY 2009	93.0%	-0.9%
FY 2008	93.9%	0.2%
FY 2007	93.7%	0.5%
FY 2006	93.2%	0.9%
FY 2005	92.3%	7.6%

**Analysis of results and challenges:** A case is eligible for collection when a court or administrative order has been established. Collections cannot be made without a proper order in place. Establishing this quickly and effectively is one of the keys to a successful child support program. Reviewing and streamlining the division's process in establishing orders will aid in the timeliness of collecting and distributing child support.

The division was not able to meet the target in FY2010 due to staff turnover, the time that it takes to train new staff, and an increase in the number of clients that applied for our services. As a result, CSSD is assigning resources to target this area in order to bring this measure more in line with the target of 93.5%.

**D: Result - Improve business efficiencies and safety for Department employees investigating criminal activity related to the collection and distribution of funds for the Tax, Child Support Services and Permanent Fund Dividend Divisions.**

**D1: Strategy - Centralize all investigation staff from three divisions to one unit under the direction of the Commissioner to reduce duplication of efforts and combine some activities that would accommodate the needs of more than one program.**

Current as of September 2, 2010

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# Legislators hear constituents on saving government money

**MOVE: Surreptitious move to Anchorage among suggestions.**

By SEAN COCKERHAM  
scockerham@adn.com

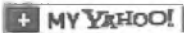
Published: July 20th, 2011 03:48 PM

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The public has never been shy to complain about government spending, so on Tuesday, some legislators seeking to make state government more efficient opened the microphone for anyone with an idea.

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This is what they heard:

- There are too many phone books.
- They should refuse to attend legislative sessions in Juneau, effectively moving the capital.
- They shouldn't spend so much money on special sessions or state travel.

Those were some of the suggestions at a Senate State Affairs Committee hearing in Anchorage. About 10 people took the Senate committee up on its invitation for the public to offer ideas.

While the state doesn't produce any of the phone books, one person thought that government might have been wasting money advertising telephone numbers in each book.

John Spalding of Anchorage said legislators should drop their quest to construct a new office building in downtown Anchorage for themselves, and instead use state-owned land at the mothballed Kulis Air National Guard Base on Raspberry Road.

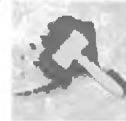
"If you're really serious, and I hope the hell you are, that something be done to quit spending so much money. Because one of these days the pot's going to

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run dry and you're going to be running around trying to figure out how to make expenses," he said.

Spalding could be right. The state has a big budget surplus because of high oil prices. But those high prices are masking the long-term effect on the state treasury of the continued decline of North Slope oil production, which provides almost 90 percent of state government's general fund revenue that pays for roads, troopers, health care and much more.

On the other hand, if the crash comes, the relatively modest suggestions that emerged from the public wouldn't make much of a dent. Education and Medicaid are the big forces in state government spending and those are huge and difficult issues for legislators to deal with.

Senate State Affairs Chairman Bill Wielechowski said it's still good to look for smaller efficiencies, though, while the Legislature works on the bigger costs. Wielechowski, of Anchorage, and Joe Paskvan of Fairbanks, both Democrats, were the only senators present for the public testimony taken over the lunch hour on Tuesday. Democratic Rep. Sharon Cissna of Anchorage also sat in.

One woman told lawmakers that replacing the leadership at the city-owned Port of Anchorage could save money, since the port expansion project has gone massively over budget and is sucking up state money. Another reported a state jobs center in Anchorage she said was overstaffed.

Lynn Willis of Eagle River said the Legislature should find a better way of drawing up the state budget. He mentioned that the Senate didn't unveil the capital budget until near the end of the spring legislative session, and the House claimed it was held hostage.

"I think that just breeds inefficiency and waste. So my suggestion is that during the summer, during the off months, you should be able, I would think, to get 80 percent of the vetting done in the budgeting process completed," Willis said.

Wielechowski said there's a website -- <http://savealaska.aksenate.org/> -- where the public can submit ideas. His State Affairs committee has also been hearing from commissioners of state departments about potential efficiencies. Wielechowski said he would like to see more video-conferencing instead of officials travelling in the state.

Another idea, he said, is to save money on fees to outside investment managers for the Alaska Permanent Fund and the Constitutional Budget Reserve. He said officials testified there could be millions saved if the state itself handled those parts that are "passively managed."

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Reach Sean Cockerham at [scockerham@adn.com](mailto:scockerham@adn.com) or 257-4344.

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**WhiteDove37**

The State of Alaska has a number of children in foster care and receiving Medicaid even though family members who are financially and physically qualified are available for placement. Perhaps the legislature should investigate how many children are in the custody of the State of Alaska with fraudulent Child in Need of Aid cases and medical needs. Perhaps the legislature should investigate how many families are being misrepresented by court-appointed public defense attorneys and guardian ad litem so that children are unjustly retained in the custody of the State of Alaska even though qualified family members are available and capable of caring for the child without state or federal assistance. The State of Alaska would save millions if state officials that have been entrusted with the power to protect really care about the children and families in the State of Alaska. Instead, this power is being abused to unjustly deny families their civil and human right to care for and protect their children while increasing spending on fraudulent claims for social and welfare services. These are the type of issues that the citizens need to share with the legislature!

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**Gee**

Will the identity thief who stole a police officers position pay back every penny? No!...Phone books!...That is where we will save a fortune!

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**Marie99501**

Here is some thoughts on saving for the SOA: Don't push out anymore printed material via mail. This is a no-brainer. Saves on postage, printing, and staff's time. Another thought - departments that are loosing money, should be cut. Subsidies NO MORE! State should review their benefit package. State should hire a independent efficiency expert and determine if any cutbacks should occur or procedures be changed. What can the SOA contract out vs. paying employees with benefits??

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**Elstun W. Lauesen**

Here's one way we can save \$2B a year in the future: NO CORPORATE WELFARE FOR CONOCOBPEXXON!

F /

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**ywah**

They don't pay attention to us when we vote on things- and now they are cashing in by working this committee during the "off" season- so they get a per diem- they get paid and we get gipped again

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**Gee**

That is because they live in the most inaccessible location in the nation.

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**sensei\_ueshiba**

Gee only 10 people showed up for this. Could it be because the idiot politicians didn't let the public know about it?

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**Gee**

Its because everyone knows its just a dog and pony show. They pretend to listen, no one does anything about it.

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**ywah**

I wouldn't waste gas to go listen to these people pretend to care what any voter thinks - they tend to do as they please and make up things as they go along

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**Jane**

special sessions may not be needed if we require a time clock and an in office work day of 8 hours per day

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## Legislators want to hear citizens

Anchorage Daily News / adn.com

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Know how state government can save some money? Today is your chance to tell state senators what you have in mind. The Senate State Affairs Committee, chaired by Anchorage Sen. Bill Wielechowski, is asking the public to come forward with ideas "on how to make Alaska's government more efficient and effective." The committee will be taking public testimony from noon to 1 p.m. at the Anchorage Legislative Information Office, 716 W. Fourth Ave.

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In the morning, the committee will hear state commissioners make recommendations on how their own departments can be more efficient. The commissioners of Revenue, Natural Resources, Transportation and Commerce will speak from 9 a.m. to noon.

Committee members said the need for the hearing is highlighted by a report published earlier this year by the University of Alaska's Institute for Social and Economic Research, which said the state can't keep spending as much as it has with declining oil production.

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