

ALASKA LEGISLATURE

1580

HOUSE and SENATE FINANCE COMMITTEE FILES, 1997-1998



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original documents after microfilm reproductions have been made.

A handwritten signature in cursive script, appearing to read "Paul D.B.", written over a horizontal line.

Signature of Camera Operator

5/7/99
Date

1997-1998
HOUSE AND SENATE FINANCE COMMITTEE
LIST OF FILES (PAGE 1)

MICROFICHE #

AGENCY OVERVIEWS: DOA; (h)
DMVA; DNR

AGENCY OVERVIEWS: REVENUE; (h)
DCED; LABOR; CRA

AGENCY OVERVIEWS: LAW; (h)
DPS; DOC

AGENCY OVERVIEW: DEC; (h)
DHSS; DOE; AK. CT. SYS.;
MENTAL HEALTH TRUST

AGENCY OVERVIEWS: GOVERNOR; DOT (h)

ALASKA RAILROAD CORPORATION (h)

COLLECTIVE BARGAINING AGREEMENT (h)

LOCAL BOUNDARY COMMISSION (h)

PRESENTATION: PFD CORPORATION (h)

RESULTS BASED BUDGETING, 1/22/98 (h)

RESULTS BASED GOVT. 2/9/98 (h)
ABC BOARD; AK MARINE HIGHWAY

REVENUE FORECAST, 1/17/97 (h)

STATE REVENUE FORECAST, 1/20/98 (h)

WELFARE REFORM, 2/67/97 (h)

EXECUTIVE ORDER 98 (h)

EXECUTIVE ORDER 99 (h)

H3 1 (h = 2 files)

HB 2 (h&s)

HB 6 (h&s)

HB 9 (h&s)

1997-1998
HOUSE AND SENATE FINANCE COMMITTEE
LIST OF FILES (PAGE 2)

MICROFICHE #

HB 11	(h&s)
HB 12	(h)
HB 13	(h&s)
HB 16	(h&s)
HB 17	(h&s)
HB 18	(h&s)
HB 19	(h)
HB 20	(h&s)
HB 26	(h&s)
HB 28	(h)
HB 30	(h)
HB 33	(h&s)
HB 35	(h&s)
HB 43	(h&s)
HB 46	(s)
HB 47	(h)
HB 50	(h)
HB 51	(h&S)
HB 53	(h&s)
HB 58	(h&s)
HB 63	(h&s)
HB 66	(h&s)
HB 69	(h)

1997-1998
HOUSE AND SENATE FINANCE COMMITTEE
LIST OF FILES (PAGE 3)

MICROFICHE #

HB 73 (h)

HB 75 (h)
(FILE 1: FY98 OPERATING BUDGET - AMENDMENTS)

HB 75 (h)
(FILE 2: FY98 OPERATING BUDGET - AMENDMENTS)

HB 75 (h)
(FILE 3: FY98 OPERATING BUDGET -
SUBCOMMITTEE RECOMMENDATIONS)

HB 75 (h)
(FILE 4: FY98 OPERATING BUDGET --
SUBCOMMITTEE RECOMMENDATIONS)

HB 75 (h)
(FILE 5: FY98 OPERATING BUDGET - PUBLIC
TESTIMONY)

HB 75 (h)
(FILE 6: FY98 OPERATING BUDGET - PUBLIC
TESTIMONY)

HB 75 (h)
(FILE 7: FY98 OPERATING BUDGET - PUBLIC
TESTIMONY)

HB 75 (s = 1 file)

HB 76 (h&s)

HB 81 (h)

HB 86 (h&s)

HB 91 (s)

HB 94 (h)

HB 102 (h)

HB 103 (h&s)

HB 104 (h)

1997-1998
HOUSE AND SENATE FINANCE COMMITTEE
LIST OF FILES (PAGE 4)

MICROFICHE #

HB 105	(h)
HB 106	(h&s)
HB 107	(h&s)
HB 108	(h)
HB 109	(h)
HB 112	(h&s)
HB 113	(h&s)
HB 114	(s)
HB 116	(h&s)
HB 127	(h&s)
HB 128	(h)
HB 133	(s)
HB 144	(h&s)
HB 145	(h&s)
HB 146	(h&s)
HB 152	(h&s)
HB 153	(h&s)
HB 155	(h)
HB 158	(h)
HB 159	(h)
HB 165	(h)
HB 170	(s)
HB 193	(h&s)

1997-1998
HOUSE AND SENATE FINANCE COMMITTEE
LIST OF FILES (PAGE 5)

MICROFICHE #

HB 197	(s)
HB 198	(h)
HB 202	(h)
HB 206	(h&s)
HB 208	(s)
HB 210	(s)
HB 217	(h)
HB 227	(h)
HB 230	(h)
HB 231	(h&s)
HB 234	(h&s)
HB 236	(h)
HB 239	(h&s)
HB 242	(h)
HB 244	(h)
HB 245	(h)
HB 250	(h)
HB 252	(h&s)
HB 257	(h&s)
HB 261	(h&s)
HB 264	(h)
HB 272	(h&s)
HB 284	(h&s)

H&SFIN20

1997-1998
HOUSE AND SENATE FINANCE COMMITTEE
LIST OF FILES (PAGE 6)

MICROFICHE #

HB 290 (h)

HB 299 (h)

HB 308 (h)

HB 313 (h)

HB 315 (h)

HB 317 (h&s)

HB 321 (h)

HB 323 (h)

HB 325 (h)
(FILE 1: FY99 OPERATING BUDGET -
APPROPRIATIONS)

HB 325 (h)
(FILE 2: FY99 OPERATING BUDGET - AMENDMENTS)

HB 325 (h)
(FILE 3: FY99 OPERATING BUDGET - AMENDMENTS)

HB 325 (h)
(FILE 4: FY99 OPERATING BUDGET - AMENDMENTS)

HB 325 (h)
(FILE 5: FY99 OPERATING BUDGET - AMENDMENTS)

HB 325 (h)
(FILE 6: FY99 OPERATING BUDGET - MISSION
STATEMENTS)

HB 325 (s = 2 files)

HB 326 (h&s)

HB 327 (h)

HB 328 (h)

HB 329 (h)

1997-1998
HOUSE AND SENATE FINANCE COMMITTEE
LIST OF FILES (PAGE 7)

MICROFICHE #

HB 334	(h&s)
HB 344	(h&s)
HB 349	(h&s)
HB 356	(h)
HB 364	(h)
HB 367	(h&s)
HB 369	(h&s)
HB 370	(h&s)
HB 375	(h&s)
HB 380	(h&s)
HB 386	(h&s)
HB 390	(h)
HB 393	(h&s)
HB 397	(h)
HB 400	(h)
HB 404	(h&s)
HB 405	(h&s)
HB 406	(h&s)
HB 408	(h&s)
HB 411	(h)
HB 432	(h)
HB 452	(h)
HB 459	(h&s)

1997-1998
HOUSE AND SENATE FINANCE COMMITTEE
LIST OF FILES (PAGE 8)

MICROFICHE #

HB 461	(h&s)
HB 462	(h)
HB 463	(h)
HB 467	(h&s)
HB 469	(h&s)
HB 472	(h&s)
HB 473	(h&s)
HB 478	(h)
HB 479	(h)
HB 488	(h&s)
HB 490	(h)
HCR 4	(s)
HCR 16	(h)
HCR 24	(h)
HJR 2	(h&s)
HJR 4	(h&s)
HJR 5	(h)
HJR 36	(h)
HJR 44	(h&s)
HJR 47	(h)
HJR 50	(h)
HJR 53	(h&s)
SB 1	(h&s)

1997-1998

HOUSE AND SENATE FINANCE COMMITTEE

LIST OF FILES (PAGE 9)

MICROFICHE #

SB 3	(h&s)
SB 7	(h&s)
SB 9	(h&s)
SB 11	(h&s)
SB 13	(h&s)
SB 15	(s)
SB 16	(s)
SB 17	(s)
SB 21	(h&s)
SB 24	(h&s)
SB 25	(s)
SB 28	(s)
SB 29	(h&s)
SB 34	(h&s)
SB 35	(h&s)
SB 36	(h = 3 files) (s = 1 file)
SB 38	(h)
SB 41	(h&s)
SB 47	(s)
SB 48	(s)
SB 49	(h)
SB 51	(s)
SB 55	(h&s)

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1997-1998
HOUSE AND SENATE FINANCE COMMITTEE
LIST OF FILES (PAGE 10)

MICROFICHE #

SB 56	(h&s)
SB 58	(s)
SB 60	(h&s)
SB 63	(h&s)
SB 64	(h&s)
SB 67	(h&s)
SB 68	(h&s)
SB 70	(h&s)
SB 74	(h&s)
SB 76	(h&s)
SB 82	(s)
SB 83	(h = 4 files) (s = 1 file)
SB 84	(h&s)
SB 87	(s)
SB 88	(s)
SB 96	(s)
SB 97	(s)
SB 103	(h&s)
SB 104	(h&s)
SB 105	(h&s)
SB 107	(h = 1 file) (s = 2 files)
SB 108	(s)

1997-1998
HOUSE AND SENATE FINANCE COMMITTEE
LIST OF FILES (PAGE 11)

MICROFICHE #

SB 109 (h&s)
SB 110 (h&s)
SB 114 (s)
SB 117 (s)
SB 118 (s)
SB 125 (s)
SB 126 (s)
SB 130 (h)
SB 136 (h&s)
SB 139 (s)
SB 141 (h&s)
SB 142 (s)
SB 146 (s)
SB 148 (s)
SB 149 (h&s)
SB 150 (h&s)
SB 151 (h&s)
SB 152 (h&s)
SB 153 (h&s)
SB 154 (h&s)
SB 157 (h&s)
SB 159 (h&s)
SB 160 (h&s)

1997-1998
HOUSE AND SENATE FINANCE COMMITTEE
LIST OF FILES (PAGE 12)

MICROFICHE #

SB 160	(s)
SB 161	(h&s)
SB 170	(s)
SB 175	(h&s)
SB 177	(h&s)
SB 178	(h&s)
SB 179	(s)
SB 180	(h&s)
SB 181	(s)
SB 182	(s)
SB 183	(s)
SB 185	(s)
SB 189	(h&s)
SB 192	(s)
SB 193	(s)
SB 199	(s)
SB 203	(s)
SB 209	(h&s)
SB 216	(s)
SB 218	(h&s)
SB 219	(s)
SB 220	(h&s)
SB 221	(h&s)

H&SFIN20

1997-1998
HOUSE AND SENATE FINANCE COMMITTEE
LIST OF FILES (PAGE 13)

MICROFICHE #

SB 223 (h&s)
SB 224 (s)
SB 225 (s)
SB 227 (s)
SB 231 (h = 1 file)
(s = 2 files)
SB 233 (s)
SB 234 (s)
SB 235 (h&s)
SB 236 (h&s)
SB 240 (h&s)
SB 242 (h&s)
SB 245 (s)
SB 250 (h&s)
SB 254 (s)
SB 255 (s)
SB 261 (h&s)
SB 263 (h&s)
SB 264 (h&s)
SB 266 (s)
SB 273 (h&s)
SB 274 (s)
SB 278 (s)
SB 281 (h&s)

1997-1998
HOUSE AND SENATE FINANCE COMMITTEE
LIST OF FILES (PAGE 14)

MICROFICHE #

SB 285	(h&s)
SB 297	(h)
SB 298	(s)
SB 299	(h&s)
SB 306	(s)
SB 312	(h)
SB 313	(h)
SB 314	(s)
SB 322	(s)
SB 323	(h&s)
SB 331	(h&s)
SB 332	(s)
SB 334	(h&s)
SB 335	(s)
SB 336	(h)
SB 337	(s)
SB 338	(s)
SB 340	(h&s)
SB 345	(s)
SB 347	(h)
SB 350	(h&s)
SB 352	(s)
SB 356	(h)

1997-1998
HOUSE AND SENATE FINANCE COMMITTEE
LIST OF FILES (PAGE 15)

MICROFICHE #

SB 358	(h)
SB 360	(h&s)
SCR 1	(s)
SCR 11	(h&s)
SCR 14	(s)
SCR 16	(s)
SCR 19	(h&s)
SJR 3	(h&s)
SJR 10	(s)
SJR 15	(s)
SJR 35	(h&s)
SJR 37	(s)
SJR 42	(h = 1 file) (s = 5 files)

Agency

Overviews:

DOA; DMVA;

DNR

HFIN

FILE

HOUSE FINANCE COMMITTEE
JANUARY 21, 1997
1:45 P.M.

TAPE HFC 97 - 3, Side 1, #000 - end.
TAPE HFC 97 - 3, Side 2, #000 - end.
TAPE HFC 97 - 4, Side 1, #000 - #670.

CALL TO ORDER

Co-Chair Mark Hanley called the House Finance Committee meeting to order at 1:45.

PRESENT

Co-Chair Hanley	Representative Grussendorf
Co-Chair Therriault	Representative Kolring
Representative Davies	Representative Martin
Representative Davis	Representative Mulder
Representative Foster	

Representatives Moses and Kelly were not present for the meeting.

ALSO PRESENT

Mark Boyer, Commissioner, Department of Administration; Sharon Barton, Director, Division of Administrative Services, Department of Administration; Alison Elgee, Deputy Commissioner, Department of Administration; MG Jake Lestenkof, Adjutant General/Commissioner, Department of Military and Veterans Affairs; Carol Carroll, Director, Division of Administrative Services, Department of Military and Veterans Affairs; John Shively, Commissioner, Department of Natural Resources; Nico Bus, Chief, Financial Services, Department of Natural Resources; Frank Rue, Commissioner, Department of Fish and Game; Kevin Brooks, Director, Division of Administrative Services, Department of Fish and Game.

SUMMARY

AGENCY OVERVIEWS:

Department of Administration
Department of Military and Veterans Affairs
Department of Natural Resources
Department of Fish and Game

(Copies of log notes, meeting tapes and handouts will be on file with the House Finance Committee Secretaries until after the 20th Legislative Session. Contact #465-6814 or #465-2378. After the 20th Legislative Session, log notes, meeting tapes and handouts will be located at the Legislative Library, #465-3808.)

**Department of
Administration**

Serving Alaskans



FY 98 BUDGET OVERVIEW



**Tony Knowles, Governor
Mark Boyer, Commissioner**

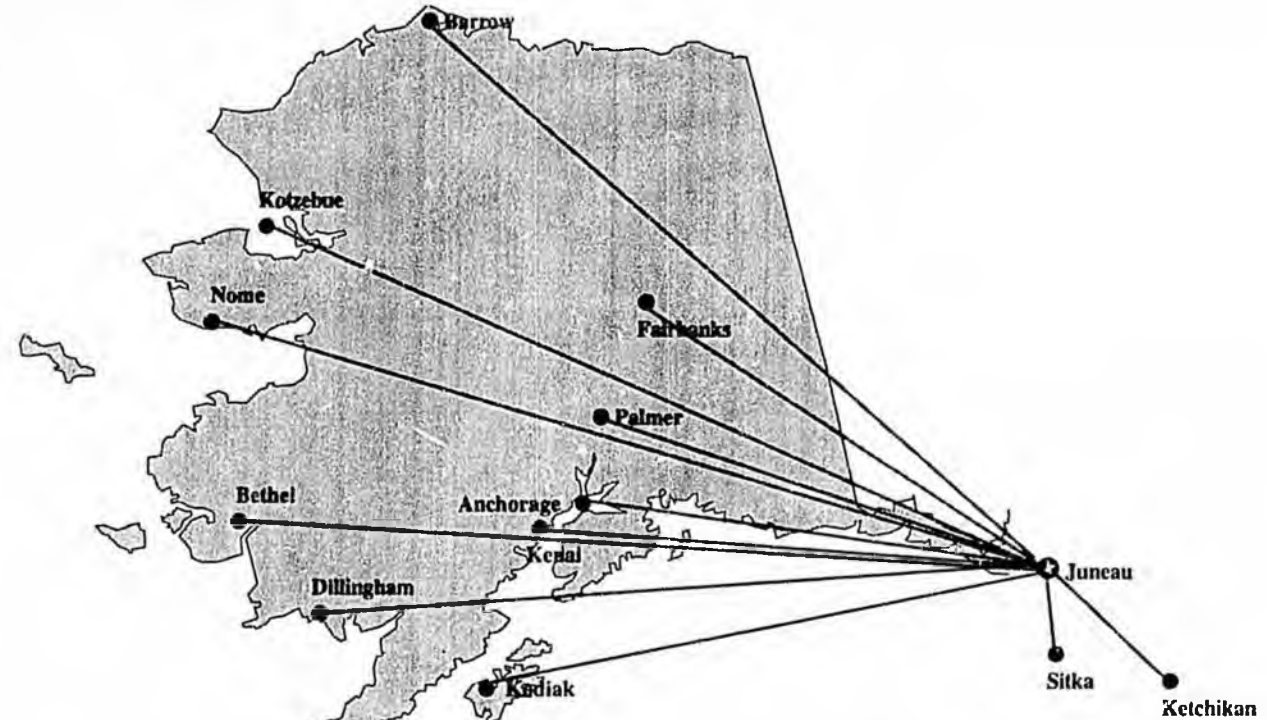
Internet HomePage: <http://www.state.ak.us/local/akpages/ADMIN/home.htm>

Copies of this document are available from the Department of Administration, Division of Administrative Services, 10th Floor, State Office Building, Juneau, Alaska (907) 465-2277.

TABLE OF CONTENTS

	Page
ORGANIZATION CHART	1
FUNCTIONAL ORGANIZATION	2
PROGRAM CONTACTS	4
FY 98 OPERATING BUDGET CHARTS	
FY 98 General Fund Operating Budget Comparison	6
FY 98 Operating Budget by Service Category—GF	7
FY 98 Operating Budget Comparison by Program—All Funds	8
FY 97-98 Operating Budget Summary	9
FY 98 MAJOR ISSUES	10
DIVISION OVERVIEWS	
Office of the Commissioner	14
Office of Tax Appeals	16
Administrative Services	18
Personnel	20
Finance	22
General Services	24
Retirement and Benefits	30
Risk Management	32
Information Services	34
Public Communications Services	36
Senior Services	40
Alaska Longevity Programs	44
Public Defender Agency	46
Office of Public Advocacy	50
Alaska Public Offices Commission	52
Alaska Oil and Gas Conservation Commission	54
APPENDICES	
1 Five-Year Comparison—Total Funds	56
2 FY 97 Authorized/FY 98 Governor's Request	57
3 Public Communications	62
4 Labor Contract Summary	63
5 Information Services Fund Update	68
6 Fee Schedule	70
STAFFING CHARTS	72

State of Alaska Department of Administration Office Locations



Divisions

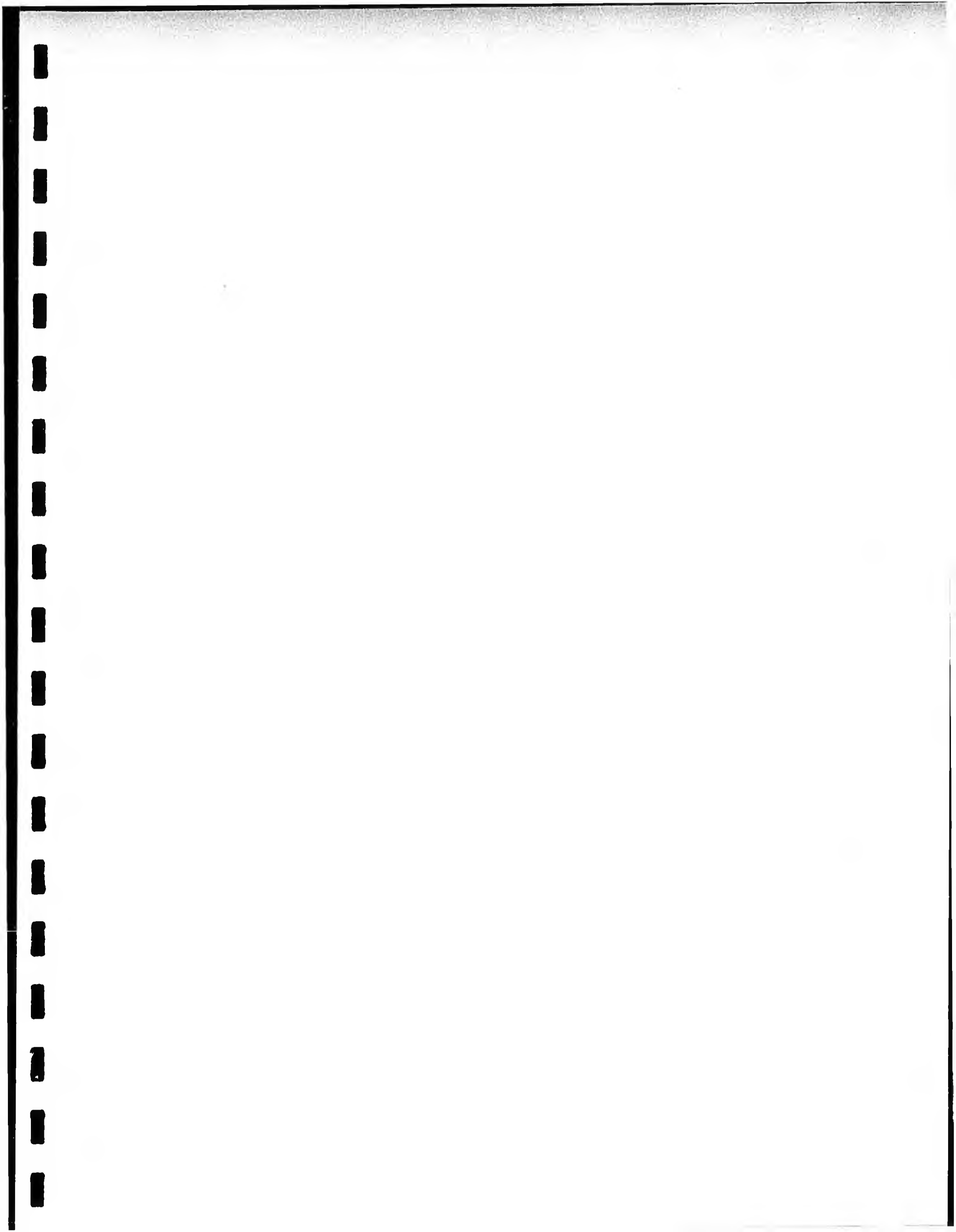
Administrative Services
Alaska Public Offices Commission
Finance
General Services
Information Services
Office of Public Advocacy
Personnel
Public Defender Agency

Retirement and Benefits
Risk Management
Senior Services
Alaska Longevity Programs

Office of Tax Appeals
Alaska Oil and Gas Conservation
Commission

Location

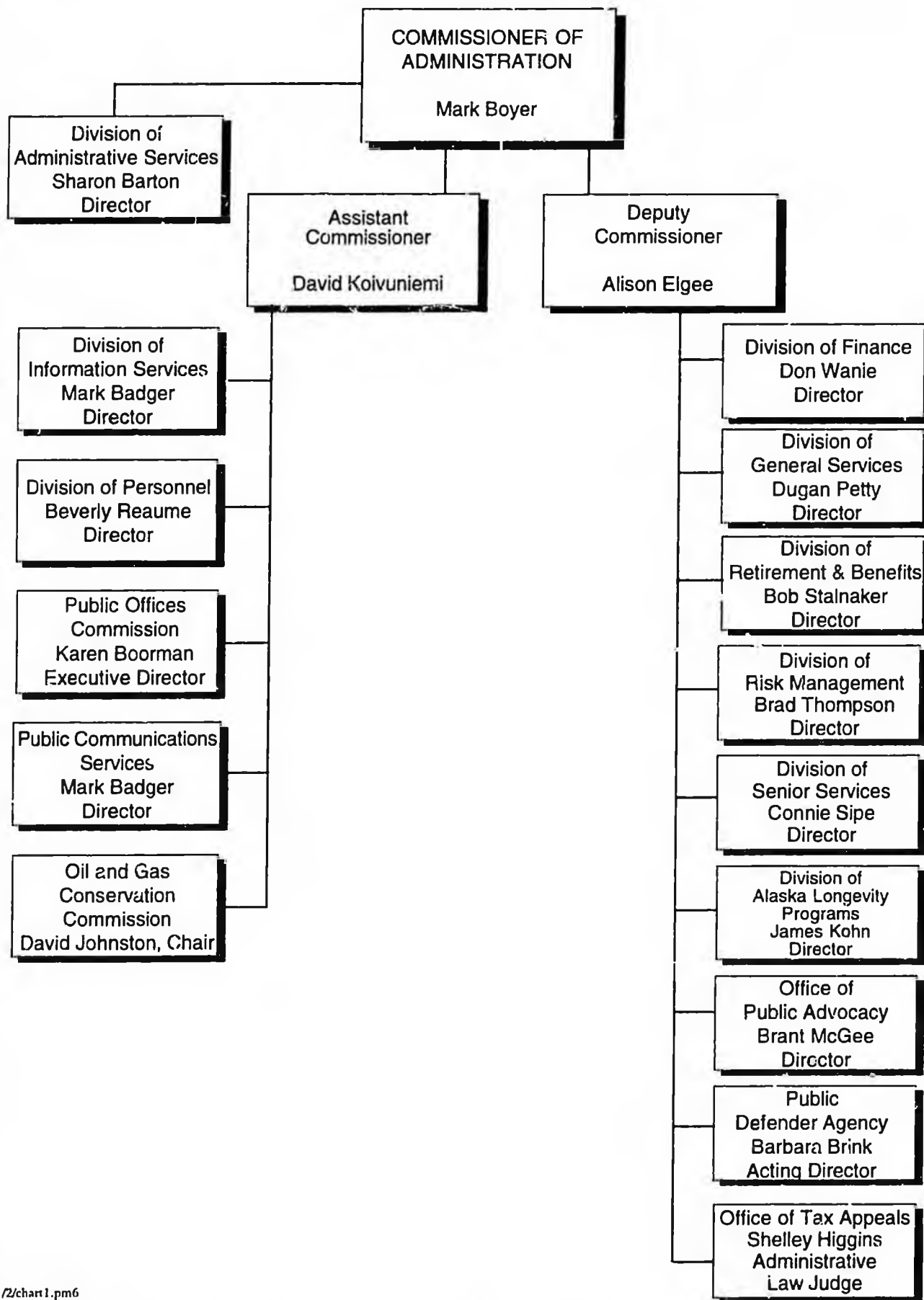
Juneau
Anchorage, Juneau
Juneau
Anchorage, Juneau
Anchorage, Fairbanks, Juneau
Anchorage, Fairbanks, Juneau
Anchorage, Juneau
Anchorage, Barrow, Bethel, Dillingham,
Fairbanks, Juneau, Kenai, Ketchikan,
Kodiak, Kotzebue, Nome, Palmer, Sitka
Anchorage, Juneau
Juneau
Juneau
Anchorage, Fairbanks, Juneau,
Ketchikan, Palmer, Sitka
Juneau
Anchorage



INTRODUCTION

	Page
ORGANIZATION CHART	1
FUNCTIONAL ORGANIZATION	2
PROGRAM CONTACTS	4
FY 98 OPERATING BUDGET CHARTS	
FY 98 General Fund Operating Budget Comparison	6
FY 98 Operating Budget by Service Category—GF	7
FY 98 Operating Budget Comparison by Program—All Funds	8
FY 97-98 Operating Budget Summary	9
FY 98 MAJOR ISSUES	10

DEPARTMENT OF ADMINISTRATION



1/2/chart1.pm6
Rev: 12/18/96

DEPARTMENT OF ADMINISTRATION Functional Organization

Division Director and Phone #	Services to State Agencies	Services to the Public	Services Internal to the Department
Commissioner's Office Mark Boyer 465-2200	Budget Review Committee State Bond Committee Student Loan Corp. Correctional Industries Telecom. Info. Council	Public Information Older Alaskan Commission/ Grants	Department Management
Administrative Services Sharon Barton 465-2277		Municipal Grants Procurement/Longevity Bonus Appeals	Departmental Personnel, Fiscal, Payroll, Property, Procurement, HomePages
Personnel Beverly Reaume 465-4433	Eligible Hire Lists Classification and Pay EEOC Complaint Investigations Alaska Prof. Dev. Institute (APDI) Personnel Board Contract Administration Grievance Arbitration Contract Negotiations Investigations and Training	Recruitment	
Finance Don Wanie 465-2240	Payroll Accounting Systems Management	Annual Financial Report 1099s, W-2s	
General Services Dugan Petty 465-5685	Purchasing Property Control Leasing and Facilities Central Duplication Central Mailroom Services	Surplus Property Sales Vendor Lists Bid Offerings Surplus Fed. Property Distribution	Mail Delivery and Pickup
Retirement and Benefits Robert F. Stalnaker 465-4470	Employee Health Insurance Retirement Programs SBS Benefits Group Health Insurance Deferred Compensation PERS/TRS Boards Supplemental Annuity Plan	Employee Health Insurance Retirement Programs SBS Benefits Group Health Insurance Deferred Compensation PERS/TRS Boards Supplemental Annuity Plan	
Risk Management J. Brad Thompson 465-5723	Property Insurance Workers' Compensation Tort Liability Protection	Claims Administration Negotiate Insurance terms in all state contracts/agreements	
Information Services Mark Badger 465-5766	Customer Services Computer Services Telecommunication Services	Public Communications Services	
Public Broadcasting Commission Mark Badger 465-5766		Grants and Technical Assistance to Public Radio/TV Grantees	
Alaska Longevity Programs James Kohn 465-4400		Pioneers' Homes Longevity Bonus	
Senior Services Connie Sipe 465-4791 563-5654	Manage long-term care functions for the Division of Medical Assistance	Grants to Senior Services Providers LTC Ombudsman Adult Protective Services Assisted Living Licensing CHOICE Home Care Waiver Personal Care Attendant Long-Term Care Unit	
Public Defender Barbara Brink 264-4400		Legal Representation for Indigents	
Office of Public Advocacy Brant McGee 274-1684		Guardians Ad Litem Guardianship Services Defense for Indigents	

DEPARTMENT OF ADMINISTRATION Functional Organization

Division Director and Phone #	Services to State Agencies	Services to the Public	Services Internal to the Department
Public Offices Commission Karen Boorman 276-4176		Regulation of Campaign Finance Conflict of Interest Lobbying Legislative Financial Disclosure	
Oil and Gas Conservation Commission David Johnston 279-1433		Promoting the conservation and efficient production of oil and natural gas	
Tax Appeals Shelley Higgins 688-9754		Administrative hearings Oil tax appeals	

DEPARTMENT OF ADMINISTRATION

Program Contacts*

Administrative Services

Budget - Eric Swanson (5654)
Fiscal - Tom Cherian (5653)
Hearing Officer - Keith Gilmore (5667)
Human Resources - Mary Wanie (5658)
Municipal Grants - Lena Simmons (5647)
Payroll - Judy Elphic (5661)
Property - Staci Augustus (5656)
Procurement - Staci Augustus (5656)

Commissioner's Office

Budget Review Committee - Mark Boyer (2200),
Alison Elgee (2200)
Correctional Industries - Mark Boyer (2200)
Department Management - Mark Boyer (2200),
Alison Elgee (2200)
Public Information - Mark Boyer (2200),
Alison Elgee (2200)
State Bond Committee - Mark Boyer (2200)
Student Loan Corporation - Mark Boyer (2200)
Telecom. Info. Council - Mark Boyer (2200)

Finance

Accounting - Weldon Blackwell (5614)
Payroll - Mark Minthorn (5599)
Annual Financial Report - Joe Thomas (5616)
Systems and Programming Mgt. - David Essary (5615)
System Administration and Security - Debbie Bump (5603)
W-2s/1099s - Jim Barnes (5590)

General Services

Central Duplication - Charlie Wolfe (2282)
Leasing and Facilities - Keith Gerken (5683)
Purchasing - Vern Jones (5684)
Property Control - Diane Kochendorfer (279-0596)
Surplus Property - Diane Kochendorfer (279-0596)
Vendor Lists - Vern Jones (5684)
Central Mail - John Schauwecker (2259)

Information Services

Public Communications Services - Mark Badger (2220)
Customer Services - Karen Morgan (5794)
Computer Services - Ron Hensley (5789)
Telecommunication Services - John Murrone (269-5744)

Retirement and Benefits

Deferred Compensation - Anselm Staack (5703)
Group Health and Life Insurance - Janet Parker (4473)
Supplemental Annuity Plan - Anselm Staack (5703)
PERS/TRS Boards - Robert Stalnaker (4470)
Retirement Programs - Bill Church (5706),
SBS Benefits - Lisa Tourtellot (4475)

Oil and Gas Conservation Commission

General Information - David Johnston (279-1433)

Office of Public Advocacy

General Information - Brant McGee (274-1684)

Office of Tax Appeals

General Information - Shelley Higgins (688-9754)

Personnel

Beverly Reaume (4433)
Employee Acquisition - Elaine Williams (4054)
Classification - Patty Judson (4425)
Information Technology - Judy Stefanc (3567)
Labor Relations - Kent Durand (4098)
EEO Investigations - Phyllis Schmidt (563-0226)
ADA, FMLA, FLSA - Mike McMullen (4431)

Public Communications Services

General Information - Mark Badger (2220)

Public Defender Agency

General Information - Barbara Brink (264-4400)

Public Offices Commission

Campaign Finance - Greg Grarquist (276-4176),
Conflict of Interest - Nancy Freeman (276-4176)
Lobbying - Brooke Miles (4864)
Legislative Financial Disclosure - Nancy Freeman (276-4176)

Risk Management

Property and Marine Insurance - Lou Edwards (2183)
Claims Administration and General Insurance
Issues - Ted Lehrbach (5724)
Workers' Compensation and General
Liability - Bill Chisham (2184)
Legal Defense and Self-Insurance - Brad Thompson (5723)

Senior Services

Adult Protective Services - Connie Sipe (563-5654)
Assisted Living Homes Licensing - Connie Sipe (563-5654)
CHOICE Medicaid Home Care - Kay Burrows (563-5654)
Grants and Technical Assistance
to Senior Services Providers - Jane Demmert (4879)
Long-Term Care Ombudsman - Jane Demmert (4879)
Long-Term Care Services Unit - Kay Burrows (563-5654)
Personal Care Grants Administration -
Kay Burrows (563-5654)

Alaska Longevity Programs

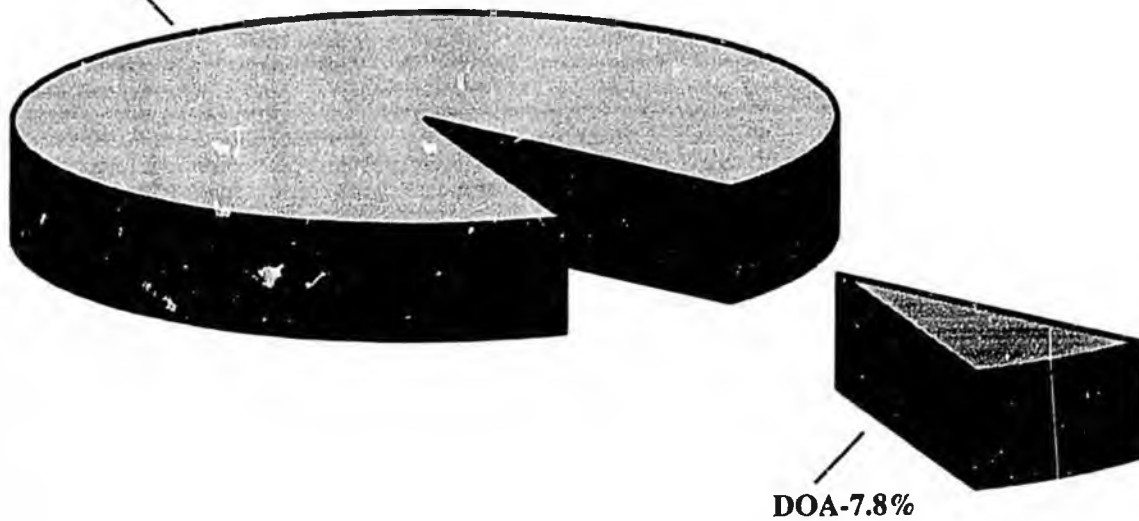
Longevity Bonus - James Kohn (4400)
Pioneers' Homes - James Kohn (4400)

* All telephone numbers are 465 prefixes unless specified

Department of Administration

FY 98 General Fund Operating Budget Comparison

All Other State Agencies - 92.2%

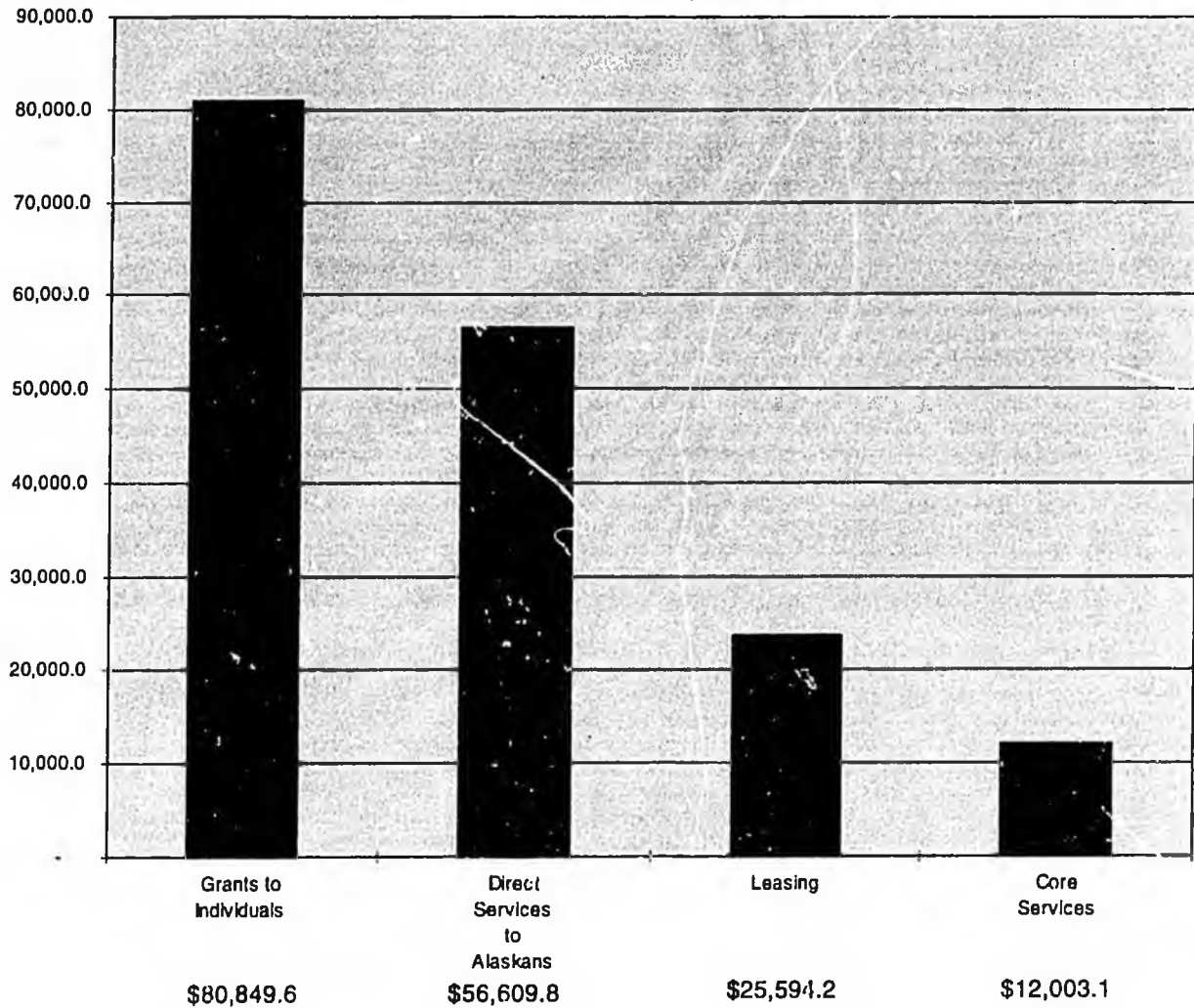


All Other State Agencies	\$2,034,625.3
DOA	\$ 173,161.7
Total State Operating Budget	\$2,207,787.0

Department of Administration

FY 98 General Fund Operating Budget by Service Category

Total \$173,056.7



Grants to Individuals

Commission on Aging
Longevity Bonus
Public Communications

Direct Services to Alaskans

Pioneers' Homes
Protection, Community Services,
and Administration
Public Defender
Citizens Foster Care Review
Office of Public Advocacy
Alaska Public Offices Commission
Public Communications Administration
EPORS
ARCS
AOGCC
Tax Appeals

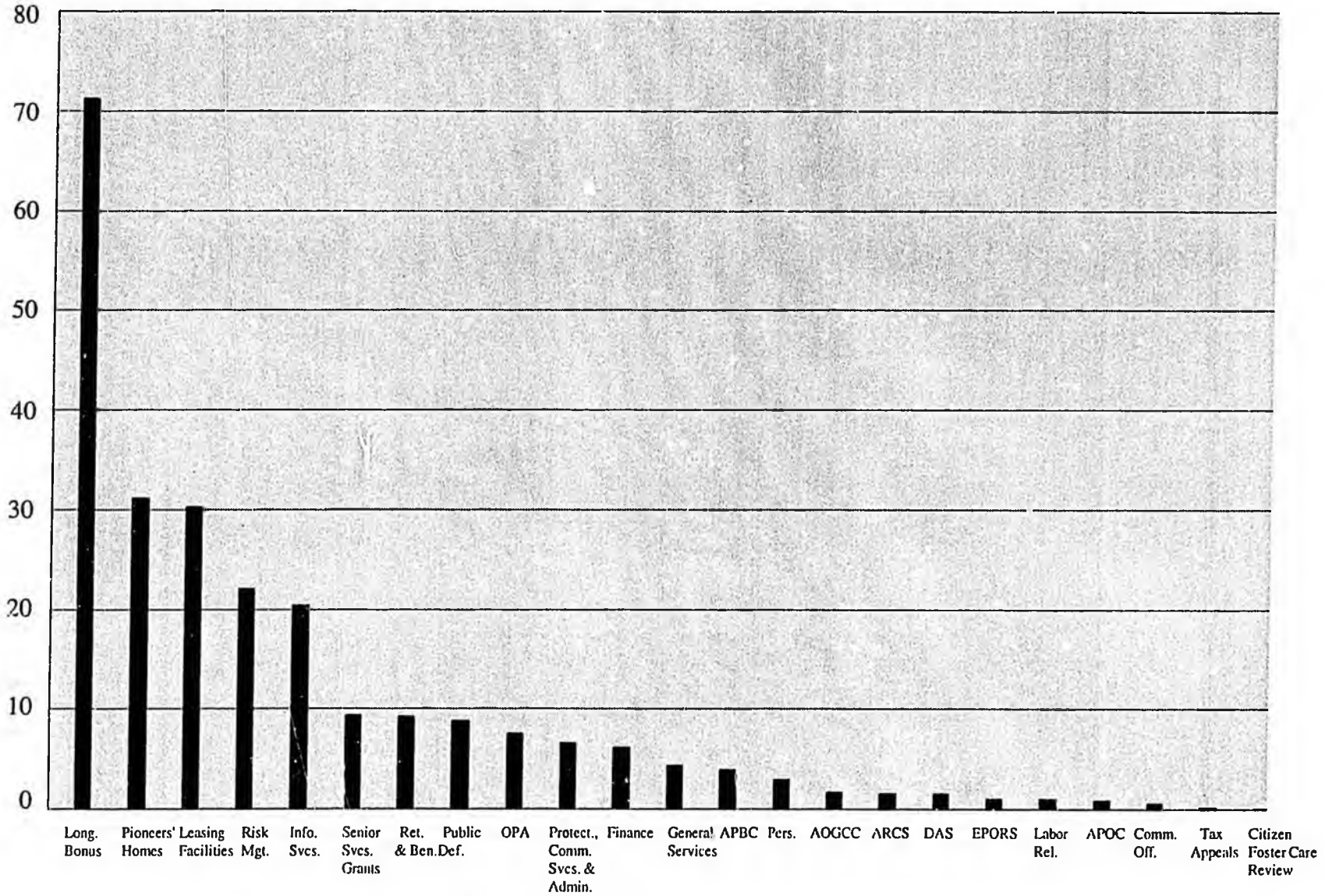
Leasing

Core Services

Office of the Commissioner
Administrative Services
Personnel
Labor Relations
Finance
General Services

DEPARTMENT OF ADMINISTRATION

FY 98 Operating Budget Comparison by Program—All Funds
(Millions)



Major Issues

◆ **Better Statewide Business Practices**

During FY 97 and 98, the Department of Administration will focus on reengineering state business practices and processes to achieve dramatic performance gains and to create more responsive, efficient government services. Priorities for change include personnel hiring and classification; procurement delegations/training to departments, purchasing cards, and enhanced electronic commerce; payroll; central duplication copy on demand services; Alaska Public Offices Commission on-line reporting; and Division of Motor Vehicles paper and workflow processes.

◆ **Personnel Reengineering**

During 1996, the Division of Personnel began the process of reengineering the state's personnel system in an effort deliver human resources services in the most efficient, cost-effective manner. Preliminary research was conducted to determine how other states had successfully reengineered personnel processes, staff were trained in process change, meetings were held with state hiring managers to identify needed change in the Alaska personnel system, and reengineering/design teams were established to develop new and improved personnel processes.

At this time, a reengineered employee acquisition system has been proposed which includes recruitment for individual vacancies; streamlined examining and selection processes; an on-line, user-friendly application process available on the Internet; and other process changes expected to provide managers and applicants a fast and easy method for recruiting, hiring, and applying for jobs. These process changes will be piloted in the Departments of Environmental Conservation and Education in February with statewide implementation beginning as early as July 1997.

In late 1997, classification and pay will also undergo reengineering to simplify and improve the state's classification and pay systems.

In order to fully intergrate state human resources management services, the Labor Relations Office was merged into the Division of Personnel from its previous location in the Commissioner's Office.

◆ **Procurement Streamlining**

During the past year, the Procurement Advisory Council (PAC) developed revisions to statute that streamline and simplify state procurement. Regulations have been reviewed and revised to clarify and implement changes made in statute. Subcommittees are working to bring about additional efficiencies through the use of electronic commerce and revisions to standard terms and conditions. The PAC also is identifying nonresponsive procurement practices to eliminate inefficiencies. Administrative manuals will be rewritten to support reengineered practices and revisions in regulation and statute.

◆ **Electronic Commerce**

Initiatives involving the Divisions of Finance and General Services are being designed to move the State into electronic commerce as a means of conducting routine business transactions when appropriate to reduce operating costs. Examples include electronic catalogs, electronic ordering applications, simplified and streamlined payments of travel card and purchasing card invoices through electronic funds transfer, and the use of web sites to provide notice of potential business opportunities and procurement actions.

◆ **Central Duplication**

Central Duplication will shift from offset print operations that require agencies to print and store large quantities of documents to meet long-term needs, to a copy on demand strategy aimed at furnishing quick copy needs to agencies as they need it. Replacement of current aging offset and xerographic copiers with new copy on demand digital equipment will increase productivity and enable this fee for service program to better meet the basic copying needs of state agencies.

◆ **Alaska Public Offices Commission On-Line Reporting**

The Commission is in the process of expanding Internet capabilities including interactive filing capabilities to streamline the reporting process for campaign finance and legislative financial disclosure.

◆ **Division of Motor Vehicles Processes**

The Division of Motor Vehicles (DMV) processes will be reengineered to provide the public with additional avenues for procuring and renewing drivers licenses and vehicle registrations through partnerships with private vendors and increased use of electronic tools, substantially reducing or eliminating the long customer lines at DMV offices in urban areas of the state.

◆ **Long-Term Care Strategy**

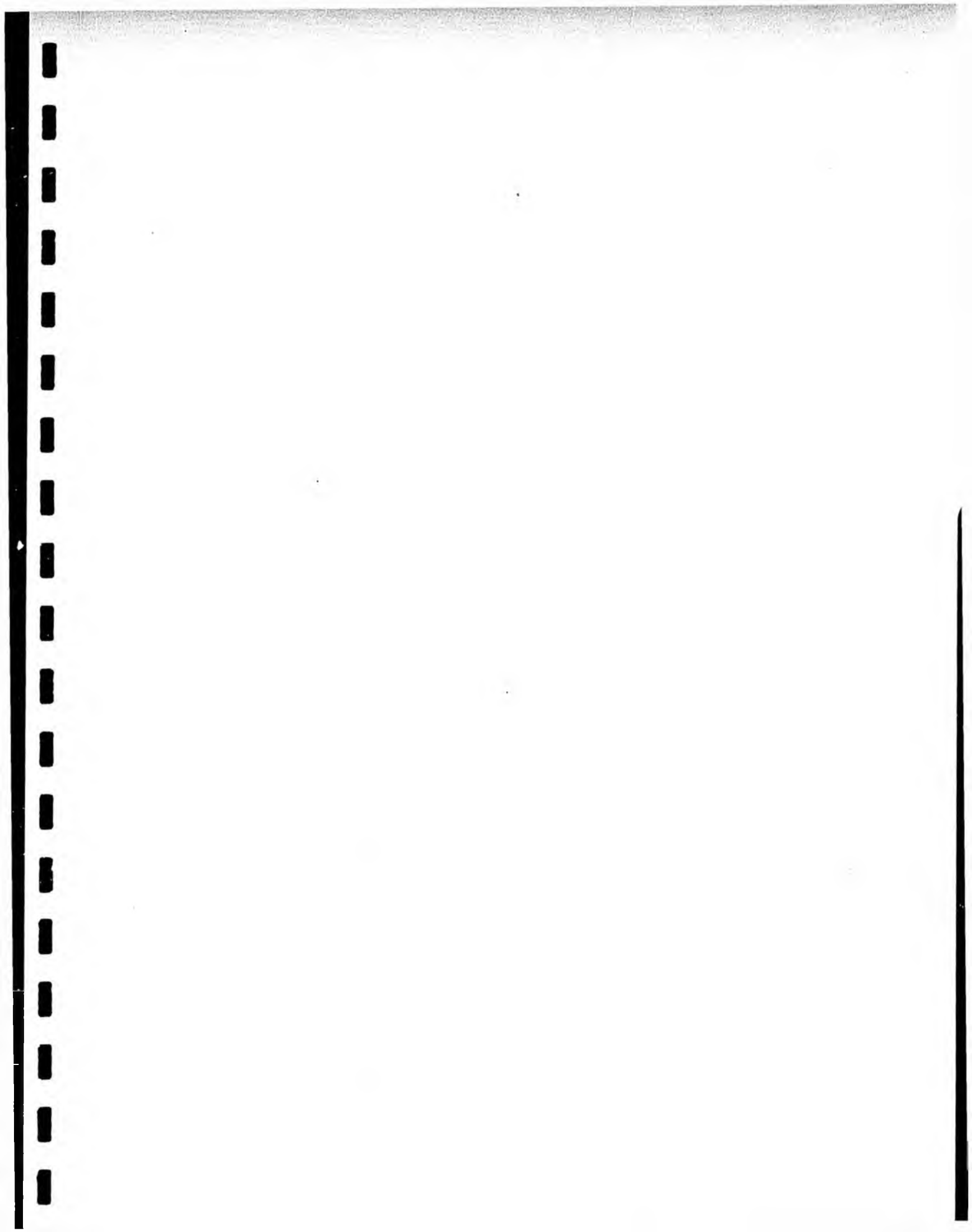
As part of the work being done by an interdepartmental team reviewing Alaska's long-term care system, the Home Health Services/Personal Care Attendant and the Medicaid Home Care programs are being transferred in the FY 98 budget from the Department of Health and Social Services to the Department of Administration, Division of Senior Services. These transfers are part of the state's efforts to provide a "one-stop shopping" system for long-term care services.

◆ **Alaska Longevity Bonus Income Cap**

During the 1997 legislative session, the Governor will introduce legislation to place an "income maximum" for recipients in the Longevity Bonus program. This change will produce significant cost-savings. Income caps are proposed at \$60,000 per individual and \$80,000 per couple assuring that those seniors most in need will continue to receive the bonus payment.

◆ **Health Benefits**

Major restructuring of employee health plans has been achieved through negotiation and cooperation with employees through their unions. Beginning July 1, 1997, the state will implement a fully flexible health benefit plan for supervisory employees covered by the Commissioner of Administration plan, including those who are not covered by collective bargaining and judicial and legislative employees. This structure will provide the state with more stability in employee health insurance costs and provide state employees more flexibility in directing the use of their health insurance dollars. In addition, the state will convert health insurance plans to fully self-insured status effective July 1, 1997. Recent changes in the health insurance market have provided the state an opportunity to gain more efficiencies at lower cost by establishing a fully self-insured status.



DIVISION OVERVIEWS

	Page
Office of the Commissioner	14
Office of Tax Appeals	16
Division of Administrative Services	18
Division of Personnel	20
Division of Finance	22
Division of General Services	24
Division of Retirement and Benefits	28
Division of Risk Management	30
Division of Information Services	32
Public Communications Services	34
Division of Senior Services	38
Division of Alaska Longevity Programs	42
Public Defender Agency	44
Office of Public Advocacy	48
Alaska Public Offices Commission	50
Alaska Oil and Gas Conservation Commission	52

Department of Administration

OFFICE OF THE COMMISSIONER

Mark Boyer
Commissioner

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Mission

To provide management oversight and policy direction to departmental programs, and to interface with the judicial, legislative, and executive branches of government to assure the effective, efficient, and economical delivery of public services to Alaskans.

Primary Services

- Provide policy direction and leadership for departmental programs
- Provide inter/intra-agency coordination as necessary
- Facilitate better business practices throughout state government

Customers

- The public
- The Governor
- The Legislature
- State agencies
- Departmental programs

FY 98 Initiatives

- Reengineering of state business practices, see major issues pages 10 through 12

Funding Summary

➤ Commissioner's Office Component

	FY 97 Authorized	FY 98 Governor's Request
General Fund	381.8	387.4
I/A Receipts	114.9	115.6
Total Funds	496.7	503.0
PFT Positions	5.0	5.0

FY 98 Update

➤ Structural Changes

Three organizational changes were made in the Commissioner's Office in FY 97: the Labor Relations unit was transferred to the Division of Personnel; the Citizens' Foster Care Review program was transferred to the Division of Senior Services; and the Office of Tax Appeals was established.

Department of Administration

Shelley Higgins
Hearing Officer

OFFICE OF TAX APPEALS

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Mission

To provide fair and impartial hearing of all tax appeals brought to the department.

Primary Services

- Conduct hearings for oil, severance, corporate income, and all fisheries tax appeals

Customers

- Tax payers
- The public

FY 98 Initiatives

- Adopt new tax appeal regulations under AS 43.05.400 and draft new litigation forms to simplify and expedite the appeal process for the small business tax payer.

Funding Summary

	FY 97 Authorized	FY 98 Governor's Request
General Fund	188.4	
Total Funds	188.4	50.4
PFT Positions	1.0	1.0

Department of Administration

DIVISION OF ADMINISTRATIVE SERVICES



Sharon Barton
Director

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Mission

To facilitate delivery of all DOA programs by providing efficient and cost-effective business management support, to effectively administer state municipal grants programs, and to provide fair and impartial adjudication of appeals and claims against the state as provided by law.

Primary Services

- Provide training to department administrative staff
- Develop and implement the department budget
- Provide personnel and payroll management support
- Oversee departmental procurement
- Administer Municipal and Matching Grants
- Analyze and make recommendations on administrative appeals
- Provide department-wide publications and HomePages services

Customers

- Department of Administration program managers and employees
- Private sector vendors
- Office of Management and Budget
- The Legislature
- Incorporated municipalities and organized boroughs (Municipal and Capital Matching Grants)

FY 98 Initiatives

- Support statewide better business practices initiatives and continuously seek opportunities for improving internal business processes
- Train and equip department administrative staff to work effectively in an environment of continuous change
- Support initiatives to improve Division of Motor Vehicles services to the public by providing strong business management services
- Foster improved communications and flow of information within the department through standardization and further networking of computer tools

Funding Summary

➤ Administrative Services Component

	FY 97 Authorized	FY 98 Governor's Request
General Fund	758.2	766.7
I/A Receipts	727.1	735.1
Total Funds	1,485.3	1,501.8
PFT Positions	21.0	22.0

Department of Administration

DIVISION OF PERSONNEL



**Beverly Reaume
Director**

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Mission

Work in partnership with state agencies to hire, retain, and promote a highly qualified and productive workforce for the citizens of Alaska by providing customers with leadership and a quality array of human resource services in compliance with laws and merit principles.

Primary Services

- Develop policies to ensure compliance with all relevant statute and regulation requirements
- Protect and promote diversification of the state workforce
- Fairly, efficiently, and cost effectively provide a pool of qualified applicants to the executive branch departments
- Develop policies and provide training and consultant services to increase employee productivity and foster employee growth
- Maintain the state classification and pay structure
- Represent the administration in contract negotiations
- Respond to grievances and complaints on behalf of the Commissioner of the Department of Administration
- Represent the State of Alaska in arbitration, mediation, and other dispute resolution procedures
- Represent the State of Alaska at Alaska Labor Relations Agency hearings regarding unfair labor practices, unit clarification, and other matters
- Establish and administer labor management committees

Customers

- Executive branch departments
- Employees
- Applicants for state positions (all working-age residents are potential applicants)
- Human resources personnel
- Supervisors and managers

FY 98 Initiatives

- Reengineer the hiring system to increase efficiency and responsiveness to departments' needs
- Reengineer the classification and pay systems to increase efficiency and responsiveness to departments' needs
- Implement the imaging of state applications
- Implement approved collective bargaining agreements
- Establish effective Labor Management Committee procedures
- Increase efficiency of the dispute resolution and grievance-arbitration processes
- Develop new and revised materials for supervisory training

Funding Summary

- **Personnel Components**
(Personnel, Labor Relations, and Alaska Professional Development Institute)

	FY 97 Authorized	FY 98 Governor's Request
General Fund	2,874.8	2,872.9
I/A Receipts	780.2	779.0
GF Designated		
Prog. Receipts	147.7	147.7
CIP	75.0	75.0
Total Funds	3,877.7	3,874.6
PFT Positions	45.0	44.0

FY 98 Update

- **Program Changes**
The division is in the midst of a major reengineering effort and will pilot a new hiring process in February 1997 with the Departments of Education and Environmental Conservation. Between July 1997 and January 1998, the division will implement the new hiring process. The new simplified process will eliminate the current register process and backlogs in application examining. The process will be more "user friendly" to the public, employees, and hiring managers.

The division anticipates pilot projects in classification in mid-FY 98.

- **Structural Change**
In order to fully integrate state human resources management services, the Labor Relations Office was merged into the Division of Personnel from its previous location in the Commissioner's Office.
- **Bargaining Unit Summary of Negotiations**
See Appendix 5 page 68.

Department of Administration

DIVISION OF FINANCE



Don Wanie
Director

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Mission

To uphold the public's trust in the safety, soundness, integrity, and stability of the state's financial systems through effective and efficient policies and through compliance with statutory/regulatory fiscal procedures and generally-accepted accounting principles.

Primary Services

- Centralized statewide accounting
- Centralized statewide payroll to all branches of government
- Financial systems security
- Financial policy and procedures development
- Travel policy and procedures development
- Accounting and payroll training

Customers

- State agencies; all three branches of government
- Employees and former employees
- Vendors

FY 98 Initiatives

- Complete the update and distribute the AKSAS section of the Administrative (policy) Manual and AKSAS User (procedure) manual
- Update the statewide training program
- Implement the statewide purchasing card program for small purchases
- Expand the state's use of electronic commerce including payment transactions
- Install new releases for payroll and financial reporting software packages
- Release the Comprehensive Annual Financial Report concurrent with the Legislative Auditor's Opinion and apply for the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting

Funding Summary

► Finance Component

	FY 97 Authorized	FY 98 Governor's Request
I/A Receipts	415.7	415.7
General Fund	5,683.1	5,729.8
Total Funds	6,098.8	6,145.5
PFT Positions	45.0	47.0

FY 98 Update

State of Alaska Payroll, Accounting, and Financial Reporting at a Glance

► Payroll (AKPAY)

Authorized users	840
Current employee payroll	15,200
Seasonal variation	13,000 to 16,000 employees
W-2s forms issued annually	20,099
Payrolls processed:	
Semimonthly	24
Biweekly AMHS	26
Paychecks issued annually	438,150
Electronic deposit participants	10,528
Total CY 96 payroll (including benefits)	\$895,779,667*

► Accounting (AKSAS)

Authorized AKSAS users	3,154
Number of vendors	55,475
Number of vendor payments	465,058
1099s issued	5,465
Other warrants processed (PFD, Longevity Bonus, etc.)	1,193,311

*Does not include University of Alaska, the Alaska Railroad, or Alaska Housing Finance Corporation.

Department of Administration

DIVISION OF GENERAL SERVICES

Dugan Petty
Director

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Mission

To provide expert procurement, property management, duplicating, office leasing, and mail handling services that add value and help state agencies accomplish their public missions.

Primary Services

- Provide procurement leadership through training, consultation, and guidance to customer agencies
- Provide policies and procedures that foster a competitive acquisition process and guide efficient property management
- Acquire supplies, services, and leased office space that meet statewide procurement needs
- Manage and dispose of state property
- Facilitate statewide reutilization of surplus federal property
- Provide duplicating and quick copy services to state agencies in Anchorage and Juneau
- Provide central mail processing and distribution in Juneau
- Provide AKSAS, AKPAY, and Permanent Fund warrant processing
- Manage leased facilities statewide

Customers

- State agencies
- Alaskan vendors
- Political subdivisions
- Commercial property owners
- Nonprofit organizations qualified to receive surplus federal property
- Minority businesses qualified to receive surplus federal property
- Food banks
- Citizens of the state

FY 98 Initiatives

- Streamline and reengineer procurement practices in conjunction with the Procurement Advisory Council
- Reduce office lease expenses through consolidation, building purchases, and more efficient use of space
- Replace expiring leases with best-value RFP procurements when appropriate, in cooperation with customer agencies
- Empower agency procurement staff through effective training and direct policy guidance, consultation, and oversight
- Begin a digital copy on demand strategy to meet agency needs
- Tailor central mail services to effectively provide customer driven fee-based services

Funding Summary

- **General Services Components**
(Purchasing, Central Duplicating and Mail, Property Management)

	FY 97 Authorized	FY 98 Governor's Request
GF Program Receipt	582.9	585.9
General Fund	1,492.3	1,512.7
I/A Receipts	1,956.8	1,887.2
Surplus Property	313.7	317.8
Total Funds	4,345.7	4,303.6
PFT Positions	51.0	45.0

- **Leasing Component**

	FY 97 Authorized	FY 98 Governor's Request
General Fund	23,570.6	23,594.2
I/A Receipts	6,369.6	6,679.4
Total Funds	29,940.2	30,273.6

FY 98 Update

- With the conversion of the Central Mailroom budget from General Fund to IA funding, the mailroom developed service level agreements customer agencies in which the cost of service and the customer's needs are clearly identified, allowing Central Mail Services to tailor its services to the individual agency customer. All agencies receive some base line services such as AKPAY and AKSAS warrant processing, and mail delivery services. Agencies have the option to receive additional services from the mailroom when cost-effective for their programs.
- Efforts continue to implement changes brought about in statute during the 19th legislature to streamline state purchasing practices. One example of the improved efficiency made possible through the streamlining is a typical \$35,000 transaction.

	Transaction Cost	Actual Hours	Hand Offs	Process Time
Prior Implementation	\$1,281	41	21	79 days
Post	\$914	31	11	26 days
Implementation Savings	\$367	10	10	53 days
Savings as Percent	28%	24%	48%	67%

Department of Administration

DIVISION OF RETIREMENT AND BENEFITS

Robert Stalnaker
Director

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Mission

To develop, manage, and administer benefit programs to attract and retain qualified state employees and to extend those services to certain political subdivisions in an effective, efficient, and secure manner.

Primary Services

- Administer the comprehensive public employee benefit components of the state's personnel system and member political subdivisions
- Provide record keeping services for member accounts
- Counsel members to better understand and use the retirement and benefit plans
- Make timely and accurate payment of benefits to eligible individuals

Customers

- Persons who are retired from the Public Employees', Teachers', Judicial, Elected Public Officers, and National Guard and Naval Militia Retirement Systems
- Two hundred and fourteen employer members in the Public Employees', Teachers', Judicial, Elected Public Officers, and National Guard and Naval Militia Retirement Systems
- Persons employed by the 214-member employers in the Public Employees', Teachers', Judicial, Elected Public Officers, and National Guard and Naval Militia Retirement Systems and their beneficiaries
- Employees of the State of Alaska and 36 political subdivisions participating in the Group Health and Life Insurance Plan
- Employees of the State of Alaska and 13 political subdivisions participating in the Supplemental Annuity Plan and Supplemental Benefits System

FY 98 Initiatives

- Develop flexibility in the state benefits plans; develop an environment for more employee participation and involvement in the benefits they receive
- Implement the new retirement information processing systems
- Expand the content of communication materials to both employers and employees about issues related to planning for retirement

Funding Summary

➤ Retirement and Benefits Component

	FY 97 Authorized	FY 98 Governor's Request
FICA Administrative Fund	91.6	92.8
Benefits System Receipts	3,782.5	4,004.6
Public Employees' Retirement	2,832.6	2,836.3
Teachers' Retirement	2,191.1	2,178.9
Judicial Retirement	39.5	39.9
National Guard Retirement	33.4	33.7
Total Funds	8,970.7	9,186.2
PFT Positions	79.0	80.0

➤ Elected Public Officials Retirement System Component

	FY 97 Authorized	FY 98 Governor's Request
General Fund	891.1	1,033.8
Total Funds	891.1	1,033.8

FY 98 Update

➤ Combined Retirement Computer System

After many years of planning, the division is implementing the Combined Retirement System, a new computer database including participants of all state-sponsored retirement plans. Fiscal year 1997 is the first full year of operation.

➤ Retirement Incentive Program

Two programs were authorized by the 1996 Legislature, Chapter 65, SLA 1996 (CSHB 354 [FIN]) and CH 4, FSSLA 1996 (CSSB 1003 FIN [am]) which enable members of the Public Employees' and Teachers' Retirement Systems to retire early. The division is providing assistance to individuals and employers on all aspects of these new programs.

➤ Group Health Insurance Plan

Two contracts are being procured in late FY 97--health claims processing for state employees and retirees (the State will self-insure these plans), and health insurance for certain political subdivision employers.

Plan coverage for some State of Alaska employees will change on July 1, 1997. The new coverage will allow Supervisory members, several small bargaining units, and employees who are not covered by collective bargaining, increased flexibility in determining the level and types of coverage that best serve their needs.

Department of Administration

J. Brad Thompson
Director

DIVISION OF RISK MANAGEMENT

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Mission

To effectively mitigate the state's risk of financial loss by educating, insuring, and defending state department operations, assets, and employees from accidental loss and injury.

Primary Services

- Using contract independent claims adjusters and in-house defense counsel (RSA funding the Department of Law - Tort Section), Risk Management operates a comprehensive self-insurance program that promptly resolves the state's property and casualty claims more cost effectively than through conventional commercial insurance programs.

Customers

- State departments whose operations are protected from fiscal impact in the event of physical damage to buildings or equipment
- State employees who may be injured during state employment; medical expenses and disability benefits are paid
- Alaskans who contract with state departments or who claim the state is liable for their damages or injuries

FY 98 Initiatives

- Reduce workers' compensation claim costs and injured employees time loss through increased training and assistance with reasonable worksite modification to enable early return to modified work
- Strengthen agency worksite safety programs by providing customized management reports highlighting high frequency claims categories or new loss trend developments. Ultimate claims costs will be compared to prior years claims experience to measure program effectiveness
- Aggressively pursue full recovery of state claims expenses and defense costs from legally liable parties and responsible insurance carriers

Funding Summary

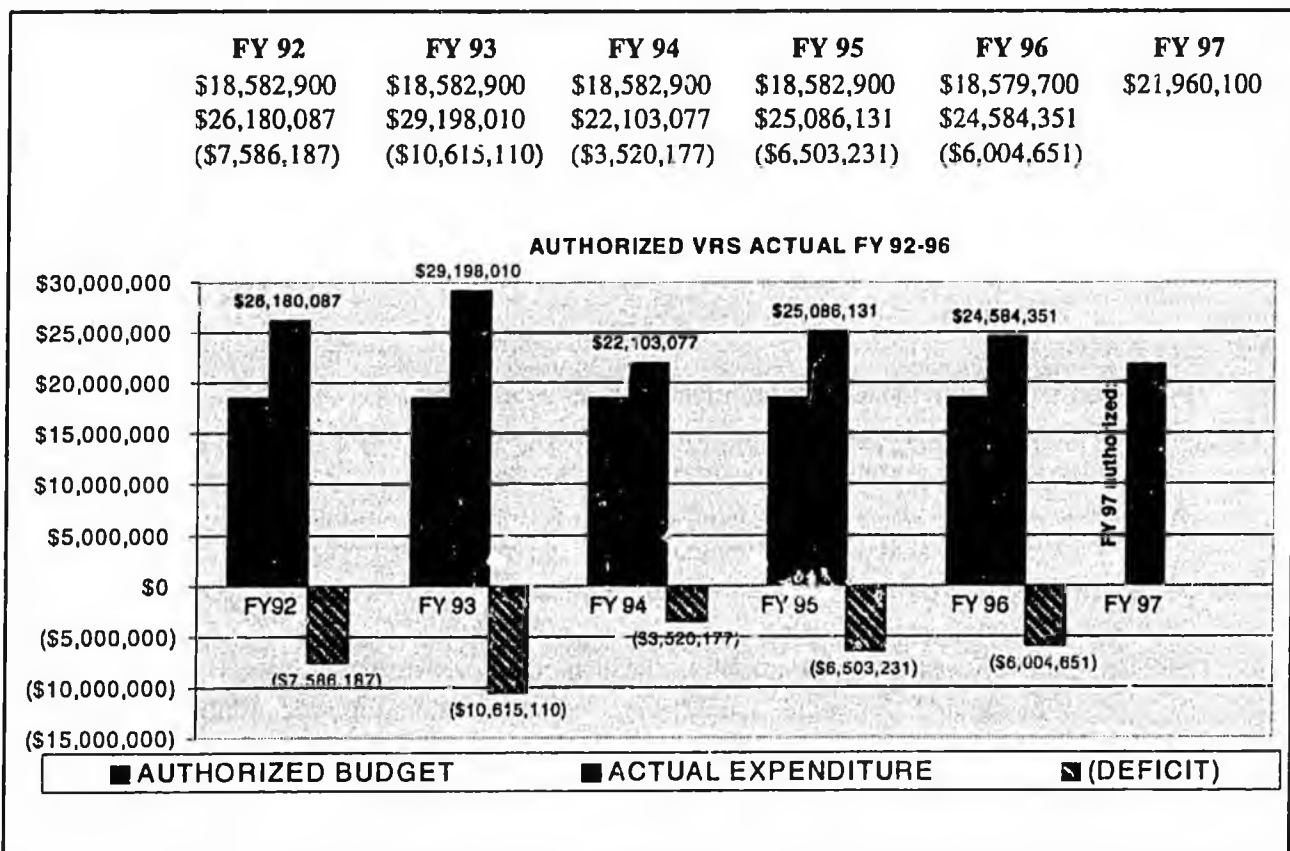
➤ Risk Management Component

	FY 97 Authorized	FY 98 Governor's Request
I/A Receipts	21,965.3	21,967.2
Total Funds	21,965.3	21,967.2
PFT Positions	7.0	7.0

FY 98 Update

- Even after the substantial benefit adjustment made in FY 97, Risk Management (RM) continues to rely on the State Catastrophe Insurance Reserve Fund (Cat Fund) (AS 37.05.289) to fund claims and judgments after regular appropriations are exhausted. Continued full funding of this reserve account (maximum limit of \$5 million) is vital for the state to be able to pay its self insured property and casualty claim obligations as they come due.

The "Cat Fund" is funded first by any lapsing RM program funds, third party and excess insurance recovery, then by any other lapsing general fund appropriations. Should the availability of other lapsing general fund obligations decrease to a level below that required to refill the Cat Fund, then a request for supplemental appropriation or a request for funding an individual civil judgment under AS 09.50.270 will be required.



Department of Administration

DIVISION OF INFORMATION SERVICES



Mark Badger, Ph.D
Director

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Mission

To provide the state with the planning, operation, and management of communication technologies which will promote the interchange of information between state government and the citizens of Alaska and to work with state agencies to provide reliable and cost-effective oversight of this valuable state resource.

Primary Services

- Information Services—telecommunications and computing services

Customers

- Primarily other state agencies, including the executive, legislative, and judicial branches of state government
- Rural communities through the Alaska Rural Communications Services (ARCS)
- Indirectly, other governmental entities; local governments, the federal government, local schools, libraries, nonprofit entities, and individual citizens who rely on communication infrastructure or information provided through computing facilities

FY 98 Initiatives

- Advance statewide telecommunication policy initiatives
- Work with telecommunication providers to deploy technological enhancements that will optimize the state's telecommunications systems
- Restructure services to ensure the state's information resources serve the best interest of the public based upon determinations made through aggressive self-evaluation
- Continue deployment of client server technologies to satisfy state's application development projects
- Support efforts to enhance public access to electronic information
- Provide reliable, dependable, cost-effective operation and management of the centralized telecommunication/computing systems necessary to ensure all citizens are provided essential state services
- Ensure the state is positioned to take advantage of the continuing revolution in information technology and remain cognizant of dynamic trends and cutting edge technologies

Department of Administration

PUBLIC COMMUNICATIONS SERVICES



Mark Badger, Ph.D
Director

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Mission

Public Communications Services integrates the reengineered Public Broadcasting Services and the Alaska Rural Communications Services (ARCS), which succeeded the Rural Alaska Television Network (RATNet), to provide for the most efficient and effective use of new digital satellite signaling technology. Public Communications Services delivers and ensures maximum coordination of state-supported broadcast telecommunications services.

Primary Services

- Create links between the Alaska Public Broadcasting Commission (APBC), the ARCS, state agencies, schools, local communities, citizens, and public broadcasting services
- Allocate appropriated funds to public radio and television facilities ensuring public broadcasting services are delivered to all Alaskans in the most efficient and cost-effective manner
- Provide a telecommunications service for rural Alaska, delivering public, educational, and other television programming to remote areas of the state

Customers

- People of Alaska
- Alaska's educators
- Alaska's children
- Corporation for Public Broadcasting and other national public broadcasting agencies and organizations
- Communities and municipalities
- The Governor and his administration
- The Legislature

FY 98 Initiatives

- Reduce the reliance on state general funds
- Assure the survival of public radio and television stations which provide the sole broadcast service to one or more communities
- Reduce state funding by capitalizing on digital technology
- Continue providing broadcast telecommunication services to rural areas which are not served by commercial facilities
- Continue reengineering efforts which result in coordinated regional, statewide, and public/private partnerships for the delivery of telecommunications services
- Fully implement of integrated public telecommunication infrastructure employing digital compression technology and establishment of a governance structure

Funding Summary

➤ Public Communications Administration Component

	FY 97 Authorized	FY 98 Governor's Request
General Fund	59.0	58.9
Total Funds	59.0	58.9
PFT Positions	1.0	1.0

➤ Public Broadcasting Radio Component

	FY 97 Authorized	FY 98 Governor's Request
General Fund	2,810.0	2,613.9
Total Funds	2,810.0	2,613.9

➤ Public Broadcasting TV Component

	FY 97 Authorized	FY 98 Governor's Request
General Fund	1,284.4	1,195.2
Total Funds	1,284.4	1,195.2

➤ Alaska Rural Communication Service Component

	FY 97 Authorized	FY 98 Governor's Request
General Fund	754.3	754.3
GF Program Receipts	15.0	763.7
Gifts/Grants	140.7	60.0
Total Funds	910.0	1,578.0

FY 98 Update

- Public Communications Services integrates the Alaska Rural Communications Services (ARCS) and Public Broadcasting to ensure the most efficient and effective use of Alaska's satellite-based infrastructure. This new structure reflects the technical interdependence of these digital, satellite-based systems created by the use of new cost-saving technologies and the need for a single umbrella organization to coordinate them.

- The Alaska Rural Communications Services replaces the Rural Alaska Television Network (RATNet) and embodies a new approach to providing services to rural Alaskans. Programming for distribution on ARCS originates from public television station KYUK, located in Bethel. KYUK assembles a unique blend of programming for distribution on ARCS, with a major focus on Alaskan programming. ARCS also carries educational, PBS, syndicated, and commercial programming. With the delivery of telecourses on ARCS, it is possible to obtain college credit, and even complete an Associate of Arts degree.

- The reengineering of public broadcasting ensures that broadcast services to rural Alaskans will continue, and even improve, with services including:
 - ◆ *Regional radio networks* - regionally interconnected radio stations will share programming allowing individual stations to use their resources to address community needs.

 - ◆ *Alaska One* - provides a common public television program stream to Bethel, Fairbanks, and Juneau. With full implementation of digital satellite signaling, Alaska One is available to many other communities willing to invest in reasonably-priced receiving and retransmission equipment.

 - ◆ *Alaska Two* - provides C-span-type television coverage of the Alaska Legislature through collaborative efforts of public broadcasters and Alaska's cable industry.

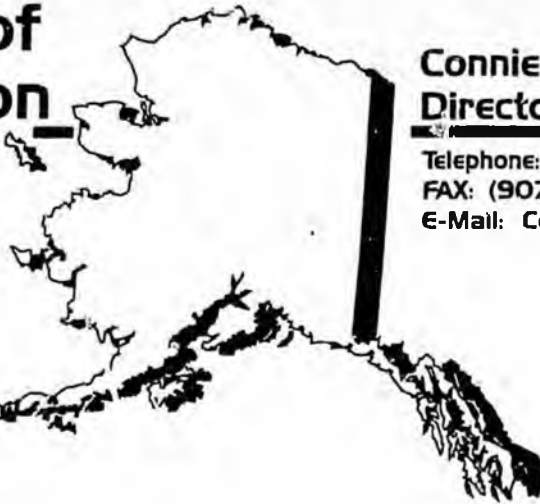
 - ◆ *Alaska Three* - the distance learning channel, will be operating statewide by the start of the 97-98 academic year.

 - ◆ *Alaska Four* - delivers public, educational, and other television programming to remote areas of the state. Alaska Four is the programming service delivered on ARCS.

With this restructuring, the Public Communications Services is a model of how increased efficiency is possible with the implementation of new technology and the careful coordination of its use. (See Appendix 4, page 63.)

Department of Administration

DIVISION OF SENIOR SERVICES



Connie Sipe
Director

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Mission

To ensure the dignity, security, and independence of Alaska seniors by providing direct financial payments, coordinating a full continuum of services ranging from home and community-based care to assisted living and protecting vulnerable adults who may be subject to abuse or who are consumers of assisted living and nursing home services.

Primary Services

- Development of an aging services network for present and future generations of seniors' home and community-care service plans as alternatives to institutional care
- Grants administration, monitoring, and services development
- Protective services for vulnerable adults
- Licensing of assisted living homes for seniors

Customers

- Alaska seniors and their families
- Representatives of Alaska seniors, including the Legislature and Governor
- Communities in which senior services are provided
- Senior organizations
- Senior service provider agencies
- State medical assistance agency

FY 98 Initiatives

- Implement statewide computer software system which will record senior grants services and allow service data and in-home client assessment data to be electronically transmitted to the division and among care provider agencies
- Complete the integration and transformation of several home and community care service programs transferred to Senior Services in FY 97: personal care grants, Medicaid Home Care Waiver for Adults with Physical Disabilities, and Medicaid long-term care authorization functions
- Continue licensing assisted living homes in the private sector under the Assisted Living regulations; continue training for facility operators on the regulations and on maintaining quality of care in Assisted Living homes

- Take the CHOICE Medicaid home care project to full capacity, serving 400 seniors statewide with community care alternatives to nursing home placement
- Continue cross-training of division staff from the protective services unit with local community providers on topics of mutual concern
- Increase availability of care coordination/case management and brokered services in the Kenai Peninsula, Mat-Su Valley, Southeast, and Anchorage areas

Funding Summary

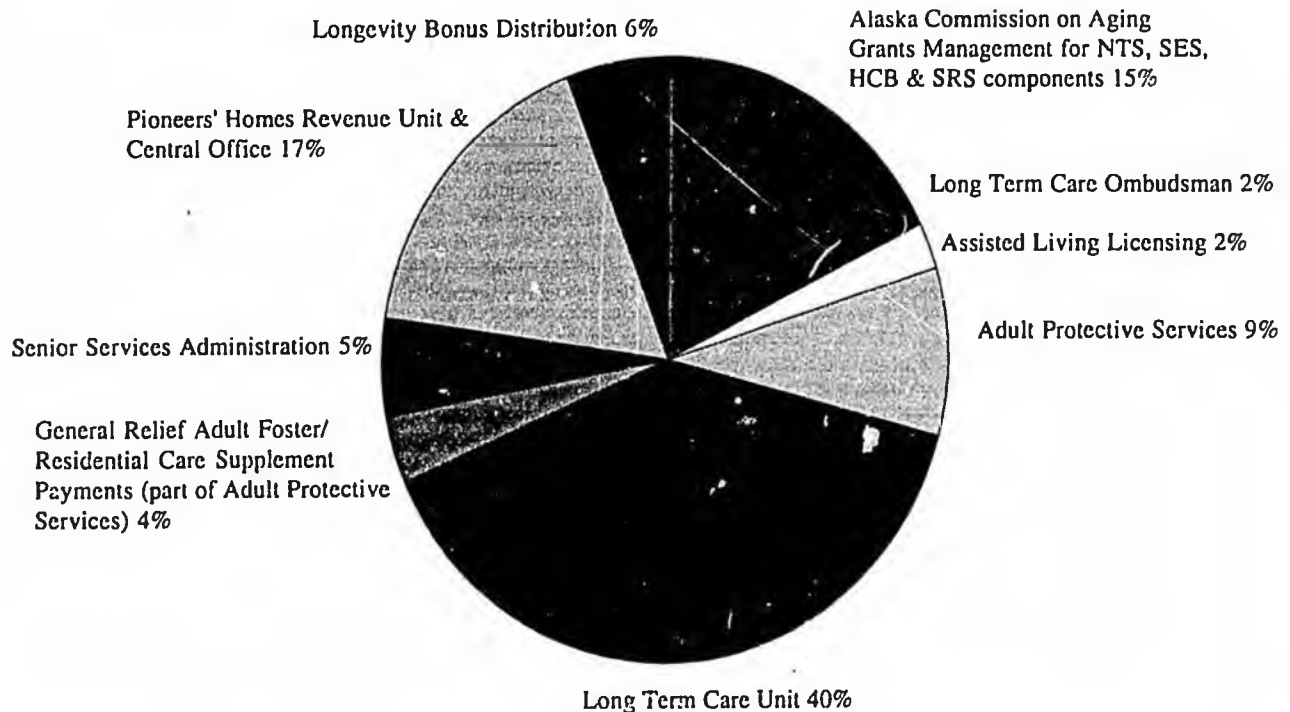
- Protection, Community Services, and Administration Component

	FY 97 Authorized	FY 98 Governor's Request
CIP Receipts	53.6	54.5
GF Match	145.8	324.3
General Fund	1,656.0	3,531.4
GF/MHTIA	209.3	175.2
I/A Receipts	536.6	1,105.6
Federal Receipts	1,317.4	1,328.1
GF Program Receipts	10.4	10.4
Total Funds	3,929.1	6,529.5
PFT Positions	46.0	54.0

FY 98 Update

- Protection, Community Services, and Administration

Funding Allocation



Funding Summary

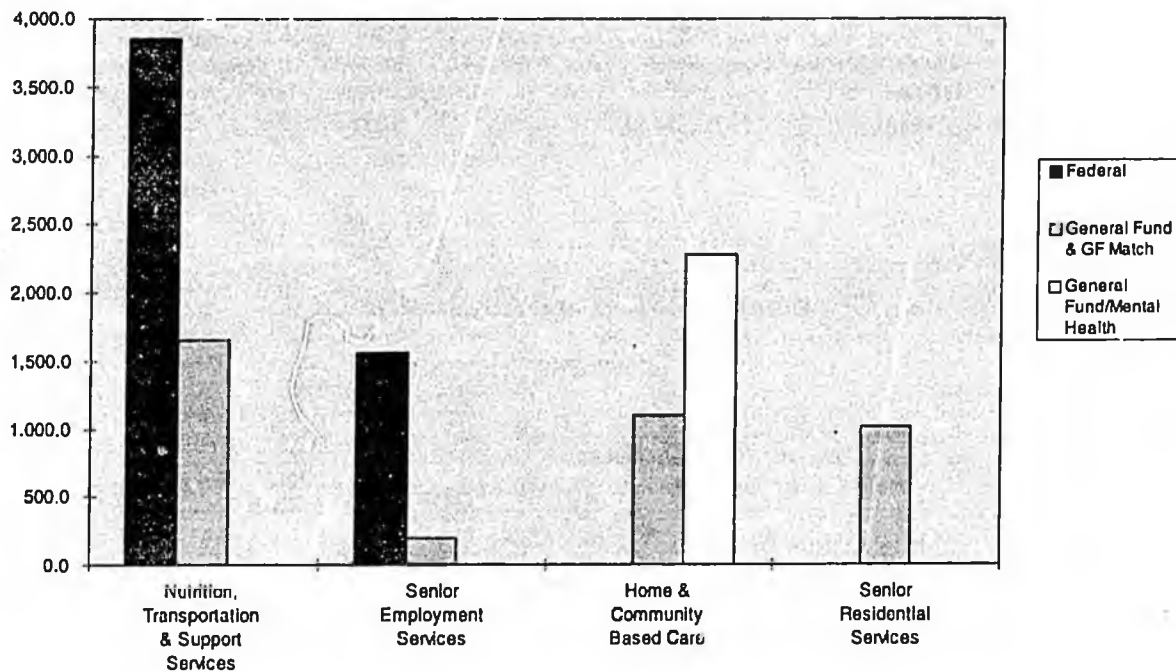
➤ Senior Services Grants Component

(Nutrition, Transportation and Support; Senior Employment Services; Home and Community Based Care; Senior Residential Services)

	FY 97 Authorized	FY 98 Governor's Request
GF Match	842.7	842.7
General Fund	3,127.3	3,127.3
Federal Receipts	5,413.0	5,413.0
GF/MH	1,871.6	1,871.6
MHTAAR	0.0	407.2
Total Funds	11,254.6	11,661.8

FY 98 Update

➤ Grants Components Funding Sources



Funding Summary

➤ Citizens' Foster Care Review Component

	FY 97 Authorized	FY 98 Governor's Request
General Fund	137.3	139.9
Total Funds	137.3	139.9
PFT Positions	3.0	3.0

FY 98 Update

➤ Foster Care Review

The Foster Care Review Program (formerly the Citizen's Review Panel for Permanency Planning) is charged with ensuring that children do not remain in out-of-home placement longer than necessary, and that reunification with the child's family or placement in a secure, permanent home takes place as expeditiously as possible. The program is based on research from other states which shows that reviews external to the child placement agency result in shorter out-of-home placements. The program uses volunteer review panels to examine cases and make recommendations. Currently, the program operates only in the Anchorage area.

During FY 94 and FY 95, 263 cases of individual children were reviewed by volunteer panels for appropriateness of foster care placement.

During FY 97 and FY 98, 370 cases will be reviewed.

Department of Administration

James Kohn
Director

DIVISION OF ALASKA LONGEVITY PROGRAMS

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Mission

To provide cash payments to Alaskan seniors as authorized by the Alaska Longevity Bonus program; and to provide assisted living support for Pioneers' Homes residents.

Primary Services

- Cash bonus program for Alaskan seniors
- Long-term institutional care, with special capacities for Alaskan seniors with Alzheimer's Disease and Related Dementias (ADRD)

Customers

- Alaskan seniors and their families
- Representatives of Alaskan seniors, including the Legislature and Governor
- Communities in which senior services are provided
- Senior organizations
- Senior service provider agencies

FY 98 Initiatives

- Continue development of Alzheimer's Disease and Related Dementias (ADRD) programs at all Pioneers' Homes
- Maintain 80 percent training level for Pioneers' Home staff in both *Mandt Behavior Management* and *The Essentials of Caring for People with Dementia* curricula
- Increase efficiencies by reducing costs of overhead expenses such as Workers' Compensation, revenue collection, supply purchase, staff scheduling and facility energy consumption
- Transfer savings from increased efficiencies to support direct care staff as resident's needs related to ADRD increase

Funding Summary

➤ Pioneers' Homes Component

	FY 97 Authorized	FY 98 Governor's Request
GF Mental Health	417.7	461.1
General Fund	22,455.2	20,674.8
GF Program Receipts	7,986.4	9,926.7
Total Funds	30,859.3	31,062.6
PFT Positions	477.0	475.0
PPT Positions	82.0	82.0
Nonperm Positions	66.0	66.0

FY 98 Update

➤ Rate Increase

Institute the second phase of Pioneers' Homes rate increases designed to arrive at the full cost of resident care at each level by FY 2003

➤ Program

Transition coordinated services beds (formerly "residential") to higher levels of care to provide for the safety and daily living needs of residents with increasing cognitive impairments

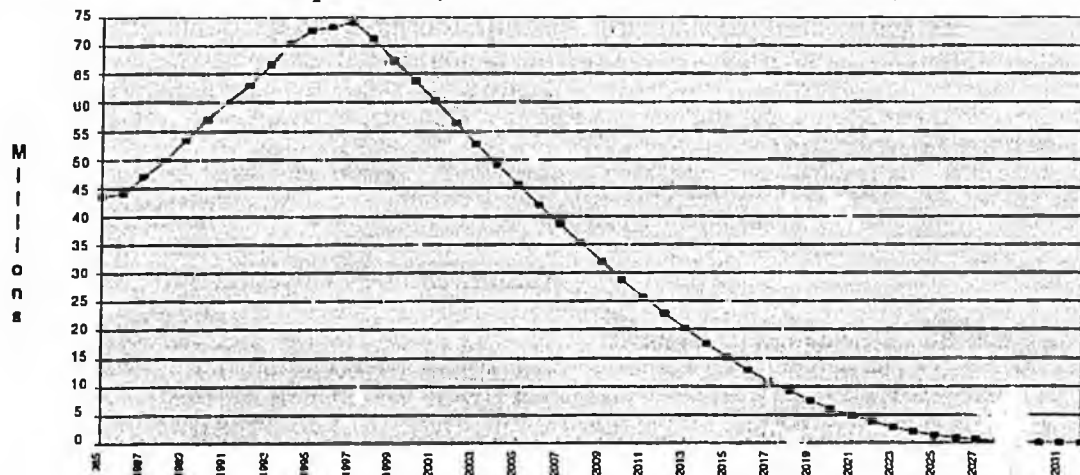
Funding Summary

➤ Longevity Bonus Component

	FY 97 Authorized	FY 98 Governor's Request
General Fund	74,062.6	71,198.9
Total Funds	74,062.6	71,198.9

FY 98 Update

Longevity Bonus Program Phase-out
(amounts from FY 85 - FY 96 are actual expenditures; amounts from FY 97 on are estimates)



Department of Administration

PUBLIC DEFENDER AGENCY



Barbara Brink
Acting Director

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Mission

To provide quality legal service, consistent with constitutional guarantees, to indigent persons who are parties in certain kinds of state court litigation.

Primary Services

Provide legal representation to financially disadvantaged people who are engaged in certain types of state court litigation

Customers

- Individuals accused of crimes
- Parents whose children have been taken into custody of the state
- Juveniles who are facing petitions of delinquency
- Individuals who have mental illnesses and who are being held against their will in state mental facilities
- Individuals who face contempt proceedings for violating court orders

FY 98 Initiatives

- Enhance utilization of computer network and caseload management system as a means of realizing staff efficiencies and enhancing administrative capacity
- Establish caseload standards for staff attorneys and a method for "referring out" cases when caseloads exceed acceptable levels

Funding Summary

- **Public Defender Agency Component**

	FY 97 Authorized	FY 98 Governor's Request
GF Program Receipts	192.1	195.4
General Fund	8,515.3	8,627.7
Total Funds	8,707.4	8,823.1
PFT Positions	105.0	108.0

FY 98 Update

➤ **Funding and Position Increase**

Funding in FY 97 was increased by \$343.2, the total of the fiscal note appropriations for HB 38, HB 75, SB 289, and SB 320. As a result, two full-time and one part-time positions were added. An additional part-time position was changed to full-time by revised program.

➤ **Underfunding**

The Public Defender Agency anticipates a personal services shortfall of 443.3 and a contractual services shortfall of 103.3.

The Public Defender Agency has been chronically under funded in its personal services line. This is due, in a large part, to the inability of the PD to maintain the required vacancy factor mandated in its budget. The Alaska Public Defender Agency processes over 17,000 cases a year statewide, yet has only 64 attorneys in its 13 offices. Based on national caseload standards the PD operates 7 attorneys below the minimum required given the size of its caseload. Maintaining a vacancy factor by leaving additional positions open for any period of time just does not work. Specific factors which require full staffing involve the following:

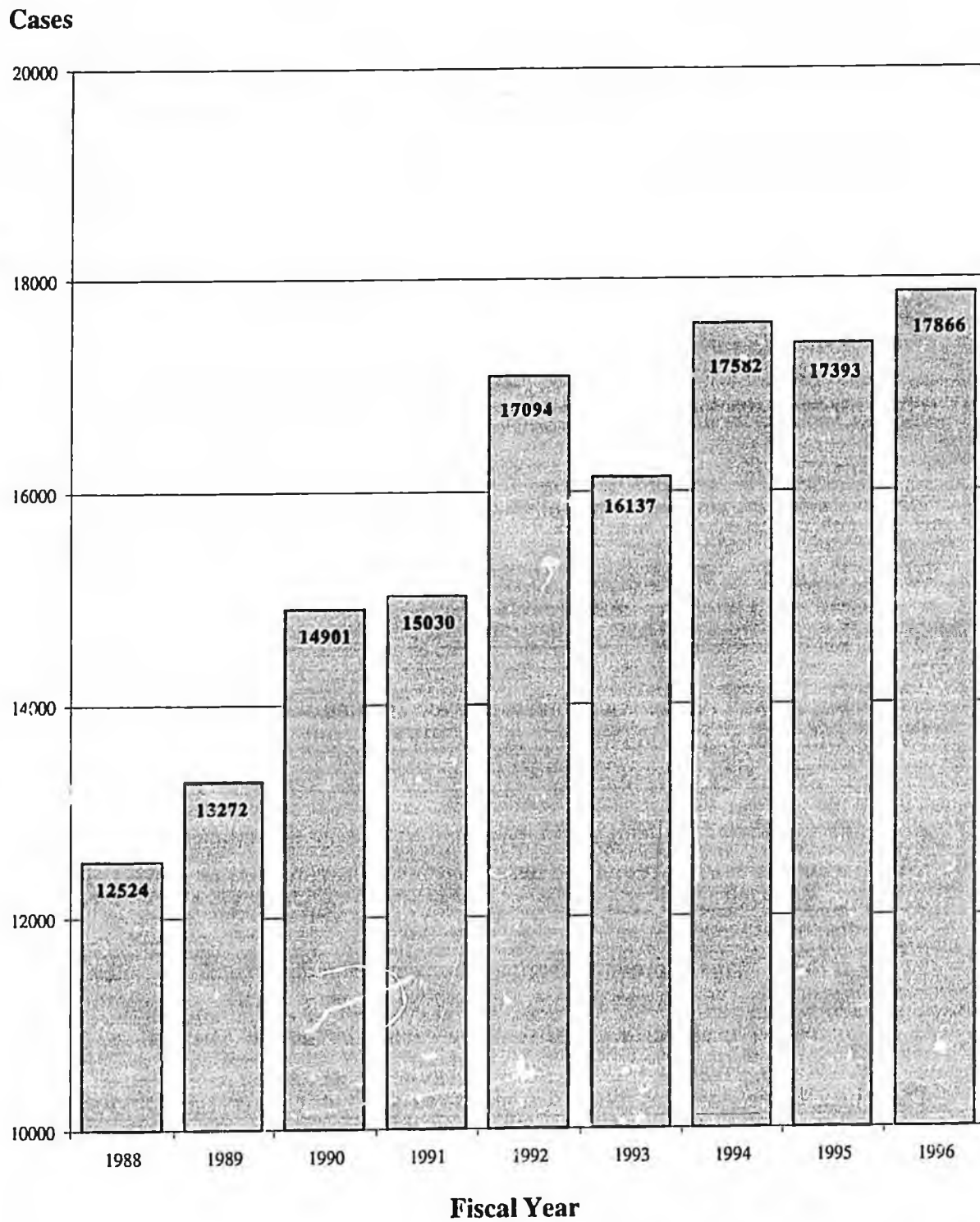
1. The PD cannot tailor its workload. All cases are assigned it by the court. The Agency does not have the authority to refuse these assignments.
2. The legal services provided by the PD are constitutionally required. In each case, staff attorneys must provide a level of legal representation consistent with standards developed by the federal and state courts.
3. Virtually all PD cases are time sensitive. They must be processed consistent with a client's speedy trial rights. Simply put, a client has the right to have his/her case tried within 120 days.
4. Many of the PD clients are incarcerated. This fact, in conjunction with the speedy trial issue, requires that staff attorneys immediately be replaced once a vacancy occurs. Failure to do so leaves clients unrepresented.
5. If the PD fails to provide adequate representation due to lack of staff, the agency and individual attorneys are subject to contempt proceedings by the court and to administrative disciplinary action by the Bar Association.

The increased caseload has resulted in increased case costs. Expert witness fees, medical records, discovery costs have all increased. These costs reflect both the increased case load and rising costs for these services.

Failure to adequately fund the agency results in delays which are disruptive to the entire criminal justice system. Witnesses, victims, defendants, and staff all deserve timely, professional resolution to criminal cases.

Alaska Public Defender Agency

Caseload Trends



Department of Administration

OFFICE OF PUBLIC ADVOCACY



Brant McGee
Director

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Mission

To protect the rights of vulnerable Alaskans by providing excellent, cost-effective legal and guardian representation to abused and neglected children, incapacitated adults, and others.

Primary Services

- Legal and guardian representation to some 11,877 clients throughout the state when appointed by the courts

Customers

- Abused and neglected children involved in legal proceedings
- Incapacitated adults who need assistance in protecting their social, financial, and medical interests
- Indigent criminal defendants when the Public Defender Agency has a conflict of interest

FY 98 Initiatives

- Expand the volunteer children's advocate program to the Kenai and Palmer areas
- Complete implementation of the public guardian cost recoupment program
- Maintain and improve cost containment measures through the new case management system

Funding Summary

► Office of Public Advocacy Component

	FY 97 Authorized	FY 98 Governor's Request
GF Program Receipts	95.2	95.2
General Fund	6,659.9	6,688.0
Federal Receipts	15.2	15.3
I/A Receipts	55.2	56.2
GF/MH	614.0	623.6
Total Funds	7,439.5	7,478.3
PFT Positions	35.0	38.0

FY 98 Update

- Office of Public Advocacy (OPA) anticipates a shortfall in contractual services in FY 98 of \$719.4. This projection is based on both caseload and cost increases. OPA projects a 6.3 percent increase in overall caseload from FY 96 to FY 98. This estimate is a straight-line projection and, therefore, very conservative. Other data and factors suggest that the caseload increase could be substantially higher. By December 1996, Anchorage had added more than 80 new police officers. As a result, arrest rates will skyrocket and OPA, like other criminal justice agencies and the Alaska Court System, will be severely impacted. Changes in the focus of criminal prosecutions to crimes involving more than one person, like drug distribution rings, will create more conflict of interest cases in which OPA must undertake representation.

All OPA services are provided pursuant to court orders of appointment. OPA has no control over the number of such appointments which are mandated by Alaska Statutes and Rules of Court. There is little OPA can do to influence caseload growth or case complexity under current law. It must direct its management efforts towards reducing the costs associated with such cases. The agency's success is reflected in its significant decrease of the average cost per case from 1985 to 1995. In FY 84, the last year the Alaska Court System was responsible for administration of guardian ad litem representation and criminal defense functions now performed by OPA, the court system expended \$2,085.7 to provide representation in 2,793 cases. The average cost per case was \$696.85. In FY 96, the Office of Public Advocacy expended \$6,695.2 (total budget less public guardian costs), to provide representation in 11,031 cases, for an average cost per case \$606.94. The actual cost per case for the Alaska Court System cases in FY 84, as expressed in 1996 dollars is \$956.78.

Thus, the Office of Public Advocacy has reduced the average cost per case of cases within its statutory mandate by 36.5 percent; OPA has consistently improved cost effectiveness while absorbing enormous caseload increases.

Department of Administration

ALASKA PUBLIC OFFICES COMMISSION

Karen Boorman
Director

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Mission

Promote fairness and openness in elections, minimize the effect of undisclosed influences on public decision-making, and encourage participation in the process of representative democracy so the public may have confidence in the election process and in their elected and appointed officials.

Primary Services

- Inform the electorate by providing disclosed information
- Ensure that disclosed information is accurate and complete
- Facilitate citizen participation in government
- Investigate and adjudicate complaints of reporting and conduct violations

Customers

- Individual members of the public
- Public and private interest groups
- Elected and appointed officials
- Political action committees, political parties, and large contributors
- Lobbyists and employers of lobbyists
- News media
- Other state and federal agencies

FY 98 Initiatives

- Implement provisions of new campaign finance reform law
- Prepare for filing of campaign disclosure reports on-line in 1998 election
- Improve quality of and access to disclosed information
- Emphasize compliance assistance to filers

Funding Summary

➤ Alaska Public Offices Commission Component

	FY 97 Authorized	FY 98 Governor's Request
General Fund	633.6	723.4
GF Program Receipts	53.9	54.8
Total Funds	687.5	778.2
PFT Positions	9.0	11.0

Department of Administration

ALASKA OIL AND GAS CONSERVATION COMMISSION



David Johnston
Commissioner/Chair

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Mission

An independent, quasi-judicial agency of the state, working to promote the conservation and efficient production of Alaska's oil and natural gas while protecting health, safety, and environment.

Primary Services

- Inspect oil field drilling, production, and metering activities
- Approve drilling and workover operations
- Approve oil pool development rules
- Adjudicate disputes between owners
- Administer Alaska's Underground Injection Control program for oil and gas wells
- Maintain state production records
- Maintain well history files and well log records

Constituents

- Oil and gas industry
- Concerned citizens and organizations
- Alaska Department of Natural Resources
- Alaska Department of Revenue
- United States Department of the Interior
- United States Environmental Protection Agency

FY 98 Initiatives

- Continue streamlining Commission functions in response to continuing budget reductions. Ensure that oil and gas development continues unabated while taking steps to protect the environment, prevent waste, protect correlative rights and ensure a greater ultimate recovery of oil and gas
- Foster the Governor's initiative that Alaska is open for business by working closely with industry and the public to ensure appropriate regulation of oil and gas development in the state. Work toward preserving a viable, independent regulatory commission
- Work with the Bureau of Land Management toward possible assumption of its inspection and enforcement activities on federal land.

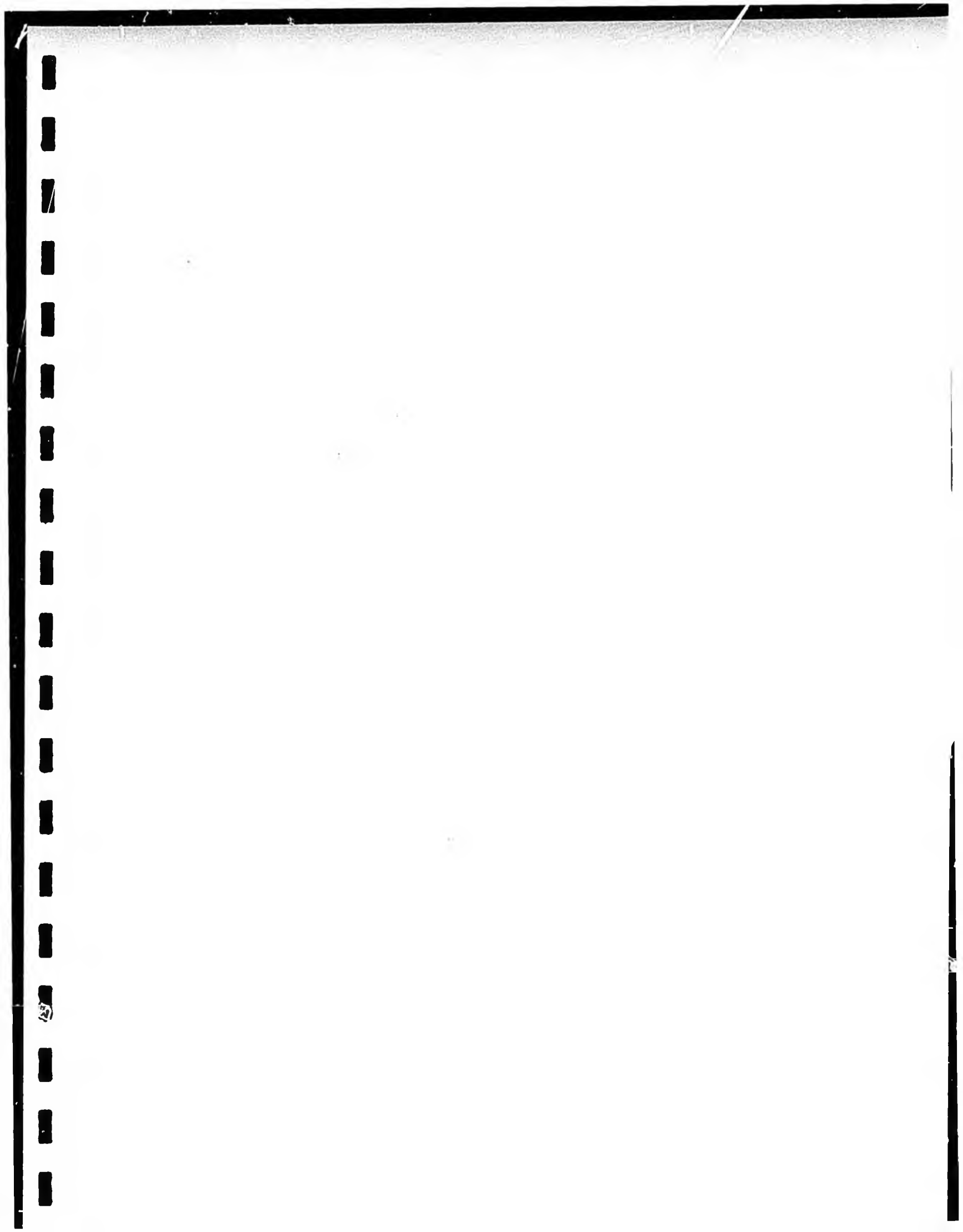
Funding Summary

➤ Oil and Gas Conservation Commission Component

	FY 97 Authorized	FY 98 Governor's Request
General Fund	1,619.2	1,586.8
Federal Receipt	99.9	101.6
Total Funds	1,719.1	1,688.4
PFT Positions	20.0	20.0

FY 98 Update

- The commission is negotiating a new Memorandum of Agreement governing the Underground Injection Control (UIC) program in Alaska with the U.S. Environmental Protection Agency so that certain RCRA exempt waste may be disposed by underground injection.
- The commission plans to implement new regulations governing oil and gas drilling and development in Alaska after signing by the Lt. Governor.
- The commission will continue working with industry to resolve the miscible injectant (injection)/natural gas liquid (MI/NGL) debate at Prudhoe Bay. Our goal is to seek an appropriate balance between NGL recovery and MI manufacture in order to maximize production and recovery from the Prudhoe Bay field. This will likely require an expansion of the central gas facility capacity at Prudhoe Bay to manufacture at least 600 million cubic feet of gas daily (per measurement) of MI by 1999.



APPENDICES

	Page
1 Five-Year Comparison— Total Funds	56
2 FY 97 Authorized/FY 98 Governor's Request.....	57
3 Public Communications	62
4 Labor Contract Summary	63
5 Information Services Fund Update.....	68
6 Fee Schedule.....	70

Appendix I

DEPARTMENT OF ADMINISTRATION

Five-Year Comparison--Total Funds

1997 Dollars

	FY 94	FY 95	FY 96	FY 97	FY 98
Longevity Bonus	76,851.3	79,386.2	75,824.6	75,855.8	71,198.9
Pioneers' Homes	33,119.5	32,484.8	31,361.0	31,606.5	31,062.6
Protection, Community Svcs. & Admin.	3,049.3	3,676.6	3,751.6	4,024.2	6,529.5
Senior Services Grants	12,326.9	11,889.7	11,564.7	11,527.1	9,383.0
Public Defender	8,279.3	8,668.4	8,673.1	8,918.2	8,823.1
Office of Public Advocacy	7,143.6	7,726.1	7,608.0	7,619.6	7,478.3
Commissioner's Office	593.2	640.4	518.6	508.7	503.0
Citizens' Foster Care Review	138.1	183.1	142.9	140.6	139.9
Office of Labor Relations	0.0	0.0	0.0	949.6	927.2
Administrative Services	1,505.1	1,513.4	1,617.8	1,521.3	1,501.8
Personnel	5,087.6	5,345.9	4,412.2	3,021.9	2,947.4
Finance	7,401.6	6,903.7	6,708.9	6,246.5	6,145.5
General Services	4,409.8	4,596.9	4,786.5	4,450.9	4,303.6
Retirement And Benefits	8,538.3	8,697.9	8,547.9	9,187.9	9,186.2
EPORS	987.3	959.6	936.5	912.7	1,033.8
Tax Appeals	0.0	0.0	0.0	193.0	160.4
AOGCC	2,202.8	1,892.1	1,848.2	1,760.7	1,688.4
Alaska Public Offices Commission	735.7	700.5	666.1	704.1	778.2
Risk Management	20,523.6	20,092.3	19,525.3	22,497.1	21,967.2
Information Services	25,186.2	23,251.9	22,685.1	20,793.4	20,358.9
RATNet	1,325.8	1,414.5	1,002.2	932.0	1,578.0
Alaska Public Broadcasting Commission	6,761.1	6,349.2	4,662.3	4,254.0	3,868.0
Leasing and Facilities	32,398.2	32,133.4	29,742.4	30,665.1	30,273.6
TOTALS	258,564.3	258,506.6	246,585.8	248,290.9	241,836.5