

ALASKA LEGISLATURE

1869

HOUSE and SENATE FINANCE COMMITTEE FILES, 1999 - 2000

20

(6) The cost for each offense assigned to narcotics task force units.

Benchmark Period	Target Period	Change
\$605	\$637	+5%

(7) The decrease in the total number of traffic accidents that occur in Alaska state trooper jurisdiction.

Benchmark Period	Target Period	Change
2142	2281	+7%

(8) the increase in the percentage of VPSO-investigated alcohol bootlegging and importation offenses that are closed by arrest.

Total VPSO Bootleg Offenses	21	29	
Offenses Closed By Arrest	9	14	Change
Percentage	42%	48%	+6%

**Council on Domestic Violence and Sexual Assault
Missions and Measures Report
January 2000**

(1) The increase in the percentage of victims of domestic violence and sexual assault who seek advice.

Benchmark Period	Target Period	Change
6,994	2767 1 st Qtr	On Track or Exceeds

(2) The percentage of repeat clients who return and remain at shelters for reasons other than to obtain information or receive counseling services.

All clients who return or remain at shelters receive information and counseling. Accordingly, the benchmark is zero and the target is zero.

Benchmark Period	Target Period	Change
0	0	0

(3) The increase in the percentage of repeat offenders who complete batterers' intervention programs.

	Benchmark Period	Target Period	Change
Batterers	NEW Program	174	NA

(4) The decrease in the percentage of repeat offenders in batterers intervention programs.

Benchmark Period	Target Period	Change
New Program	38%	NA

(5) The increase in the percentage of Council resources that are directed to the prevention of domestic violence and sexual assault.

	Benchmark Period	Target Period	
Percentage	1%	1%	0

1% represents approximately \$57.0 in state funds per CDVSA's FY 2000 budget.

(6) The increase in the percentage of Alaskans participating in violence prevention education training and workshops.

Benchmark Period	Target Period	Change
67,075	5,600	-91%

(7) The increase in the percentage of school districts in the state with violence prevention and personal safety curricula

Benchmark Period	Target Period	Change
New Program	*	*

* Each of the 21 Council funded domestic violence and sexual assault programs work with their local schools to provide some type of prevention and intervention presentations and written information to students. Last fiscal year, STAR, the rape crisis center in Anchorage was funded to create a sexual assault curriculum for all ages. This curriculum will be provided to all Council funded programs to assist with the continuation of these services.

1-12-00

Handout #2

Department Mission

To foster, promote and improve working conditions and advance the opportunities for profitable employment of the wage earners and potential wage earners of the state, including those with special needs or barriers to employment, to the mutual benefit of employees and employers.

Commissioner's Office Mission

To foster and promote the welfare of the wage earners of the state, improve their working conditions and advance their opportunities for profitable employment.

Employment Security Mission

To ease the negative effects that involuntary unemployment has on Alaska's wage earners, to stabilize the local economy and workforce during periods of economic downturn, to operate a statewide public labor exchange and to provide employment training.

Labor Standards & Safety Mission

To provide assistance and oversight to both employees and employers in the state by ensuring safe and healthy working conditions, just compensation and legal employment practices, and to provide public and consumer protection by assuring the integrity and safety of various mechanical systems and equipment.

Workers' Compensation Mission

To ensure that eligible Alaska workers are provided adequate medical care, prompt payment of benefits, and, if needed, voluntary rehabilitative services.

To provide protection to employers from being sued in court by employees for workplace injuries.

To provide assistance with medical costs of injuries or illnesses due to commercial fishing activities onshore or in state waters.

To reimburse employers for compensation paid to qualifying employees involved in a second injury.

Vocational Rehabilitation Mission

To assist individuals with disabilities to overcome barriers to employment and encourage independence and integration into their community.

Administrative Services Mission

To provide for efficient administrative and data processing services in support of the department's programs, and to provide for the collection, analysis and publication of demographic and economic information in support of sound policy, business, program and personal employment decisions.



Review of Goals and Accomplishments

House Finance Committee

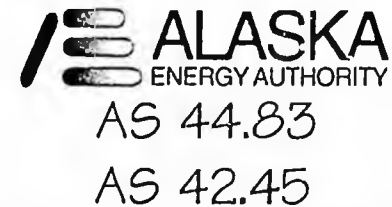
January 2000

Alaska Industrial Development and Export
Authority (AIDEA)

Alaska Energy Authority (AEA) Projects

AEA Rural Energy Programs

D. Randy Simmons, Executive Director



1
handout 1/4/00



Alaska Industrial Development and Export Authority



AIDEA'S Mission

To encourage economic development and diversification in Alaska -- thereby creating or retaining jobs in Alaska's economy by providing various means of financing and assistance to businesses in Alaska.

jobs for Alaskans



AIDEA Goals

To stimulate economic development and diversification.

- 1) Provide business financing assistance throughout Alaska through AIDEA's Credit programs by participating in or guaranteeing bank originated loans.

- 2) Continue to develop, operate and maintain AIDEA-owned development projects that support private sector investment and create or maintain jobs for Alaskans.



AIDEA's Programs

Credit

Loan Participation

Purchase up to 80% of a bank originated loan up to \$10 million for business financing

Business and Export Assistance

*Guarantee up to 80% of a bank originated loan up to \$1 million
Supports the Rural Development Initiative Fund (RDIF)*

Revenue Bond Program

Conduit financing; no financial effect on AIDEA or the State

Development Finance

AIDEA owned and operated projects must go through a thorough due diligence process and projects must be:

--financially feasible

--endorsed by the local government

-- projects requiring more than \$10 million in bonding require legislative authorization

AIDEA's Strategies and Recent Accomplishments

Strategy -- Provide approximately \$40 million in financings with financial institutions to support and diversify Alaska's economy; participate or guarantee \$5 million in small rural loans; and assist, participate or guarantee \$3 million in export-related financings.

★Participated in loans across Alaska in the amount of \$20.7 million dollars, creating over 380 construction jobs and 440 permanent jobs in Alaska's economy. To date, in FY00, AIDEA has provided \$13.9 million in loan participations, creating approximately 400 construction jobs and 175 permanent jobs in Alaska.

★Issued \$15.8 million in conduit financing for private sector and non-profit projects in FY99. To date in FY00, AIDEA has provided \$6.9 million in conduit financing.

Strategy -- Create at least 350 new jobs for Alaskans by providing financial assistance to economic development projects that meet defined criteria for feasibility and financial success.

★Completed construction of the Alaska Seafood International facility (ASI), Alaska's first seafood manufacturing facility, creating 160 construction jobs. The facility began test production in January 2000. At full production, ASI will directly employ approximately 450 workers in Anchorage and indirectly add up to 850 jobs in Alaska's economy.

★Prepared a revised development plan for the AIDEA-owned Ketchikan Shipyard and added nearly 80 new direct jobs at the facility as the operators expanded operations.



AIDEA's Strategies and Recent Accomplishments (Continued)

★Finished construction of the DeLong Mountain Transportation System port facilities expansion allowing Cominco Alaska to increase production throughput by 40% adding approximately 100 new jobs in the Northwest Arctic Borough.

★Completed systems testing of the Healy Clean Coal Project (HCCP), proving the technology and producing emissions substantially below permit requirements.

★Successfully installed four submarine cables for the Snettisham Hydroelectric project under budget and slightly ahead of schedule, providing 20 construction jobs. The savings resulted in an electrical rate reduction.

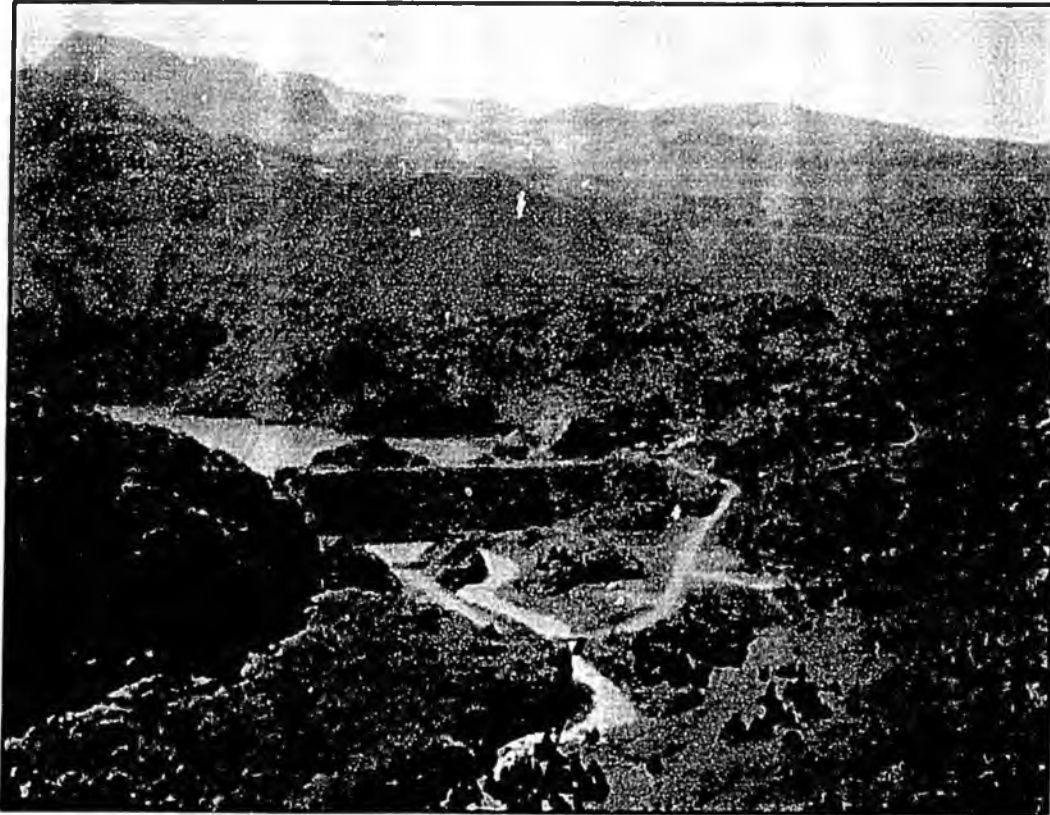
Strategy -- Increase efficiencies and provide a return to the General Fund.

★Provided a \$18 million dividend to the State General Fund for FY 00 and declared an \$18.5 million dividend for FY01.

★In partnership with banks and the private sector, amended regulations to eliminate archaic and unnecessary requirements in AIDEA's Credit programs.

★Implemented transition of the Rural Energy staff to AIDEA.





Alaska Energy Authority



Bradley Lake hydroelectric project

AS 44.83

AS 42.45

AEA's Mission

Operate and maintain existing state-owned power projects that tap Alaska's natural resources to achieve the lowest reasonable consumer power costs; and

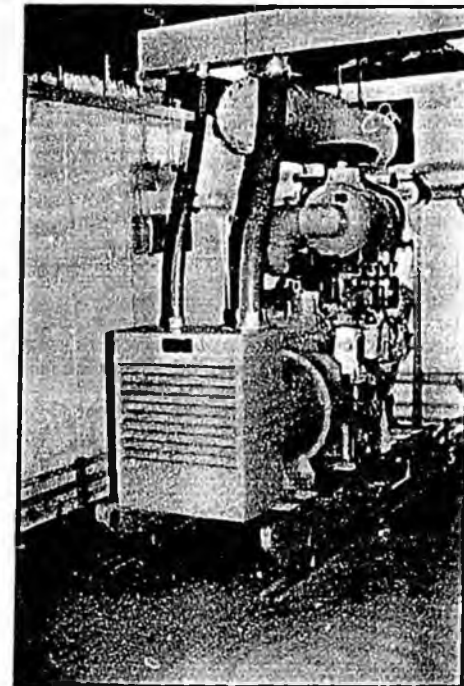
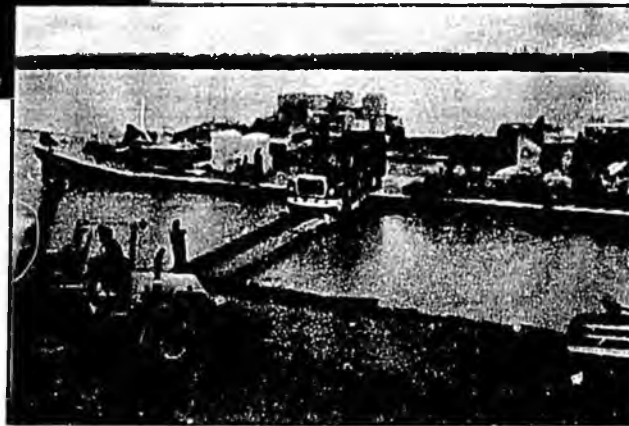
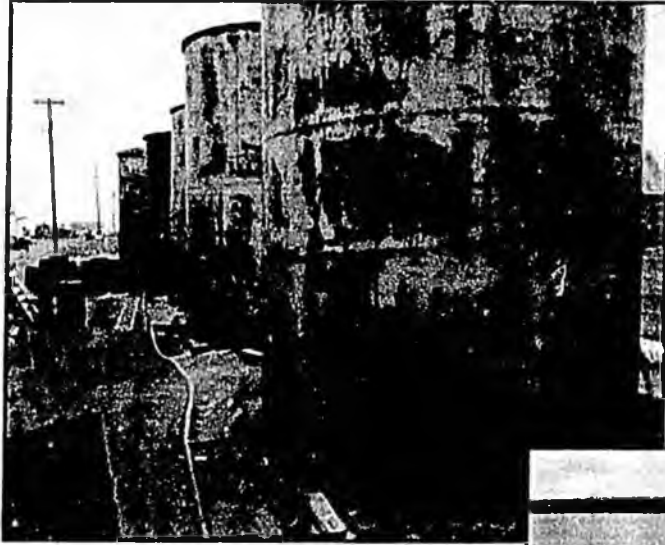
Assist in the development of safe, reliable and effective energy systems throughout Alaska that are financially viable and environmentally sound.



AEA Project Recent Accomplishments

- ★ Maintained and administered AEA's \$1 billion facilities, maximizing services and revenues and minimizing unscheduled outages.
- ★ Completed upgrades and repairs at the Lake Tye hydroelectric project.
- ★ Inspected and completed final engineering of the Terror Lake tunnel repairs.
- ★ Installed spill containment and updated procedures for the Four Dam Pool projects.
- ★ Continued to administer outstanding AEA long-term debt in excess of \$300 million and continued to administer special trust funds related to the facilities.
- ★ Refinanced Bradley Lake Hydroelectric project long-term debt, providing approximately \$3.3 million in savings to the Railbelt utilities.

Rural Energy Programs



 **ALASKA**
ENERGY AUTHORITY

AS 42.45

Rural Energy Accomplishments

★Acquired a \$10 million grant from the Denali Commission to upgrade bulk fuel storage projects.

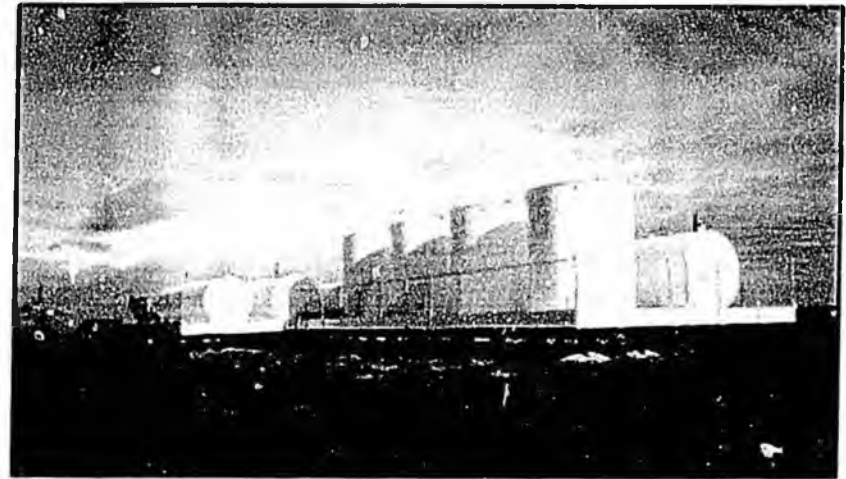
★Completed bulk fuel storage projects and upgrades in 13 communities totaling \$8.9 million.

★Continued to design work on 22 bulk fuel projects totaling \$23.6 million with a projected construction date of calendar year 2001.

★Acquired a \$5.8 million grant from the Denali Commission to upgrade power generating facilities and distribution systems statewide.

★Issued PCE payments in the amount of \$18 million.

★Provided circuit rider maintenance services to 29 communities.



New Selawik tank farm

Addendum

Dividend Policy

The dividend program was created in 1996 and carefully structured to provide certainty and stability to the Authority and its investors. The dividend policy allows AIDEA to make a contribution to the General Fund; provides financial flexibility to the Board to determine the dividend; and provides substantial protection to the Authority's bond owners to insure their investment remains secure.

The dividend is to be not less than 25% nor more than 50% of the Authority's net income for the fiscal year two years before the year the dividend is to be paid (the "base year"). In no event may the dividend exceed base year unrestricted net income as presented in AIDEA's audited financial statements. The AIDEA Board determines the dividend each year taking into consideration: a) base year net income, b) income trends, c) project and loan flow projections, d) bond covenant impacts, e) rating agency concerns, and f) unanticipated needs.

Dividends Declared Since Program Inception

FY 1997	\$15 million
FY 1998	\$16 million
FY 1999	\$16 million
FY 2000	\$18 million
<u>FY 2001</u>	<u>\$18.5 million</u>
Total	\$83.5 million



Bond Ratings/Bond Capacity

Following the implementation of AIDEA's Dividend Policy in 1996, AIDEA's market acceptance significantly improved. In early 1997, for the first time, AIDEA was able to issue AAA insured general obligation bonds when it completed the largest bond sale in its 30-year history. AIDEA again received a AAA insured rating when it issued general obligation refunding bonds in 1998. AIDEA has a strong underlying A(2) and A- rating by Moody's Investors Service and Standard & Poor's respectively. Strong bond ratings allow AIDEA to have greater access to capital markets and a broader investment pool, lowering borrowing costs for important economic development projects.

Since 1989, pursuant to AS 44.88.105(d), bonds issued by the Alaska Industrial Development and Export Authority (AIDEA) may not carry the moral obligation of the state, unless the moral obligation a) is specifically authorized by the Legislature, b) secures bonds to refund moral obligation bonds originally issued prior to 1989, or c) secures bonds issued for a power transmission intertie.

None of the new project bonds issued by AIDEA since 1989 carry the state's moral obligation. Outstanding state moral obligation bonds as of June 30, 1999, total \$23,910,000. This represents only 8% of the total bonds outstanding of \$229,160,000. Moral obligation bonds are not debts or liabilities of the state.



Department of Military & Veterans Affairs Review of Mission and Accomplishments

Mission

Provide strategically positioned, relevant, and ready military forces capable of homeland defense, rapid deployment, joint operations, and mission accomplishment in the state or throughout the world; and provide organizations capable of performing emergency services, training at-risk juveniles, coordinating veterans' programs, and assisting other state and federal agencies in suppressing the use of illegal drugs

Programs

- Commissioner's Office and Military Headquarters
- Army Guard Facilities Maintenance
- Air Guard Facility Maintenance
- Disaster Planning & Control
- Alaska Military Youth Academy
- State Active Duty
- Guard Benefits: Educational and Retirement
- Veterans Services

This department contributes ~\$160 million to the economy

- \$9.5 million in GF (\$8.5 M Operating, \$1 M Capital)
- \$27.4 million in Federal Funds and Interagency Funding
- Leverages another \$128 million of federal funds through the federal budget

Jobs

- Over 4,200 military members, employees and volunteers
- Located in 76 communities across the state
- Opportunities to add 726 new jobs

Military Construction in FY2001

- National Missile Defense in FY2001 - \$117 million
- Combined Support Maintenance Shop, Federal Scout Armories, and Composite Support Facility at Kulis, approximately \$12 million

Future Military Construction

- Federal Scout Armories (3/yr), Nome, Bethel, Kodiak, and Ketchikan Readiness Centers, Corrosion Control Facility, PARA Rescue Facility, Squadron Ops Center, and Flight Line Maintenance Bldg.
- Approximately \$1.2 billion through FY05 for National Missile Defense

New Mission Possibilities:

- National Missile Defense
- Space surveillance mission at Clear Air Force Station
- North American Air Defense (NORAD) mission at Elmendorf Air Force Base
- Weapons of Mass Destruction Rapid Assessment Initial Detection
- Expand combat communications services within the Pacific Theater



1/13/2000

ACCOMPLISHMENTS:

Air and Army National Guard fully accomplished all state and federal missions with no loss of life or serious injury

National Guard saved over 150 lives in Alaska through search and rescue operations

Air Guard won Mackay Trophy - nations highest aviation achievement award

The Alaska Military Youth Academy (AMYA) increased partnering with other agencies to share cost and increase services: Dept. of Education, U.S.D.A. Food Program; Dual Enrollment with Alyeska Correspondence School; Municipality of Anchorage, Division of Workforce Development; and Health & Social Service Drug and Alcohol Program. The AMYA graduated 91 cadets in their last class (budgeted 80) making the total more than 800 graduates at the completion of this fiscal year. In addition the Youth Academy Cadets performed 8000 hours of community services.

\$520.0 for Veteran Service Officers secured \$35 million in federal benefits for Alaskan veterans.

The Emergency Services Division responded and managed over 60 incidents, including Avalanche Response and Y2K preparedness. (FEMA comment " Alaska's SECC best in nation")

Goals 2000/2001:

- Establish 24 hour State Emergency Coordination Center with ongoing inter-departmental training and exercise program to maintain proficiency developed as a result of Y2K efforts
- Maintain the ability of the National Guard to accomplish all peacetime (state) and wartime (federal) missions
- Increase Youth Academy ability to expand efforts and serve more youth by partnering with other agencies
- Pursue new mission possibilities for the National Guard and add some 726 high paying jobs for Alaskans over the next five years (national missile defense, RAID Team for domestic preparedness, NORAD mission, space surveillance mission)
- Expand outreach efforts and services to all veterans
- Develop an effective and comprehensive DMVA and National Guard program for rural affairs
- Encourage and facilitate economic, educational, business, and service opportunities for Alaska that will be available as a result of national missile defense activities
- Continue to train supervisors to maximize employee opportunities to contribute while reducing irritants and labor grievances
- Reduce deferred maintenance backlog for facilities while continuing effective preventive maintenance programs

DEPARTMENT OF LAW

The mission of the Department of Law is to

- (1) protect the state's sovereignty;
- (2) prosecute crime;
- (3) represent and advise the state in all civil matters; and
- (4) provide other legal services to state government.

The mission of the Office of the Attorney General is to

- (1) allocate state legal services
- (2) represent the state in civil actions;
- (3) prosecute cases involving violation of state law.

The mission of the Division of Administrative Services is to provide core services that are essential to the day-to-day operation of the department and the management of department resources.

The mission of the Civil Division is to protect

- (1) the human, financial, and natural resources of the state by providing legal advice, prosecution, and defense; and
- (2) the state's sovereignty and guarantees of statehood.

The mission of the Criminal Division is to

- (1) prosecute crime;
- (2) uphold convictions through appellate and post-conviction proceedings; and
- (3) provide effective representation for state criminal justice agencies.

The mission of the Office of Special Prosecutions and Appeals is to prosecute complex economic and natural resource cases, and to uphold the state's position on appeals of criminal convictions and statutes relating to criminal justice.

FY 2001 Key Performance Measures

Measure: Maintain collections of criminal and civil judgments including indigent defense costs, costs of incarceration for DWI offenders, and other fines owed the state at the level of \$3.1 million.

(Not yet addressed by Legislature.)

Current Status:

FY 1999 - \$3,110,979.04

Benchmark:

FY 1997 - \$2,278,473.18

FY 1998 - \$2,469,881.33

At this time the unit oversees 108,000 collection cases. As a result of factors described below, which are entirely out of the control of the unit, we are holding our performance measure for anticipated collections at the FY 1999 level. Even so, that level represents a 25% increase over FY 1998 collections.

Background and Strategies:

The function of the collections unit is to collect money owed to the state in criminal, civil, and some administrative cases. The criminal cases include the cost of imprisonment in driving while intoxicated or refusal cases, cost of appointed counsel in cases where a public defender or public advocate appointment is made to represent a defendant, and outstanding fines and bond forfeitures. While the courts can collect on fines and bond forfeitures (these cases are only transferred to the collections unit if they are overdue to the court) the cost of appointed counsel cases are automatically transferred to the unit. Civil case collections must have a judgment in excess of \$250 entered with the court and the money collected must be free for deposit into the general fund.

There are a number of factors that affect the amount collected. The most important factor is the amount and number of judgments transferred by the courts, if a judgment is not transferred, it is unlikely the unit will receive voluntary payments and cannot seize money from a permanent fund dividend. The second factor is the number and dollar value of voluntary payments made by defendants. The only recourse the department has for nonpayment, is the potential to seize the obligor's permanent fund dividend. Additional factors include the actual amount of the permanent fund dividend, the number of defendants applying for dividends; the number of defendants determined to be eligible for dividends; and other agencies or cases with statutory priority to seize dividends before our seizures are possible.

Measure: Increase completion of child support enforcement cases by 15%.

(Not yet addressed by Legislature.)

Current Status:

In FY 1999 the Child Support Enforcement unit closed 688 files.

Benchmark:

With additional resources now committed toward this effort beginning in FY 2000, the 15% increase in completed cases should be achievable.

Background and Strategies:

The child support unit represents the Child Support Enforcement Division (CSED) in court, including paternity establishment and disestablishment, modification of child support orders, employer non-compliance actions, criminal non-support prosecutions, licensing appeals, and miscellaneous other activities related to enforcement of child support orders. In addition, the unit provides legal support in matters relating to administrative child support enforcement actions, drafts legislation and regulations, and provides general legal advice to CSED.

Measure: Review 50% of all adopted regulations within 120 days of a request for final review and 75% completed within 180 days of a request.

(Not yet addressed by Legislature.)

Benchmark:

Because of the factors discussed above, the department feels the timelines identified as our performance measure should continue. The timelines were met in FY 1999 and continue to serve as our benchmark for FY 2000 and 2001.

Background and Strategies:

There are a number of external factors affecting the timelines established as performance measures. First, if changes to the regulations are required in order to comply with state law, the respective board or commission must readopt the regulations. Many of these regulatory bodies meet quarterly, some only annually. More frequent meetings convened just to deal with regulations are a costly option. Second, staff at the adopting entity must approve any edit made to the regulations. This often results in delays due to staffing issues or priorities in the agency involved. Third, even with an additional regulations attorney added in FY 1998, our own staffing levels are inadequate to set tighter time frames. Finally, there are more regulations being adopted by state agencies to comply with budget cuts, court decisions, and changes in federal law. Most major budget cuts involving deletions of services require regulations changes to withstand a court test.

Measure: Eliminate 95% of the permanency placement backlog of children in state custody, and ensure 50% of other out-of-home placement children's state custody proceedings are resolved within 21 months.

(Not yet addressed by Legislature.)

Current Status:

Child protection attorneys for the Department of Law have caseloads over 50, and in many cases close to 70.

Benchmark:

According to the American Bar Association, Center for Children and the Law, a reasonable caseload for child protection attorneys is between 40 and 50 active cases.

Background and Strategies:

With the passage of Ch. 99, SLA 98, the new state child protection law and the new federal Adoption and Safe Families Act important changes were made as to how long children may remain in the child protection legal system, and when certain actions must occur. These new statutory changes at the state and federal level more concretely define parental responsibility and the changes move cases to conclusion faster to ensure that

when reunification with the family is not in the child's best interest, the child can be made legally eligible for placement in a permanent home more quickly. A huge number of existing cases are now moving on the new accelerated schedules, and severely impacting attorney workloads. Maintenance of our existing resources is necessary in order to manage this critical responsibility.

The legislation defines the timelines for permanency hearings and termination of parental rights. In order to achieve those timelines, and in order to eliminate the permanency placement backlog and provide the assistance outlined above, the per attorney caseload must be manageable.

Measure: Prosecution of 1,100 violent felonies, 760 felony drug cases, and 2,050 misdemeanor domestic violence assaults.

(Not yet addressed by Legislature.)

Benchmark:

As a very general rule, when a district attorney office's individual attorney felony caseload reaches 100 or more cases per year, additional staffing for that office must be considered.

Background and Strategies:

The workload for the Criminal Division is driven by factors largely beyond its control, such as the staffing levels and policies of local police agencies, staffing levels of defense attorneys, whether municipalities control alcohol, and the policies and practices of local courts and local defense attorneys. As such, the division is able to exercise very little control over attorney caseload ratios and no control whatsoever over the volume of work coming in at any given time. Thus available quantitative information often does not show the effectiveness and competency of the work. For example, it is very difficult to draw meaningful conclusions based on conviction rates. More convictions don't necessarily mean that attorneys are doing a better job. Instead it may mean any or a combination of the following: (1) crime is up, (2) the police are conducting better investigations, (3) new laws are more effective, (4) the division is understaffed and therefore plea-bargaining more, (5) the public defender agency is understaffed and they are pleading out more of their clients.

For this reason, knowing the number of cases handled is the best measure of the division's performance.

Because Alaska is one of a very few states that handles all types of criminal offenses at the State level, useful comparative data of attorney caseload is impossible to attain. Even within Alaska, there are remarkable differences between caseloads in the urban centers and rural communities. Caseloads in rural Alaska per attorney tend to be much higher because defendants are more likely to plead out, or the district attorney is more likely to come to an agreement with the public defender.

THE FOLLOWING DOCUMENT HAS NOT
BEEN FILMED BUT IS AVAILABLE IN THE
ORIGINAL FILE.

handout

1/14/00



ALASKA SCIENCE & TECHNOLOGY FOUNDATION



1999 ANNUAL REPORT

A FOUNDATION FOR ALASKA'S FUTURE

Review of the Alaska Science and Technology Foundation Accomplishments

Presentation to House Finance Committee, January 14, 2000

Jamie Kenworthy, Executive Director
Mark Bendersky, Group Projects Administrator

Mission

ASTF's mission is to build an entrepreneurial Alaska economy through the development and application of science and technology.

Programs

ASTF's programs include:

- small individual grants (\$20,000 or less)
- major individual grants (greater than \$20,000)
- group project grants
- direct grants to teachers (up to \$5000)
- Small Business Innovation Research (SBIR) Bridging Grants (up to \$50,000)

These programs contribute to the mission by providing matching financing to projects, growing companies, and by growing infrastructure for an entrepreneurial economy.

Customers

- ASTF's customers are primary technology based entrepreneurs from the private sector.
- ASTF also has customers who are teachers in K-12 schools who are developing science and math classroom projects.
- ASTF customers also include university researchers that involve end-users in projects with direct Alaska benefit.

Program Result Performance Measures

ASTF conducts annual surveys of grantees to gather statistics for performance measurement. The six key performance measures are:

Performance Measure	1997-1999 actual	1998-2000 target
• New jobs from technology projects (jobs/project)	5	6
• New revenues from technology projects (\$/project)	139,000	150,000
• % of technology project grantees in business due to ASTF grant	44	50
• % of technology project grantees who report new/improved products/processes/services	89	90
• % of technology and knowledge projects which increase basic science and technology knowledge	69	72
• % of knowledge projects which develop new processes or services, or reduce costs	61	64

1999 Survey Results of Overall ASTF Impact

The 1999 survey of 196 grantees had a 55% response rate. Grantees reported:

- Over 300 new jobs created
- \$6.4 million in additional sales
- \$35 million in other financing raised
- 9 out of 10 reported either an improved production process, adding value to an existing product or service, or developing a new process, product, or service
- Numerous invention disclosures, patents, copyrights, and technical papers and presentations

Recent Industry Accomplishments

Fishing and Aquaculture

- Demonstrated longer salmon shelf life with sodium chlorite – implementation planned by Alaska Seafood International and processors
- Demonstrated longer salmon shelf life with ozone – working with processors and DEC for permits
- Demonstrated salmon pin-bone removal machines and sold 150,000 pounds of boneless fillets
- Demonstrated fisheries sonar capable of improved fish detection, and species and size determination
- Demonstrated high survival rate of oyster seed at Kachemak Bay nursery – nursery now providing product to ocean farmers
- Seward hatchery developing technology to produce feedstocks for scallops, geoducks, and cockles

Mining

- Aeromap demonstrated desktop tool to better interpret data for improved exploration analysis (Fort Knox)
- Anchorage glass recycling center proved feasibility and produced and sold abrasives for industrial sand blasting made from waste glass
- Developing improved scientific basis for interpreting total dissolved solids water quality standards – project involves Producers Council, DEC, F&G, and University of Alaska

Petroleum Products

- Demonstrated in Valdez new chemical process to desulfurize diesel fuel to meet stricter EPA standards

Forests and Forest Products

- Seven mills now have graded dimensional lumber. Dimensional lumber needed to meet building codes has been 100% imported. Three local lumber graders now certified. First supply of Alaska lumber in Railbelt "big box" stores in 10 years.
- Launched project to demonstrate new chemical delivery system to repel spruce beetles

Agricultural Products

- Alaska Fresh Cut products (bagged salads and ready-to-use vegetables) now selling in Alaska supermarkets and increasing demand for Mat-Su farm products
- Demonstrated chipability of Alaskan potatoes for potential Alaskan potato chip manufacturing

Public Health and Safety

- Put live video camera pictures of three rural airstrips on Internet website for weather observation/safety - idea being copied in Alaska and nationally.
- Received EPA approval of bear repellent – now on the market
- Demonstrated a biotechnology based test for immediate detection of paralytic shellfish poisoning

Other Accomplishments

- Alaska Growth Capital (BIDCO) program success (20 loans and exceeded its second year business projections by 20%)
- Completed construction financing of Kodiak Launch facility (\$10 million)
- Net Day - Thousands of volunteers and ASTF Internet Connectivity Grants to Schools wired 90% of Alaska's K-12 classrooms making Alaska the top state in U.S. with wired K-12 classrooms
- Assisted Seward, Homer, and Kenai science museums to deliver science resources via the internet
- Direct Grants to additional 56 Science and Math Teachers

Strategies/Priorities/What's Different for FY 2001

- Continued focus on forest products, mining, and fishing/aquaculture sectors.
- Increased focus to energy, cold regions engineering and construction, logistics, remote sensing, and information technology sectors.
- Increased emphasis on assisting existing companies to grow in new areas.
- Grant application shifting to business plan form.

Is there duplication between agencies?

- No state agency has identified any project or activity where ASTF is duplicating their efforts.
- Where good science is expected to yield Alaska benefit, ASTF sometimes works with the private sector and other State agencies to address problems that limit Alaska opportunities. An example is water quality regulations and mining industry.

Do other viable options exist?

- In the short term, the answer is no.
- ASTF funds projects at the concept, prototype, and commercialization stage.
- ASTF has made some investments in a BIDCO (risk capital) and Alaska InvestNet (organization to bring together investors and entrepreneurs) so as to increase the capability of the private sector to do early-stage pre-bankable technology and resource processing deals.

1-18-2000

#1
DHSS

Department Accomplishments

Mission

To promote and protect the health and well-being of Alaskan citizens.

Department Goals and Strategies for FY 2001

Help children stay healthy and safe.

- Improve the state's response to child abuse and neglect by responding to more reports of harm, ensuring that children in state care are placed in safe, quality homes, and moving children in foster care to permanent homes more quickly.
- Develop a system to improve surveillance, treatment and prevention of alcohol-related birth defects.
- Fully implement Denali KidCare - health care coverage for low-income children and pregnant women.
- Implement strategies to reach statewide immunization target: 90 percent of all 2-year-old children.
- Improve access to pediatric dental services.

Help Alaskans live healthier and have access to basic health care to reduce chronic and preventable disease.

- Improve access to health care for Alaskans in rural areas.
- Assist in the efficient development of telemedicine in Alaska.
- Efficiently manage the Medicaid program and gain the necessary federal and state resources to deliver a comprehensive program.

Establish an integrated statewide system for data collection, analysis and reporting that improves services to Alaskans

- Continue to link and integrate data from a variety of existing systems, including state and grantee client and management information systems.
- Develop and refine a system to evaluate welfare reform outcomes.

Promote efficient streamlined systems where employees value their work and meet customers needs

- Continue effort to integrate systematic performance measurement into the department's program planning, budgeting and ongoing operations.
- Improve process for internal and external communications.

Major Department Accomplishments for FY1999

- Launched Denali KidCare, expanding health care coverage to uninsured children and pregnant women. As of September, the program had reached its goal of enrolling nearly 12,000 children and was close to reaching its goal of signing up 800 pregnant women.
- Improved the response to reports of child abuse and neglect.
- Completed first full year of operation of Family Services Training Academy; all new workers trained before receiving caseloads; more than 260 social workers trained in first year.
- Increased training for child protection workers; reduced staff turnover; successfully filled approximately 22 vacant positions to provide increased protection.
- Launched statewide "Foster a Future" foster care recruitment campaign. Added more than 200 foster homes since FY 97.
- Provide services to additional 169 consumers who had been on the developmental disabilities waitlist for services, and provided developmental disability services to a total of 1,900 persons.

CORRECTION

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Rev. 6/98

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

1-18-2000

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DHSS

Department Accomplishments

Mission

To promote and protect the health and well-being of Alaskan citizens.

Department Goals and Strategies for FY 2001

Help children stay healthy and safe.

- Improve the state's response to child abuse and neglect by responding to more reports of harm, ensuring that children in state care are placed in safe, quality homes, and moving children in foster care to permanent homes more quickly.
- Develop a system to improve surveillance, treatment and prevention of alcohol-related birth defects.
- Fully implement Denali KidCare - health care coverage for low-income children and pregnant women.
- Implement strategies to reach statewide immunization target: 90 percent of all 2-year-old children.
- Improve access to pediatric dental services.

Help Alaskans live healthier and have access to basic health care to reduce chronic and preventable disease.

- Improve access to health care for Alaskans in rural areas.
- Assist in the efficient development of telemedicine in Alaska.
- Efficiently manage the Medicaid program and gain the necessary federal and state resources to deliver a comprehensive program.

Assist Alaskans who experience developmental disabilities and/or mental illnesses to live independently and remain economically secure.

- Refine Comprehensive Integrated Mental Health Plan in conjunction with consumers, policy boards and the Alaska Mental Health Trust Authority.
- Promote self-sufficiency for adults with disabilities through work incentives.
- Replace aging Alaska Psychiatric Institute, improve treatment services at new API, and strengthen community services to prevent inappropriate hospitalization.
- Review status and operation of adult assisted living homes and the clients they serve. Assist in strengthening guardianship and adult protective services.
- Develop and implement a plan for improving services for special needs children.
- Continue mental health program improvements.
- Eliminate the waiting list for infants needing diagnosis and treatment of developmental disabilities or delays.

Increase incentives and opportunities for communities to collaborate with the department to improve results for children and families

- Implement tribal Temporary Assistance for Needy Families (TANF) partnerships.
- Promote self-sufficiency for families on public assistance.
- Continue collaboration with communities and private organizations on service integration projects.
- Improve regulatory framework and processes for awarding, monitoring and implementing departmental grants for services to assist Alaskans.

Establish an integrated statewide system for data collection, analysis and reporting that improves services to Alaskans

- Continue to link and integrate data from a variety of existing systems, including state and grantee client and management information systems.
- Develop and refine a system to evaluate welfare reform outcomes.

Promote efficient streamlined systems where employees value their work and meet customers needs

- Continue effort to integrate systematic performance measurement into the department's program planning, budgeting and ongoing operations.
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- Increased training for child protection workers; reduced staff turnover; successfully filled approximately 22 vacant positions to provide increased protection.
- Launched statewide "Foster a Future" foster care recruitment campaign. Added more than 200 foster homes since FY 97.
- Provide services to additional 169 consumers who had been on the developmental disabilities waitlist for services, and provided developmental disability services to a total of 1,900 persons.

- Reduced overcrowding in juvenile detention and treatment facilities by opening a new 22-bed treatment unit addition to the existing Johnson Youth Facility in Juneau and adding 20 new detention beds at McLaughlin Youth Center in Anchorage.
- Implemented an aggressive immunization campaign at the state and local level, that simultaneously increased dramatically the number of two year olds who are adequately immunized, ensured that all Alaskan school age children are adequately immunized against measles to prevent another measles outbreak from occurring and significantly increased the immunization levels for young children against Hepatitis A and B.
- Reduced Temporary Assistance caseload to 8,721 families, the lowest point since 1991 when two-parent families were added to the old AFDC program, 34% below the historical peak in 1994.
- Reduced expenditures for Temporary Assistance payments from \$90.9 million in FY98 to \$74.3 million in FY99. This 18% saving contributes to a 35% saving over the past two years. These savings are from reduced payments due to earnings and from case closures.
- Initiated a successful program to assure that all "mission-critical" systems are Y2K compliant.
- Expanded state's response to fetal alcohol syndrome by conducting more than 200 medical chart reviews as part of FAS Surveillance Project and by establishing and training three FAS Multidisciplinary Community Teams - in Bethel, Dillingham and Copper Center.

Key Performance Measures

Division of Juvenile Justice Mission: To protect and restore communities and victims and rehabilitate juvenile offenders.

Measure: Youth and Justice - The percentage of restitution paid will be at least 82% of the amount ordered. The number of community work service hours will be 92% of the amount ordered.

Current Status: _____ In FY 99, 86% of the amount of restitution ordered was collected from juvenile offenders and paid to victims. During the same period, 95% of the community work service hours ordered was completed.

Benchmark: _____ Baseline used is the 1st quarter for FY1999. Restitution paid 79% and community work service 83%.

Background and Strategies: _____ It is the belief of DJJ that an essential aspect of rehabilitation of juvenile offenders is being held accountable for their actions, and making amends to the victim.

Division of Family and Youth Services Mission: To protect children who are abused and neglected or at risk of abuse and neglect.

Measure: The percentage of child protective services legitimate reports of harm assigned for an investigation will increase to 90% for FY2001.

Current Status: _____ FY2000: From July 1 through October 31, 1999, the total number of legitimate reports of harm assigned for investigation was 90%. Note: Due to the seasonality involved in Reports of Harm, data for a full fiscal year will be used for comparison purposes.

Benchmark: _____ In FY1997, 73.6% of legitimate reports of harm were assigned for investigation.

Background and Strategies: _____ Increased number of child protection workers to respond to more reports; better training and less turnover among these workers.

FY1997: 73.6% of legitimate reports of harm were assigned for investigation

FY1998: 77.3% of legitimate reports of harm were assigned for investigation

FY1999: 78.1% of legitimate reports of harm were assigned for investigation. Set targets for assigning reports.

Division of Public Health Mission: To preserve and promote the state's public health.

Measure: Child Health Improvements - Increase the number of 2-year olds fully immunized to 90% by the year 2001.

Current Status: _____ The percentage of fully immunized 2-year-olds for calendar year 1998 was 81.3%. This is up from 69% in 1996 and 75% in 1997.

Benchmark: _____ The department has gone from 48th to 22nd in ranking for the nation from 1997 to 1999.

Background and Strategies: _____ In 1997, the Department launched a major initiative to increase the rate of fully immunized two-year-olds. In two years we have gone from 48th to 22nd in the ranking for the nation. This comprehensive public-private initiative to increase the awareness of the need for immunizations and ensure access for families to the needed immunizations will be

extended through 2000, in order to obtain the highest level of immunizations possible by the end of the Year 2000, hopefully the 90% goal. After this date, immunization activities will remain a priority to ensure the rate does not fall as new children are born or move to the state.

Measure: Child Health Improvements - Reduce youth smoking and smokeless tobacco use rates by 10% by the end of FY2001.

Current Status: _____ Preliminary results from the Youth Risk Behavior Survey (YRBS) suggest that youth smoking has decreased, especially among younger youth.

Benchmark: _____ Percent of participants in the Youth Risk Behavior Survey sponsored by Centers for Disease Control and Prevention and co-administered by the State of Alaska and individual school districts.

Background and Strategies: _____ The YRBS is a random, anonymous school survey, sponsored by Centers for Disease Control and Prevention (CDC) and co-administered by the State of Alaska and individual school districts. In 1995, 36.5% of Alaskan high school students reported current cigarette use and 72.1% reported that they had ever smoked a cigarette. Middle school student cigarette use in 1995 was reported at 58.3% ever smoked and 24.8% current cigarette use. Preliminary results from the 1999 YRBS suggest that youth smoking has decreased, especially among younger youth. The differences do not reach statistical significance, and it will take several years of data collection to be sure

that smoking is declining among youth.

Research indicates that a comprehensive approach is the most effective method of reducing youth tobacco use rates. Therefore Alaska's Tobacco Prevention and Control Program is targeting both adults and youth. Utilizing tobacco settlement dollars, federal tobacco prevention and control funds, and tobacco tax revenues in an on-going public-private partnership, the Department is intensifying its efforts to decrease tobacco use among Alaskans over the next several years. These efforts will include a statewide counter-advertising campaign, enforcement of laws prohibiting sales to minors and ensuring clerk-assistance for tobacco product retail, increased community grants to encourage local interventions, and increased funding for cessation efforts.

Division of Mental Health and Development Disabilities Mission: To plan with and provide appropriate prevention, treatment and support for consumers and their families affected by mental disorders or developmental disabilities, while maximizing their self-determination.

Measure: API 2000 Community Implementation Plan-Decrease the number of psychiatric hospital days used per person that are publicly funded.

Current Status: _____ As of first half of FY1999, 12 days expresses the average number of days per person that are publicly funded.

Benchmark: _____ The benchmark is 13 days based on the second half of FY1998.

Division of Alcohol and Drug Abuse Mission: To promote the health and well-being of Alaskans by preventing and treating the abuse of alcohol, other drugs and inhalants.

Measure: Reduce the annual per capita alcohol consumption by people aged 14 and over from 2.55 to 2.25 gallons by FY2001.

Current Status: _____ The numbers currently indicate that Alaska's consumption rate is declining. Since FY90 Alaska has experienced a steady decline with the most recent years rates of 2.64 and 2.51 gallons per capita for FY97 and FY98 respectively.

Benchmark: _____ Annual per capita alcohol consumption for ages 14 and over was 3.46 gallons in FY85.

Background and Strategies: _____ The prevalence and severity of alcohol-related problems among Alaskans is directly related to the amount of alcohol consumed. The data, as collected, are based on total alcohol purchased at the wholesale level and the number of Alaskans who are 14 years of age and older but does not acknowledge the state's significant (and increasing) visitor population. The strategies that impact this indicator most readily are those that address public policy issues such as the number of licensed outlets and their hours of operation. In relation to this strategy the department advocates for positive change through legal and regulatory initiatives. Other strategies include but are not limited to: encourage activities and initiatives that will change community standards and emphasize healthy lifestyles; encourage traditional and alternative social activities that are alcohol and drug free.

This age group was selected by the Division in order to have a valid comparison of the state's consumption levels with the national level.

Division of Public Assistance Mission: To provide basic living expenses and self-sufficiency services to Alaskans in need.

Measure: Move 50% of welfare recipients into work activities by the end of FY2001.

Current Status: _____ The percentage of all Temporary Assistance families participating in federally countable work activities was 45% in January 1999.

Benchmark: _____ Federal law requires that states meet work participation requirements:

FFY1997 25% of all families

FFY1998 30%

FFY1999 35%

FFY2000 40%

FFY2001 45%

FFY2002 50%

Background and Strategies: _____ The Temporary Assistance program is a work-focused program to help Alaskans plan for self-sufficiency and to make a successful transition from welfare-to-work. Federal welfare reform law requires the state to meet work participation requirements. Failure to meet federal participation rates results in fiscal penalties. In FY2001 federal law requires 45% of all families and 90% of all two parent families to participate in a defined "work activity".

Division of Medical Assistance Mission: To maintain access to quality health care for all Alaskans and to provide health coverage for Alaskans in need.

Measure: Percentage of Alaskan providers participating in the Medical Assistance program, by type and region.

Current Status: _____	FY 1999 Summary Data	
	Enrolled	Participating
Physicians	84.9%	52.5%
Dentists	82.8%	59.0%
Pharmacies	75.8%	75.0%
Hospitals	100.0%	95.7%
Nursing Homes	100.0%	100.0%

Benchmark: _____ The Division has measured participation by physicians, pharmacies, dentist, inpatient hospitals, and nursing homes during FY1999. Participation rates compare licensed Alaskan providers with Medicaid enrolled and participating providers (i.e. those providers reimbursed for services).

1/20/00

DEPARTMENT OF CORRECTIONS

MISSIONS AND MEASURES

CHAPTER 77 / SLA 1999

(CSSB169 (FIN) am H)

Article 4. Department of Corrections

Sec. 36. Department of Corrections. The mission of the Department of Corrections is to protect the public and encourage offender rehabilitation through humane, safe, and cost-effective confinement and supervision. The department will respect the rights of victims and recognize the dignity inherent in all human beings as it pursues this mission.

Sec. 37. DCorrections - Parole Board. The mission of the Parole Board is to administer the release of eligible correctional inmates while providing for public safety and for the successful integration of parolees into the community.

Sec. 38. DCorrections - Division of Administrative Services. The mission of the Division of Administrative Services is to assist and provide effective and efficient administrative support services to the operating divisions within the department in implementing their programs, while ensuring compliance with federal regulations, state statutes, state regulations, state policies and procedures, and departmental policies and procedures, as approved by the Office of the Commissioner.

Sec. 39. DCorrections - Alaska Correctional Industries. The mission of the Alaska Correctional Industries is to assist in the rehabilitation of prisoners by providing realistic work experience as much like those that prevail in private industry as possible.

Sec. 40. – DCorrections - Division of Institutions. The mission of the Division of Institutions is to ensure that the institutions are maintaining an environment for staff and prisoners that promotes positive change and at the same time fulfills the statutory obligation of protecting the public.

Sec. 41. DCorrections - Division of Community Corrections. The mission of the Division of Community Corrections is to

- (1) develop and maintain public safety through supervision standards in conjunction with the regional chief probation officers; and
- (2) provide for public safety through supervision of adult felons who are placed in the division's jurisdiction.

DEPARTMENT OF CORRECTIONS

REVIEW OF DEPARTMENT ACCOMPLISHMENTS

Department Goals and Strategies for FY2001

1. MANAGE OFFENDERS IN A WAY THAT PROTECTS PUBLIC SAFETY.

To do this, the Department will:

- Implement its long-range population management plan to prevent overcrowding in the in-state correctional facilities;
- Maintain high utilization of community residential center (CRC) beds;
- Expand use of alternatives to incarceration, including electronic monitoring and the CRC Supervision (home furlough) program;
- Supervise offenders on probation or parole commensurate with their risk and program needs, including neighborhood-based community supervision services and increased supervision of sexual predators on probation and parole.

Performance measures for these goals include:

- Maintaining inmate populations within the emergency capacity of each institution;
- Minimizing the number of major incidences;
- Increasing probation and parole supervision of offenders through increased monitoring and accountability programs.

2. PROVIDE SERVICES AND PROGRAMS THAT EFFECT POSITIVE CHANGE, STRUCTURE OFFENDER TIME, AND FACILITATE SUCCESSFUL REINTEGRATION OF OFFENDERS INTO SOCIETY.

To do this, the Department will:

- Work cooperatively with the Mental Health Trust Authority and the Beneficiary Boards to provide services to the beneficiaries who are in the Department's custody or under the Department's supervision;
- Develop an in-prison residential treatment program for male offenders who have chronic substance abuse problems;
- Develop a standardized substance-abuse evaluation tool in consultation with the Division of Alcohol & Drug Abuse and private treatment providers;
- Collaborate with other agencies, including the court system and Division of Family and Youth Services, to identify possible resources to work with children of offenders;
- Develop and implement a Youthful Offender Initiative;
- Using principles of restorative justice, improve corrections-based victims' services;
- Expand Victim Impact classes both in institutions and for probationers and parolees.

Performance measures for these goals include:

- Improve substance abuse (alcohol and other drug) interventions for offenders;
- Improve education services for offenders in institutions.

3. PROVIDE EFFECTIVE CORRECTIONAL ADMINISTRATION THROUGH STRATEGIC PLANNING, TRAINING, QUALITY ASSURANCE, AND THE USE OF AUTOMATION AND NEW TECHNOLOGIES.

To do this, the Department will:

- Continue to implement and refine the Department's management information system, including the development of a new inmate accounting system;
- Continue installation of new fingerprint equipment statewide;
- Increase agricultural production at Point MacKenzie Farm, allowing distribution of additional produce to correctional facilities statewide;
- Engage in Department-wide strategic planning related to the health care mission;
- Implement last year's Prisoner Litigation Reform Act legislation;
- Provide training, including victims' services training, for all staff.

Performance measure for these goals include:

- Expand the management information system to include medical, clinical and programmatic data.

Key Department Issues for FY2000 – 2001

PRISON OVERCROWDING - Alaska's institutions can only hold 2,745 inmates, forcing the state to send 1,100 inmates out-of-state. The department will address this by continuing to implement its long-term population management plan.

CONSTRUCTION OF A NEW ANCHORAGE JAIL AND A PRISON AT FORT GREELY- Department staff continue to be involved on a daily basis with the Municipality of Anchorage in the planning and construction of a new 400 bed Anchorage Jail. The Department is also continuing its planning for an 800- bed prison at Fort Greely.

EXPANDING JUVENILE OFFENDER POPULATION - Juvenile offenders, between the ages of 15 and 22, currently account for more than 16% of Correction's in-state institutional population. While many of these juveniles are serving lengthy sentences, almost all will be released back into the community at some point. The Department must develop and implement programs that will facilitate their rehabilitation and increase the probability that these youth will be able to lead crime-free lives upon their return to the community.

WORK WITH LOCAL COMMUNITIES TO EXPAND TREATMENT AND SUPERVISION PROGRAMS - One of the biggest obstacles impeding the release of some offenders into rural and bush communities is the lack of available treatment and

supervision programs in those communities. These circumstances have made it necessary for some rural and bush offenders (especially sex offenders) to reside in hub communities during their terms of probation and parole, which lessens the chance of their successful reintegration into their home community. The Department is working to develop partnerships between criminal justice system agencies, health and social service agencies, and regional and village or tribal organizations to help meet offenders' needs for supervision and treatment in rural and bush communities.

STANDARDS AND ACCREDITATION INITIATIVE - Anticipating that it will soon be relieved of court monitoring, the Department is developing its own initiative to ensure that its institutions continue to operate in a safe and secure manner. Toward this end, the department will be seeking accreditation by the American Correctional Association (ACA) for its institutions over the next three years.

NEW MANAGEMENT INFORMATION SYSTEM (MIS) - The department is working toward implementation of its new MIS, which will enable it to maintain and analyze data relating to its offender population. Agency staff are now being trained in the maintenance and use of the new system.

Major Department Accomplishments for FY1999

POPULATION MANAGEMENT - The Department developed and began implementation of its long-term population management plan to bring and maintain institutional prisoner populations below their established emergency capacity.

ALTERNATIVES TO INCARCERATION - One part of the department's long-term population management plan is to increase alternatives to incarceration for low-level offenders. This year, the Department initiated its Electronic Monitoring and CRC Offender Supervision Programs, which provide two alternatives for safely moving prisoners out of hard beds and into the community.

INCREASED SUPERVISION FOR SEXUAL PREDATORS - The Department increased the number of probation officers supervising sex offenders, which reduced the caseloads so that probation officers can more effectively monitor this dangerous population.

RESIDENTIAL SUBSTANCE ABUSE TREATMENT (RSAT) PROGRAM FOR WOMEN - The Hiland Mountain Correctional Center Women's Residential Substance Abuse Treatment (RSAT) Program was brought on line in FY'99. It is a twelve-month program for female inmates needing intensive substance abuse treatment. The Department also brought on line its Living In New Knowledge Successfully (LINKS) project for women with children who need transitional assistance upon release from the RSAT Program.

PARITY IN VOCATIONAL EDUCATION FOR FEMALE OFFENDERS - In partnership with the University of Alaska Anchorage (UAA) and with the help of a

federal grant, the Hiland Mountain Correctional Center established a comprehensive vocational program that offers training for women in computer operations, horticulture, and building trades.

SUPERVISION BY VIDEO - The Division of Community Corrections expanded its supervision capabilities in rural sites by developing a video supervision system, which was initiated this year in Hoonah and Hooper Bay. Other sites will be added in FY 2001.

STRATEGIC PLAN FOR MENTAL HEALTH TRUST BENEFICIARIES - The Department completed its Strategic Plan for Mental Health Trust Authority Beneficiaries, which includes individuals who are mentally ill, developmentally disabled, chronic alcoholics with psychosis, or afflicted with Alzheimer's Disease or related disorders. The plan highlights the progress that the State has made in its treatment of Trust beneficiaries who enter the criminal justice system, and details new initiatives to help prevent beneficiaries from becoming incarcerated. It also provides an overview of mental health and substance abuse treatment services available in correctional facilities and offers recommendations for improving services to Trust beneficiaries.

SERVICES FOR VICTIMS - The Department improved services for victims by activating the Victim Information Notification telephonic-information service, developing and distributing a Victim Resources Guide, conducting community education classes in Dillingham, and establishing a Victims Advisory Committee for the Division of Community Corrections.

STANDARDIZED COURT FORMS AND PROCEDURES - The Department worked with the court system and prosecutors to establish standardized formats and procedures for filing Petitions to Revoke Probation. This resulted in increased consistency and fairness of process throughout the State, and saved departmental and court staff time.

INCREASED FARM PRODUCTION - Point MacKenzie Rehabilitation Farm produced 56.75 tons of vegetables for consumption at the farm and other DOC facilities statewide. This was an increase of 9.5 tons over the previous year.

INCREASED OFFENDER ACCOUNTABILITY - The Department increased offenders' accountability to victims and the community by conducting victim impact classes.

CULTURALLY-RELEVANT PROGRAMS - The Department implemented culturally-relevant offender accountability programs at the Nome and Bethel CRCs.

Key Performance Measures

Measure: Maintaining inmate populations within the emergency capacity of each institution.

Current Status:

November 1999 was the first time this decade that all in-state institutions were under their emergency capacities.

Benchmark:

The final order in Cleary, nearly a decade ago, required the Department to bring its population under emergency capacities established in the class action lawsuit. The Department has been attempting to comply since then.

Background and Strategies:

As Alaskans have wanted to get "tough on crime", the State's prison population has increased. We have not had comparable growth in new jails or prisons. The Department has developed and is implementing a long term plan.

Measure: Minimizing the number of major incidents.

Current Status:

During the Knowles Administration, there have been no major incidents in Alaska's in-state institutions. As the State attempts to respond to decreasing revenues, it is important to ensure that we do not compromise public safety.

Benchmark:

The State has established its own benchmark by not having any major incidents for many years now.

Background and Strategies:

Maintaining in-state institutions below their emergency capacities and ensuring an adequate number of properly trained staff are critical components to preventing major incidents.

Measure: Increasing probation and parole supervision of offenders through increased monitoring and accountability programs.

Current Status:

The FY 1999 department-wide average monthly supervision caseload was 4,388; the monthly average number of pre-sentence reports was 120. The following general supervision caseloads per Probation Officer exceed the benchmark;

Anchorage, 8 of 14 exceed 100 medium/maximum offenders
Palmer, 3 of 4 exceed 100 medium/maximum offenders
Fairbanks, 3 of 8 exceed 90 medium/maximum offenders

Benchmark:

Establish monthly caseloads of a Probation Officer who is not preparing pre-sentence reports at 70-75 offenders.

Establish monthly caseloads of a Probation Officer who is preparing pre-sentence reports at 60-65 offenders.

Background and Strategies:

The number of offenders on probation/parole during the last two fiscal years has increased by 833 felons, primarily in the Anchorage, Palmer and Fairbanks areas.

1997 Average monthly caseload statewide: 3,553
1998 Average monthly caseload statewide: 4,132
1999 Average monthly caseload statewide: 4,388

As the number of offenders on probation/parole continues to increase, it will become necessary to increase the number of probation officers providing supervision.

Caseloads over the benchmark standard for supervision make it more difficult to protect public safety.

Measure: Improve Substance Abuse (Alcohol and Other Drug) Interventions for Offenders.

Current Status:

In Alaska, the Women's Residential Substance Abuse Treatment (RSAT) program opened Nov. 1, 1998. It is an in-prison long-term residential treatment program. As of Sept. 30, 1999, 78 women have been admitted to this intensive level of care. The Department plans to open a similar program for male offenders as soon as possible.

Benchmark:

Many jurisdictions are showing success, measured by reduced recidivism, by implementing in-prison residential treatment programs that address addiction issues in conjunction with life skills and behavioral changes.

Background and Strategies:

Many chronically addicted offenders who have a history of substance abuse related crimes need the services of a 6-12 month residential treatment program that addresses addiction issues in conjunction with life skills and behavioral changes. Without such intervention, they inevitably return to their substance abuse and criminal behavior. In order to improve substance abuse interventions for offenders, the Department is striving to increase the number of women and men participating in RSAT programs while incarcerated.

Measure: Improve education services for offenders in institutions.

Current Status:

The Department is working with the Department of Education and Early Development in order to improve education services for inmates in correctional facilities, especially for youthful offenders who have special educational needs.

Benchmark:

This needs to be further developed. Many Alaskan inmates have educational deficiencies. The Department has a growing number of youthful offenders who have serious deficits, including special educational needs.

Background and Strategies:

Educational services are insufficient throughout the Department's institutions. Through coordination with other state agencies, the Department will be improving the quality and quantity of its educational services.

Measure: Expand the Management Information System to include medical, clinical and programmatic data.

Current Status:

The new system replacement core will be implemented during the third quarter of FY 2000.

Benchmark:

The essential elements of the medical, clinical and programmatic data expansion will be operational in the new Management Information System by June 30, 2001.

Background and Strategies:

The Department has recognized its need for more accurate data to track recidivism and perform other data driven functions. To this end the Department has been working since 1995 toward the development and implementation of the new core management information system.

In FY 1999 the Department received a two-year \$2,000.0 federal grant to develop and implement the MIS. The states of Alaska, Colorado, Utah and New Mexico have collaborated to share costs of the development of the core system.

Status of FY2000 Performance Measures

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
• Maintain in-state prisoner population in correctional facilities at less than emergency capacity.		X			
• Establish program to address violent juvenile offenders in the adult correctional system.			X		
• Bring Integrated Management Information System on-line.		X			

ALASKA COURT SYSTEM

The mission of the Alaska Court System is to provide an accessible and impartial forum for the just resolution of all cases that come before it, and to decide such cases in accordance with the law, expeditiously and with integrity.

The customers of the Alaska Court System include:

- ◆ Individual citizens of Alaska, who access the courts as litigants, jurors and witnesses, and for such auxiliary services as deposits of wills and public record information
- ◆ Businesses and organizations, which access the courts as litigants and which are recipients of justice system information
- ◆ Victims and their families and communities, who access the courts to protect their rights and to restore their losses
- ◆ The attorneys of the Alaska Bar Association who represent litigants before the courts
- ◆ The agencies of the executive branch, and the Legislature, both as litigants and as recipients of justice information and statistics
- ◆ Representatives of the media, who seek information about court cases and court business
- ◆ Researchers (in-state, national and international) as recipients of justice information and statistics

Eight accepted purposes of courts are:

1. To do individual justice in individual cases
2. To appear to do justice in order to promote public trust in our system of government
3. To provide a forum for the resolution of legal disputes
4. To protect individuals from the arbitrary use of governmental power
5. To provide a formal record of legal status
6. To deter criminal behavior
7. To rehabilitate persons convicted of crimes
8. To separate persons convicted of crimes from society, in appropriate cases

Alaska Court System Statistics

FY 1999 caseload:

156,212 trial court cases were filed, representing a 5.4% increase over FY 1998 levels.

Revenue:

In FY 1999, the Alaska Court System collected \$5,848,900 in state revenue which was deposited in the state general fund:

- \$3,627,200 from fines and forfeitures
- 1,629,800 from civil case filing fees
- 303,500 from clerical fees
- 35,100 from cost recoveries
- 253,300 from interest on investments

Additionally, in FY 1999 the Alaska Court System collected and forwarded the following funds to other agencies:

Alaska Police Standard Council (surcharges)	\$362,512.73
Health & Social Services (Vital Statistics)	285,568.75

(Funds collected by the Alaska Court System from municipal ordinance violations go to the respective municipalities; see following page.)

**ALASKA COURT SYSTEM
FY 99 CITY/BOROUGH FUNDS COLLECTED**

City/Borough	Total Funds Collected by Court
Anchorage	\$1,133,664.08
Angoon	\$450.00
Barrow	\$3,745.00
Bethel	\$9,347.00
Cordova	\$2,814.00
Craig	\$1,324.29
Dillingham	\$1,927.00
Emmonak	\$305.00
Fairbanks	\$45,370.87
Fairbanks Borough	\$4,072.50
Galena	\$35.00
Haines	\$3,432.00
Homer	\$38,437.75
Hoonah	\$4,568.54
Juneau	\$97,768.14
Kake	\$88.00
Kenai	\$38,707.00
Ketchikan	\$32,802.00
Kodiak	\$20,489.00
Kodiak Island Borough	\$725.00
Kotzebue	\$6,174.00
Matsu Borough	\$7,695.00
Nenana	\$2,761.00
Nome	\$1,305.00
North Pole	\$83,123.78
Palmer	\$61,479.00
Petersburg	\$1,140.00
Saint Mary's	\$4,910.00
Seward	\$19,266.50
Sitka	\$14,385.28
Skagway	\$987.00
Soldotna	\$42,078.00
Unalakleet	\$115.00
Unalaska	\$2,024.00
Valdez	\$30,572.00
Wasilla	\$58,252.80
Wrangell	\$225.00
Yakutat	\$2,987.00
FY99 City/Borough Funds Collected	\$1,718,073.53

ALASKA COURT SYSTEM ORGANIZATION

ALASKA SUPREME COURT
The supreme court is the appellate court of final authority in Alaska. It consists of a panel of five justices.

COURT OF APPEALS
The court of appeals hears appeals in criminal and quasi-criminal cases (such as juvenile delinquency cases). It consists of a panel of three judges.

ADMINISTRATIVE OFFICE
The supreme court is charged with the responsibility of administering the statewide system. The supreme court delegates most of the administrative matters to the administrative director.

SUPERIOR COURT
The superior court is the trial court of general jurisdiction. It has appellate jurisdiction over district court appeals and appeals from administrative agency decisions. There are 32 superior court judgeships.

DISTRICT COURT
The district court has limited civil and criminal jurisdiction. The district court consists of 17 district court judges and 60 authorized magistrates.

ALASKA COURT SYSTEM
 (Information as of June 30, 1999)

Fiscal Year:	July 1 - June 30	
Geographical Area Served	586,413 square miles	
Number of Judges	5	supreme court judges
	3	court of appeals judges
	32	superior court judges
	17	district court judges
	60	magistrates
Number of Court Locations:	15	combined superior and district court
	44	district courts only (judge and/or magistrate)
Number of Authorized Positions:	655	permanent full-time
	50	permanent part-time
	21	non-permanent
	726	total

FIVE LARGEST TRIAL COURTS
 (by number of permanent full-time employees)

Anchorage	210
Fairbanks	82
Juneau	30
Palmer	25
Ketchikan	22

1/20/00

Review of Department Accomplishments: Alaska Commission on Judicial Conduct

Mission

Alaska's Commission on Judicial Conduct was created by amendment to the state constitution in 1968. The Commission is composed of three state court judges, three attorneys who have practiced law in the state for at least ten years, and three members of the public. This group of nine individuals from differing backgrounds and geographical areas addresses problems of judicial conduct and disability. Any person may file a complaint alleging judicial misconduct.

Unique Role of the Commission

Judicial ethics commissions, like the Alaska Commission on Judicial Conduct, were created in the late sixties and early seventies to address the unique issues of judicial ethics and discipline. These commissions provided vehicles for public participation in judicial discipline through membership on the commission and today every state and the District of Columbia has a judicial ethics commission. By providing an independent agency from the court system, the Commission has some freedom to objectively receive and investigate ethics complaints against the judiciary. There is no other agency that fills this function in our state.

Effectiveness of the Commission

In 1999, the Commission processed more complaints and took informal action in more of those complaints than in prior years. However, the caseload and resulting actions fluctuate over any given time period and the Commission's actions depend on the nature of the complaints filed with us. Attached is a chart that reflects the past five years of Commission activity.

We also undertake educational activities that, hopefully, prevent to some extent future ethical lapses by judges. The Commission issues advisory opinions to judges, publishes a quarterly newsletter, and participates in statewide judicial conferences. In addition, staff makes an effort to speak to local community groups to inform the public of our function and purpose.

Staff

Our Commission has a full-time staff of two: an executive director and an administrative assistant. As needed, the Commission hires special counsel when a complaint proceeds to a point that it creates an adversarial relationship between the Commission and the judge.

**Comparison of Actions Taken by
Alaska Commission on Judicial Conduct**

Action taken	1994	1995	1996	1997	1998	1999
Complaints investigated	33	20	15	15	21	32
Judges asked to respond in writing	1	0	0	2	0	0
Judges summoned before Commission	0	0	0	2	0	1
Dismissed before formal hearing	0	0	0	1	0	0
Dismissed as unsubstantiated	0	0	0	0	2	1
Dismissed for lack of jurisdiction	18	28	16	26	28	41
Dismissed for insufficient evidence after investigation	30	20	14	13	17	25
Private sanctions and cautionary letters	2	5	1	1	2	6

**Education & Early Development
Mission & Measures in SB169**

Department Mission

The mission of the Department of Education is to lead and support the development of responsible, economically viable, lifelong learners and citizens.

Office of the Commissioner

The mission of the Office of the Commissioner is to direct the department as it leads and supports the development of responsible, economically viable lifelong learners and citizens.

Education Support Services

The mission of the Education Support Services is to provide management, financial, and technical support services to departmental programs and the operation of public schools for lifelong learners and citizens.

Teaching & Learning Support

The mission of the Teaching & Learning Support is to improve student performance through professional development, school accountability, standards and assessment.

The legislature intends to measure the success of Teaching & Learning Support in achieving its mission by considering the percentage increase of students

- (1) who meet or exceed the proficiency level for reading, writing, and mathematics performance standards as measured by the state benchmark assessment in grades 3, 6, and 8;
- (2) in grades 4 and 7 scoring at or above the national average on the state adopted norm-referenced test;
- (3) who meet or exceed the proficiency level for reading, writing, and mathematics performance standards as measured by the state high school graduation qualifying examination

Early Development

(Programs transferred to the Department of Education & Early Development in HB40 – no mission included in SB169)

The mission of the Division of Early Development is to provide safe, stable, culturally and developmentally appropriate high quality early care and education programs for young children statewide.

Vocational Rehabilitation

(Division was transferred to the Department of Labor & Workforce Development in HB40)

The mission of the Division of Vocational Rehabilitation is to assist individuals with disabilities to overcome barriers to employment and maintain suitable employment.

Education & Early Development Mission & Measures in SB169

Libraries, Archives & Museums

The mission of the Libraries, Archives and Museums is to provide library, archival, and museum services for the benefit of lifelong learners and citizens.

Alyeska Central School

The mission of Alyeska Central School is to provide a cost effective, high quality educational program through distance delivery for state students who elect to complete their studies at home.

Mt. Edgecumbe High School

The mission of Mt. Edgecumbe High School is to provide a comprehensive academic program in a residential setting for state students who will benefit from a boarding school.

Alaska Vocational Technical Center

The mission of the Alaska Vocational Technical Center is to provide market-driven vocational and technical training to prepare state residents for employment industry-specific qualifications.

Alaska State Council on the Arts

The mission of the Alaska State Council on the Arts is to provide and enriched atmosphere for lifelong participation in the state's rich artistic diversity through advocacy, information, and educational services.

Alaska Commission on Postsecondary Education

The mission of the Alaska Commission on Postsecondary Education is to

- (1) support the development of economically viable citizens by providing, through the self-sustaining loan fund, educational loans to postsecondary students; and
- (2) authorizing the operation of postsecondary institutions.

The legislature intends to measure the success of the commission in achieving its mission by considering

- (1) the percentage of and the increase in the percentage of Alaska student loan borrowers completing job-specific training programs;
- (2) the percentage of and the decrease in the percentage of loans that are in default;
- (3) the defaulted loan recovery rate and the increase the rate of recovery for defaulted loans.

**Education & Early Development
Mission & Measures in SB169**

Washington, Wyoming, Alaska, Montana, and Idaho (WWAMI) Medical Program

The mission of the Alaska Commission on Postsecondary Education in administering the WWAMI program is to improve the general health and well-being of state residents by providing biomedical education, research, health care, and public service.

The legislature intends to measure the success of the WWAMI program by considering

- (1) whether the program succeeds in increasing the number of Alaska communities with access to basic or enhanced medical services associated with WWAMI/UW;
- (2) the percentage increase in WWAMI participants who return to the state to practice medicine;
- (3) percentage increase of Alaskans receiving medical care through programs and physicians supported by the University of Washington School of Medicine WWAMI program;
- (4) the percentage increase in health-related programs developed in the state that are associated with WWAMI/UW; and
- (5) the number of research projects in or about the state associated with the University of Washington School of Medicine WWAMI program.

**Education & Early Development
Mission & Measures in SB169**

Report on Measures

Teaching & Learning Support Measures

(1) The percentage increase of students who meet or exceed the proficiency level for reading, writing, and mathematics performance standards as measured by the state benchmark assessment in grades 3, 6, and 8;

FY2000	FY2001	Change
1 st Administration of tests in March 2000	Proficiency levels to be determined Fall of 2000	

(2) The percentage increase of students in grades 4 and 7 scoring at or above the national average on the state adopted norm-referenced test;

Grade	1997-98 School Year	1998-99 School Year	Change
4 Top Quartile	32.4	31.3	-1.1
8 Top Quartile	31.7	32.2	1.5

- Alaska is transitioning from Grade 8 to Grade 7 for norm-referenced testing

(3) The percentage increase of students who meet or exceed the proficiency level for reading, writing, and mathematics performance standards as measured by the state high school graduation qualifying examination.

FY2000	FY2001	Change
1 st administration of test in March 2000	Proficiency levels to be determined Fall of 2000	

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House Finance Review of Department Accomplishments

Alaska Aerospace Development Corporation

January 19, 2000

Mission

To promote aerospace-related economic growth and develop corresponding technologies and support services.

Programs and Contributions to the Mission

The Kodiak Launch Complex (KLC): a state-owned, AADC managed rocket launch complex developed to support both commercial and government launch activity.

Fairbanks satellite ground stations: an AADC effort to facilitate private development of satellite ground stations for polar orbiting satellites.

Both provide economic benefit as well as diversification of the economic base. Both programs promote economic growth by encouraging development of additional infrastructure to support their activities.

Customers

The KLC targets both commercial launch vehicle providers and government customers. Existing customers include Lockheed Martin Corporation, the US Air Force and US Army.

While not direct customers of AADC, the agency has worked with the following companies to develop ground stations in Fairbanks: Los Alamos Laboratories, Space Imaging Inc., the US Air Force.

FY2000 Performance Measures

There are no current year performance measures.

FY2001 Performance Measures

Measure: Increase the number of launches from the Kodiak Launch Complex (KLC) to at least two in FY01.

Current Status:

AADC is targeting two to three launches for FY2001, one for Lockheed Martin in September 2000 and two government missions in the first half of 2001. Contract negotiations are being finalized with Lockheed and discussions have commenced for the two government missions.

Benchmark:

Being developed. The KLC is the first facility of its kind — the only complete launch complex owned and operated by a state.

Background and Strategies:

There have been two launches from the KLC — one in FY99 and one in FY00. Lockheed Martin's *Athena* will be the first commercial vehicle to be launched from the KLC in September 2000.

AADC received a marketing/commercialization grant from the Alaska Science and Technology Foundation to be expended over a three-year period. The purpose of the grant is to reach out to as many potential customers as possible and solidify launch contracts for the KLC. A technical marketing component of the grant will assist in contract development and negotiation as well as explore KLC enhancements that could broaden the customer base.

FY2001 Performance Measures (continued)

Measure: Demonstrate economic impact from KLC launch activities of at least \$2 million in FY01.

Current Status:

The University of Alaska Anchorage, Institute of Social and Economic Research (ISER) performed an analysis of the inaugural launch from the KLC. Based on actual expenditures, ISER determined the total economic effect for the state to be \$1.3 million in sales and \$450,000 in payroll.

Benchmark:

Being developed. There is no data available for comparison from other states.

Background and Strategies:

There is a direct relationship between the number of launches from the KLC and the economic benefit to the State of Alaska. AADC will continue to promote utilization of the facility and monitor the economic benefits that result. AADC will also encourage use of local resources for supplies and services to maximize the effect within the state.

FY99-00 Accomplishments

- Completed first two successful launches from the KLC for the US Air Force.
- Scheduled first orbital launch from the KLC for Lockheed Martin Corporation.
- Received funding for completion of the KLC construction effort in the amount of \$12 million: \$7 million from federal sources and interest earnings and \$5 million from the Alaska Science and Technology Foundation.
- Managed \$40 million construction effort of the KLC and accomplished 90% completion of the facilities.
- Received grant for marketing and commercialization of the KLC in an amount of up to \$1 million from the Alaska Science and Technology Foundation.
- AADC received the Governor's Award in recognition of the first successful launch at the Kodiak Launch Complex.
- AADC received Laurels aerospace achievement award from Aviation Week Magazine for development of the KLC, the first completely new US space launch facility in decades.
- AADC selected as business of the year by the Kodiak Chamber of Commerce.

What do you intend to do differently this year?

As the construction of the KLC comes to completion, AADC will transition the facility to a year-round operational mode. An aggressive marketing strategy aimed at increasing awareness of the facility, identifying potential customers and solidifying launch contracts will be implemented.

FY01 Strategies/priorities

To promote use of and secure customers for the KLC.

- Complete first orbital launch from the facility with Lockheed Martin Corporation.
- Negotiate contract and complete third government launch campaign
- Implement marketing and commercialization strategy.

To develop strategy for KLC facility operations while exploring partnership opportunities with the private sector.

To increase local employment opportunities to support aerospace activities.

- Facilitate cooperation between aerospace industry and Kodiak community to identify opportunities to support launch operations.
- Encourage aerospace industry to develop ongoing business presence within the State.
- Facilitate development of privately funded ground stations.
- Utilize local contractors to support launch missions from the KLC.

To provide educational opportunities throughout the state.

- Encourage launch customers to visit local schools and provide education information related to launch missions from the KLC.
- Facilitate corporate scholarships for local students.

To increase awareness of Alaska's strategic location for aerospace operations and provide a mechanism to receive nation-wide exposure for the state as a place which supports high tech industry.

Monitoring the state's investment

AADC will validate the success of the KLC by quantifying the number of launches per year as well as the economic impact to the Kodiak community and State of Alaska.

The success of the ground station effort will be measured by the number of facilities operating in Fairbanks. Additional success may be measured by value-added data processing activities which may develop.

AADC will monitor the national press coverage received by aerospace-related activity, in particular, the first orbital launch mission by Lockheed Martin.

Is there duplication between agencies?

No.

Are other options viable to accomplish these results?

AADC will be exploring strategic partnerships with the private sector for marketing and operations of the KLC.

DEPT OF
Accomplishments

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Alaska Railroad Corporation

A Report to the
Legislature and Governor
State of Alaska
January 2000



1/19/00

Alaska Railroad Corporation



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Alaska Railroad Corporation



Five-Year Strategic Outlook January 2000

History and Corporate Profile At-a-glance

The Alaska Railroad Corporation (ARRC) is a professionally run, self-sustaining, full-service railroad serving ports and communities from the Gulf of Alaska to Fairbanks. Owned by the State of Alaska since 1985, the Railroad is overseen by a seven-member Board of Directors appointed by the Governor.

History

- Built by U.S. government beginning in 1914, completed in 1923
- Operated by federal government until 1985
- Purchased by State of Alaska for \$22.3 million in 1985 to serve Alaska businesses and communities as an engine of community development and economic growth

Corporate Profile

- 650 fulltime (up to 750 with seasonal employees) with annual wages and benefits of \$36.2 million
- Self-sustaining through revenue generated by freight, passenger, and real estate
- Maintenance and operations centers in Seward, Whittier, Anchorage, Healy, and Fairbanks

The ARRC Mission

- Safety
- High-quality transportation services
- Promotion and enhancement economic development in Alaska

Business Profile

- \$90.3 million annual gross revenue (1999)
- Petroleum products, gravel, and interline freight 73 percent of gross in 1999
- Passenger service generates approximately 16 percent of gross revenue
- Real estate (leases, right-of-way access) are 9.5 percent of gross, but averaged 45 percent of net income during the period 1996-1998.

How the State Came to Own the Alaska Railroad

While the Alaska Railroad was a fixture of the Alaska economy and community long before statehood and well after 1959, it was owned and operated by the United States government. Under federal ownership the Railroad:

- was encumbered by outdated management practices and compensation structures,
- did not earn enough to maintain the asset properly,
- lacked a clear mission.

In the early 1980s the federal government sought to divest itself of the Railroad. The Alaska Legislature determined that it was in the State's best interest to control and maintain the Railroad and paid \$22.3 million for the entire operation, the real estate, and all rolling stock.

How the ARRC Differs from State Agencies

The Alaska Railroad Corporation Act of 1984 established a state-owned corporation that is governed by a seven-member board of directors appointed by the Governor. The President and CEO of the corporation reports to the Board.

The Act specifically requires that all revenue earned by the Railroad be retained by the Railroad. The intent was to ensure that the Railroad had the money it needed to meet basic maintenance needs, improve the asset for safety and increased profitability, and to avoid tapping into the state general fund.

Unlike other independent state corporations (such as the Alaska Housing Finance Corporation and the Alaska Industrial and Export Development Administration), the Railroad has significant annual capital investment and maintenance needs. The annual operating surplus is put back into the line. In addition:

- The ARRC is audited each year by independent financial and management companies
- Procurement procedures mirror state procurement requirements
- The ARRC's employees are represented by five unions that negotiate contracts with the corporation
- ARRC represented and non-represented employees are not covered by state public employee contracts, nor do they receive state-funded pensions and benefits.

Financial Performance under State Ownership

The Alaska Railroad has consistently achieved record operating surpluses since 1995, and has shown an operating surplus 12 of the 15 years under state ownership.

The profits generated by money-making aspects of the business (real estate, freight, and passenger service) allow the Railroad to pay for operations that are important to Alaskans, such as passenger service to sparsely populated areas (even though these services do not pay for themselves).

How the Arrc Supports Itself

More than 77 percent of the Railroad's business is in hauling freight. This includes petroleum products, coal, gravel, oilfield and mining supplies and chemicals, and consumer goods. A significant portion of the freight business is linked to the Railroad's barge connections to Seattle, WA and Prince Rupert, B.C.

The Railroad's biggest single customer is Williams Energy. Nearly half of the ARRC's freight revenue comes from carrying refined products such as diesel and jet fuels, gasoline, and naphtha from Williams' North Pole Refinery to Anchorage. The ARRC's contract with Williams runs through 2013.

Passenger traffic and revenue have climbed steadily over the past decade. Tourism has accounted for much of the growth, although the ARRC still provides year-round service along the Railbelt. It is expected that passenger revenue will make up 20 percent of ARRC revenue within three to five years.

While accounting for less than 10 percent of total Railroad annual revenues, real estate contributes significantly to the bottom line because leases do not carry the same capital-intensive maintenance and repair costs as rail operations do. Attention to leasing practices and management over the past five years have increased both revenue and potential for growth.

Fair-market-value leases on Railroad land along the right-of-way provide the bulk of the real estate revenue, along with revenue generated by the Whittier and Seward docks, and various permits.

What the ARRC Does with its Revenue

The Railroad is currently spending \$14 million a year on maintenance of 660 miles of track, 192 bridges, 79 crossing signals, the roadbed, and other assets. An additional \$10 million is spent in maintenance of rail cars and locomotives. Almost half the Railroad's full-time workforce is primarily involved in maintenance and repair.

Recent Federal Funding

The ARRC has been able to accelerate regular maintenance and repair over the past several years with federal grants due to the Railroad's public status and its passenger service mission. This maintenance has centered on aggressive improvements to the roadbed and track structure.

Other federal funds for facility improvements, such as depots and docks, have come to the ARRC in recent major federal transportation and transit bills.

How the ARRC is Involved in Alaska Communities

Railroad employees are involved in many civic and professional organizations throughout the State. The corporate culture within the Alaska Railroad has been to encourage employees to become involved in the community and civic organizations throughout the Railbelt communities. Those organizations include charitable and non-profit groups such as United Way, Providence Hospital, Boys and Girls Clubs, and Foodbank. Civic and professional groups include Chambers of Commerce of all Railbelt communities, Alaska Visitors Association, Rotary International, Resource Development Council, Commonwealth North, School Business Partnership and Anchorage Downtown Partnership.

In-kind contributions in excess of \$160,000 were made in 1999 and direct financial contributions were approximately \$351,000.

Major contributions have been made to the Seward SeaLife Center, The University of Alaska Museum in Fairbanks, and the Alaska Public Radio Network.