

ALASKA LEGISLATURE

1851

HOUSE and SENATE FINANCE COMMITTEE FILES, 1999 - 2000

1/26/99

Overview:
Dept. CRA

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HFIN

FILE

HOUSE FINANCE COMMITTEE
LOG NOTES
January 26, 1999

GENERAL SUBJECT(S):

Time Meeting Convened: 1:35 P.M.

Tape HFC 99 - 5, Side 1.

Tape HFC 99 # 5, Side 2.

Tape HFC 99 # 6, Side 1.

	PRESENT:	x	Representative G. Davis
x	Co-Chair Therriault	x	Representative Foster
x	Co-Chair Mulder	x	Representative Grussendorf
x	Representative Austerman	x	Representative Kohring
x	Representative Bunde	x	Representative Moses
x	Representative J. Davies	x	Representative Williams

ALSO PRESENT:

DAVID TEAL, DIRECTOR, LEGISLATIVE FINANCE; DAN SPENCER, CHIEF FISCAL ANALYST, OFFICE OF MANAGEMENT AND BUDGET; JEFFREY BUSH, DEPUTY COMMISSIONER, DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT; MIKE IRWIN, COMMISSIONER, DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS; REMOND HENDERSON, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS; TOM LAWSON, DIRECTOR, DIVISION OF ADMINISTRATIVE SERVICES, DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT.

HOUSE FINANCE COMMITTEE

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LOG	SPEAKER	DISCUSSION
000	Tape 5, Side 1	
	Co-Chair Mulder	Co-Chair Mulder convened the HFC meeting at 1:35 p.m. He stated that the budget for Department of Community and Regional Affairs would be chaired by Representative Austerman
#25	COMMISSICNER IRWIN	Provided Committee members with a copy of the handout #1. He spoke to the job training program also called the STEP program and other programs administered by the federal government. With Welfare Reform, Department of Community and Regional Affairs has assumed many new responsibilities.
#23 0	Commissioner Irwin	Continued speaking to the Division of Energy specifically for rural Alaska and other coastal zone management programs.
	Commissioner Irwin	Spoke to the trend in reduction of General Fund dollars and the departments looking to new federal funding sources.
#38 6	Commissioner Irwin	Department has cut of dollars by $\frac{1}{2}$. The GF dollars for personal service costs has been decreased more than 30%; although the total budget has grown.
#48 7	Commissioner Irwin	Highlighted the change in FY2000 budget and the ChildCare Grants increase. (referenced pg. 3 of handout #1.) Proposing increase to tobacco tax to help fund this grant program. Also, proposing, due to increased demand add 2.7dollars to childcare budget through the federal receipts.
#66 0	Commissioner Irwin	In addition, \$3.million expansion to the Head Start Program
#70 3	REMOND HENDERSON	Reiterated the increase to the Child care programs.
#73 4	Co-Chair Mulder	Questioned the status of power fund equalization
#76 0	Mr. Henderson	Stated that there is taskforce looking at that funding issue. He noted that there is a \$17 million dollar request.
#80 7	Co-Chair Mulder	Asked how much money in the PCU at present time
#82 7	Mr. Henderson	Stated that there is a projection of \$3.5 million \$

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#85 1	Co-Chair Mulder	Asked how this worked in the Governors Plan
#87 1	DAN SPENCER	Explained that there would be a meeting with the Governor and that there have been no recommendations at this time.
#93 4	Co-Chair Mulder	Thought this would count as less than a budget reduction if the PCE fund was gf
#97 2	Commissioner Irwin	Noted that the recommendations would be done by Feb 8 th . Several options before the Governor consider straight gf options
101 9	Representative Bunde	Asked why short falls are being covered by empty balances
104 9	Mr. Spencer	Explained that there are statutory provisions
107 2	Co-Chair Mulder	Asked how to follow that in the book of the PCE situation.
109 5	Remond Henderson	Explained how it was calculated for the determination. There is not complete funding for the determination.
113 3	Dan Spencer	Explained how the sources of recurring revenue occurred.
115 8	Co-Chair Therriault	Referenced the Head Start operations and the mix indicated
117 7	Com Irwin	Replied that it was the increase would come from a federal source.
120 1	Mr. Henderson	Stated that the federal funds for the program do not come through their department.
122 6	Dan Spencer	Explained the detailed budget books and based on the commission, there is not a \$9 million dollar request at this time. The intent is that the Commission will make the recommendation.
129 1	Representative G. Davis	Pointed out the FY99 level and those in previous years the Office of the Governor had recommended reductions in those areas.
132 6	Representative Austerman	Employee positions
134 0	Commissioner Irwin	Explained the department's responsibilities for the North Star Borough that are now being assigned as new state employees. There are several new positions connected with the Welfare to Work efforts-three new positions and support staff.

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142 3	Remond Henderson	Added three in the Energy Section
144 0	Co-Chair Therriault	Are they all federal funds
145 0	Remond Henderson	Understood that program was entirely federal funds
147 3	Co-Chair Therriault	Why returned to the department
148 8	Commissioner Irwin	Explained why program came back to the department
151 0		He did not know the details of the program
153 4	Representative Bunde	Referenced the handout and asked about the total referenced GF funds
156 0	Commissioner Irwin	Explained revenue sharing grants and administration of the programs.
		They are totaled together which is helpful for the subcommittee
160 4	Co-Chair Therriault	Marine Safety funding
161 6	Representative Foster	Thought that the blue ribbon committee was not okay. He asked why support to that committee was so inadequate
167 2	Commissioner Irwin	The Department is working on this concern and is looking for a solution that will also be supported by the Governor and will not entail General Funding.
171 1	Representative Foster	Reiterated that the department does not have the needed sense of urgency.
173 0	Co-Chair Therriault	Pointed out that it only has 50% of the money needed to fund it. He did not know how to fund it from other than a gf source.
176 5	Representative Austerman	Asked if there would be a meeting before the subcommittee PCE meets.
178 2	Commissioner Irwin	Stated that PCE would meet before.
180 0	Representative G. Davis	Day Care Assistant would be the only place using those dollars
181 8	Commissioner Irwin	From the settlement. He did not know the total amount and how it would be spread throughout the entire administration budget.
184 9	Co-Chair Therriault	Requested a list of that spread
	HFC 99-5 Side 2	TAPE CHANGE
#00 0	JEFF BUSH	Spoke to attachment #3. Page two provides a quick overview of the

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		budget. The request is for \$54 million from all funding sources. He pointed out the amount from the general fund.
	Mr. Bush	\$30.8 million is funded from non-gf sources.
124	Mr. Bush	Page 16 * annual pie chart and the departments slice of the ttl general fund budget. .39%
	Mr. Bush	Approximately 2/3 of the budget goes to the tourism budget. Trade and Development is another piece of the budget. Of the \$7.8gf dollars only 2.6% goes to administrative services. Generally, endowment earnings are used.
267	Mr. Bush	Historical trend for the department - Page 18. In 1990, the Department was a bread even agency. At the time, the department is a revenue-generating agency. Increasing reliance from other funding sources.
330	Co-Chair Therriault	Example of other gf funding sources
344	Jeff Bush	Insurance premium tax; licensees
	Mr. Bush	Changes to budget by reducing costs to the Commissioner office. Relying more on fees paid to agency. The Commissioner is paid for out of the general fund.
	Mr. Bush	The second change is a transfer of the Intl Trade program and still operating in the Department of Commerce and Economic Development and the funds are RSA'd back.
480	Mr. Bush	Increase to the data processing staff * change #3
	Mr. Bush	Converted from the Wang to the Oracle. The Department has many activities that require the requested positions. Those positions will need a manager and are proposing a DP manager funded through inter agency receipts.
571	Co-Chair Therriault	Is this a new effort
578	Jeff Bush	Program receipts would have to increase fees to cover increased costs. It is not a direct link. The cost of something this small would be quite small.
625	Co-Chair Therriault	Asked the level of discussion with the user groups

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644	Jeff Bush	Replied that there are more complaints for lack of service that there is for a raise of fees. License fees have been reduced over the current year. Better accounting system. 75% of complaints are due to reductions; lack of service.
745	Representative G. Davis	Thought that the language shows that the current computer system will cost a lot more to operate.
790	Jeff Bush	Replied that the department is not doing a good job in data base management. Need resources to reconvert the current system.
828	Mr. Bush	Banking securities adding an examiner. The department is experiencing a tremendous growth. Alaska Native Corporation proxy authority. No new staff since the 1980's and are requesting 3 staff member to help with the growth.
	Mr. Bush	The Department of Law services and Department of Commerce and Economic Development have to hire one another. Department of Commerce and Economic Development now must hire the Department of Law to represent that Department. The estimate is \$45 thousand dollars would cover that cost. A hearing officer can not represent the Department.
101 4	Mr. Bush	\$40 thousand dollar increment for a hearing officer support. Historically, Occupational license fees paid that position. The auditor, the department is requesting that banking pay its fair share of those expenses.
106 5	Mr. Bush	APUC is requesting 9 new positions. To handle the growth in that caseload which is 81% above the four-year average.
110 0	Co-Chair Therriault	Pointed out automatically charged back
111 3	Representative Bunde	Charging back for services?
114 0	Jeff Bush	Pointed out that the agency collects much more than those costs. Their receipts have doubled in the past ten years. Those filings have increased dramatically. Are currently overly

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		collecting
118 6	Representative Williams	Commented on the fiscal gap and the requested increases. He asked for the Department to provide a spending plan and possible transfer of services to Department of Natural Resources .
126 1	Jeff Bush	Referenced the handout; Page 17 which show all the saving money options. Reductions below those considered would be detrimental to the Department
130 3	Representative Williams	Data processing additions * are they necessary
131 9	Jeff Bush	
134 5	Tom Lawson	Pointed out that there currently 5 staff serving the entire department. The Wang system was not Y2K compliant. The bottom line is that the needs of the banking, insurance people need more info on line. Things have changed and there are now internet demands. Would like to have the increments without using general funds.
141 3	Representative G. Davis	New program is costing more to operate. He pointed out that the licensing and fees and the increase and how it affects the public. He questioned the problem.
146 5	Representative Kohring	Questioned the comments of Rep Williams. He asked about the Division of Tourism.
	HFC 99-6, Side 1	TAPE CHANGE
000	Jeff Bush	Replied that the Department is expending a lot of time and energy addressing the concern with tourism and industry. Department of Commerce and Economic Development supports last years legislation and are trying to determine a direction to take with the Industry.
154	Representative Kohring	Asked if there was statutory authority and past legislation
182	Jeff Bush	There are aspects that of that area.
315	Mr. Bush	Continued
330	Co-Chair Therriault	Asked where the generic marketing of the State could be cut down

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370	Mr. Bush	Pointed out that the agency was cut seven years ago eliminating much marketing. That total budget was \$5.2 million dollars
404	Co-Chair Therriault	Noted that Princess and Holland America market mystic of state consolidated efforts
442	Representative Foster	Stated that in Bush Alaska do not have any Department of Commerce and Economic Development employees. He spoke against fees for Bush Area as they put business out of business. Do not adjust the user fees.
600	Representative Austerman	Added that one quarter of the state employees have been pulled out of rural Alaska.
650	Co-Chair Therriault	Stated that Co-Chair Mulder had asked that he chair the Department of Commerce and Economic Development Subcommittee.
671	Co-Chair Therriault	Adjourned the meeting at 2:55 P.M.

CONTINUATION OF FORM:

C700, Lands, Grants, and Miscellaneous

Department of Community and Regional Affairs
Division of Energy

Power Cost Equalization and Rural Electric Capitalization (PCE) Fund
Projection of Revenues and Expenditures

FY	1999	2000	2001	2002	2003	2004	2005	2006
Fund balance at beginning of fiscal year	\$17,144	\$3,202	\$0	\$0	\$0	\$0	\$0	\$0
Revenues								
GF Appropriation To Fund PCE at \$17.0 Million per Year	0	9,518	12,138	12,068	12,038	11,968	11,938	11,931
PCE Fund Investment Income	1,000	495	495	495	495	495	495	495
40% of Four Dam Pool Debt Service	2,058	3,695	4,387	4,417	4,487	4,517	4,557	4,574
Total	3,058	13,708	17,000	17,000	17,000	17,000	17,000	17,000
Expenditures								
PCE Expenditure Capped at \$17.0 Million per Year	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Utility Improvement Grants -- Zero	0	0	0	0	0	0	0	0
Total	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Surplus (Shortage)	(13,942)	(3,202)	0	0	0	0	0	0
Fund balance at end of fiscal year	\$3,202	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Notes:

- All dollars in thousands.
- PCE Fund Investment Income (FY1999) = actual 1st qtr plus estimated for balance of year.
- Surplus (Shortage) is sum of revenues minus expenditures.
- PCE Fund Investment rate (FY2000 - 2006) = 6% of average Fund balance.
- Four Dam Pool FY 2000 debt service estimated at \$10.6 million minus \$1.6 million "self-help"
- Four Dam Pool FY 2001-2006 debt service estimates not adjusted for "self-help." Projected debt service will be reduced when self-help estimates are available from AIDEA.

" A general fund appropriation of \$9.5 million to bring the fund balance back up to \$17 million will be proposed under separate legislation during the 1999 legislative session. The actual language and vehicle have yet to be determined.

PCE "Full Formula" -- Revised (Plus 2.5% Annual Growth):	22,400	22,960	23,534	24,122	24,725	25,344	25,977	26,627
Projected Four Dam Pool Debt Service:	5,145	9,212	10,918	11,043	11,167	11,292	11,417	11,438

ADDITIONAL
EXPLANATION
FORM

Revised 8/26/88

AGENCY Community and Regional Affairs

BRU Rural Energy Programs - Energy Operations

COMPONENT Power Cost Equalization #1985

Page 2 of 2

Revised Date:

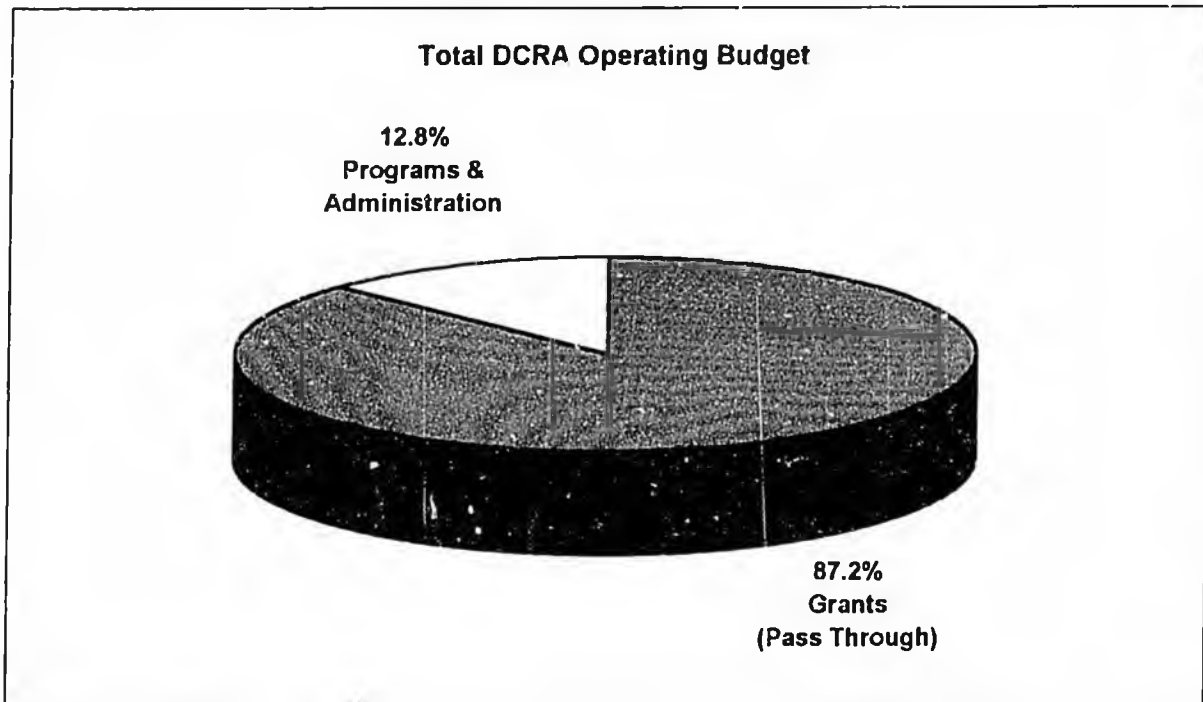
FY 2000

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#1
1/26/99

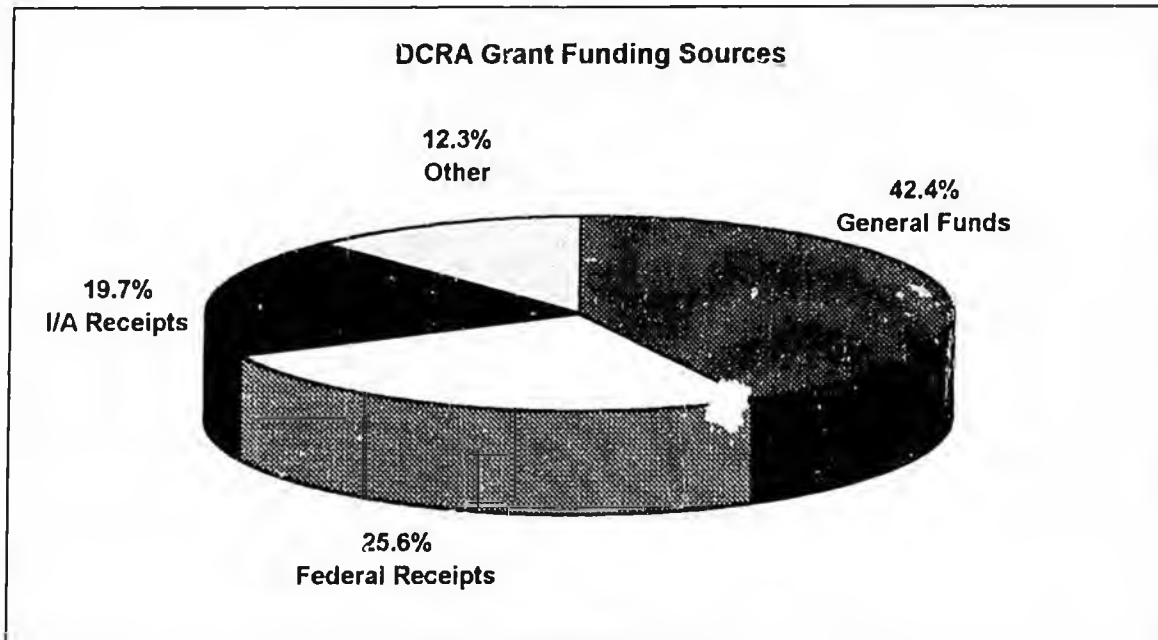
**DCRA FY 2000 Operating Budget Request
Summary of All Funds
Prepared by DCRA**

Grants (Pass Through)	139,512.7
Programs & Administration	20,518.0
Total DCRA Operating Budget	160,030.7



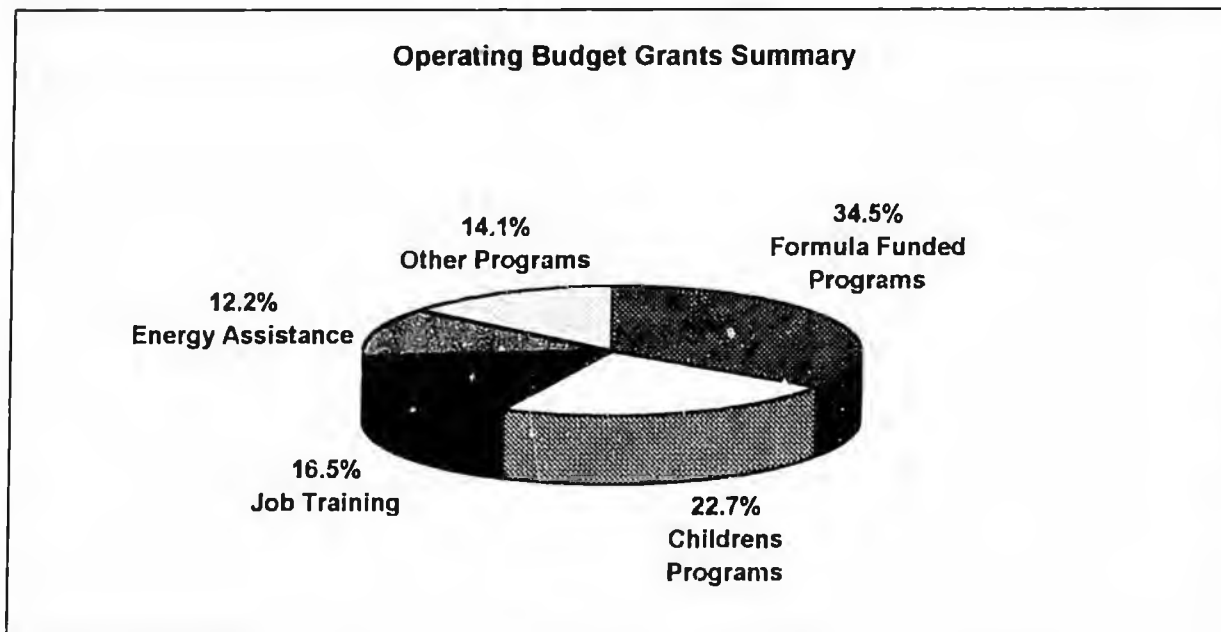
**DCRA FY 2000 Operating Budget Request
Summary of Pass Through Grants By Funding Source
Prepared BY DCRA**

General Funds	59,090.8
Federal Receipts	35,722.6
Interagency Receipts	27,549.3
Other	17,150.0
Total Grants (Pass Through Funds)	139,512.7



**DCRA FY 2000 Operating Budget Request
Summary Of Pass Through Grants By Program
Prepared By DCRA**

Programs	Total Requested	General Funds	G/F Match	Federal Receipts	I/A Receipts	Other
Formula Funded Programs	48,140.1	48,140.1	-	-	-	-
Childrens Programs	31,625.9	10,820.9	-	100.9	20,704.1	-
Job Training	23,037.6	4.8	-	19,148.5	3,884.3	-
Energy Assistance	17,059.5	-	-	59.5	-	17,000.0
Other	19,649.6	125.0	-	16,413.7	2,960.9	150.0
Alaska Legal Services	125.0	125.0	-	-	-	-
Marine Safety Education	100.0	-	-	-	-	100.0
National Forest Receipts	10,000.0	-	-	10,000.0	-	-
Flood Mitigation Assistance	113.7	-	-	113.7	-	-
National Petroleum Reserve	50.0	-	-	-	-	50.0
Raw Territorial Fish Tax	1,000.0	-	-	-	1,000.0	-
Alaska Coastal Zone Mgmt	1,340.9	-	-	-	1,340.9	-
Payment In Lieu of Taxes	4,000.0	-	-	4,000.0	-	-
ARDORS	620.0	-	-	-	620.0	-
Americorps	2,300.0	-	-	2,300.0	-	-
Total Pass Through Grants	139,512.7	59,090.8	-	35,722.6	27,549.3	17,150.0

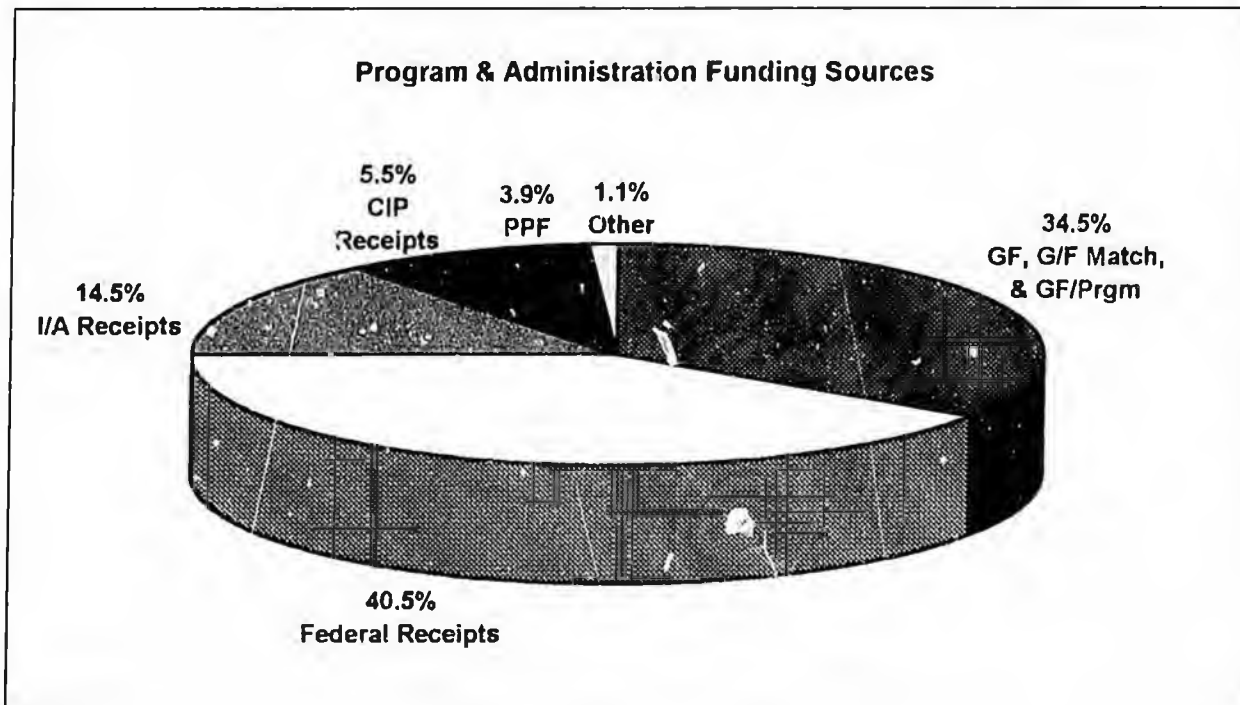


DCRA FY 2000 Operating Budget Request
Detail of Pass Through Grants By Funding Source
Prepared by DCRA

<u>Program</u>	<u>General Funds</u>	<u>G/F Match</u>	<u>Federal Receipts</u>	<u>I/A Receipts</u>	<u>Other</u>	<u>Total</u>
<u>Formula Funded Programs</u>						
Senior Citizen/Renters	300.0					300.0
Revenue Sharing	21,583.8					21,583.8
Safe Communities	26,256.3					26,256.3
Subtotal Formula Funded	48,140.1	-	-	-	-	48,140.1
<u>Childrens Programs</u>						
Child Care Grants	880.0			1,725.1		2,605.1
Quality Improvement/Resource & Referral				790.0		790.0
Education & Training	200.0					200.0
Day Care Assistance	4,211.1					4,211.1
Alaska Temporary Assistance Pgm.				17,424.0		17,424.0
Head Start	5,529.8		100.9	765.0		6,395.7
Subtotal Childrens Programs	10,820.9	-	100.9	20,704.1	-	31,625.9
<u>Job Training Programs</u>						
State Empl. & Training Program				2,998.0		2,998.0
Job Training Partnership Funds	4.8		16,031.0			16,035.8
Welfare-to-Work Program			3,117.5	886.3		4,003.8
Subtotal Job Training	4.8	-	19,148.5	3,884.3	-	23,037.6
<u>Energy Programs</u>						
Bioenergy			59.5			59.5
Power Cost Equalization					17,000.0	17,000.0
Subtotal Energy Assistance	-	-	59.5	-	17,000.0	17,059.5
<u>Other Programs</u>						
Alaska Legal Services	125.0					125.0
Marine Safety Education Training					100.0	100.0
National Forest Receipts			10,000.0			10,000.0
Flood Mitigation Assistance			113.7			113.7
Nat. Petroleum Reserve					50.0	50.0
Raw Territorial Fish Tax				1,000.0		1,000.0
Alaska Coastal Zone Management				1,340.9		1,340.9
Payment in Lieu of Taxes			4,000.0			4,000.0
ARDORS				620.0		620.0
Americorps			2,300.0			2,300.0
Sub-total Other Programs	125.0	-	16,413.7	2,960.9	150.0	19,649.6
Department Totals	59,090.8	-	35,722.6	27,549.3	17,150.0	139,512.7

**DCRA FY 2000 Operating Budget Request
 Summary Of Program /Admin Funds By Funding Source
 Prepared By DCRA**

GF, G/F Match, & GF/Prgm	7,076.2
Federal Receipts	8,302.4
Interagency Receipts	2,984.9
CIP Receipts	1,135.2
Power Project Fund	802.5
Other	216.8
Total Program & Administration	20,518.0



DCRA FY 2000 Operating Budget Request
Detail of Administration/Program
By Funding Source
Prepared by DCRA

Program	General Funds	GF Match	Federal Receipts	I/A Receipts	CIP Receipts	Other	Total
Administration							
Commissioner's Office	295.4			110.4			405.8
Division of Admin Services	1,153.9	69.4	98.2	371.9	132.0		1,825.4
Data Processing	383.4	13.6	100.2	301.0			798.2
One Stop Shop Program			3,000.0				3,000.0
State Facilities Maintenance				6.7			6.7
Subtotal Administration	1,832.7	83.0	3,198.4	790.0	132.0	-	6,036.1
Local Government Assistance							
Training & Development	1,220.7	604.9	885.2	159.3			2,870.1
State Assessor	150.2						150.2
Local Boundary Commission	248.3						248.3
Statewide Assistance	374.6			35.3			409.9
Subtotal Local Govt Asst	1,993.8	604.9	885.2	194.6	-	-	3,678.5
Community & Economic Development							
Rural Development Asst/ARDORS							
Block Grant Programs, CDQ's, Alaska							
Rural Development Council, RDIF	456.1			30.3	292.9	98.0	877.3
Subtotal Comm & Economic Dev	456.1	-	-	30.3	292.9	98.0	877.3
Child Care Programs							
Child Care Grants	195.2	0.5	106.0	726.7			1,028.4
Quality Improvement							
Resource & Referral							
Education & Training							
Day Care Assistance							
Alaska Temporary Assistance Pgrm.							
Head Start	147.7	59.3	49.1				256.1
Subtotal Child Care	342.9	59.8	155.1	726.7	-	-	1,284.5
Job Training Programs							
Job Training Partnership Act	70.2		2,197.6	56.6			2,324.4
Statewide Service Delivery	462.9		1,581.5	795.4			2,839.8
State Employment & Training				89.4			89.4
Subtotal Job Training	533.1	-	3,779.1	941.4	-	-	5,253.6
Other Programs							
Americorps & Division of Community & Rural Development Administration	323.8		244.0	65.9		69.8	703.5
Subtotal Other Programs	323.8	-	244.0	65.9	-	69.8	703.5
Energy Assistance	821.1	25.0	40.6	236.0	710.3	851.5	2,684.5
Total Admin & Program Delivery	6,303.5	772.7	8,302.4	2,984.9	1,135.2	1,019.3	20,518.0

**Department of Community Regional Affairs
Summary of Changes Between
FY 99 and FY 2000 General Funds Operating Budget**

FY 99 AUTHORIZED GENERAL FUNDS	70,012.1
DECREMENTS	
<hr/>	
None	
INCREMENTS	
<hr/>	
None	
OTHER ADJUSTMENTS	
<hr/>	
Fund Source Change GF to I/A in Child Care Grants	(1,725.1)
Fund Source Change GF to I/A in Day Care Assistance Program	(3,000.0)
Total Other	(4,725.1)
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FY 2000 GENERAL FUND REQUEST	65,287.0
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Department of Community Regional Affairs
Major Changes Only Between
FY 99 and FY 2000 Federal Funds and Intergovernmental Agency Receipts

Major Changes in Federal Authority

Welfare-to-Work		(1,500.0)
	Total Federal	(1,500.0)

Major Changes in Interagency Authority

Child Care		1,835.1
Day Care Assistance Program		5,755.0
Head Start		750.0
Welfare-to-Work		1,500.0
	Total Interagency	9,840.1

<p>NOTE: This schedule reflects major changes only in these funding sources, not all changes.</p>
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Overview of the Department of Community and Regional Affairs



Mike Irwin, Commissioner
January 1999

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS AGENCY OVERVIEW

DCRA MISSION

To foster the development of self-reliant and productive individuals, families and communities by providing training, technical assistance and financial support.

MAJOR GOALS AND STRATEGIES

Strengthen Individuals

- Ensure that residents of small rural communities in Western Alaska get the maximum benefits from their participation in the Community Development Quota (CDQ) program, a fisheries development initiative.
- Provide individual Alaskans with the job training programs they need through the federal Job Training Partnership Act (JTPA) and the state-funded State Training and Employment Program (STEP).
- Provide employment and job training services via "One Stop" centers and electronic linking of agency programs.

Strengthen Families

- Improve the overall quality of life of low-income children and parents through a comprehensive Head Start program of education, health, nutrition, social services, parent involvement and career development
- Ensure parents access to affordable, high quality child care programs by providing funding and technical assistance to care givers and parents, allowing parents to take advantage of job training and work opportunities.

MAJOR GOALS AND STRATEGIES, Continued...

Strengthen Communities

- Increase the capacity of local government to effectively provide essential public services by providing communities training and on-site technical assistance.
- Ensure that the State's significant investment in rural infrastructure is properly managed and maintained by providing technical assistance targeted at rural utility business management.
- Enhance the availability and quality of basic local government services by providing financial assistance that supplements local revenue generation (State Revenue Sharing, Safe Communities, shared State Fisheries Business Tax, shared Federal National Forest Receipts, Federal Payment in Lieu of Taxes).
- Improve the safety and cost effectiveness of energy sources for power generation and heating in rural Alaska by constructing and repairing bulk fuel storage facilities.
- Promote local economic development by providing technical and financial support for community infrastructure critical to economic development and small business startup.
- Provide assistance, through coordinated response projects, to communities experiencing sudden economic dislocation as a result of major economic disruptions.
- Protect the State's investments in rural electric power systems through training of the local operators and administrators, and by providing technical and financial assistance to prevent disasters.

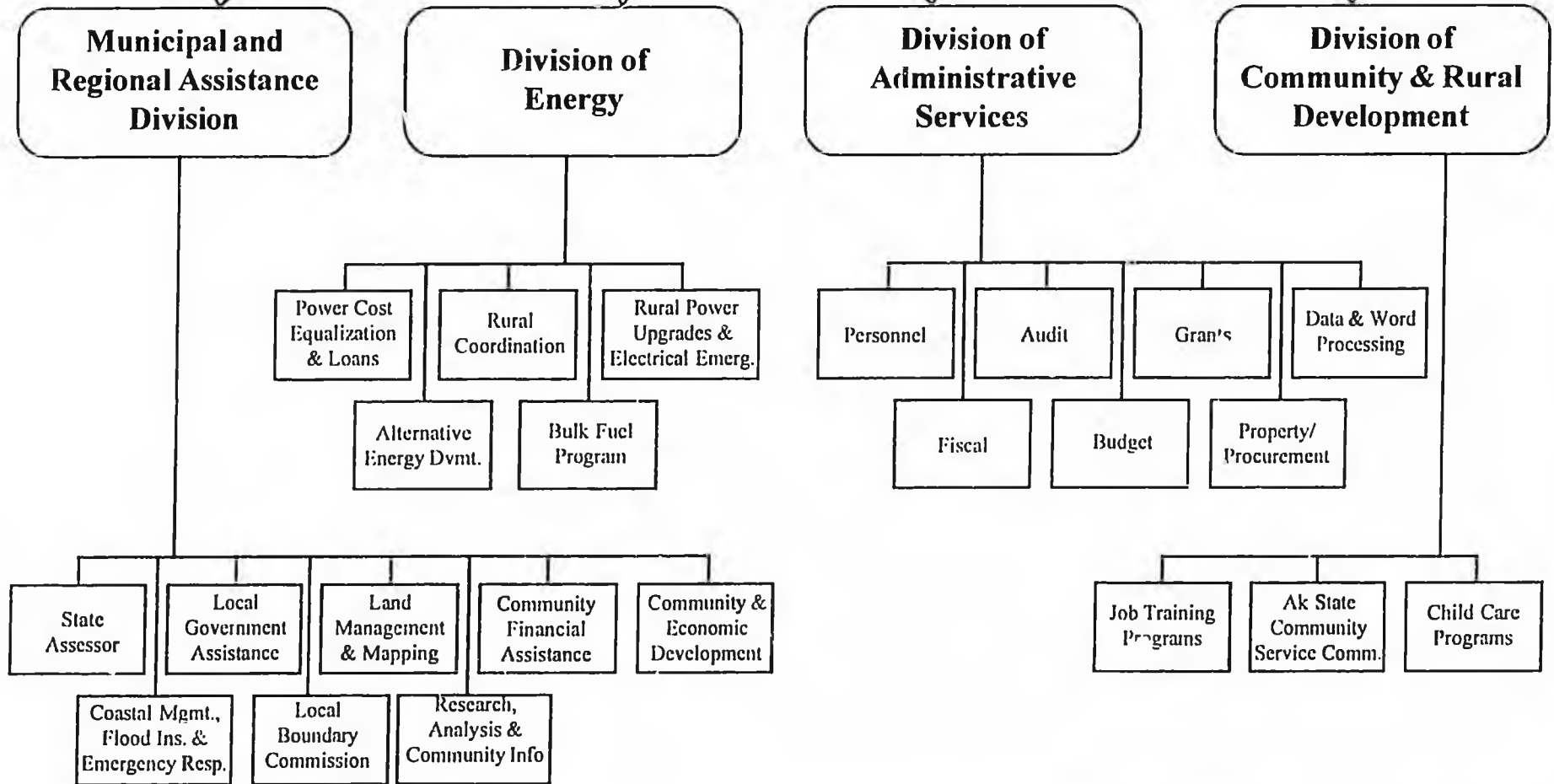
DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

**Stronger Local
Governments
& Economies**

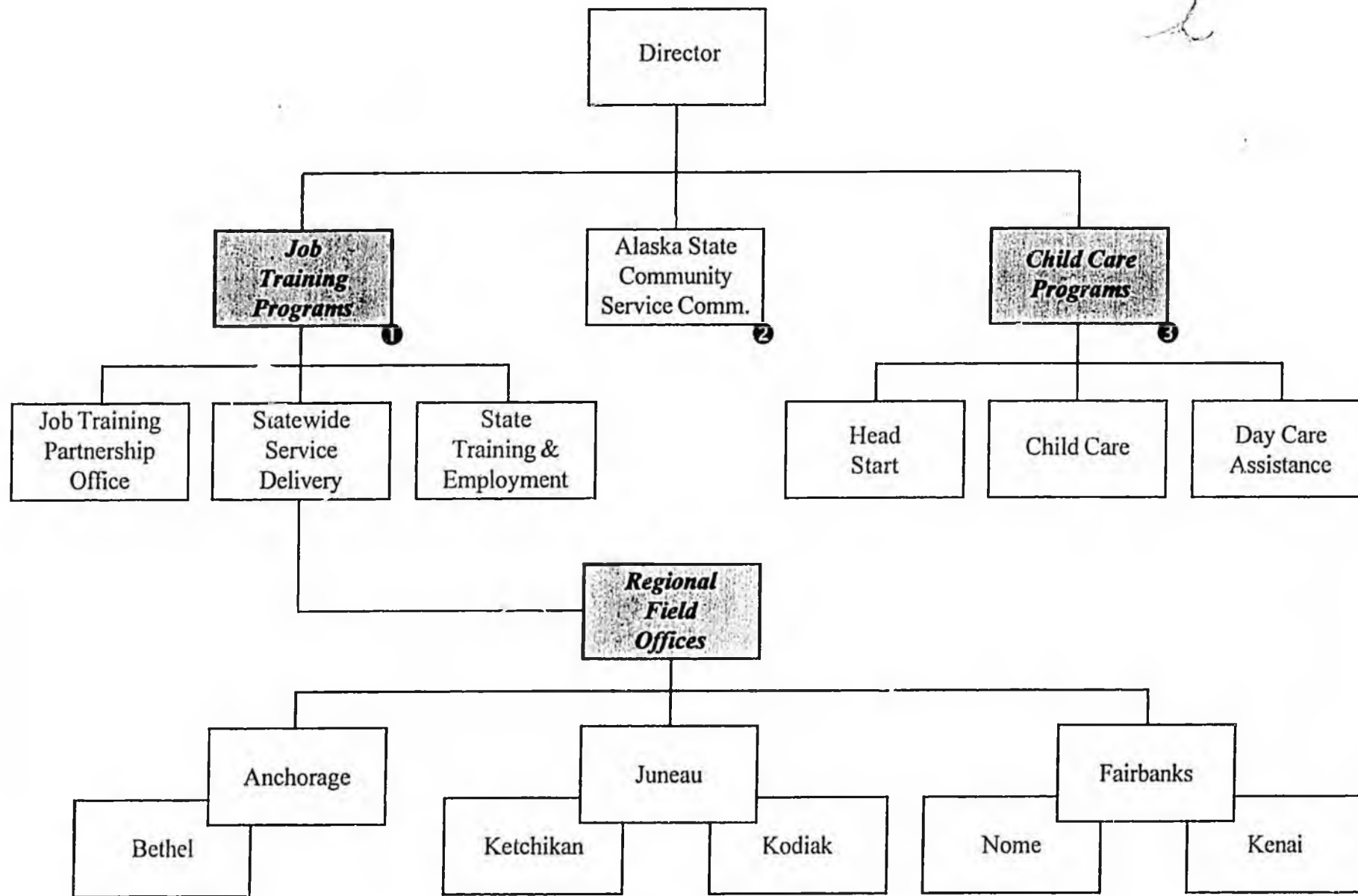
**Reliable
Energy Systems**

**Fiscal
Accountability**

**Stronger
Individuals
& Families**



Division of Community and Rural Development



**DIVISION OF COMMUNITY AND RURAL DEVELOPMENT (DCRD)
PROGRAM DESCRIPTION**

1. JOB TRAINING PROGRAMS:

JOB TRAINING PARTNERSHIP OFFICE (JTPO) — Administrative Order 122; P.L. 97-300; P.L. 104-193; P.L. 105-220; 20 CFR Parts 626-631 — Administers the federal JTPA at the state level; provides funds to local service delivery areas which provide services to participants.

JOB TRAINING SERVICE DELIVERY — Administrative Order 113; 19 AAC 60.01; AS 44.47; 20 CFR Parts 626-631; 29 CFR 97.24; P.L. 97-300; P.L. 104-193; P.L. 105-20; P.L. 105-33 — Provides training and employment opportunities to low-income adults, youth, and workers who have been dislocated due to industry closure.

STATE TRAINING AND EMPLOYMENT PROGRAM (STEP) — Chapter 95, SLA 1989; Chapter 17, SLA 1991 & 1993; Chapter 116, SLA 1996; Chapter 85, SLA 1998; AS 23.15.620; 8 AAC 87; 10 AAC 87.10-990 — Provides training and employment services to unemployed and likely to become unemployed Alaskans in order to reduce demand for unemployment insurance benefits.

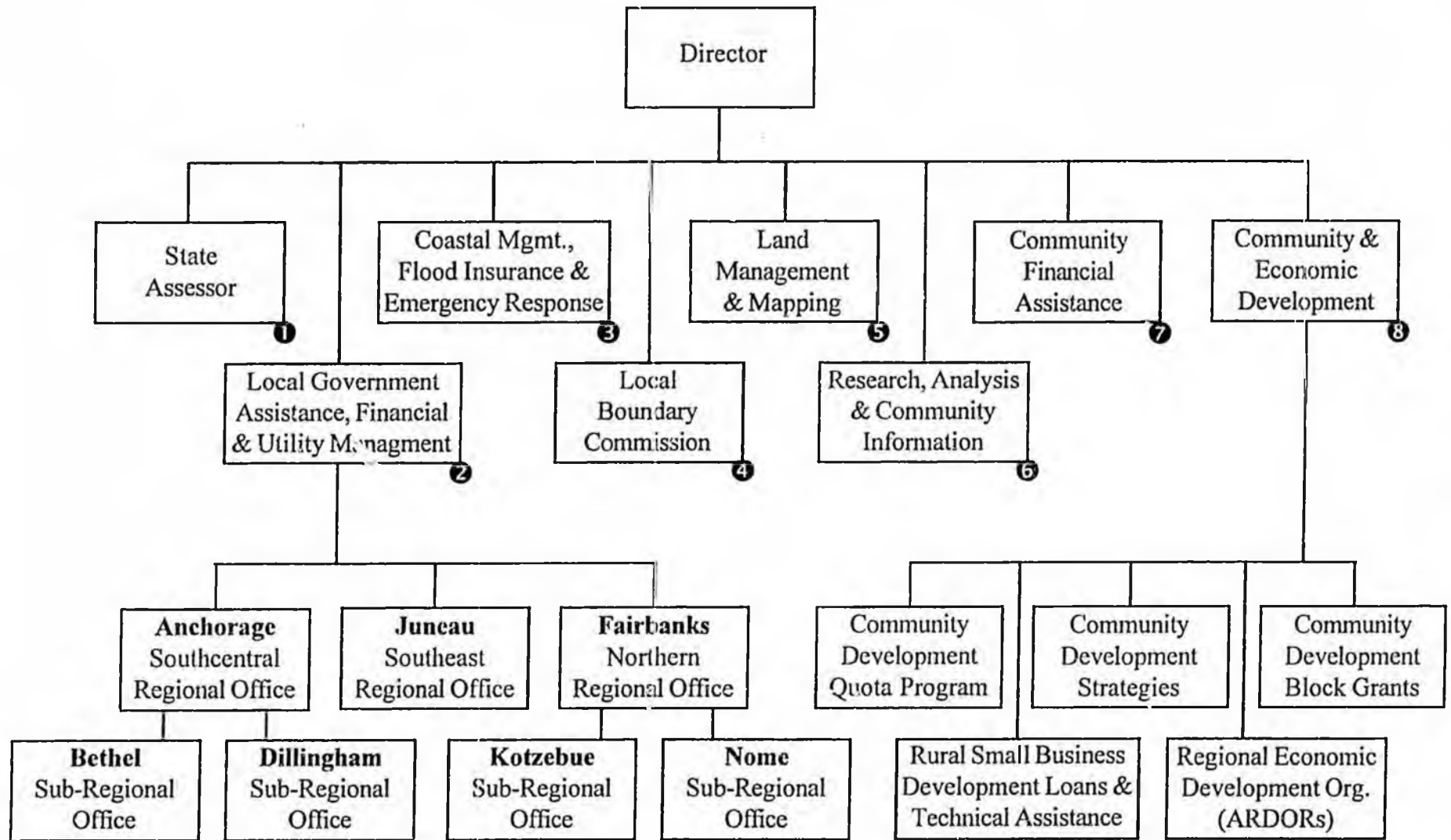
- 2. ALASKA STATE COMMUNITY SERVICE COMMISSION (ASCSC)** — 45 CFR 2550 — Provides pass through grant funding and technical assistance to eligible Alaskan communities and volunteer service organizations to enhance the overall quality of life for community residents by expanding community and volunteer service development opportunities.

3. CHILD CARE PROGRAMS:

HEAD START — AS 37.07.080; AS 44.17.030; AS 44.47.050; AS 47.05.050 — Provides state/local match for the federal Head Start program.

CHILD CARE/DAY CARE ASSISTANCE — P.L. 104-193, AS 44.47.250-310; 45 CFR Parts 98-99; 19 AAC 65.011-901 — Provides day care assistance to low-income working/training parents and operating grants to child care facilities.

Municipal and Regional Assistance Division



**MUNICIPAL AND REGIONAL ASSISTANCE DIVISION (MRAD)
PROGRAM DESCRIPTION**

1. **STATE ASSESSOR** — AS 29.45.105; AS 29.45.090; AS 14.17.140(2); AS 44.47.050(1) and (19) — The State Assessor's duties include correction of major errors in municipal assessment, valuation or taxation procedures; and production of annual full and true value determinations for property taxing municipalities to be used for local tax limitations and the school foundation program.
 2. **LOCAL GOVERNMENT ASSISTANCE, FINANCIAL AND UTILITY MANAGEMENT** — Article X, Section 14 of the State Constitution ("An agency shall be established... to advise and assist local governments. It shall review their activities..."); AS 44.47 — Program provides financial management, administrative, service delivery and planning assistance to local governments. Also provides the Rural Utilities Business Advisory (RUBA) Program.
 3. **COASTAL MANAGEMENT, FLOOD INSURANCE, AND EMERGENCY RESPONSE** — AS 44.47.050-44.47-095, AS 46.13.020 — Provides technical assistance and administers coastal resource districts for the federal Coastal Zone Management Program; ensures National Flood Insurance Program is provided to municipalities statewide; and participates in the State Emergency Response Commission.
 4. **LOCAL BOUNDARY COMMISSION** — Article X, Section 12 of the State Constitution; AS 44.47 and AS 29 — Commission makes determinations on incorporations of boroughs or cities, annexations, detachments, and dissolutions; performs feasibility studies; holds public hearings in affected areas.
- ORGANIZATIONAL GRANTS** — AS 29.05.180; AS 29.05.190 — Provides funds for two or three years on a descending scale to newly incorporated cities or boroughs, to defray the costs of transition to a new status.
5. **LAND MANAGEMENT AND MAPPING** — AS 44.47.050-100; SECTION 14(C)(3) OF P.L. 92.203 — Protects state and local government investments in buildings and facilities by actively working with agencies and communities to assure adequate site control for publicly-funded projects. Also provides general land management assistance to communities. Provides training and assistance on planning, mapping and other requirements of the Alaska Native Claims Settlement Act (ANCSA) which requires transfers of land from native corporations to municipalities or transfers in trust for future municipalities.

MUNICIPAL AND REGIONAL ASSISTANCE DIVISION, Continued...

MUNICIPAL LANDS TRUSTEE (MLT) — AS 44.47.150 — Provides a trustee relationship between the state and unincorporated communities. Holds in trust land transferred under ANCSA from native corporations until the communities incorporate.

6. RESEARCH, ANALYSIS AND COMMUNITY INFORMATION:

DATA COLLECTION AND INFORMATION MANAGEMENT — Article X, Section 14 of the State Constitution (“An agency shall be established by law ...to advise and assist local governments. It shall ...collect and publish local government information.”) — Provides research, data collection, technical development, and maintenance activities for the following Department databases: the DCRA Community Database, which produces Community Profiles, custom data reports, and computer data files; the Rural Alaska Project Identification and Delivery System (RAPIDS) Database, a compilation of both funded and potential capital improvement projects in rural communities; the Municipal Revenue/Expenditure Database; and the Municipal Officials Database, which produces the annual Municipal Officials Directory. Much of this information is available on the World Wide Web. The department’s web page, which was developed by this section, is averaging over 6,000 hits per day.

POPULATION AND SOCIO-ECONOMIC DATA — AS 29.60.020, AS 29.60.150 — Provides technical support to municipalities for local population censuses or estimates, and certifies municipal populations for State Revenue Sharing and Safe Communities program purposes. Provides information and analysis of decennial U.S. Bureau of Census data to local, state, federal, and private requestors.

ISSUES ANALYSIS AND SPECIAL PROJECTS — Conducts research and analysis on special issues, and provides technical support for departmental projects.

7. COMMUNITY FINANCIAL ASSISTANCE SECTION:

STATE REVENUE SHARING — AS 29.60.010-300 — State program for local governments and unincorporated communities which provides funds for road maintenance, fire protection and health facilities. Provides an on-going source of revenue for communities with little or no tax base. Program in existence since 1969.

SAFE COMMUNITIES — AS 29.60.350-370 — State program for municipalities, the purpose of which is to reduce or maintain property taxes while providing important public services. The legislature may appropriate to the Safe Communities fund 30% or more of the Corporate Income Tax collected in the previous fiscal year.

MUNICIPAL AND REGIONAL ASSISTANCE DIVISION, Continued...

SHARED FISHERIES BUSINESS TAX PROGRAM — AS 29.60.450 — State funding for the program is transmitted from the Department of Revenue to DCRA and allocated to municipalities based on a demonstration by the municipalities that they suffered significant effects from fisheries business activities.

NATIONAL FOREST RECEIPTS PROGRAM — AS 14.15.180 — Federal program whereby 25% of the income earned from activities within the national forest is distributed to boroughs and cities within the national forest. Federal law requires that the funds be expended only for the benefit of public schools and public roads.

PAYMENT IN LIEU OF TAXES (PILT) PROGRAM — 19 AAC 52.010-.900 — Federal program which compensates cities in the Unorganized Borough for the location of federal lands within their vicinity. Payment is received by DCRA for each federal Census Area. DCRA then allocates and administers payment to each city within the Census Area on the basis of population.

8. COMMUNITY AND ECONOMIC DEVELOPMENT PROGRAMS:

COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG) — AS 44.47.130 — Provides various services to low-income groups in the state with federal funds; provides funds for capital projects for community development.

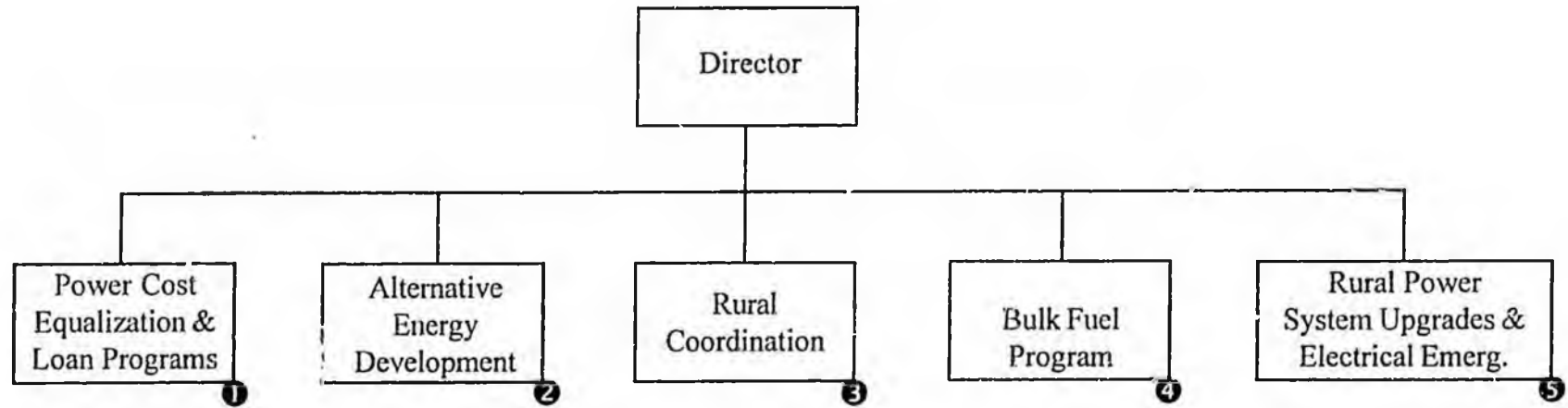
COMMUNITY DEVELOPMENT QUOTA PROGRAM (CDQ) — 6 AAC 93.010-900; 50 CFR 657.20, 675.27, 676.24 — Provides staff support and technical assistance to eligible communities and their economic development organizations in a private/public partnership to recommend allocation of Bering Sea fisheries resources.

COMMUNITY DEVELOPMENT STRATEGY TRAINING & ASSISTANCE — AS 44.47.010, 080 & 130.

ALASKA REGIONAL ECONOMIC ASSISTANCE PROGRAM — AS 44.47.830 — Provides matching grants to regional organizations to prepare and implement regional economic development strategies. Referred to as the ARDOR program.

RURAL SMALL BUSINESS DEVELOPMENT LOANS AND TECHNICAL ASSISTANCE — AS 44.47; 19 AAC 70.010-900 — Implements and manages Rural Development Initiative Fund (RDIF) loans; provides department with assistance in development of new initiatives; provides technical assistance to field Economic Development Specialists.

Division of Energy



**DIVISION OF ENERGY (DOE)
PROGRAM DESCRIPTION**

1. POWER COST EQUALIZATION, LOAN PROGRAMS AND OTHER STATUTORY FUNDS:

POWER COST EQUALIZATION (PCE) – AS 42.45.100. Core element to ensure the financial viability of centralized power production in rural communities, and therefore increase the standards of living through the availability of communications, lighting, and the operations of a variety of infrastructures, including water and sewer systems, incinerators, etc.

POWER PROJECT LOAN FUND – AS 42.45.010. Provides financing for development of power projects, conservation facilities, bulk fuel storage, transmission and distribution lines, or potable water supplies.

BULK FUEL REVOLVING LOAN FUND – AS 42.45.250. Provides financing to rural communities with a population of less than 2,000 for the bulk purchase of petroleum fuels.

RURAL ELECTRIFICATION REVOLVING LOAN FUND – AS 42.45.020. Provided financing to certified utilities to extend new electric service in areas they may serve. Program is no longer active other than to collect on prior loans.

FOUR DAM POOL TRANSFER FUND – AS 42.45.050. Fund holds a note payable by the Alaska Energy Authority/AIDEA for a long-term financing of the construction costs of the Four Dam Pool projects.

SOUTHEAST ENERGY FUND – AS 42.45.040. Provides for capital grants to the utilities participating in the power transmission intertie between the Swan Lake and Tyee Lake hydroelectric projects.

POWER COST EQUALIZATION AND RURAL ELECTRIC CAPITALIZATION FUND (PCE & RECF) – AS 42.45.1100. Fund balance provides for the Power Cost Equalization and for Utility Improvement Matching Grants programs.

2. ALTERNATIVE ENERGY DEVELOPMENT: AS 42.45.400. Provides for:

- Planning, construction and financing assistance for alternatives to oil-fired systems (including renewable and alternative fuels, coal, wind, hydro, shallow gas deposits) and system enhancements (including waste heat recovery and village interties).

Division of Energy, Continued...

- **Bioenergy Program for Alaska:** This federally-funded program promotes the use of wood waste and municipal solid waste for conversion to energy.
- **State Energy Program and Rebuild America Program:** Federally-funded programs to provide energy conservation audits in schools, hospitals and public buildings.

3. RURAL COORDINATION:

RURAL ELECTRIC UTILITY COORDINATION – AS 42.45.400. Assist utilities in the development of management plans towards the concept of consolidation in the form of cooperatives or regional utilities; assists communities in applying for federal funds for energy programs and projects.

RURAL ELECTRIC UTILITY TRAINING AND MANAGEMENT ASSISTANCE – AS 42.45.400. Provides for training of rural utility operators, utility clerks and administrative staff. It includes the powerhouse operator training program funded by the State Training and Employment Program (STEP).

4. BULK FUEL PROGRAM:

BULK FUEL SYSTEM REPAIRS AND UPGRADES – AS 42.45.400. Provides for grants and contracts for the design and repair/upgrade of bulk fuel storage and handling facilities in rural Alaskan communities which are dependent on seasonal fuel delivery and long-term storage capability. Includes three Environmental Protection Agency (EPA) consolidation demonstration projects.

RURAL BULK FUEL TANK FARM PROGRAM – AS 42.45.400. Provides for assessment of tank farm conditions, emergency repairs, and comprehensive upgrade and consolidation of rural tank farm facilities.

5. RURAL POWER SYSTEM UPGRADES/ELECTRICAL EMERGENCIES PROGRAM:

RURAL POWER SYSTEM UPGRADES – AS 42.45.400. Provides for:

- Capital improvements to eliminate life, health and safety hazards and to enhance efficiency.
- Technical assistance to assess system deficiencies and design solutions.
- Project evaluation, including engineering, environmental and economic analysis of power projects.

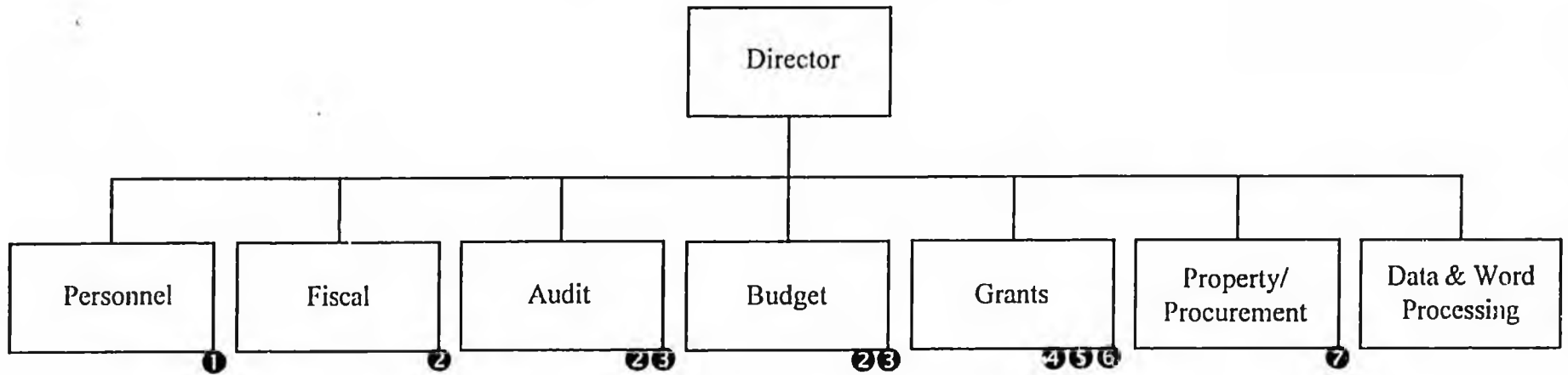
Division of Energy, Continued...

UTILITY IMPROVEMENTS – AS 42.45.180. Provides matching funds (75-25) to rural electric utilities participating in the PCE program for projects that will reduce the cost of electric power.

ELECTRIC SERVICE EXTENSION FUND – AS 42.45.200. Provides matching funds (60-40) to electric utilities to extend new service to residential customers and small businesses, and for utility improvements.

ELECTRICAL EMERGENCIES PROGRAM – AS 42.45.400. Provides funds and technical assistance in electrical emergencies when a community has lost the ability to generate or transmit power to its customers and the condition is a threat to life, health and property in the community and may result in the freezing of water and sewer systems, closure of public facilities due to lack of light and heat, loss of communications, etc.

Division of Administrative Services



**DIVISION OF ADMINISTRATIVE SERVICES (DAS)
PROGRAM DESCRIPTION**

The Administrative Services Division ensures departmental compliance with the following statutes and administers grants under three statutory programs.

1. **PUBLIC OFFICERS AND EMPLOYEES — AS 39**
2. **FISCAL PROCEDURES ACT — AS 37.05.010 - 37.05.995**
3. **EXECUTIVE BUDGET ACT — AS 37.07.010 - 37.07.130**
4. **GRANTS TO NAMED RECIPIENTS — AS 37.05.316**
5. **GRANTS TO UNINCORPORATED COMMUNITIES — AS 37.05.317**
6. **COMMUNITY PROJECT MATCHING GRANTS — AS 37.06.020**
7. **PUBLIC CONTRACTS — AS 36**

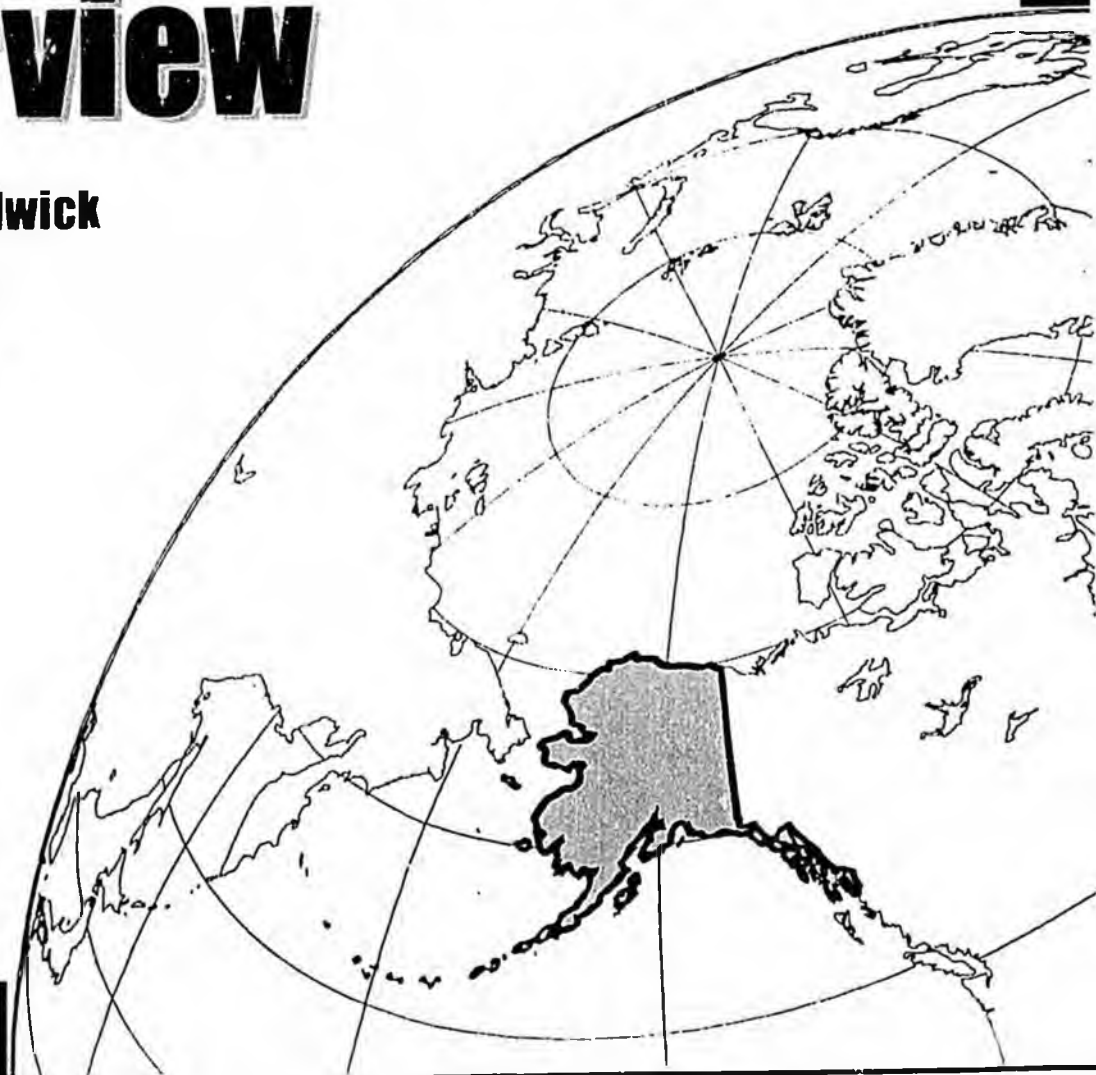


Commerce and
Economic Development

#3
1/26/99

FY 2000 Operating Budget Overview

Deborah B. Sedwick
Commissioner
January 1999



DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

FY 2000 Operating Budget Overview

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INTRODUCTION

The department's total FY 2000 operating budget request, representing all funding sources, is approximately \$57.4 million. The department's unrestricted general fund budget request is \$7.8 million, less than 1/2 of 1% of the total State unrestricted general fund budget.

The department's general fund budget falls into two categories: (1) general fund program receipts for self-supporting agencies and programs – \$18.8 million; and (2) agency operations supported in whole or in part with unrestricted general fund appropriations – \$7.8 million.

The balance of the budget, \$30.8 million, is funded from non-general fund sources, including: federal funds – \$3.7 million; statutory designated receipts – \$1.3 million; AIDEA, AEA and AADC corporate receipts – \$4.8 million; Science and Technology Foundation Endowment earnings – \$9.5 million; loan funds – \$3.2 million; interagency receipts – \$2.2 million; APUC Receipts – \$4.7 million; International Trade and Business Endowment earnings – 759.0 thousand; Real Estate Surety funds – \$209.9 thousand; and CIP receipts – \$360.1 thousand.

AGENCIES AND FUNCTIONS

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT (AS 44.33.020)

The primary goal of the Department of Commerce and Economic Development is to promote an active, healthy and expanding business community. This goal is accomplished through two main tasks: consumer protection through regulation of business; and economic development through advocacy programs which develop, strengthen, and diversify Alaska's economic base, increase employment opportunities, and stimulate private enterprise.

Overview of Divisions/Agencies

The department directs Alaska's business regulatory, economic development and international trade programs, and is responsible for economic development advocacy and marketing in oil and gas, fishing, timber, minerals, tourism, international trade, and other services and industries. The department maintains international trade contractors in seven (7) nations, provides infrastructure financing, and regulates banking, securities, insurance, and professional occupations. The department is comprised of seven (7) line divisions and seven (7) independent organizations governed by boards and commissions. In addition, the Commissioner sits on twelve (12) boards and councils.

Public Protection Functions

- **The Division of Insurance (AS21)** is responsible for regulation of all aspects of the insurance industry in the state. The mission of the division is to protect and serve Alaska by developing, interpreting and enforcing the insurance statutes and regulations, protecting and educating the Alaskan consumer, and enhancing the insurance business environment.

The division licenses approximately 7,000 qualified individuals, firms, and insurance companies to market insurance in Alaska. The division enforces the necessary statutes and regulations by investigating claims of fraud and other violations. It reviews rate and form filings submitted by insurance companies for adequate but not excessive rates and clear, non-misleading forms. The division examines insurance companies' records to ensure the consumer is treated fairly and the contract of insurance is adhered to. The division also examines insurance companies' financial records in order to verify that each company is solvent and has sufficient reserves to protect Alaskan policyholders and that investments meet statutory requirements. It investigates and resolves over 500 individual written consumer complaints each year in addition to answering routine queries received over the phone and from the general public that stop by the office. The division, as part of its service to Alaskans, has begun an outreach program to assist and educate both consumers and employers in becoming more knowledgeable insurance purchasers. This program has been very well received in the communities visited by staff.

The division administered and collected premium taxes on insurers of approximately \$33.8 million in 1998. The division is funded entirely through program receipts paid by the insurance industry. The division was accredited by the National Association of Insurance Commissioners (NAIC) on December 7, 1992. The division was awarded a second round accreditation certificate by the NAIC on December 8, 1997.

- **The Division of Banking, Securities and Corporations** (AS 06, 10, 32, 34.55, 44.33.020, 45.50, 45.55) regulates state-chartered financial institutions; administers and enforces state security laws, including enforcement of proxy solicitation rules for Alaska native corporations and the licensing of broker/dealers and investment advisors; and administers laws relating to the formation and filing of corporations, limited partnerships, limited liability companies and partnerships, BIDCOs, and other associations. The overall functions of the division support the foundation for trade and commerce in Alaska. Availability of credit, capital markets, and business legal formations are the heart of the division's activity.

The Banking Section charters, licenses, and supervises state-chartered banks, mutual savings banks, trust companies, bank holding companies, credit unions, consumer finance offices, premium finance companies, the Commercial Fishing and Agriculture Bank (CFAB), and Business and Industrial Development Corporations (BIDCOs). The division acts to assure the safety and soundness of financial institutions, and encourages an adequate, competitive credit system.

The Securities Section strives to protect the investing public by working to achieve an environment free of fraud by licensing firms and businesses in the securities business, registering securities, and enforcing the statutes and regulations by taking administrative action against violators. The section seeks to increase small business access to capital while assuring that investor protection is not compromised. The section also is responsible for proxy matters for Native corporations.

The Corporations Section files Articles of Incorporation and other documents in order to establish legal status for corporate and other entities, and issues Certificates of Authority for foreign entities wishing to do business in Alaska. The section administers Alaska's Business Name and Trademark Law to provide the foundation for business name registrations.

- **The Division of Occupational Licensing** (AS 08, 05.15, 43.70, 44.33.020) issues all business licenses and serves as the central professional licensing agency for the state. The division is entirely funded by program receipts from license fees.

The division provides licensing, enforcement, administrative and budgetary services to 21 licensing boards and 16 occupational licensing programs without boards. The 37 programs are:

- | | |
|---|-----------------------------------|
| 1) Acupuncture | 20) Marital & Family Therapy |
| 2) Architects, Engineers & Land Surveyors | 21) Mechanical Administrators |
| 3) Athletic Commission | 22) Medical |
| 4) Audiologists | 23) Mobile Home Dealers |
| 5) Barbers & Hairdressers | 24) Mortuary Science |
| 6) Business Licensing | 25) Naturopathy |
| 7) Chiropractors | 26) Nursing |
| 8) Clinical Social Workers | 27) Nursing Home Administrators |
| 9) Collection Agencies | 28) Optometry |
| 10) Concert Promoters | 29) Pharmacy |
| 11) Construction Contractors | 30) Physical/Occupational Therapy |
| 12) Dental | 31) Professional Counselor |
| 13) Direct Entry Midwives | 32) Psychology |
| 14) Dispensing Opticians | 33) Public Accountancy |
| 15) Electrical Administrators | 34) Real Estate |
| 16) Geologists | 35) Real Estate Appraisers |
| 17) Guides | 36) Storage Tank Workers |
| 18) Hearing Aid Dealers | 37) Veterinary |
| 19) Marine Pilots | |

The division's goal is to provide efficient licensing and enforcement services, so qualified professionals can work at their trades, and incompetent or unethical professionals do not harm the public.

For that purpose, the division reviews individuals' qualifications for initial licensure and renewal, administers competency examinations, establishes qualifications and performance standards, investigates public complaints of incompetent professional service, conducts disciplinary hearings, and sets and collects license fees.

At the start of Fiscal Year 1999, the division was responsible for 37,389 professional licenses and 73,348 business licenses. The business licensing program generated \$2,058.3 in revenue during FY 1998. Professional licensing programs covered their costs with license fees as required by AS08.01.065.

- **The Alaska Public Utilities Commission** (AS 42.05, 42.06, 42.45) regulates public utilities by certifying qualified providers of public utility and pipeline services; and ensuring that they provide safe and adequate services and facilities at just and reasonable rates, terms, and conditions. The commission also determines the eligibility and the per kilowatt-hour support for electric utilities under the Power Cost Equalization program.

A public utility or pipeline carrier must obtain a certificate of public convenience and necessity, which describes the authorized service area and scope of operations of the utility. A certificate may be issued only if the commission finds the applicant to be fit, willing, and able to provide the utility service requested.

The Commission also approves the rates charged by regulated utilities and pipeline carriers. Criteria for determining rates include: reasonable and appropriate operating expenses and plant investments; depreciation expense that falls within the Commission-approved lives of usefulness; and a reasonable return. A reasonable return permits the cost of long-term borrowing to be recovered and the opportunity to earn profits for the owner's or shareholders' equity. Rates must be high enough to allow a reasonable return but not so high as to allow an excessive return that could deter development of businesses that rely on the service.

Reasonable rates and reliable service can enhance economic development and be determining factors in business decisions to start operation or relocate to Alaska.

The commission consists of five Commissioners appointed by the Governor and confirmed by the Legislature for six-year terms of office. It is funded by a regulatory assessment on the revenues of regulated utilities and pipeline carriers.

General Government Functions

- **The Division of Administrative Services** serves the internal administrative needs of the department through management guidance, accounting, budget development, purchasing, property control, data processing, and human resources services.

Economic Development Functions

- **Commissioner's Office** The Commissioner provides leadership, sets department priorities and policy, and is the Governor's direct liaison to the department. The Commissioner directs policy through coordination with directors of the line divisions and independent agencies which comprise the department. The Commissioner's Office staff support the Commissioner in the overall management and coordination of departmental activities, policy direction, management oversight, and legislative coordination. In addition to program responsibilities, the Commissioner serves on the following boards and commissions:

Alaska Aerospace Development Corporation
Alaska Coastal Policy Council
Alaska Industrial Development and Export Authority
Alaska Energy Authority
Alaska Railroad Corporation
Alaska Royalty Oil and Gas Development Advisory Board
Alaska Student Loan Corporation
Board of Marine Pilots
Oil and Gas Policy Council
Power Project Loan Committee
Prince William Sound Oil Spill Recovery Institute Advisory Board
State Bond Committee
Telecommunications Information Council

The major goals of the Commissioner are to diversify Alaska's economic base to benefit all Alaskans, market Alaska's commercial opportunities and geographic advantages to the rest of

the nation and the global business community, strengthen Alaska's businesses, and protect Alaska's citizens and businesses.

- The mission of the **Division of Trade and Development (DTD)** (AS 44.33.020, 44.33.800, 44.67.010, 36.30.322-338) is to encourage investment and sound economic development throughout Alaska. DTD's efforts are a key part of the State of Alaska's overall economic development strategy to increase employment and diversify our economic base. The division accomplishes its mission by:

- **increasing and enhancing demand for Alaska products and services.** Division activities include providing up-to-date market information to Alaskan businesses and communities; providing technical assistance for product and market development; and promoting Alaska products and services domestically and abroad.

- **ensuring a supportive business climate in Alaska.** Division activities include advocating for business-sensitive regulations and permitting processes; developing state policies to entice business expansion; developing and maintenance of a commercial film industry in Alaska; improving communication between the state and private sector; and helping business and industry access capital.

- **stimulating economic growth statewide.** Division activities include supporting the expansion of value-added processing; removing trade barriers overseas; providing information on foreign and domestic markets; helping communities develop needed infrastructure; and assisting training efforts.

- **The Division of Investments** (AS 16.10, 26.15, 27.09, 44.33, 44.88, 45.88-.89, 45.95, 45.98) promotes economic development through direct state lending within those industries that are not adequately serviced by the private sector. The division administers three (3) loan programs that are actively lending: Commercial Fishing, Fisheries Enhancement, and Small Business Economic Development; and services outstanding loans in eight (8) other loan programs for the department: Veterans, Small Business, Historical District, Child Care Facility, Residential Energy Conservation, Alternative Energy, Mining, and Water Resources.

The division also provides loan servicing in ten portfolios for five investors: The Alaska Industrial Development and Export Authority, and the Departments of Revenue, Environmental Conservation, Health and Social Services, and Military and Veterans Affairs.

The division administers the Fisheries Enhancement Tax Receipts program, distributing to the regional aquaculture associations the tax collected by the Department of Revenue on the sale of salmon in areas where regional aquaculture associations support local harvesters.

- **The Division of Tourism** (AS 44.33.119-135) supports the growth of Alaska's private tourism industry by fostering a climate for doing business that is positive; developing new markets for potential visitors; conducting research into visitor demographics, opinions and expenditures as well as the size and scope of Alaska's travel industry; creating opportunities for Alaska businesses to make business contacts that would otherwise have been impossible

to make; and providing information to potential visitors that will assist them in their trip planning. To achieve these goals, the Division of Tourism encompasses the following program elements:

Development and maintenance of travel trade relationships in German-speaking Europe and Japan; developing travel trade relationships in Australia and the United Kingdom; development and maintenance of travel trade relationships in niche markets within the United States; answering written and telephonic inquiries from potential visitors; developing special promotions that will stimulate travel to Alaska; and design, production and distribution of printed materials to support the efforts above. Additionally, the Division of Tourism serves as an advocate for Alaska tourism businesses by providing input to other state and federal agencies concerning the potential impact to the travel industry through their regulatory and budgetary actions. Finally, the Division of Tourism works closely with the Alaska Tourism Marketing Council in the direct marketing of Alaska as a visitor destination to consumers.

- **The Alaska Tourism Marketing Council (ATMC) (AS 44.33.700-735)** is a public/private partnership whose mission is to stimulate economic growth, diversification, and employment by promoting Alaska as a visitor destination in domestic consumer markets. To achieve this mission, the ATMC conducts a targeted national marketing program aimed at U.S. and Canadian markets determined to have the greatest potential for producing new and repeat visitors.

Primary elements of the program include media advertising, public relations, research, direct response campaigns, and distribution of trip planning information such as the State Vacation Planner. The program not only motivates people to visit, it provides Alaska businesses and local organizations the opportunity to access a national marketplace which they could not otherwise afford.

The ATMC is a public corporation of the state governed by a twenty-one (21)-member board, ten (10) appointed by the Governor, ten (10) appointed by the Alaska Visitors Association, and the Director of the Division of Tourism. This cooperative marketing effort combines the financial resources and marketing expertise of the state and private sector, and benefits all segments of Alaska through increased visitor industry spending.

- **The Alaska Industrial Development and Export Authority (AIDEA)(AS44.88)** is a public corporation which provides capital to finance economic growth in Alaska. Through a variety of programs, generally described as the "Credit" and "Development" programs, AIDEA provides business financing assistance to industrial, manufacturing, and other business enterprises. These programs further AIDEA's overall mission to promote new development that helps diversify the state's economic base, creating additional employment opportunities for Alaskans.

Under AIDEA's Credit programs, the Authority accomplishes its mission by acting as a secondary market for financing institutions, and by providing a guarantee on a portion of bank originated loans. AIDEA makes no direct loans. Under the Loan Participation program, AIDEA can purchase up to an 80% participation in a business loan from a financial

institution, and extend the term of the loan for Alaskan projects. The participations are funded through the sale of bonds or internal assets.

AIDEA's Business and Export Assistance loan guarantee program helps to stimulate new business, expand existing businesses and finance export transactions, by providing banks up to an 80% guarantee on new loans or loans to refinance existing debt.

The Development Finance (own/operate) program, created in 1986, gives AIDEA the ability to own and operate specific projects that are financially feasible and support private sector employment in the state and advance the Authority's mission. The AIDEA-owned projects typically provide infrastructure support for resource utilization and development by the private sector.

AIDEA is governed by a five-member board consisting of: the Commissioners of the Departments of Commerce and Economic Development, Revenue, and one (1) additional commissioner (currently the Commissioner of the Department of Transportation and Public Facilities), and two (2) public members.

Since 1993, AIDEA staff has also had oversight responsibility for projects owned by the Alaska Energy Authority.

- **The Alaska Seafood Marketing Institute (AS 16.51)** generically promotes all species of Alaska seafood worldwide and works to improve seafood quality to enhance profitability and growth for the Alaska seafood industry. The Communications, Export, and Domestic Marketing programs utilize advertising, publicity, public relations, and promotions to increase awareness of, and preference for, Alaska seafood products. The quality programs are aimed at teaching fishermen, processors, retailers and restaurateurs about proper handling of Alaska seafood products.

The quasi-independent commodity commission consists of twenty-five (25) board members appointed by the Governor, including twelve (12) seafood processors, twelve (12) commercial fishers, and one (1) lay person. The board has established six (6) standing committees: executive, quality, salmon, shellfish, whitefish, and export promotions.

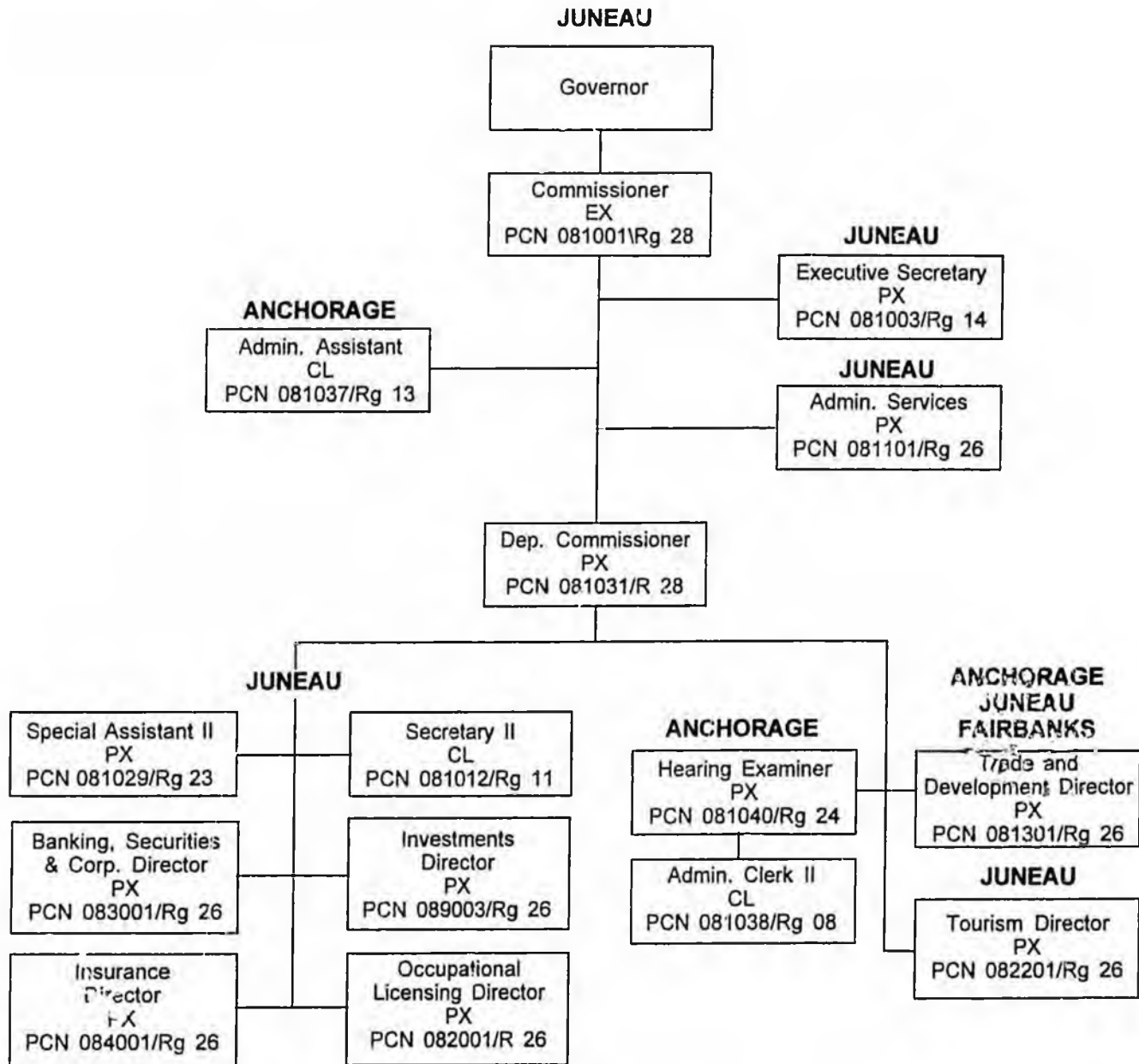
- **The Alaska Aerospace Development Corporation (AADC) (AS14.40.821-.990)** is a public corporation created by the Alaska State Legislature to develop aerospace related economic and technical opportunities. AADC is working with private corporations, government agencies, and universities to develop a comprehensive low earth orbit launch complex and full service satellite ground station facilities. The Kodiak Launch Complex will be located on Kodiak Island and ground station activities will be concentrated in Fairbanks. Additionally, AADC is working to promote satellite assembly, test, and distribution facilities in Anchorage as well as educational opportunities throughout the state.
- **The Alaska Science and Technology Foundation (ASTF) (AS 37.17)** is a public corporation of the State of Alaska formed to promote the development and application of science and technology for the direct benefit of Alaskans. To achieve this mission, the Alaska Science and Technology Endowment has been established. Endowment income provides the

Foundation's operating expenses and grants for eligible projects. ASTF is governed by a nine member policy making Board of Directors appointed by the Governor.

- **The Alaska Railroad Corporation (AS 42.40)** operates and manages the Alaska Railroad, which the federal government sold to the state in 1985. It is a public corporation with a legal existence independent of and separate from the state, and is governed by a board of directors consisting of the Commissioners of the Departments of Commerce and Economic Development and Transportation and Public Facilities, and five members appointed by the Governor.

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

State of Alaska



Assigned by Statute to Department

- Alaska Industrial Development and Export Authority
- Alaska Public Utilities Commission
- Alaska Railroad Corporation
- Alaska Seafood Marketing Institute
- Alaska Tourism Marketing Council
- Alaska Aerospace Development Corporation
- Alaska Science & Technology Foundation

(Rev. 1/99)

CL: Classified
 PX: Partially Exempt
 EX: Exempt

Approved: _____
 Deborah B. Sedwick, Commissioner

Effective Date: _____

FUNDING HISTORY AND ORGANIZATIONAL CHANGES

<u>Funding History</u>					
<u>Fiscal Year</u>	<u>Auth.</u>	<u>Gen. Fund</u>	<u>GF-Prog. Rec.</u>	<u>Fed. Funds</u>	<u>Other Funds</u>
FY 00 Governor's	57,433.5	7,786.8	18,840.5	3,650.1	27,156.1
FY 99 Auth	70,354.4	8,068.7	18,938.8	3,650.0	39,696.9
FY 98 Auth	64,134.5	8,359.5	18,496.2	3,662.5	33,616.3
FY 97 Auth	69,219.9	11,711.1	26,846.9	5,275.0	25,386.9
FY 96 Auth	61,309.6	13,969.4	23,044.1	6,401.1	17,895.0
FY 95 Auth	65,479.2	14,211.9	25,353.0	7,558.1	18,356.2
FY 94 Auth	84,486.2	36,244.3	29,211.9	7,591.3	11,438.7
FY 93 Auth	78,313.4	36,657.5	22,458.0	8,805.9	10,392.0
FY 92 Auth	68,365.1	37,010.2	15,780.9	5,217.0	10,357.0
FY 91 Auth	69,054.3	37,996.7	14,779.7	5,381.5	10,896.4
FY 90 Auth	70,404.4	43,756.7	13,737.4	3,527.5	9,382.8

Excludes Fisheries Enhancement Tax Receipts program, supplementals and RPL's.

Other funds include Loan Funds, Interagency Receipts, APUC Receipts, AK Industrial Development and Export Authority Receipts, AK Energy Authority Receipts, AK Aerospace Authority Receipts, Statutory Designated Receipts, AK Science & Technology Endowment Earnings, International Trade & Business Endowment Earnings, and CIP Receipts.

Organization Changes

The department has no changes to its organizational structure for FY 2000.

Budget Structure Changes

- The Operations and Licensing Boards components of the Division of Occupational Licensing were consolidated into one component.
- A Facilities Maintenance component was added to the Alaska Industrial Development and Export Authority, in compliance with SLA 1998, Chapter 90.
- The international trade positions and funding are restored in the Division of Trade and Development.

Department of Commerce and Economic Development
 FY 2000 Governor's Budget

	DCED Total	Banl., Sec & Corp	Insurance	Occupational Licensing	APUC	Commissioner's Office
Personal Services	22,068.3	1,578.7	2,993.9	3,375.2	3,287.0	437.9
Travel	1,625.3	76.3	187.5	291.4	35.0	22.4
Contractual	24,851.5	224.9	1,168.2	1,725.5	1,300.9	81.0
Supplies	560.0	18.9	59.2	71.5	62.5	5.0
Equipment	158.8	2.1	13.5	75.6	13.8	
Lands/Buildings	0.0					
Grants, Claims	8,169.6					
Miscellaneous	0.0					
Authorization	57,433.5	1,900.9	4,422.3	5,539.2	4,699.2	546.3
Funding	57,433.5	1,900.9	4,422.3	5,539.2	4,699.2	546.3
1002 Fed Rcpts	3,650.1					
1003 G/F Match	1.0					
1004 Gen Fund	7,785.8					118.1
1005 GF/Prgm	18,840.5	1,892.8	4,396.6	5,053.2		
1007 I/A Rcpts	2,242.1	8.1	25.7	276.1		428.2
1025 Sci/Tech	9,539.8					
1035 Vet Loan	147.8					
1036 Cm Fish Ln	2,608.9					
1040 Surety Fund	209.9			209.9		
1057 Small Bus	3.3					
1061 CIP Rcpts	360.1					
1067 Mining RLF	5.0					
1068 Child Care	5.8					
1069 Hist Dist	2.5					
1070 Fish En Ln	325.5					
1071 Alt Energy	148.7					
1101 AERO Rec	43.2					
1102 AIDEA Rec	3,705.9					
1107 AEA Rec	1,049.5					
1108 Stat Desig	1,299.9					
1110 APUC Rec	4,699.2				4,699.2	
1115 InT/BuEnIn	759.0					
Perm Full Time	370	27	52	65	55	6
Perm Part Time	8			3		

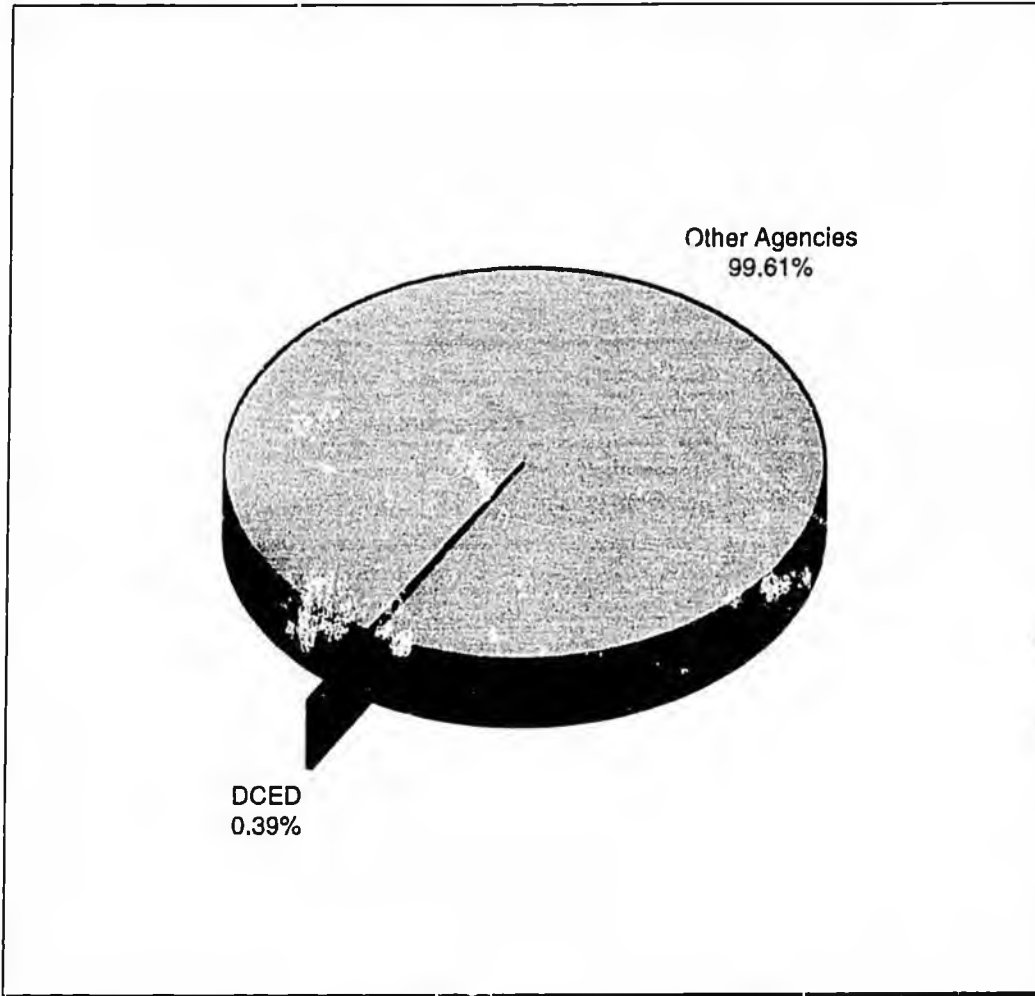
Department of Commerce and Economic Development
 FY 2000 Governor's Budget

	Trade & Development	Administrative Services	ASTF	Investments	Tourism Development	ATMC
Personal Services	1,458.6	1,155.0	587.9	2,366.0	673.6	219.0
Travel	200.2	6.6	84.0	31.2	71.1	53.4
Contractual	1,412.7	113.0	582.0	635.6	1,561.2	4,361.1
Supplies	33.5	8.1	16.5	37.9	12.0	4.0
Equipment				4.8		
Lands/Buildings						
Grants, Claims	175.4		7,714.2	220.0	60.0	
Miscellaneous						
Authorization	3,280.4	1,232.7	8,984.6	3,295.5	2,377.9	4,637.5
Funding	3,280.4	1,282.7	8,984.6	3,295.5	2,377.9	4,637.5
1002 Fed Rcpts	150.1					
1003 G/F Match						
1004 Gen Fund	1,888.4	546.5			1,895.4	3,337.4
1005 GF/Prgm	74.5				355.3	0.2
1007 I/A Rcpts	273.3	736.2		48.0	127.2	
1025 Sci/Tech			8,984.6			
1035 Vet Loan				147.8		
1036 Cm Fish Ln				2,608.9		
1040 Surety Fund						
1057 Small Bus				3.3		
1061 CIP Rcpts	135.1					
1067 Mining RLF				5.0		
1068 Child Care				5.8		
1069 Hist Dist				2.5		
1070 Fish En Ln				325.5		
1071 Alt Energy				148.7		
1101 AERO Rec						
1102 AIDEA Rec						
1107 AEA Rec						
1108 Stat Desig						1,299.9
1110 APUC Rec						
1115 InT/BuEnIn	759.0					
Perm Full Time	24	20	6	44	12	3
Perm Part Time	1		1		3	

Department of Commerce and Economic Development
 FY 2000 Governor's Budget

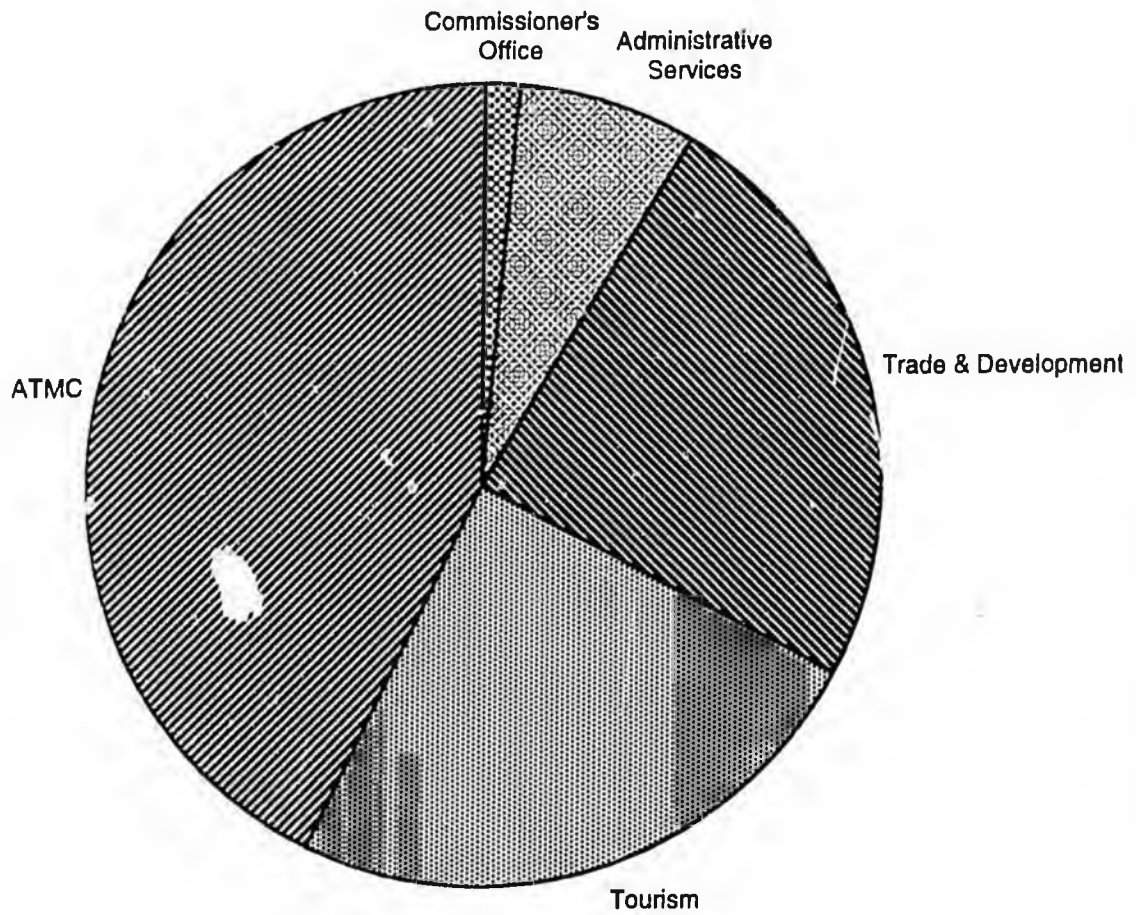
	AIDEA Operations	AIDEA Facilities O&M	AIDEA AEA O&M	ASMI	AADC
Personal Services	2,319.6			1,178.7	437.2
Travel	68.2		30.0	418.0	50.0
Contractual	1,510.0	73.0	1,006.5	8,783.7	312.2
Supplies	38.9		8.0	180.0	4.0
Equipment	15.5		5.0	8.5	20.0
Lands/Buildings					
Grants, Claims					
Miscellaneous					
Authorization	3,952.2	73.0	1,049.5	10,568.9	823.4
Funding	3,952.2	73.0	1,049.5	10,568.9	823.4
1002 Fed Rcpts				3,500.0	
1003 G/F Match				1.0	
1004 Gen Fund					
1005 GF/Prgm				7,067.9	
1007 I/A Rcpts	319.3				
1025 Sci/Tech					555.2
1035 Vet Loan					
1036 Cm Fish Ln					
1040 Surety Fund					
1057 Small Bus					
1061 CIP Rcpts					225.0
1067 Mining RLF					
1068 Child Care					
1069 Hist Dist					
1070 Fish En Ln					
1071 Alt Energy					
1101 AERO Rec					43.2
1102 AIDEA Rec	3,632.9	73.0			
1107 AEA Rec			1,049.5		
1108 Stat Desig					
1110 APUC Rec					
1115 InT/BuEnIn					
Perm Full Time	32			18	6
Perm Part Time					

State of Alaska
 FY 2000 Governor's Operating Budget
 Unrestricted General Fund Authorization



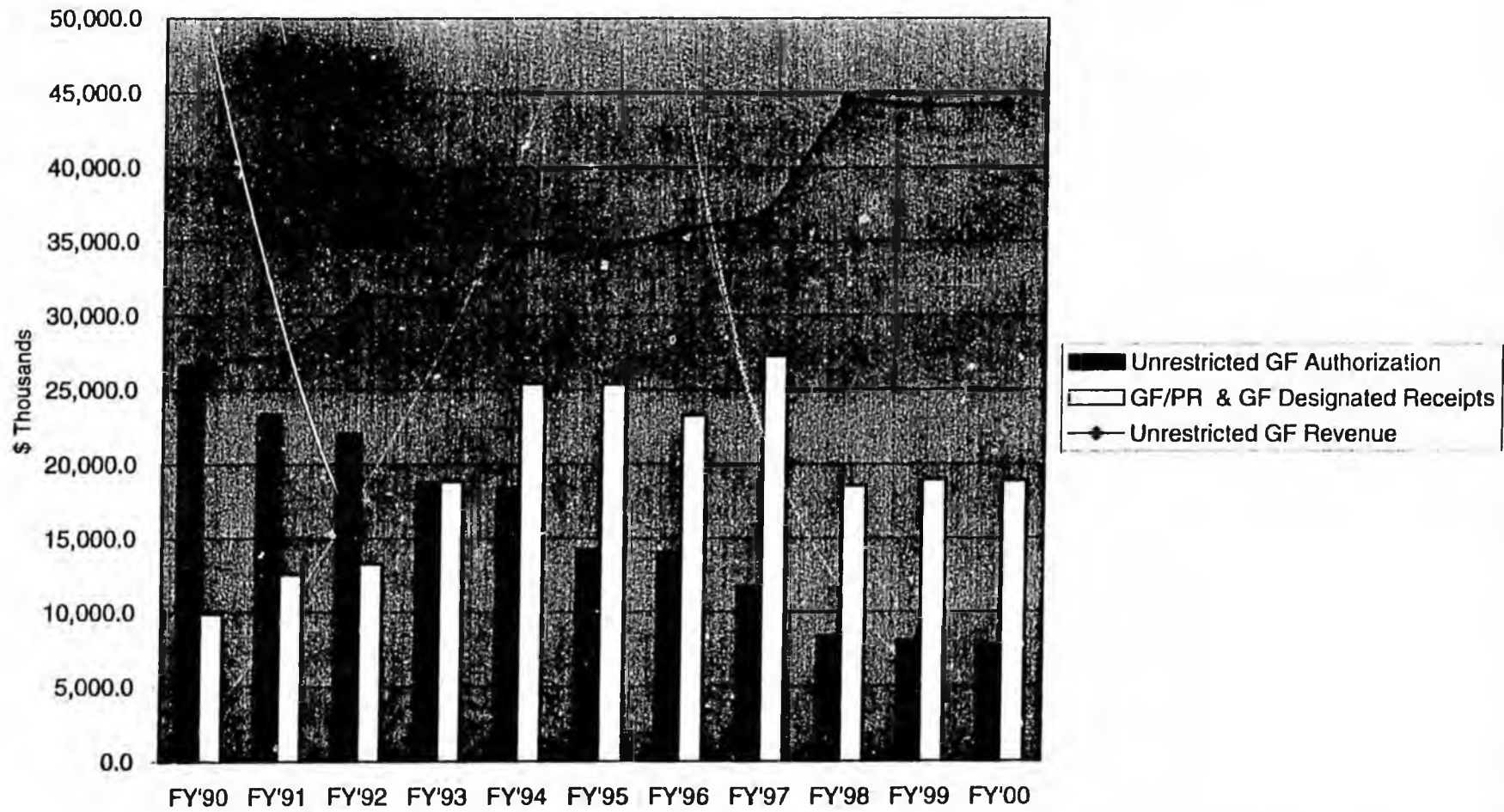
	DCED	Other Agencies
Total General Fund	\$7,786.8	\$1,999,629.6

DCED FY 2000 Unrestricted General Funds



	DCED	Commissioner's Office	Administrative Services	Trade & Development	Tourism	ATMC
General Fund	7,785.8	118.1	546.5	1,888.4	1,895.4	3,337.4

**Department of Commerce and Economic Development
General Fund and GF/Designated Program Receipts History**



	FY'90	FY'91	FY'92	FY'93	FY'94	FY'95	FY'96	FY'97	FY'98	FY'99	FY'00
Unrestricted GF Authorization	26,601.3	23,329.8	21,963.7	18,678.1	18,339.8	14,212.1	14,030.6	11,711.1	8,359.5	8,068.7	7,786.8
GF/PR & GF Designated Receipts	9,888.5	12,549.5	13,264.6	18,792.2	25,397.1	25,353.0	23,238.1	27,246.9	18,496.2	18,938.8	18,840.5
Unrestricted GF Revenue	26,908.6	27,180.8	31,342.0	31,163.9	34,742.3	34,426.3	35,839.2	36,717.2	44,516.6	44,121.0	44,206.0

OVERVIEW OF DEPARTMENTAL BUDGET CHANGES

- **Implement Executive Administration and Support Cost Allocation Plan**
(\$288.5) General Fund, \$323.5 GF/PR, \$30.9 other funds, \$379.2 interagency receipts

In late 1997, the department developed an administrative cost allocation plan (ACAP) which identified costs of services provided by the Commissioner's Office and the Division of Administrative Services to operating divisions, special funds, and independent agencies. The ACAP is based on actual expenditures for FY 1997. The department has decided to implement the ACAP to decrease the reliance on general funds for its centralized executive and support functions, allocating the cost for those services to the agencies and industries supported.

This allocation is based on a comprehensive cost allocation plan completed for the Office of the Commissioner and the Division of Administrative Services. General fund authorization is transferred out of the Office of Commissioner and Division of Administrative Services and into the various agencies. In each agency, that authorization transferred in is then converted from general funds to the appropriate funding source for that agency. Some agencies have a reduction in authorization based on previous allocation amounts exceeding the new cost allocation plan.

- **Transfer Trade Program Funding from Governor's Office to DCED**
\$586.7 General Fund
Five PFT and one PPT position

The Legislature transferred the international trade positions and some of the foreign country contractual services authorization from the Division of Trade and Development to the Office of the Governor. In order to maintain an effective, coordinated economic development program in State government, the Governor has chosen to continue to integrate the international trade functions with the business and resource development functions in the Division of Trade and Development. The funding for the international trade positions and foreign contracts were transferred back to the Division of Trade and Development by Reimbursable Services Agreement in FY 1999. The department requests the positions and funding be transferred back to the Division of Trade and Development in the FY 2000 Adjusted scenario.

- **Staff Additions to Data Processing Section**
\$221.6 GF/PR, \$64.9 interagency receipts
Five PFT positions

The conversion of all the department's data bases from Wang to Oracle uncovered major weaknesses in the ability of the department's Data Processing (DP) Section to provide even the most basic data processing services, while maintaining the newly converted data bases.

With additional staff, the services and improvements to divisions/agencies serviced by the DP section will include:

1. Ongoing network administration and database management
2. Improvements to the database interface for ease of use/functionality
3. Imaging (storing files electronically)
4. Interactive databases (the ability to manipulate data accessed through webpages)
5. Improved Web pages (tracking users, discussion groups)
6. E-commerce (e.g. expansion of the electronic business license renewal concept)

• **Banking, Securities, and Corporations Securities Examiner, Legal Services and Hearing Officer Support**
\$159.0 GF/PR

Securities Examiner Position \$ 74.0

The Division of Banking, Securities and Corporations (BSC) has maintained level staffing and budget discipline in a time of responsibility expansion and constituent growth. Their budget has increased from \$1,224.1 in FY 1982 to \$1,654.9 in FY 1999, a 35% increase while the staffing level has remained at 25 to 26 over the last 17 years. The workload in the securities section has increased dramatically in recent years, by any measurement, while the staffing level has remained the same. The increase in complaints, the increase in registered persons, and a change in responsibility for State Investment Advisers creates a need for an additional securities examiner position to examine broker-dealers and State Investment Advisers, and to handle both securities and ANCSA corporation complaints.

Department of Law Services \$45.0

In the past years, BSC has made attempts to function without service from the Department of Law. Also in the past years events have unfolded that have made it mandatory that BSC rely on legal council. For the first time in the history of BSC, the division set-a-side an Administrative Order (Native Proxy Matter) based on economic constraints (cost benefit analysis) of the division. The Administrative Law Judge assigned to this case advised the division to seek legal advice from the Department of Law. Again, another Administrative Law Judge requested that documents filed before him be filed through the Department of Law. As a result, additional program receipts authorization is necessary to cover Department of Law legal services.

Hearing Officer Support \$40.0

Hearings arise as a result of BSC's normal course of regulatory business. The statutes and regulations provide an opportunity to request a hearing to anyone who is the subject of an action by the division. Once a hearing is set, BSC has almost no control of the cost of the hearing officer or its legal counsel, the Department of Law. Costs are determined by the complexity of the case, and by the decisions of the hearing officer. The division either must meet those costs or vacate the order. As a result, additional program receipts authorization is necessary to covers hearing officer expenses.

- **Staff Additions to Alaska Public Utilities Commission**

\$136.2 APUC receipts

Nine PFT positions

The Alaska Public Utilities Commission (APUC) received authority to establish nine new positions in FY 1999 to help address a tremendous increase in the Commission's workload. The positions authorized included: Consumer Protection and Information Officer I, Utility Engineering Analyst III, Microcomputer Network Technician I, Common Carrier Specialist, Research Analyst, Administrative Assistant, Administrative Clerk II, Hearing Officer, and an Administrative Supervisor.

The workload of the APUC has increased dramatically in recent years. The Commission opened 266 formal cases in FY 1998, twice the average number of cases opened during the last five years. Informal complaints filed by utility consumers have jumped to 706 in FY 1998, 81% above the previous four-year average.

Funding for these positions is from the FY 1998 carry forward authorization of \$436.2 appropriated in SLA 1998, Chapter 137, Section 4. Establishment of the new positions will allow the APUC to realize \$300.0 savings in contractual services.

**DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
Phone Contact List**

<u>Agency/Contact</u>	<u>Phone</u>
Commissioner's Office	
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Jeff Bush, Deputy Commissioner	465-2500
Administrative Services	
Tom Lawson, Director	465-2505
Banking, Securities & Corporations	
Terry Elder, Acting Director	465-2521
Trade & Development	
Greg Wolf, Director	561-8115
Insurance	
Marianne K. Burke, Director	465-2515
Investments	
Martin Richard, Director	465-2510
Occupational Licensing	
Catherine Reardon, Director	465-2534
Tourism	
Tom Garrett, Director	465-2012

Independent Agencies

AK Aerospace Development Corporation	
Pat Ladner, Executive Director	561-3338
AK Energy Authority	
D. Randy Simmons, Executive Director	269-3000
AK Industrial Development and Export Authority	
D. Randy Simmons, Executive Director	269-3000
AK Public Utilities Commission	
Robert A. Lohr, Executive Director	276-6222
AK Railroad Corporation	
James B. Blasingame, VP Corporate Affairs	265-2680

<u>Agency/Contact</u>	<u>Phone</u>
AK Science and Technology Foundation	
James N. Kenworthy, Ph.D., Executive Director	272-4333
AK Seafood Marketing Institute	
Barbara Belknap, Executive Director	465-5560
AK Tourism Marketing Council	
David Karp, Executive Director	269-8180

1/27/99

Overview:

Dept.

H & S S...

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FILE

State of Alaska

Department of Health and Social Services

**Overview of Programs
and Services**

January 1999



**Tony Knowles
Governor**

**Karen Perdue
Commissioner**

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

Central Microfilm Services
Department of Education & Early Development
State of Alaska

State of Alaska

Department of Health and Social Services

**Overview of Programs
and Services**

January 1999



Tony Knowles
Governor

Karen Perdue
Commissioner

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Overview Highlights

Purpose

The purpose of this *Overview of Programs and Services* is to be a quick reference tool with information about the programs administered by the Department of Health and Social Services. We welcome your suggestions and comments. Please contact the Department of Health & Social Services, Office of the Commissioner, P.O. Box 110601, Juneau, Alaska, 99811-0601, phone (907) 465-3030, Fax 465-3068.

Mission

The mission of the Department of Health and Social Services is to promote and protect the well-being of every Alaskan by investing in families and communities.

Motto

Our motto is "Believing in the Power of Families and Communities."

Long Term Goals

The Department has established the following long-term goals to accomplish its mission:

- ◆ Focus on helping children and families stay healthy and safe.
- ◆ Increase the incentives and opportunities for communities to collaborate with the Department to improve results for children and families.
- ◆ Help Alaskans live healthier and have access to basic health care, resulting in reduced chronic and preventable disease.
- ◆ Assist Alaskans who are elderly or have disabilities live with independence and remain economically secure.
- ◆ Move more Alaskans from welfare into jobs so they can support their families.
- ◆ Establish an integrated statewide system for data collection, analysis, and reporting which improves services to Alaskans.
- ◆ Promote efficient, streamlined systems where employees value their work and meet customer needs.

Guiding Principles

The Department follows these guiding principles in providing services to Alaskans:

Customer Driven: Customers--the people DHSS serves--are usually the experts regarding their own needs. We believe our efforts to promote people's health will be more effective and long-lasting if we share the responsibility for health with our customers and if we respond to their ideas regarding their needs.

Collaborative System: True collaboration is when everyone brings something to the table and creates ownership and trust among many parties. DHSS can't do it all, and we don't have all the answers. But if we work together with local governments, consumers, advocates, service providers, businesses, and other departments, we can accomplish a great deal more.

Programs Focused on Self-Sufficiency: We cannot make the mistake of thinking that our work "saves" people. Our job is to help people help themselves. Programs designed to promote self-sufficiency are more respectful of individuals and families, and they invest in the long term, sustainable health and well being of Alaskans.

Local Ownership: Local communities know their own needs best. In the DHSS philosophy statement "Believing in the power of families and communities," we acknowledge the strength and resources communities and families offer toward meeting the challenges they face.

Effective, Efficient Management System: DHSS has talented, hard-working employees. We need to give staff at all levels the tools and authority to be as creative and responsive as possible in serving Alaskans. Effective management should enhance employee productivity and encourage employees to invest in the success of the organization.

Quality Work Force: A skilled and committed work force is essential at every level of DHSS for us to do our job as a Department. We want to fully utilize employee creativity, reward them for positive risk taking and encourage everyone to collaborate.

Outcome-Based Effective Services: The lack of confidence the public has in government challenges us to ensure results and accountability in exchange for use of public funds. We believe that designing programs so we can assess whether services are addressing real needs is essential to maintaining our own morale and acknowledge we are making a difference in people's lives.

Office of the Commissioner



Karen Perdue
Commissioner



Jay Livey
Deputy Commissioner



Russ Webb
Deputy Commissioner

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Juneau, Alaska 99811-0601
Phone (907) 465-1696/Fax 465-3068

Boards & Councils

Alaska Mental Health Board

Walter Majoros, Executive Director
431 N. Franklin Street, Suite 200
Juneau, Alaska 99801
Phone (907) 465-3071/Fax 465-3079

The Alaska Mental Health Board is composed of 12 to 16 members appointed by the Governor, at least half of whom must be mental health consumers or family members. The Board is the state planning and coordinating agency, for purposes of federal and state law, relating to the state mental health program. The primary purpose of the Board is to help ensure an integrated comprehensive mental health program by planning and advocating for the service needs of persons with mental illness in the state.

Governor's Advisory Board on Alcoholism and Drug Abuse

Donald Dapcevic, Executive Director
P.O. Box 110608
Juneau, Alaska 99811-0608
Phone (907) 465-8920/Fax 465-4410

The Advisory Board is composed of 14 public members appointed by the Governor. The Director of the Division of Alcoholism and Drug Abuse serves as an ex officio member. The Board acts in an advisory capacity to the Governor, Legislature, and State agencies on matters involving alcoholism and other drug abuse. The Board provides a comprehensive plan for the delivery of substance abuse prevention, education, and treatment services. The Board is also involved in the evaluation of services and the development of new programs.

Governor's Council on Disabilities and Special Education

David Maltman, Executive Director
P.O. Box 240249
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The mission of the Governor's Council is to create change that improves the independence, productivity, and inclusion into the community for people with developmental disabilities and students in special education. The Council plans, evaluates, and promotes programs for people with disabilities. It is composed of 28

members appointed by the Governor who are people with disabilities or their parents and the representatives of principle State agencies and private providers that deliver services or supports. Additionally, the Council serves as the State's Special Education Advisory Committee, the Interagency Coordinating Council for Infants and Toddlers with Disabilities, advises the Alaska Mental Health Trust Authority, and acts as the Board of Directors for the Special Education Services Agency.

Alaska Council on Emergency Medical Services

Charles F. Lean, EMT-I, Chair

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The mission of the Emergency Medical Services (EMS) program in Alaska is to reduce both the human suffering and economic loss to society resulting from premature death and disability due to injuries and sudden illness. The Governor's Alaska Council on Emergency Medical Services (ACEMS) provides the Commissioner of the Department of Health and Social Services and the Governor with recommendations related to all aspects of EMS, including distribution of funding, and policy development. The Council:

- brings together technical resources, experience, and knowledge to assist and advise on the continued development of the EMS and trauma systems in Alaska;
- advises the state EMS staff and EMS regional directors regarding public education and generation of broad community support for the goals of the EMS program;
- provides recommendations regarding EMS program policy and priorities;
- reviews EMS or EMS-related program proposals on requests of the Commissioner of the Department of Health and Social Services, the Director of the Division of Public Health, and Section of Community Health and EMS staff; and
- reviews EMS budgetary allocations and program priorities, and advises the Commissioner on these matters.

ACEMS was established by Alaska Statute 18.08 and meets two times a year to take action on issues affecting EMS in Alaska. More information on the council's activities and priorities can be found on the EMS Program's web site at http://www.hss.state.ak.us/dph/cms/cms_home.htm.

Division of Administrative Services

Janet Clarke
Division Director



Mission

To provide quality administrative service so that the Department of Health and Social Services programs can achieve their mission.

Budget Section

The Budget Section provides technical budget support to the Department, as well as management guidance and analysis to the Commissioner's Office. It is responsible for analyzing, monitoring, and controlling the Department's annual operating and capital budgets, budget amendments, revised programs, supplemental budgets, and fiscal notes. It is also responsible for departmental financial procedures, processing and controls, and position authorization control.

Data Integration

The Department's Data Warehouse database is a technological tool to provide decision support for the Department. All divisions provide statistical data that is integrated into a single decision support database. The Data Administrator works with the Department's research analysts to obtain the necessary data, and then generates appropriate reports that enable policy makers to make more informed decisions based on integrated statistical data.

Facilities and Planning Section

The Facilities and Planning Section is responsible for research, planning, and oversight of multi-agency activities for the Department. This includes managing all renovation and repair, deferred maintenance, and major capital construction projects, including oversight of design and construction for Department owned and operated facilities. The Department operates 33 State owned buildings throughout Alaska, at a replacement value of \$197.8 million. These buildings house mental

health services, youth probation and detention services, for public health services. The Section is also responsible for Certificate of Need review and approval for major new hospital and nursing home projects, and coordination of the Comprehensive Integrated Mental Health Plan (CIMHP). The Section also manages nearly all of the Department's capital grants, including named recipient grants and competitive grants in a variety of programs.

Finance Section

The Finance Section is responsible for the financial accounting and related support services to the department's divisions, boards, and commissions in fulfilling their financial obligations. Services include prompt and accurate payments to vendors and various financial expenditure accounting needs; daily and weekly draws of approximately \$500 million in federal funds, including maintenance of adequate cash management control; and the recording of all appropriated receipts to appropriate budget controls. The Finance Section is responsible for the Department's reporting structures; timely preparation and submission of quarterly, semi-annual, and annual reports to federal agencies for all federal grants administered by the Department; writing and updating the Department's cost allocation plan and negotiating approval with the Federal Division of Cost Allocation; coordination of financial audits by federal and legislative auditors, including the preparation of audit responses; and ensuring Department compliance to all state and federal accounting and reporting requirements.

Grants Administration

The Grants Administrator is responsible for the coordination and standardization of grant processes, as well as providing assistance and training for staff in the procurement and administration of grants department wide. This position compiles and maintains the Department's grant database and develops the annual Operating Grants Booklet. The Grants Administrator also directly assists the Program Managers for the Alaska Children's Trust (ACT) and the Community Partnerships for Access, Solution and Success (COMPASS) grant programs.

Human Resources Section

The Human Resources Section is responsible for personnel management within the Department. Procedural functions include initiating and maintaining personnel, payroll, leave, and related records. Programmatic functions include labor relations, risk management, position classification, hiring and recruitment, employee training, and management and employee consultations. The section serves about 2,000 employees located in more than 50 geographic locations.

Information Systems

The Information Systems section is responsible for two levels of information technology support: it meets the needs of the Division of Administrative Services, as well as being responsible for coordination of Department information technology efforts. As support for the Department, staff are responsible for maintaining network and file services for 100 users, including maintenance of desktop machines, file servers, application servers, printers, software maintenance and instruction, and wiring infrastructure. As support to the Department, staff coordinate electronic mail services, represent the Department at statewide agency meetings, maintain the communications infrastructure, track mainframe logon IDs, coordinate Department telephone services, and provide technical support to other small groups in the Department that do not have technical staff.

Procurement Section

The Procurement Section is responsible for procurement, property control and leasing for the Department. Staff also oversees the processing of all professional services contracts, streamlines the review and approval of all contractual documents, and provides clear interpretation of respective regulations, as well as receiving and distributing the Department's mail. The central office in Juneau, along with the regional office in Anchorage, serves all of the Department's regions.

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Division of Alcoholism & Drug Abuse

Loren Jones
Division Director



Mission

To promote the health and well-being of Alaska's citizens by preventing and treating alcohol, other drugs, and inhalant abuse.

In partnership with local communities, the Division supports approaches to substance abuse prevention and treatment that arise out of community initiatives to address local problems. Alaskans have access to substance abuse programs in every region of the state. These programs provide an array of information, education, prevention, outpatient counseling, residential treatment, and emergency care and relapse prevention services.

Prevention services are funded through the grant-in-aid process. The Division funds local and regional projects that are locally designed and utilize community strengths, resources, and traditional practices.

Treatment grants are intended to promote the health and preservation of Alaskan families and communities by providing services to individuals and their families, and by reducing or eliminating the abuse of alcohol, other drugs, and inhalants.

Specialized Services for Adults

The Division supports specialized treatment services for adults with distinct or unique needs. Specialized services include long term care for Alaska Mental Health Trust Authority (AMHTA) beneficiaries, residential care for pregnant women, residential care for women and children, detoxification and Methadone maintenance and substance abuse treatment for individuals prior to release from Corrections to minimize re-arrest. Specialized services are provided primarily in Fairbanks, Juneau, and the Anchorage area.

Specialized Services for Youth

In 1990, the Alaska Legislature passed a bill entitled "An act creating the community action against substance abuse grant fund." This bill authorizes the Division of Alcoholism and Drug Abuse to provide grant funds to community organizations, school

districts, municipalities, non-profit organizations, and local governing bodies of established villages, to combat the most pressing substance abuse problems as determined by the applicant community.

Specialized Services to Rural and Native Alaskans

Community Based Suicide Prevention Programs are funded through grants to small rural communities to design and implement their own projects to reduce suicide and self-destructive behavior and to increase individual, family, and community health. The Division encourages holistic approaches that integrate services and cut across traditional agency boundaries. The projects are encouraged to coordinate with regional agencies and regional agencies are encouraged to offer support, training, and assistance.

The Division, through the Rural Human Services System Project, provides funds to rural human service agencies to hire, train, and supervise village-based human service providers. The village-based providers function as human service generalists and provide services to the entire community. The project includes the village-based providers receiving training through the University of Alaska Rural Human Services Certificate Program.

In support of the philosophy that treatment services need to be culturally appropriate, the Division has initiated funding for several traditional recovery camps throughout rural Alaska.

Training Services

The effectiveness of alcoholism and other drug abuse programs is dependent upon the skill and knowledge of program staff. Training is essential to continue to improve the quality of services offered by these programs and to raise the level of skill and knowledge among substance abuse workers. Through three regional grants, the Division funds accessible training activities that will provide skill and knowledge based training. Additionally, training is provided through two statewide training events: the Annual School on Addictions held in May, and the Statewide Prevention Symposium held each November.

Alcohol Safety Action Program

The Alcohol Safety Action Program (ASAP) is a statewide network of grantees and directly-provided Division services that screens, refers, and monitors civil and criminal alcohol and other drug related misdemeanor offenders. The program operates as a neutral link between the justice system and the treatment delivery system.

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Division of Family & Youth Services



Theresa Tanoury
Family Services Administrator



George Buhite
Youth Services Administrator

Mission

To protect children at risk of abuse and neglect and to rehabilitate juvenile offenders while providing community protection.

The Division of Family and Youth Services (DFYS) is responsible for protecting children from abuse or neglect and assisting in rehabilitating youth and assuring safety of the community when youth commit delinquent acts. The agency is administratively organized into two sections: Family Services, which provides child protection services; and Youth Services, which intervenes with delinquent youth through community-based probation officers and youth facilities. The Division has proposed separating these two functions into two individual divisions and anticipates this happening in early 1999.

Family Services

Family Services has 30 field offices statewide, organized into four geographic management areas. The Northern Region, headquartered in Fairbanks, serves the Interior, Bethel, North Slope, Northwest Arctic Borough, and Norton Sound areas. The newly created Southcentral Region, presently headquartered in Anchorage, serves the Southcentral Region outside Anchorage, including the Kenai Peninsula, Kodiak Island, Mat-Su, Prince William Sound, Bristol Bay, and Aleutian areas. The Southeast Region, headquartered in Juneau, serves communities from Yakutat to Hyder. The Anchorage Region serves the Anchorage metropolitan area.

Child Welfare Services

Child welfare services encompass the following: receiving and assessing allegations of abuse and neglect; assessing the risk to a child and evaluating the family's ability to accept and use help; providing service planning and coordinating resources for the family; initiating court involvement for removal of children and the provision of mandatory protective services to parents; assuring that children are receiving a minimum standard of care before closing a case; educating the public regarding what is reportable; and developing and coordinating community resources and services.

Foster Care Program

The Division licenses foster homes that provide both emergency and long term care to youth who cannot stay in their own homes. Except for emergency placements, the Court must enter an order authorizing the Division to place a youth in a foster home.

Adoption and Guardianship Program

The adoption and guardianship program provides permanent homes, through adoption and guardianship, for children in the custody of the Department who cannot return to their biological parents. Adoptions and legal guardianships can be subsidized for special needs children.

Residential Care Program

The Division provides residential care services for children in custody who need placement in a therapeutic environment. A residential care program may be a short-term emergency shelter or long term residential group treatment program. Residential care services are purchased from private providers through a competitive grant process.

Grants

The Division provides a variety of community-based prevention, intervention, and treatment services to children, youth, and families through grant awards to local community groups and agencies. Grants are awarded on a competitive basis for a one or two year period, depending on the specific requirements of the individual grant.

Community Care Licensing

Community care licensing reduces predictable risk of harm to vulnerable populations by regulating and licensing facilities that provide direct care and services to children. Included are child foster homes, child residential care facilities, childcare centers and homes, and child placement agencies.

Youth Services

Youth Services has 13 field offices and 5 youth facilities divided into three geographical management areas: the Northern Regional Office in Fairbanks is responsible for Bethel, Nome, Kotzebue, Barrow, and surrounding towns and villages; the Southcentral Regional Office in Anchorage is responsible for the Mat-Su Valley, Kenai Peninsula, Valdez, Kodiak, the Aleutian Islands, and surrounding areas; and the Southeastern Regional Office in Juneau is responsible for Haines, Sitka, Petersburg, Ketchikan, and surrounding communities.

Youth Services follows a restorative justice model to hold offenders accountable for their behavior through a variety of graduated sanctions ranging from community diversion to secure confinement, victim and community restoration and offender competency development.

Field Probation

Juvenile probation officers provide preventative and rehabilitative services by: conducting intake investigations of youth who are alleged to have committed delinquent acts; completing court and detention screening; implementing diversion plans; and providing formal probation services for youth adjudicated as delinquents.

Youth Correctional Facilities

The Division operates five nationally accredited youth correctional facilities. The McLaughlin Youth Center in Anchorage, the Fairbanks Youth Facility, and the Bethel Youth Facility provide long term treatment services to adjudicated youth, as well as short-term detention. The Johnson Youth Center in Juneau provides only short term detention, but will be opening a long term treatment unit in 1999. The Nome Youth Facility provides only 48-hour emergency detention, but will be offering expanded detention services in the near future. New facilities are currently planned for Mat-Su, Ketchikan, and Kenai/Soldotna.

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Youth Facilities

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Division of Medical Assistance

Bob Labbe
Division Director



Mission

To provide health coverage for Alaskans in need.

Medicaid Program

Medicaid is an entitlement program created by the federal government to provide payment for medical services and long term care for low-income citizens. Medicaid is funded approximately 40% by state general funds and 60% by federal funds. The program is focused on coverage for low-income children, pregnant women, families, the elderly, the blind, and the permanently disabled. The federal government along with the state legislature determines which medical services and providers will be in the benefit package, as well as the Medicaid Program qualifying standards and the categories of persons eligible for coverage.

Alaska has a categorically needy Medicaid Program aimed only at people who are already at the income-qualifying standard for their category. Alaska does not administer a medically needy program that allows higher income people in the categories listed above to spend down on medical needs to an income-qualifying standard.

Chronic and Acute Medical Assistance (CAMA)

CAMA is a 100% state funded program that provides payment for limited hospital, physician, and pharmacy services for indigent adults who have immediate need for a covered service and do not have any other resources, such as Indian Health Service, military hospital, or any federal, private, or government medical coverage such as TRICARE or Medicare.

Healthy Baby and Healthy Kids

The Medicaid Program has been enhanced by the addition of Healthy Baby, which targets improving pregnancy outcomes and the overall health of children. Pregnant women are encouraged to receive prenatal care from the beginning of pregnancy, and to obtain postpartum care with family planning services.

Healthy Kids is aimed at ensuring that all Medicaid-eligible children receive complete health screenings and immunizations on a schedule endorsed by the American Academy of Pediatricians and that the full range of Medicaid coverage treatment services are available to them when it is determined to be medically appropriate.

Home and Community Based Care

Medicaid eligible people who qualify to receive long term care services in a medical facility may choose to receive enhanced "waivered" services at home. Eligibility screening for waived services is available through the Alaska Commission on Aging and through the Division of Mental Health and Developmental Disabilities.

Drug Utilization Review

The Division pharmacist and an advisory committee of pharmacists and physicians review MMIS data on drug prescription, dispensing, and utilization by Medicaid providers and recipients. Recipients who demonstrate aberrant use of prescription drugs are identified and their providers are notified to change the pattern of prescription and usage. Provider problems in prescribing and dispensing are also identified and a progressive discipline approach ranging from provider education to program disenrollment is used to change behaviors.

Medicaid Management Information System (MMIS)

This is the Medicaid claims payment system as well as the Division's management information system. Subsystems of the MMIS enhance program management by identifying client and provider misuse and abuse; trends in utilization and expenditures; the demographics of the recipient population; cost avoidance and collection from third party payers; and training on claims submission is available for medical providers.

Surveillance and Utilization Review

Recipient and provider activity is monitored for signs of unusual utilization or prescribing practices. Recipients who persist in inappropriate utilization are locked into the Primary Care Program to change their behavior. Providers may be identified for additional provider education, or may have their bills pending for review or denial.

Health Facility Licensing and Certification (HFLC)

A team of trained health professionals conducts annual on-site inspections of Alaska's health facilities, to evaluate a provider's ability to render a safe and acceptable quality

of care. Licensing inspections to ensure compliance with federal laws are done simultaneously, to minimize disruption to the health facility and to be more cost efficient. The HFLC unit also investigates complaints of health facilities and home health agencies.

Medical Care Advisory Committee (MCAC)

The Medical Care Advisory Committee (MCAC) is composed of 11 members appointed by the Commissioner to hold public meetings and advise the Commissioner on Medicaid Program policy. This committee is required under federal law and must have at least 50% consumer representation, with the balance a mix of provider representatives. The Commission meets three to four times a year.

Office of Hearings and Appeals

The Office of Hearings and Appeals conducts impartial administrative hearings on appeals from actions by the Department of Health and Social Services.

Medicaid Rate Advisory Commission (MRAC)

The MRAC is composed of 5 members appointed by the Governor to advise the Department on payment rates and policies relating to payment rates for health facilities.

Audit Unit

The Audit Unit provides audits of health facilities for purposes of rate setting. They also perform single agency audit reconciliation for departmental grantees, prepare special purpose audits and reviews, and assist in the Department's annual single state agency audit.

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