

ALASKA LEGISLATURE

1874

HOUSE and SENATE FINANCE COMMITTEE FILES, 1999 - 2000

The Alaska Legislature
**COMMISSION ON PRIVATIZATION and DELIVERY
OF GOVERNMENT SERVICES**

**DRAFT REPORT TO THE GOVERNOR,
LEGISLATURE AND PEOPLE OF ALASKA**
January, 2000

I. CONTEXT

Privatization of government activities is a world-wide phenomenon.

History will record the pre-millennium decade as one when governments from Australia to Scandinavia attempted to discover their core governmental responsibilities and jettison ancillary ones. Goaded by economic imperatives, political doctrine or simply the drive for organizational effectiveness, all kinds of governments at all levels, on all continents, engaged in some form of privatization.

II. INTERNATIONAL PRIVATIZATION

“The **European Union** has set a deadline of January, 2003 to open Europe to competitive postal services – and the **Netherlands** is leading the way.” EU law requires all member countries to dissolve telephony monopolies.⁽¹⁾

“**Spain** is moving ahead with plans to privatize pension plans for state owned industries. Once weaned from state aid, the companies will be ready for privatization.”⁽²⁾

“**Romania** set January, 2000 as a deadline for letters of intent to bid on Romanian Tobacco National Company which will be privatized under guidance from the Agriculture Ministry. Firms showing interest in the acquisition include Philip Morris and Reemtsma (Germany). Romania’s national airline, TAROM, is also in the privatization process in January 2000 and is being looked at by Lufthansa and Swiss Air.”⁽³⁾

Romanian government officials have promised more than 1.6 million citizens that their farmland will be returned that was confiscated by the communists fifty years ago.⁽⁴⁾

Australia, after successfully privatizing three of its largest airports, announced plans to privatize fifteen more.

In Victoria, Australia, the government separates policy functions from performance functions. Using its Corrections Department as a proto-type, an office of "Contract Administration" was set up to administer arms length contracts with the private sector for delivery of correctional services. Corrections policy, contract administration and evaluation remain with the government as do some performance functions for control and comparison sake. Australia also contracts out their Coast Guard operations.⁽⁵⁾

Tiny **Nepal** privatized its major paper mill in 1991 and since has doubled its work force, salaries, capacity, productivity and exports. Brick factories, tanneries, tobacco production and textile manufacturing are among other activities privatized in the '90s.⁽⁶⁾

In **France**, private firms supply most of the water. In **Great Britain**, all the airports are privately owned and are considered among the best run in the world. **Canada** and 16 other countries have privatized their air traffic control systems by shifting them from tax supported systems to user fee supported systems. Even **Moscow**, several years ago, saw its first rock concert for privatization.⁽⁷⁾

Macedonia is in the midst of a comprehensive program transitioning to a market economy. More than 1,400 companies with 23,000 employees have taken over activities formerly performed by government.⁽⁸⁾

Latin America turned more toward market economies in the 1970s when **Chile** set off a wave by selling minority stakes

in their banks and most other industrial sectors. Since then, major airports in **Argentina, Chile, Colombia, Ecuador, Mexico, Peru, Uruguay and Venezuela** are concessioned or scheduled for privatization. Mexico's new National Foreign Investment Commission dramatically increased the percentage of foreign ownership allowed in its basic industries, even eliminating limits for some industrial sectors.

III. U.S. GOVERNMENT PRIVATIZATION

Most international examples of privatization are very large scale. In many cases, like eastern Europe and Russia, privatization is the by-product of a fundamental shift from a command economy to a market-based economy. In the U.S., examples are more subtle. But, they are so widespread and varied that their effect is just as salient. Our federal government leads the way in privatization activity.

"The federal Office of Management and Budget establishes administrative policy regarding the performance of activities that are not "*inherently governmental functions.*" **OMB Circular A-76** sets forth procedures for determining whether such activities should be performed under contract with private sector sources or in-house using government facilities and personnel. The policy of federal government reliance on the private sector for goods and services that are not inherently governmental is more than 40 years old. It was first promulgated in 1955 and revised in 1957. OMB Circular A-76 was first issued in 1966 and updated in 1967, 1979 and 1983."⁽⁹⁾

"It has been endorsed by every White House administration, of both parties, since 1955. However, the degree of enthusiasm for implementation of the circular has varied from one administration to another. In fact, the issue of



GERRI LYNNETTE WAKEFIELD
Volunteer for the Commission on Privatization

Gerri Lynnette Wakefield arrived in Alaska from her native Missouri in 1988 as a military spouse. It didn't take long before she started to love Alaska and dreamed of owning her own Alaskan business. After working as a bank teller and loan closer, she became a Agent for the Federal Deposit Insurance Corporation. Later she worked for three years at the Division of Motor Vehicles. In between the workplace and her other full-time job - as mother to three children - she somehow found the time to take many business courses at UAA.

Ms. Wakefield has been both a state employee and, now, a contractor with the state, which has given her a view of both sides of privatization issues. In addition, her business courses and her experience at DMV helped her identify an unserved market niche doing auto title research for out-of-state credit institutions. She built that business for three years and finally got a contract with the state in 1998.

"My interest in this subcommittee is to prove that privatization and/or business with the state is a viable source for minimizing both state spending and the overstaffing of unnecessary personnel positions. The time that I have spent with committee members has allowed me to educate myself regarding state activities and to involve myself in the future of our state." -- Gerri Lynnette Wakefield

government competition has become so pervasive that all three sessions of the White House Conference on Small Business, held in 1980, 1986 and 1995, ranked government competition as one of the top problems facing America's small businesses."⁽¹⁰⁾

Results from OMB Circular A-76 can fundamentally change the organizational method for accomplishing government goals. Recently, at Fort Carson, Colorado, the U.S. Army completed its comprehensive analysis of the Directorate of Logistics. A solicitation was issued and a respondent was selected for "wall to wall" privatization of all logistical activities previously carried out by government personnel. The Fort Carson example should be a model for other government entities to observe and hopefully emulate.

Reliance on the private sector for non-inherently governmental services is a policy perhaps observed more in breach than in practice. Consequently, in 1998 Congress codified it with enactment of the **Federal Activities Inventory Reform Act (FAIRA)**. The former "toothless policy" is now federal law. Basically, the law requires federal managers to annually list which of their functions are "not inherently governmental." The definition of an "inherently governmental function" is,

"a function that is so intimately related to the public interest as to require its performance by Federal Government employees."

FAIRA requires the agency to make the list public after consultation with the Office of Management and Budget. Then, whenever a non-inherently governmental activity is proposed for outsourcing, the federal agency must use a competitive procurement process that allows the federal work force to compete with the private sector. The law provides a means for "*fair and reasonable cost comparisons*" between federal agency bids and proposals and private sector bids and proposals.

FAIRA does not mandate privatization. Its real importance is that it provides a process to:

- a. identify government activities that are not inherently governmental in nature; and,
- b. flush out full costs for performance of certain tasks by government *vis a vis* the private sector.

This kind of information is prerequisite to intelligent decision making about outsourcing government services. Alaska doesn't have to reinvent the wheel of cost comparisons because so many other states and organizations have already done it and published their "how to" manuals. (See Table 1)

The *raison d'etre* for government is to make public policy decisions and then decide how to implement them. All implementation decisions involve either "public employees" or some form of "privatization." Both are legitimate solutions to the question of how to implement government policy. The trick is to find out which solution is best in any given case.

A 1998 report by the Council of State Governments indicates that 91% of the legislative respondents anticipate increased privatization activity.⁽¹¹⁾

Table 1
Selected Resources for Cost Analysis

"Activity-Based Costing and Management: Issues & Practices in Local Government," GFOA Research Center, 1997.

"A Guide to Best Practices for Performance-Based Service Contracting," Office of Federal Procurement Policy, Office of Management and Budget, April 1996.

"Circular No. A-76 (Revised), Performance of Commercial Activities," Executive Office of the President, Office of Management and Budget, August 1983.

"Competitive Cost Review Cost Analysis Guide," State of Texas, Office of the State Auditor, 1987.

"Competitive Government Handbook," State of Arizona, Governor's Office of Management and Budget, 1996.

"Cost Comparison Program: Compete," State of Virginia, Commonwealth Competition Council, 1996.

"How to Compare Costs Between In-House and Contracted Services," Reason Foundation, March 1993.

"Performance-Based Contracting," Reason Public Policy Institute, May 1997.

As part of this report, Alaska's Commission on Privatization and Delivery of Government Services has modeled a state statute after the federal statute for consideration by the legislature. (See Attachment 2)

IV. PRIVATIZATION IN THE 'LOWER 48'

State and municipal governments, responding to the same exigencies as international and federal governments, have undertaken a variety of privatization techniques that are reshaping government as we know it and can only be described as breathtaking. E-commerce enables

What is Privatization?

"A very broad term-but most simply, privatization is the transfer of assets or service delivery from the government to the private sector. Privatization runs a very broad range, sometimes leaving very little government involvement, and other times creating partnerships between government and private service providers where government is still the dominant player.

Merely defining "privatization" is difficult. In its purest form, the term refers to the shifting of the production of a good or the provision of a service from the government to the private sector, often by selling government-owned assets. Clinton Administration officials take this rather narrow view. "When we talk about privatization, we don't mean contracting out," says Elaine Kamarck, who heads Gore's National Performance Review. "We mean purely divesting the government function."

Most definitions of privatization, though, are more expansive, covering virtually any action that involves exposing the operations of government to the pressures of the commercial marketplace. That would include everything from contracting out janitorial services at a federal building to selling off the Naval Petroleum Reserve.

The broader definition of privatization also includes a wide range of public-private partnerships, such as voucher systems. Even the creation of federal corporations, quasi government organizations and government-sponsored enterprises are often filed under the general category of privatization. In such organizations, though, it is often difficult to tell where government ends and the private sector begins."⁽²³⁾

Types and Techniques of Privatization

"A variety of alternative service delivery techniques can be employed to maximize efficiency and increase service quality. Some methods will be more appropriate than others depending on the service. In searching for ways of cutting costs and increasing delivery, consider using a combination of these techniques:

- ***Contracting Out (also called "outsourcing").*** *The government competitively contracts with a private organization, for-profit or non-profit, to provide a service or part of a service.*
- ***Management Contracts.*** *The operation of a facility is contracted out to a private company. Facilities where the management is frequently contracted out include airports, wastewater plants, arenas and convention centers.*
- ***Public-Private Competition (also called "managed competition," or "market testing").*** *When public services are opened up to competition, in-house public organizations are allowed to participate in the bidding process.*
- ***Franchise.*** *A private firm is given the exclusive right to provide a service within a certain geographical area.*
- ***Internal Markets.*** *Departments are allowed to purchase support services such as printing, maintenance, computer repair and training from in-house providers or outside suppliers. In-house providers of support services are required to operate as independent business units competing against outside contractors for departments' business. Under such a system, market forces are brought to bear*

within an organization. Internal customers can reject the offerings of internal service providers if they don't like their quality or if they cost too much.

- **Vouchers.** *Government pays for the service; however, individuals are given redeemable certificates to purchase the service on the open market. These subsidize the consumer of the service, but services are provided by the private sector. In addition to providing greater freedom of choice, vouchers bring consumer pressure to bear, creating incentives for consumers to shop around for services and for service providers to supply high-quality, low-cost services.*
- **Commercialization (also referred to as "service shedding").** *Government stops providing a service and lets the private sector assume the function.*
- **Self-Help (also referred to as "transfer to non-profit organization").** *Community groups and neighborhood organizations take over a service or government asset such as a local park. The new providers of the service also are directly benefiting from the service. Governments increasingly are discovering that by turning some non-core services-such as zoos, museums, fairs, remote parks and some recreational programs-over to non-profit organizations, they are able to ensure that these institutions don't drain the budget.*
- **Volunteers.** *Volunteers are used to provide all or part of a government service. Volunteer activities are conducted through a government volunteer program or through a non-profit organization.*
- **Corporatization.** *Government organizations are reorganized along business lines. Typically they are required to pay taxes, raise capital on the market (with no government backing-explicit or implicit),*

and operate according to commercial principles. Government corporations focus on maximizing profits and achieving a favorable return on investment. They are freed from government procurement, personnel and budget systems.

- ***Asset Sale or Long-Term Lease.*** *Government sells or enters into long-term leases for assets such as airports, gas utilities or real estate to private firms, thus turning physical capital into financial capital. In a sale-leaseback arrangement, government sells the asset to a private sector entity and then leases it back. Another asset sale technique is the employee buyout. Existing public managers and employees take the public unit private, typically purchasing the company through an Employee Stock Ownership Plan (ESOP).*
- ***Private Infrastructure Development and Operation.*** *The private sector builds, finances and operates public infrastructure such as roads and airports, recovering costs through user charges. Several techniques commonly are used for privately building and operating infrastructure.*
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- ***A variation of this is the Build-Transfer-Operate (BTO) model,*** *under which title transfers to the government at the time construction is completed.*
- ***Finally, with Build-Own-Operate (BOO)*** *arrangements, the private sector retains permanent ownership and operates the facility on contract.* ^{”(24)}

VI. PRIVATIZATION IN ALASKA

Similar to the national arena, the federal government in Alaska leads the way in privatization activities.

The U. S. Army is in the final phase of a four year process that may result in a "solicitation," similar to a state "Request for Proposals," to privatize activities in the Directorates of Logistics and Public Works. These are large-scale reviews involving multiple activities and functions. Both Fort Richardson in Anchorage and Fort Wainwright in Fairbanks may see results similar to the aforementioned solicitation in Fort Carson, Colorado.

The Federal Aviation Administration in Alaska has already privatized air traffic control service for Level I towers in Bethel, King Salmon, Kodiak and Kenai. Information Technology Services and Navaid Installations are also contracted out to the private sector.

There is anecdotal evidence that local government may be outpacing the state in privatization. Alaska's two largest cities, Anchorage and Fairbanks, recently privatized municipally owned utilities that ranked as some of the largest municipal utilities in the U.S. The cities of Juneau and Ketchikan enabled private sector development on their waterfronts to accommodate a flourishing tourism industry. No statewide study has undertaken to identify privatization activity. Nevertheless, it seems that the same factors underlying privatization in the international and national arenas are at work in Alaska, too.

While the state maintains ownership of a ferry system, a railroad, most docks and harbors and nearly the entire aviation infrastructure, there is much good to say about Alaska's utilization of the private sector. Many other states report about privatizing activities that are already privatized here. While Alaska has some glaring examples of activities that beg to be privatized, we also can give credit for a lot of privatization that is already taking place. Each department



Joe Henri

in state government was asked to list the activities that are already privatized. Some responded and provided good examples cited in the Subcommittee Reports.

Here is what the Subcommittee on the Department of Administration, chaired by Mr. Joe Henri, said about privatization in that department:

"We were struck by the large amount of state production which is already privatized. This is true in a number of departmental divisions. For example, in the Retirement & Benefits Division, the administration of the health plan is conducted by Aetna out of Seattle; the Deferred Compensation Plan and other, cognate plans are administered by Great West, out of Denver, Colorado; actuarial work is contracted to William Mercer of Seattle; the health plan consultants are Deloitte Touche out of Minneapolis, Minnesota; and annual audits for the various health and retirement funds are performed by KPMG Peat Marwick of Anchorage."

The Commission was charged by the authorizing statute to review state contracting policy and procedures, including competitive bidding procedures. The Administration Subcommittee attempted to address the issues but only superficial information was available.

Existing "outside expenditures" in the operating budget amount to approximately \$735 million in FY 2000⁽²⁵⁾. Much of this amount constitutes privatization insofar as it represents expenditures for goods and services not provided in-house by the state. However, the nature and pattern of the expenditures is a mystery. Currently, the Department of Administration only tracks contracts worth more than \$100,000. Department heads have discretionary authority to issue contracts up to \$50,000 without competitive bidding. The number of sole source contracts, more than 500 for FY 97 and FY 98, seems to be unnecessarily high. Alaska statute imposes a minimal obligation for public disclosure of contractual spending. A.S. 36.30.540 requires a biennial



Mead Treadwell

report listing sole source contracts, competitive sealed proposals, out of state procurements and in-state procurements. The latest report, dated April 30, 1999, is a list of procurements categorized according to the statute, but devoid of any narrative or analysis. The statute requires that the legislature be notified that the report is available but it does not require that the report be submitted to the legislature. It's an, "if you want it you gotta ask for it," situation. Neither the Senate Secretary nor the Clerk of the House have recorded receipt of the report or notification. The commission did not have time to receive a briefing on this issue but staff marked it as a red flag deserving further scrutiny.

The Subcommittee on the Department of Fish and Game, chaired by Mr. Mead Treadwell, also noted existing privatization practices:

"Notable privatization initiatives already underway at the department include:

Privatization of state-owned hatcheries;

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Contracting with private boat owners and processors for test fisheries. For example, contracting with industry to conduct dive fishery reconnaissance surveys, and salmon, crab, herring and groundfish stock assessments;

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Contracting for aircraft."



SCOTT BRANDT-ERICHSEN
Volunteer for the Commission on Privatization

Scott Brandt-Erichsen was born in Anchorage and has never seriously considered living elsewhere.

Mr. Brandt-Erichsen earned a BS degree in Political Science from University of Oregon with a minor in Business and a JD degree from Lewis and Clark Northwestern School of Law. He also attended UAA, University of Idaho and the University of Copenhagen in Denmark.

During law school, Mr. Brandt-Erichsen worked as a legal intern for the U.S. Department of Commerce in Washington D.C. and as an Intern for the Municipal Attorney's office in Anchorage. He was an Assistant Municipal Attorney in Anchorage for 7 years, both in prosecution and civil divisions. He has been the Borough Attorney for the Ketchikan Gateway Borough for 4 years.

He and his wife, Beth, are raising 3 daughters: Sarah, age 14; Laura, age 7; and Grace, age 4.

Mr. Brandt-Erichsen says government's greatest strength is that people get to collectively make decisions affecting their lives. He joined the Privatization Task Force because he has had experience with contracted legal services for government agencies and because he is also concerned about so-called "contracted" services being an indirect method to transfer more responsibilities and costs to local taxpayers.

"I have enjoyed it thus far. I think that it is good to keep reminding myself of what problem it is we are trying to address so as not to get caught up in personalities or policy differences between the administration and the legislature. What is good as a system for contracting services for one administration should be transferable to any administration if it is indeed a good idea." -- Scott Brandt-Erichsen

The Subcommittee on the University of Alaska, chaired by Ms. Cheryl Frasca, commented on their privatization activities:



Cheryl Frasca

"Over the last five years, the University of Alaska Anchorage (UAA) has evaluated and implement the use of private contracted services in cases where cost-savings and/or service improvements could be achieved. It is our goal to attain the highest level of service while utilizing the lowest cost alternative in the delivery of administrative and support services across the UAA campuses. UAA's track record relative to the use of outsourcing as a means to achieve cost-savings while maintaining quality, supports this goal. The highlights of these efforts have been the outsourcing of facilities design and engineering services, maintenance and repair, renovations, new construction, custodial services, utilities, food services, the copy-service arm of the printing department, tuition loan services, and athletic team travel services. In addition, the UAA Bookstore was recently studied to determine if privatization was a viable alternative to an in-house operation including the issuance of a Request For Information (RFI). The following are more detailed summaries of UAA's recent privatization efforts."

The Subcommittee on the Department of Health and Social Services, chaired by Mr. Mike Taurianen and Ms. Kathy Andress, reported a list of privatized activities to include:

Harborview - Total closure and deinstitutionalization in 1998, approximately 125 State jobs eliminated, services provided by private non-profit agencies.

Audiology - The Division of Public Health has privatized audiology services across the state. Six community-based private providers residing in Anchorage, Barrow, Homer, Kenai, and Juneau now provide services in regions previously served by three regional offices. Additionally, Bristol Bay Native Association has developed an audiology program to serve residents of Dillingham and surrounding communities. With privatization, services are available on a continual basis in communities previously served on an itinerant basis, communities never served before by State audiologists are

communities never served before by State audiologists are receiving services, and the State has realized considerable cost savings.

Medical Assistance - The Division of Medical Assistance utilizes a contractor, First Health, to process Medicaid claim payments to providers.

Grants and Contracts to non-profits for service delivery - Grants or contracts are a regular method to deliver services in DHSS

Community Equipment Closet - The Division of Mental Health and Developmental Disabilities has developed a program to recycle durable medical goods. The Community Equipment Closet is a collaborative project with the DMH&DD, Geneva Woods HealthCare Services, Hope Cottages, the Arc of Anchorage, Mat-Su Services and other community members. Used adaptive equipment and medical supplies are reconditioned and distributed to consumers with special health care needs by the private sector under contract. The cost of the reconditioned equipment is always less (often substantially) than the cost of new equipment. The savings in equipment and medical supply costs increase availability of resources for other individuals in need.

Electronic Benefit Transfer - In June of 1998 the Division of Public Assistance completed statewide implementation of Electronic Benefit Transfer (EBT) system. EBT is a method of efficiently distributing public assistance benefits. With EBT, a plastic Alaska Quest debit card has replaced paper food stamps and some cash warrants. A design strength of EBT is its use of existing financial networks to support the system. EBT has improved client service, program management, and public support through increased program integrity. The Department of Health and Social Services has joined an alliance of six western states to gain better EBT pricing. Alaska has contracted with Citibank and Deluxe Electronic Payment Systems for Alaska Quest development and operation. Through the use of the Alaska Quest card, EBT has helped:

- 1) Provide a safe, secure, and convenient way to receive food stamp and temporary assistance benefits.*

- 2) *Eliminate paper food stamps and the stigma associated with redeeming them in public.*
- 3) *Speed delivery of benefits by eliminating the delays for packaging and mailing coupons and warrants.*
- 4) *Reduce client and food retailer fraud.*
- 5) *Eliminate theft of mailed food stamps and the associated state penalty payments.*
- 6) *Move welfare recipients toward greater familiarity with modern financial transactions.*
- 7) *Improve the process for food retailers redeeming food stamp transactions.*
- 8) *Promote other business improvements such as direct deposit of cash payments for those with bank accounts wanting this service.*

Consolidations - In preparation for the new laboratory facility, the Division of Public Health has consolidated the functions of the Juneau Lab, the Lab Chief's Office, and the Anchorage Lab into one Anchorage location. The sections of Community Health and Emergency Medical Services were combined and consolidated from three different locations into one Juneau location.

The Division of Public Health Nursing section was consolidated from five regions into four.

Medicaid Cost Containment - Division of Medical Assistance, in partnership with Division of Mental Health and Developmental Disabilities, has developed new regulations for community mental health services that limit the amount scope and duration of services. A study is underway to recommend a model for managed care in Alaska. A comprehensive program of Quality Assurance has been instituted which will help to assure that the quality of service is not degraded as cost containment efforts move forward.

Computer and Information Technology - The Department of Health and Social Services web site was established and now provides the public with information about the department as well as access to forms electronically (e.g., Energy Assistance Application Form and Vital Statistics Information request forms). Travel authorizations are prepared, distributed and authorized electronically. The Department is partnering with other agencies to automate timesheet processing. A



Sam Kito, III

maximizing the return on maintenance dollars. The Department has developed and is in the initial stages of implementing a Data Warehouse. The Data Warehouse is a Decision Support System, which integrates data from the Department's administrative and program operation data systems.

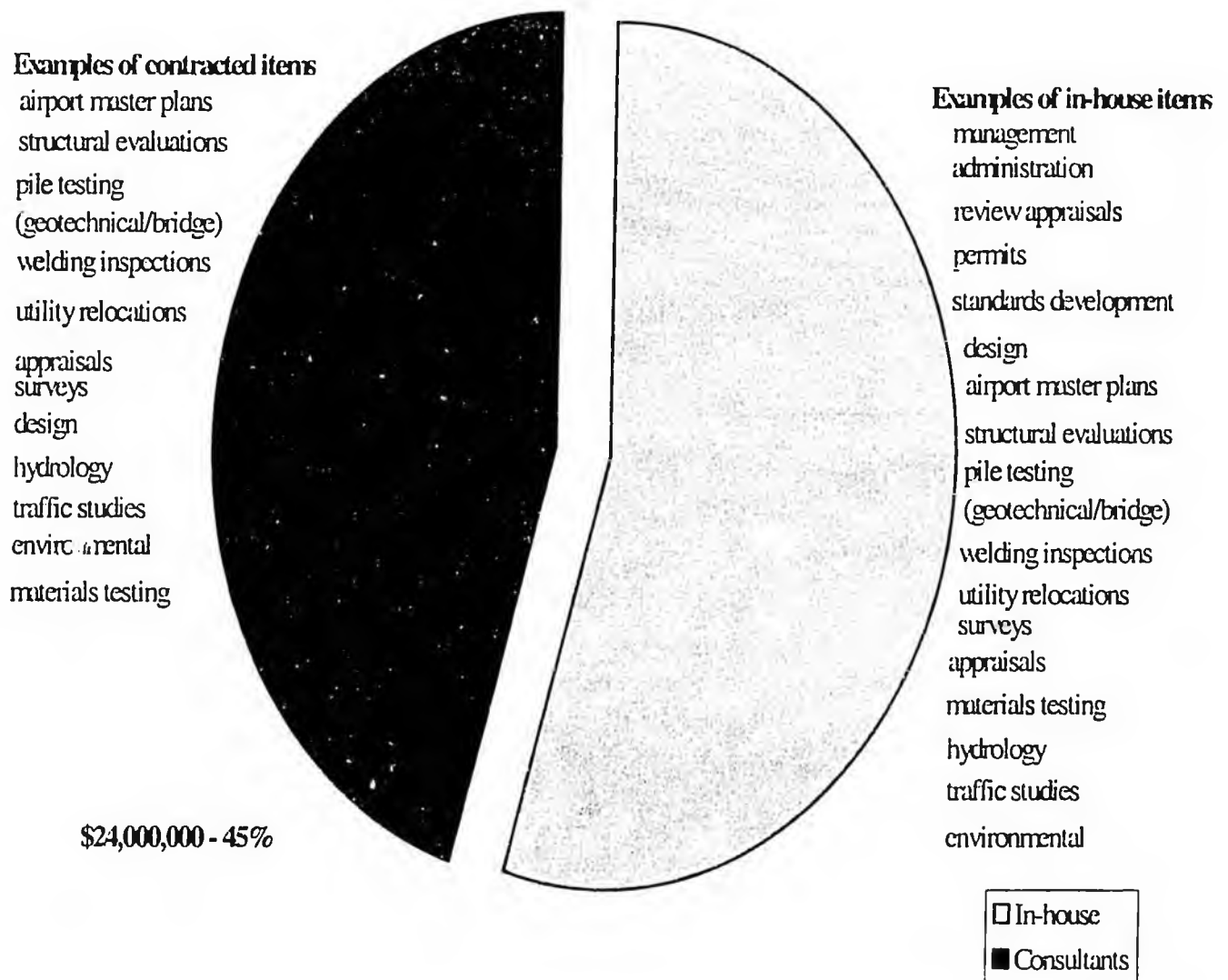
Roof Audits - The Facilities and Planning Section developed in-house expertise in diagnosing aging condition and deficiencies in building roofs, which will result in reducing the cost of hiring outside contractors to conduct the same analysis. Performing the analysis in-house will result in savings that can be applied toward roof repairs at a later date.

The Subcommittee on the Department of Transportation, chaired by Mr. Frank Dillon and Mr. Sam Kito, III, received the following excerpt from the department. (See Table 3 and 4 on next pages.)

**Table 3
Existing DOT/PF Privatization Practices
Maintenance and Operations FY98 Contracted Services**

	Central Region	Northern Region	Southeast Region	Total
Rural Airports operations & maintenance	1,020,137	1,259,409	173,681	2,453,227
Airport Repairs	75,000		0	75,000
Bird Control & wildlife studies	75,000		52,186	127,186
Street Sweeping	410,000		13,315	423,315
Dust Control	-			0
Road Illumination & traffic control	25,000		4,182	29,182
Brush removal	175,000		105,100	280,100
Striping	-		192,861	192,861
Aggregate Processing	-	851,765		851,765
Equipment Rental	35,000	103,800	58,742	197,542
Gravel Haul	9,000			9,000
Communications	-	69,198	3,085	72,283
Maintenance				0
Road	26,600		270,124	296,724
Guardrail	-	117,820		117,820
Waysides	-	14,083		14,083
Floats & harbors	-		270,381	270,381
Buildings (Facilities)	119,000	152,783	511,500	783,283
Janitorial	162,100	270,861	498,600	931,561
Elevator Maintenance	54,200	28,452		82,652
Snow Removal	405,000	19,165		424,165
Lawn Care	9,700			9,700
Engineering and architectural svcs.	-		41,870	41,870
Building Improvements	-	890,514		890,514
Environmental Compliance	-	558,846		558,846
Hazardous Waste (Remediation, UST removal, SPCC plans, etc.)	235,400			235,400
Training	50,000			50,000
Outhouses/ dumpsters	50,000			50,000
Security		49,444		49,444
Cranes & hoist repairs		7,370		7,370
Solid waste removal		6,127		6,127
TOTAL	2,936,137	4,399,637	2,195,627	9,531,401

Table 4
Existing DOT/PF Privatization Practices
Design and Engineering FY98 Contracted Services



The subcommittee on the Department of Corrections, chaired by Ms. Sharon Anderson, included in its report the following information on existing privatization practices.

Inmate Health Care – contractual (&contract) expenditures for Medical/Dental Hospital and treatment services = 6,806.1

Inmate Programs – expenditures for Education, Substance Abuse, Sex Offender Treatment and Batterers Treatment = 2,154.4

Institution Director's Office – Contract training and E.M. = 5.7

12 Institutions – Small contract services and Food = 4,144.2

Community Jail Contracts = 4,717.1

Probation/Parole contract services for UA testing, monitoring, education, and substance abuse contracts = 237.9

Point MacKenzie – small contract services, food and education/substance abuse contracts = 246.6

Psychological Testing contract for CO and PO applicants = 54.9

Rise Alaska contract (Management/Consultation Svcs.) = 154.6

TOTAL = \$18,521,500



Joyce Harris

The Alaska Court System subcommittee, chaired by Mr. Ken Peaveyhouse, Ms. Joyce Harris and Ms. B Jarvi found some privatization activities in that branch of government:

Alaska Court System Privatization Practices

Security - perimeter security in Anchorage and Fairbanks, the only two courts with these services

Janitorial

Snow Removal (a reciprocal use agreement has been recently entered with the Anchorage court where the Anchorage Parking Authority will remove snow in exchange for the use of the lot for fee parking during non-work hours.)

Transcripts

Interpreters for the deaf (federal law requires the state to pay for these services)

Language Interpreters

Building design and construction

Building maintenance (limited provided by the lessor in leased facilities, by the state in all state owned buildings)

Mediators for pilot mediation programs -- federal grant programs.

Ongoing assessment at privatizing micrographics and printing.



"B" Jarvi

The above lists provide perspective about the State of Alaska's breadth and depth of privatization activities. Many of the "outside expenditures" are for routine commodities and services that could not be expected to come from the state work force. However, the following sections of the report address the current process of privatization and argues that a lot more can be done to privatize government activities in Alaska.

The Process So Far

SB 33, (Chapter 61 SLA 1999) is Alaska's initial foray into privatization on any comprehensive scale. The beauty of SB 33 is its simplicity. It created a commission. It gave the commission broadly described duties to review and identify state functions. It asked for a report.

The Commission employed the services of approximately 300 volunteers to work with them on 20 different subcommittees covering each cabinet department, the legislature, court system, university and some state owned corporations including the Alaska Railroad.

The subcommittees were formed and met on their own schedule over an 18-week period. Most of them had a shorter time frame. Each member brought their own experience to bear on their subcommittee. Some had relevant expertise, were former employees, vendors or consumers of the department's services, or were just plain curious citizens. At least one state employee union member was on nearly every subcommittee. They received presentations from their respective departments and were given written reports, web sites and budget material. The governor assigned a departmental liaison to work with the subcommittee. At least one Privatization Commissioner was assigned to provide continuity between the subcommittee and the Commission.

Each subcommittee issued a report containing, in addition to its own recommendations, certain boiler plate information describing their department or agency.

Subcommittee chairpersons, often accompanied by some of their members, presented their reports to the full commission in public meetings. Usually, departmental officials were on hand. The dialogue among the mix of subcommittee members, commissioners and departmental representatives was a valuable contribution toward exploration of issues. On

the whole, the commission was greatly impressed with the volume and quantity of work completed by the subcommittees.

After completion of the subcommittee reports, a masterlist of 305 recommendations was compiled. The commissioners added their own recommendations. Some were modifications of the subcommittees', some were identical, some were opposite and some were brand new. The total number of recommendations was 408.

Each commissioner made a short list of recommendations they most favored and they exchanged lists. During public meeting the commission took note of the time constraints to comprehensively consider all the recommendations. They took the position that the entire body of work produced by the subcommittees should go forward to the governor and the legislature. Twenty specific recommendations were adopted for immediate consideration by the governor and legislature while they fashion a long term mechanism to complete the larger body of work.

VII. RECOMMENDATIONS ACTED ON BY THE COMMISSION

Of the 408 recommendations advanced by the subcommittees and commissioners, 26 were considered by the assembled commission. Twenty were adopted and 5 failed. One was adopted and rescinded.

Table 5 contains the 20 recommendations passed by the Commission.

**TABLE 5
RECOMMENDATIONS PASSED BY THE COMMISSION ON
PRIVATIZATION AND DELIVERY OF GOVERNEMENT
SERVICES**

RECOMMENDATIONS		Master list Reference
1	The Commission recommends giving 250,000 acres to the University of Alaska.	ML# 678
2	The Commission recommends selling the Matanuska Maid dairy and associated facilities.	ML# 638
3	The Commission recommends changing DWI laws so that most offenders will be electronically monitored along with community service, but without requiring incarceration.	ML# 264
4	Charter Schools: The Commission recommends the legislature enact revised charter school laws that provide for educational choice by: (5) increasing the number of charter schools allowed in Alaska; (6) extending the contract period from five to ten years; (7) require school districts to provide equal funding for charter school students in their district, and; (8) provide school facilities equal to other schools in their district without impeding their creation or development.	ML# 20
5	The Commission recommends vouchers for K-12 education to parents at maximum 75 percent of the per pupil cost in each district with standards limited to reading, writing and arithmetic.	ML# 24
6	The Commission recommends the University of Alaska determine the true cost/benefit of providing utilities at the three main campuses.	ML# 608
7	The Commission recommends determination of the true cost/benefit to privatizing property management functions of all University of Alaska buildings.	ML# 610
8	The Commission recommends putting up state land for sale similar to open to entry for oil leases.	ML# 656
9	The Commission recommends the legislature devise a task-based budget format and require, by statute, that the governor's budget be	

	submitted in that format.	ML# 188
10	The Commission recommends issuing a Request for Proposal for the purpose of all collection of Court Systems--fines.	ML# 214, 236, 268
11	The Commission recommends privatizing the collection of delinquent child support debt owed to the State of Alaska.	ML# 4
12	The Commission recommends selling or soliciting proposals for a sale of: Electric Intertie, for fair market value; Four/Dam pool, for fair market value; Bradley Lake, for fair market value. Either get a consultant to try to find an economical method of sale or request proposal ideas from potential buyers.	ML# 572, ML# 574, ML# 576
13	The Commission recommends withdrawing AHFC from the secondary mortgage market wherein taxable bonds or assets of AHFC would be used.	ML# 666
14	The Commission recommends the legislature pass a law making land available for homesteading.	ML# 658
15	The Commission recommends the Legislature consider an ongoing effort for the Delivery of Government Services in the most effective and cost-efficient manner and provide the public with budgeting and performance measures of government services.	
16	The Commission recommends The Alaska Railroad implement a vegetation control program including use of herbicides.	ML# 570
17	Telephony: The Commission recommends privatizing; turning over to an Alaska company with core competency in telephone service, but seeing to it that bush and emergency service continue to be provided as at present.	ML# 94
18	The Commission recommends that any privatization efforts insure that there is a cost savings to the state on an immediate and long-term basis.	ML# 724
19	The Commission recommends a statute that labor contracts may not contain language restricting privatization activities.	ML# 660
20	The Commission recommends that legislative sessions be held in Anchorage, Alaska.	ML# 598

Table 6 contains the five recommendations failed by the Commission.

**TABLE 6
RECOMMENDATIONS FAILED BY THE COMMISSION ON
PRIVATIZATION AND DELIVERY OF GOVERNMENT
SERVICES**

FAILED RECOMMENDATIONS		Master list Reference
1	The legislature shall cause to be issued a Request for Proposals for the purchase or operating lease of the Alaska Railroad.	ML# 564
	The Alaska Railroad shall offer to sell land presently leased to leaseholders to the leaseholders for fair market value.	ML# 566
	The Alaska Railroad shall offer to sell for fair market value all land that is non-essential to railroad operations and is non-revenue generating.	ML# 568
	The Alaska Railroad shall implement a vegetation control program including use of herbicides.	ML# 570
2	Eliminate statutes for Alaska products preference, recyclable preference, and food products preference. (reduce costs)	ML# 690
3	A process must be installed wherein the legislature reviews and approves any, court settlement or dropping of an appeal by the administration when the subject matter is a state policy issue. (reduce costs and maybe increase income)	ML# 692
4	Eliminate any government money to: public radio or TV, endowment for the arts, 1 percent to the arts, and power cost equalization. (reduce costs)	ML# 698
5	The Commission recommends all work considered for out-sourcing, wherein the scope of work involves staff of twenty-five or more, that favorable consideration be given to firms located in Alaska, and for Alaskan residents.	

Table 7 contains the masterlist of 408 recommendations advanced by the volunteer subcommittees and commissioners.

**TABLE 7
COMMISSION ON PRIVATIZATION AND
DELIVERY OF GOVERNMENT SERVICES**

RECOMMENDATION MASTERLIST

TABLE OF CONTENTS

Revenue 1.....	33
Education & Early Development 1.....	34
Administration 1.....	40
Environmental Conservation 1.....	42
Gov Office/ OMB 1.....	47
Court System 1.....	48
Corrections 1.....	53
Transportation 1.....	55
Health & Social Services 1.....	59
Public Safety 1.....	63
Natural Resources - Information & Data Mgmt 1.....	64
Fish & Game 1.....	69
University of Alaska 1.....	71
Community Economic Development 1.....	72
Law 1.....	75
DMVA 1.....	78
ARRC 1.....	79
HYDRO 1.....	79

AHFC 1.....	80
Legislature 1	80
Commissioner Adams 1	82
Commissioner Allen 1	84
Commissioner Brice 1.....	84
Commissioner Cowdery 1.....	85
Commissioner Fink 1	87
Commissioner Harper 1	89
Commissioner Notti 1	91
Commissioner Thomas 1.....	92
Commissioner Valesko 1.....	93
Commissioner Wuerch 1.....	94

RECOMMENDATION MASTERLIST

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
1					
2	Revenue 1		Thorough review and analysis by an independent efficiency expert with regard to CSED. The review should include compliance with State and federal requirements. Additionally, a cost/benefit analysis should be performed.	NO	CSED p. 11-12
3					
4	Revenue 2	Privatize CSED collections on a contingency fee basis.		NO	CSED P. 12
5					
6	Revenue 3		Increase Level of Cooperation between CSED and private agencies. <u>Review sections:</u> <ul style="list-style-type: none"> - Investigations - Locate - Paternity - Case Maintenance Team under Establishment section for privatization. - Cash Control - Client Services 		CSED p. 12
7					
8	Revenue 4		Adapt business process design for New Hire Reporting Section and Accounting Section.	NO	CSED p. 12
9					
10	Revenue 5	Competitively bid services that are currently provided by other government agencies (include current provider as a bidder).		NO	CSED p. 12
11					
12	Revenue 6		The following suggestions could improve the efficiency within the organization: <ul style="list-style-type: none"> - Reduce caseload, inform parents of the option to withdraw from CSED services and 	NO	CSED P. 12

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
		educational choice, we recommend that the legislature enact revised charter school laws that provide for educational choice by: (1) doubling the number of charter schools allowed in Alaska; (2) extending the contract period from five to ten years; and (3) require school districts to give a full accounting of money they received for each charter school.			
21					
22	Education & Early Development 2	That the legislature review the school districts of the unincorporated areas with a view to consolidate the business functions of the districts.			p. 1 - 2
23					
24	Education & Early Development 3	That the legislature consider some form or variation of a voucher system that is useable in both the public and private school system and put the issue before voters of Alaska.			p. 2
25					
26	Education & Early Development 4		The state will enact legislation requiring the evaluation of its paperwork requirements for teachers and school districts. Unnecessary and/or redundant paperwork should be eliminated. This will allow teachers and other staff more time for preparation and for actual instruction.		p. 2
27					
28	Education & Early Development 5		The state will explore incentives to private businesses to provide computer and other interactive technology to school districts.		p. 2
29					
30	Education & Early Development 6		All students should be required to meet the same performance standards in reading, writing, and mathematics. All schools, and educational settings, should be accountable for meeting		p. 3

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
			minimum standards.		
31					
32	Education & Early Development 7		The legislature should fund school first by having a separate education budget or providing forward funding.		p. 3
33					
34	Education & Early Development 8		Move the teacher certification program to the Division of Occupational Licensing.		p. 3
35					
36	Education & Early Development 9		Recommend that part of the school safety legislation should be to encourage gun safety education.		p. 3
37					
38	EED - Teaching & Learning Support 10		The Development of Benchmarks and exit exams is reasonably expected to be more expensive that the updating of that material. The subcommittee recommends the adoption of a process to update the material in a manner consistent with that expectation.		p. 4
39					
40	EED - Teaching & Learning Support 11		The administrative cost of each component should be reviewed further.		p. 4
41					
42	EED -Teaching & Learning Support 12		All elements of a single program should be in the same location within the budget.		p. 4
43					
44	EED - Teaching & Learning Support 13		The Child Nutrition Administration Component and Donated Commodities component should be consolidated in an existing division.		p. 5
45					
46	EED - Teaching & Learning Support 14		The Quality Schools function is currently being performed well by the Department of Education and Early Development and should remain a function of the Department.		p. 5
47					

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Regulation Required	Notes & page #
48	EED -Executive Admin 15		Privatize services provided by Alyeska Central School.		p. 5
49					
50	EED -Executive Admin 16		All the elements of a single program should be in the same location within the budget.		p. 6
51					
52	EED -Executive Admin 17		The federal government should get out of K-12 education.		p. 6
53					
54	EED -Alyeska Central School 18		It is recommended that Alyeska Central School be closed, with the responsibility for providing correspondence study transferred to those school districts that have a correspondence program.		p. 7
55					
56	EED -Commissions & Boards 19		It is recommended that the State of Alaska keep alternate teaching certification available for interested residents of Alaska.		p. 7
57					
58	EED -Alaska Vocational Tech Center 20	Encourage the legislature to pass HB 142, "An Act relating to the education credit for the fisheries business tax and the fisheries landing tax", which would result in AVTEC being a qualifying recipient of cash contributions provided for in AS 43.77.			p. 8
59					
60	EED -Alaska Vocational Tech Center 21		The Department of Education should hire a grant writer in the Division of Teaching and Learning Services that will focus on locating and obtaining funding sources other than state funds for Mt. Edgecumbe and AVTEC.		p. 8
61					
62	EED -Alaska Vocational Tech Center 22		Give AVTEC the flexibility to determine leasing and maintenance provisions for its motor pool		p. 9

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
			fleet.		
63					
64	EED -Alaska Vocational Tech Center 23		Maintenance for state motor pool vehicles should be contracted out by competitive bid. If a state agency has the capability of providing those services, that agency shall submit a competitive bid for the services to be contracted, but shall do so apart and separate from the agency soliciting the bid.		p. 9
65					
66	EED -Alaska Vocational Tech Center 24		AVTEC should explore the possibility of obtaining funding from the Alaska Housing Finance Corporation to expand family housing facilities.		p. 9 - 10
67					
68	EED -AK Vocational Tech Center 25		Privatize the food services of AVTEC.		p. 10
69					
70	EED -Mt. Edgecumbe Boarding School 26		Because Mt. Edgecumbe High School has significant facilities and maintenance issues due mostly to the age of the campus, and because the potential exists that Mt. Edgecumbe may be asked to expand its enrollment to serve Alaska's immediate and/or future educational needs, this sub-committee recommends that the legislature provide funds to meet the deferred maintenance needs of Mt. Edgecumbe High School.		p. 10 - 11
71					
72	EED -Alaska Libraries & Museums 27		Recommendation #1: The executive branch libraries should be managed by the State Library and further that no executive branch library should be established or ended without		p. 11

Commission on Privatization and Delivery of Government Services

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
			State Library oversight.		
73					
74	ED -Alaska Postsecondary Education 28		It is recommended that the student loan program be privatized by being contracted out to a private lending service.		p. 12
75					
76	ED -Alaska Postsecondary Education 29		It is recommended that all loan programs of the State be submitted to review with one of two conclusions being sought: (1) consolidation within a single department of state government, such as Revenue, where staffing is trained in accounting and fund management; or (2) provision to management by banks through an RFP process.		p. 12 - 13
77					
78	EED -Division of Early Devel 30		Eliminate the Division of Early Development from DOE, consolidating it within the Department of Health and Social Services and its existing programs.		p. 13
79					
80	EED -Division of Early Devel 31		Transfer the Children's Trust Grant Program to the Office of the Governor, Division of Boards and Commissions.		p. 13 - 14
81					
82	EED -Division of Early Devel 32	When federal funding for a federally mandated program established in the State of Alaska falls below the 50% funding, the service shall be considered unessential at the state level and passed on to the option of local governments for funding.			p. 14
83					
84	EED -Division of Early Devel 33	Recommendation #5: The Alaska State Legislature should treat all state receipts as general fund money unless the receipts are			p. 14 - 17

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
		the result of inter/agency receipts.			
85					
86	Administration 1	STREAMLINE AND REORGANIZE DOA. Retain its staff functions; bring back Office of Management & Budget. Move Service to the Public (line) functions to other appropriate places. Make commissioner governor's major domo; DOA to instill efficiency and sound management throughout state government.			p. 3
87					
88	Administration 2		PUBLIC DEFENDER , exception to A, above: Leave Public Defender group (line agency performing Service to the Public) within DOA because of insoluble conflict of interest problems if the Defender is moved elsewhere. Same recommendation for the Tax Appeals judge: stay in DOA.		p. 3
89					
90	Administration 3	PIONEER HOMES: Through an independent third party expert, study possibility of privatizing Pioneer Homes. Possible significant savings and provision of better care. Examine feasibility of Alaska's opting to cover Alzheimer's disease under the state medicaid program, which now excludes such coverage. Such coverage enables receipt of federal assistance.			p. 3 - 4
91					
92	Administration 4		PURCHASING: Reform purchasing along these lines: Lower cost of goods through standardization (less options); life cycle costing; actively seek and disseminate information about new and better products, services and processes. Introduce electronic fund transfer;		p. 4

Commission on Privatization and Delivery of Government Services

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
			electronic data interchange; internet ordering; establish integrated accounting and tracking system, so that central office is apprised of all purchases on an immediate basis. At present, General Services & Supply only catalogues and monitors purchases costing \$100,000 and higher—less than 20% of all state purchase volume.		
93					
94	Administration 5		TELEPHONY: Privatize; turn over to Alaska company with core competency in telephone service, but see to it that bush and emergency service continue to be provided as at present.		p. 4
95					
96	Administration 6		INFORMATION SERVICES GROUP: Retain staff talent in state workforce; keep special machines in state ownership; outsource much of the routine work.		p. 4
97					
98	Administration 7		PAYING FUNCTIONS; RETIREMENT & BENEFITS: Examine carefully whether the privatization of these functions could be used to attract to Alaska a new and large computer services group which would use the state's business as its core, and which would attract a much larger additional volume of work to be performed within Alaska. Attract a new services sector element into Alaska's economy.		p. 4 - 5
99					
100	Administration 8		STATE OF ALASKA MAILROOMS. Turn over the mail function to private enterprise for better service and the saving of significant dollars.		p. 5
101					
102	Administration 9		PRODUCTIVITY OF STATE WORKFORCE: Utilize state accounting		p. 5

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
			mechanism to detail what time segment employees spend on what tasks. This will disclose to the employees themselves, and to the management, whether time is spent as productively as may be reasonably possible.		
103					
104	Administration 10		PARTNERING OF PRIVATE SECTOR WITH LICENSE-ISSUING AGENCIES: Let private parties help in the issuance of state licenses. Provide service not readily available in regular state offices; use private partners instead of adding additional state employees. Compensation to private parties from licensing fees. Partnering in the Motor Vehicle Division is a good example.		p. 5 - 6
105					
106	Environmental Conservation 1		Improve Department effectiveness by using general permits (single authorization covering similar activities in similar locations) to cover de minimus activities such as minor wastewater discharges.		p. 19
107					
108	Environmental Conservation 2		Use regulations to implement best management practices or best technology rather than issuing individual permits.		p. 19
109					
110	Environmental Conservation 3		Establish a process whereby the regulated community, using state guidelines, prepares their own permits and certifications, then submits those draft products to ADEC for concurrence or revision.		p. 19
111					
112	Environmental Conservation 4		Save money by curtailing travel expenditures for general meetings, conferences, seminars, and workshops.		p. 19

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
113					
114	Environmental Conservation 5	Alaska's most significant and pressing environmental issues and problems should be prioritized to ensure that limited resources are most effectively used.			p. 19
115					
116	Environmental Conservation 6	The legislature should prohibit unnecessary and redundant rulemaking by the Department.			p. 19
117					
118	Environmental Conservation 7		Improve Department effectiveness to the regulated community by ensuring that regulations and permits offer legal certainty and do not subject the community to frivolous lawsuits brought by environmental organizations.		p. 19
119					
120	Environmental Conservation 8		The review of engineering plans be performed by a private engineer under contract to the Department.		p. 19 - 20
121					
122	Environmental Conservation 9	The Alaska Legislature should authorize and fund a thorough audit of the Department.			p. 20
123					
124	Environmental Conservation 10	All contracts written for services to be contracted out, which are currently being performed by DEC employees, should require performance references and or bonding to insure accountability.			p. 20
125					
126	Environmental Conservation 11		Specific criteria should be developed and implemented to obtain a pool of qualified contractors for different services that may be contracted for by the department.		p. 20

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
127					
128	DEC – Administrative Services 12		All employees of DEC that are classified as information officers, or whose work involves press relations or public information, should be transferred to the Division of Statewide Public Service. The Public Information and Information Systems programs, currently in the Division of Administrative Services, should be transferred to the Statewide Public Service Department.		p. 20 - 21
129					
130	DEC -Spill Prevention & Response 13	The Legislature should rescind the sunset date for the demise of the Board of Storage Tank Assistance. Further, the function of the Board should be privatized to serve as an appeal board for the private sector to seek resolution on conflicting issues with the Department.			p. 21
131					
132	DEC – Spill Prevention & Response 14		Eliminate the requirements in term contracts for the investigation and cleanup of contaminated sites that require consultants to have <u>on staff</u> employees with a wide-range of expertise.		p. 21
133					
134	DEC – Spill Prevention & Response 15		<u>Privatize Low to Medium Priority Contaminated Site Cleanup</u> ADEC should proceed with evaluation of the feasibility of implementing a program similar to the licensed site professional (LSP) program in force in Massachusetts.		p. 22
135					
136	DEC – Spill Prevention & Response 16	Project budgets and work plans should receive funding in the FY prior to their implementation, so that project costs may benefit from “economy of scale” mobilization			p. 22

Commission on Privatization and Delivery of Government Services

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
		costs.			
137					
138	DEC – Spill Prevention & Response 17	Access to 470 Fund should be restricted to legislative action or an emergency declared by the Commissioner of the Department.			p. 22
139					
140	DEC – Spill Prevention & Response 18		SPAR should establish standard operating procedures for dealing with contaminated sites.		p. 22
141					
142	DEC – Spill Prevention & Response 19		A model or template with examples of site assessment and risk based clean up plans should be developed and made available to the public.		p. 23
143					
144	DEC – Spill Prevention & Response 20		Require all contaminated sites project managers and contaminated sites program managers have a minimum of two (2) years actual field experience in assessment of contamination and remediation work.		p. 23
145					
146	EC-Environmental Health 21	It is recommended all ADEC laboratory facilities and services be combined in one central facility located at the new DHSS Public Health Laboratory (currently under construction on Tudor Road in Anchorage).			p. 23
147					
148	EC-Environmental Health 22		With the exception of a few sanitary surveys that are required to be performed by the Department to maintain primacy with the EPA, all sanitary surveys of public water systems should be performed by private engineers certified by the Department.		p. 23
149					
150	EC-Environmental		<u>Privatize Wellhead/Watershed Protection to evaluate the risk or potential contamination to</u>		p. 23 - 24

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
	Health 23		public drinking water systems.		
151					
152	DEC – Environmental Health 24		The Food Safety and Sanitation Program should investigate having appropriate staff work from their homes, eliminating the cost of establishing and maintaining offices in remote locations.		p. 24
153					
154	DEC – Environmental Health 25		A speedy review process should be developed to efficiently deal with appeals and waivers requested by private sector engineers on the preparation of engineering plans in all areas of environmental work (drinking water, wastewater, storm water, etc.).		p. 24
155					
156	DEC –Air & Water Quality 26		Immediately reinstate, and place a high priority on, Section 401 review of federal water quality, wetland and all other federal permits.		p. 24
157					
158	DEC –Air & Water Quality 27	Re-evaluate the costs and benefits of primacy for water pollution control. Legislative action may be required.			p. 24
159					
160	DEC –Air & Water Quality 28		The Division of Air and Water Quality (AWQ) should consider privatizing some portions of permit reviews such as reviews of models and risk assessment.		p. 24
161					
162	EC –Facility Construction & Operation 29		Before additional VSW/PM positions are procured to the private sector, a cost benefit analysis should be completed after the first year to determine whether this action did not result in a greater expenditure to the state.		p. 25
163					
164	DEC –Facility Construction &		VSW: Outsource the annual VSW Capital Budget Questionnaire efforts.		p. 25

Commission on Privatization and Delivery of Government Services

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
	Operation 30				
165					
166	DEC -Facility Construction & Operation 31		VSW: Privatize the development of a comprehensive statewide database of rural sanitation facilities in Alaska.		p. 25
167					
168	DEC -Facility Construction & Operation 32		VSW: Commission a study to provide evidence that force account construction is a better method for building rural sanitation projects.		p. 25 - 26
169					
170	DEC -Facility Construction & Operation 33		If contracting results of the VSW/PM position are positive, it would seem that a project manager position or two in MG&L could also be contracted to the private sector.		p. 26
171					
172	DEC -Facility Construction & Operation 34		Privatize the accounting/bookkeeping functions of the loan programs and projects to a private accounting firm.		p. 26
173					
174	DEC -Facility Construction & Operation 35		Outsource the auditing functions of the internal auditor position to a private accounting firm.		p. 26
175					
176	Gov Office/ OMB 1		The budget should be complete yet comprehensible to Alaskans.		p. 2 - 3
177					
178	Gov Office/ OMB 2		To accomplish this, professionals from the private sector should be utilized.		p. 3 - 4
179					
180	Gov Office/ OMB 3		Once a complete but comprehensible budget has been completed, further privatization studies should be undertaken to reduce the cost of government.		p. 4
181					
182	Gov Office/ OMB 4		General fund parameters should be established		p. 4 - 5

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
			in the budget process.		
183					
184	Gov Office/ OMB 5	A firm schedule and procedures for development and reporting of the budget should be established.			p. 5
185					
186	Gov Office/ OMB 6		Improve the methods utilized to encourage state employees and other Alaskans to furnish input in the streamlining of state government, in reducing the cost of government, and in improving the budget process.		p. 5 - 6
187					
188	Gov Office/ OMB 7	The legislature shall devise a task based budget format and require, by statute, that the governor's budget be submitted in that format.			N/A
189					
190	Court System 1		The court System needs to disclose more information regarding how its budget expenditures relate to activities it performs to fulfill its mission, goals and objective.		p. 4
191					
192	Court System 2		The Legislature, the Judicial Council and the Alaska Bar Association should undertake a review of Performance Measurement Indicators used in other court systems and recommend a set of them that facilitates public evaluation of our court system.		p. 4
193					
194	Court System 3		The Court System should make a record of lease vs. purchase on all equipment, in particular electronic and technological modes. This would allow most technological equipment to be updated periodically. The record should specify upgrades and maintenance schedules.		p. 4

Commission on Privatization and Delivery of Government Services

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
195					
196	Court System 4		The Court System should refrain from hiring additional personnel in order to maintain it's current level of services, except as approved by the legislature.		p. 4
197					
198	Court System 5		The fees charged have not been increased since March 1991. Filing and Usage fees should be reviewed each year, however they should not be increased more than the CPI.		p. 4
199					
200	Court System 6		The Legislature should periodically review all fines and assessments for inflation considerations.		p. 5
201					
202	Court System 7		The Court System, upon installation of new computer systems modalities, should implement use of credit card transactions in all courts, and related entities (Dept. of Law and Dept. of Corrections) for all types of service. This should be reviewed as to installation and maintenance by the private sector. This should reduce man hours, transaction time and cost, and retrieve cash investment return sufficient to offset the cost of the program.		p. 5
203					
204	Court System 8		The Legislature should review the Judicial Retirement System so as to implement a new tier; currently those benefits exceed 17% of Salary in relationship to other employees of about 8%.		p. 5
205					
206	Court System 9		The Appellate and Superior Courts need to reduce the backlog of cases in a more timely manner to meet national standards and provide		p. 5

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
			better services to the public. This can be accomplished while still maintaining integrity and quality.		
207					
208	Court System 10		The Alaska Legislature should support and encourage court connected mediation and utilization of private alternative dispute resolutions.		p. 5
209					
210	Court System 11		The Alaska Legislature should appoint a task force to establish minimum qualifications for certification of mediators and arbitrators in court connected disputes.		p. 5
211					
212	Court System 12		Each State Agency responsible for collection of fees or reimbursement should make a report to the legislature regarding the amount of fines and fees collected and those outstanding.		p. 6
213					
214	Court System 13		The Legislature shall privatize the collection of all unpaid court assessed fees throughout all State Agencies.		p. 6
215					
216	Court System 14		The court shall insure a true finding of indigency before court appointed attorneys are assigned to represent anyone. Require re-evaluation and confirmation of the indigency finding by a formal review and investigation process. Require court appointed attorneys to submit billing for their services to the client or his conservator for payment.		p. 6
217					
218	Court System 15		The court should establish standards for the termination of the court appointed attorney's role when such representation has served its		p. 6

Commission on Privatization and Delivery of Government Services

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
			stated purpose.		
219					
220	Court System 16		The court system should provide some mechanism whereby all judicial officers can by anonymous form, list all statutes which they believe are; 1) Conflicting, 2) Whose intent it is impossible to achieve, 3) Statutes which are too expensive to implement as written, 4) Statutes which are outmoded.		p. 7
221					
222	Court System 17		The court system should prepare a written report for the public and legislature on existing statutes that meet the above criteria. All forms should be made available for inspection by the public for a period of at least one-year.		p. 7
223					
224	Court System 18		The court system continue to explore the development of a Pro Se litigant center.		p. 7
225					
226	Court System 19		The Court Administrator continue to ensure equal access for Pro Se litigants to the court system and alternative resolution processes.		p. 7
227					
228	Court System 20		A suggestion would be to [allow pro se defense] for all corporations operating under the service provisions of Alaska Statutes 13.26 as well as those statutes governing the filing of petitions for Mental Health commitments and Alcohol commitments. There should be a definition for other small corporations [to] get a waiver to have a duly authorized corporate officer represent the corporation pro se. Small corporations need to be defined.		p. 7
229					
230	Court System 21		The Court System should publish request for		p. 8

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
			information from the private sector alternate proposals to satisfy the court system computer needs.		
231					
232	Court System 22		Subsequent to the solicitation the Legislature should appropriate the funds.		p. 8
233					
234	Court System 23		Privatize this position and appoint approved child custody investigators by either contract award or based on the rotation method used for court appointed attorneys.		p. 8
235					
236	Court System 24		The Legislature should privatize the collection of restitution.		p. 9
237					
238	Court System 25		The Department of Corrections shall encourage the signing of a restitution agreement between the offenders and victims.		p. 9
239					
240	Court System 26		The Department of Corrections shall make an annual written report to the legislature regarding the amount of restitution owed and collected.		p. 9
241					
242	Court System 27		Legislative Audit Digest #02-4577-99		p. 9
243					
244	Court System 28		The governor should introduce legislation and draft regulations that will enhance oversight of private professional guardians.		p. 9
245					
246	Court System 29		The administrative director of the Alaska Court System should implement a procedure to track professional guardians that exhibit a pattern of		p. 9

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
			asset mismanagement or other misconduct.		
247					
248	Court System 30		The legislature should consider amending the confidentiality provisions to allow for public oversight of the guardianship process.		p. 9
249					
250	Court System 31		The commissioner of the Department of Administration should address the animosity that exists among Fairbanks participants in the guardianship system.		p. 9
251					
252	Court System 32		The legislature should consider transferring the management of the court visitor function to the court system.		p. 9
253					
254	Court System 33		Management of the court visitor function should explore the potential of the National Guardianship Monitoring Program for volunteer court visitors and volunteer court auditors.		p. 9
255					
256	Corrections 1	Recommendation: All of Correctional Industries should be transferred to the Department of Community and Economic Development and all contracts should be privatized.		YES	p. 4 attachment 8
257					
258	Corrections 2	Recommendation: The entire Sex Offender Treatment Program should be privatized.		NO	p. 5
259					
260	Corrections 3	Recommendation: Education programs should be re-evaluated. Education programs should be transferred to the private sector.		NO	p. 5
261					
262	Corrections 4	Recommendation: Provision of Medical		NO	p. 5 - 6

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
		<p>Care</p> <p>a) The Indian Health Service should accept all beneficiaries into their hospitals for inpatient care regardless of the beneficiary's status as an inmate.</p> <p>b) All of the outpatient health related services should be privatized under a statewide bid.</p>			
263					
264	Corrections 5	<p>Recommendation: Non-violent prisoners should be moved to intermediate facilities and the provision of services should be privatized AND the prisoners put to work on jobs that will allow the prisoners to learn skills and to make reparations.</p>		NO	p. 6
265					
266	Corrections 6	<p>Recommendation: Centralize purchasing functions for system wide purchasing of food and other items.</p>		NO	p. 6 - 7
267					
268	Corrections 7	<p>Recommendation: The State of Alaska should privatize the fine and collection activities for the courts and the service of restraining orders and some warrants.</p> <p>Note: This recommendation should be forwarded to the court systems committee.</p> <p>Staff Note: Currently this function is performed by the Dept. of Law. That subcommittee did not consider this issue. The Dept. was asked to reply to the idea by letter to the staff.</p>		NO	p. 7
269					
270	Corrections 8	<p>Recommendation: The acquisition of vehicles and their maintenance should be privatized.</p>		NO	p. 7

Commission on Privatization and Delivery of Government Services

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
271					
272	Corrections 9	Recommendation: The Department should privatize its Information Technology.		NO	p. 7
273					
274	Corrections 10	Recommendation: Probationers and paroles should be charged a fee per week to partially cover the costs. The collections of the fees should be privatized.		?	p. 7
275					
276	Corrections 11	Recommendation: The purchase and repair of equipment should utilize private industry selection, replacement, repair, and maintenance standards. Obsolete equipment that cannot be economically operated should be replaced.		NO	p. 7
277					
278	Corrections 12	Recommendation: (Submitted to the subcommittee by the Department of Corrections) Mt. McKinley Meats Privatization Proposal. Attachment #7.		NO ?	p. 7 and attachment 7
279					
280	Transportation 1		<p>OVERARCHING ISSUE: CORE GOVERNMENTAL RESPONSIBILITY (CGR)</p> <p>Rationale: The subcommittee emphasizes that the overarching question to be answered by the Legislature for all activities within DOT/PF is whether they are Core Governmental Responsibilities (CGR's). Only after an activity is determined to be a CGR, do we need to address the subordinate question of whether it should be performed by state employees or the private sector. Although we make the following recommendations about certain activities in DOT/PF, we do so with the knowledge that a</p>		p. 19

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
			determination has not yet been made as to the essential nature of these activities, i.e., if they are CGR's. We urge the legislature to cause this determination to be made.		
281					
282	Transportation 2		It is the recommendation of the subcommittee that ownership and maintenance of local roads should devolve to the lowest level of local government.		p. 19 - 20
283					
284	Transportation 3		Use past experience gained in other jurisdictions and the federal Department of Defense model and the Alberta and British Columbia models to determine how maintenance and operations activities can be contracted to the private sector.		p. 20
285					
286	Transportation 4		Pilot project -In consultation with the AGC of Alaska and other interested parties, implement a demonstration project for privatized road maintenance of sufficient scope to be worthwhile for the private sector.		p. 20
287					
288	Transportation 5		Eliminate joint operations in municipalities or other areas that have multiple entities performing the same function.		p. 20
289					
290	Transportation 6		Transfer ownership and maintenance responsibility of non-NHS ¹ roadways to local communities. Note it is the subcommittee's intention that local communities should be reimbursed at a rate not greater than present DOT/PF expenditures.		p. 21
291					

¹ National Highway System

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
292	Transportation 7		Transfer airports to local port authorities or municipalities to the greatest extent possible.		p. 21
293					
294	Transportation 8		Transfer harbor and port facilities to local port authorities or municipalities to the greatest extent possible.		p. 21
295					
296	Transportation 9	Establish a constitutionally dedicated fund for highway maintenance.			p. 21
297					
298	Transportation 10		Remove building maintenance activities from DOT/PF. Consolidate building maintenance into one department, possibly Administration or AHFC.		p. 21 - 22
299					
300	Transportation 11		Provide economic justification for ownership vs. lease of buildings from private sector.		p. 22
301					
302	Transportation 12		Provide economic justification for ownership vs. lease of buildings from private sector.		p. 22
303					
304	Transportation 13		Restructure Bridge Design section to include only a chief bridge engineer and two or three project managers. Contract out the rest of the bridge design functions. Move Bridge Design section to Anchorage or Fairbanks.		p. 22
305					
306	Transportation 14		DOT/PF should coordinate with appropriate local governments and specifying agencies to achieve more consistent design format and standards.		p. 22
307					
308	Transportation 15		Implement total project management. One project manager assigned to carry a project from conceptual design through construction		p. 22

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
			(CalTrans model).		
309					
310	Transportation 16		Consolidate Headquarter Materials and Regional Materials into one single Materials Section and contract out a larger share of the work.		p. 23
311					
312	Transportation 17		Take the Aviation Design Program and allow private engineering firms to provide planning, design and construction administration of all airport-related projects. The State will provide project managers program overview, monitoring and measures for success.		p. 23
313					
314	Transportation 18		SEF shall contract for an on-Site Store for all parts and other products and services. Contract Management remains with SEF.		p. 23
315					
316	Transportation 19		An independent survey shall be conducted to determine the type, quantity and quality of heavy equipment available in the private sector.		p. 23
317					
318	Transportation 20		Lease/Purchase analysis, including a narrative rationale, for each piece of Heavy Equipment shall be written and available to the legislature and public prior to acquisition. The evaluation methodology shall be published in regulations.		p. 23 - 24
319					
320	Transportation 21	All audits should become public information as soon as practical.			p. 24
321					
322	Transportation 22		Establish a formalized review of spending decisions.		p. 24
323					
324	Transportation 23	Immediately, and at least once every eight			p. 24

Commission on Privatization and Delivery of Government Services

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
		years, SEF operations shall be reviewed by a professional firm with expertise in equipment management and accounting. This should be a statutory requirement.			
325					
326	Transportation 24	Create legislation to require evidence that privatization will save money and require privatization in all cases where savings meet or exceed a state-run operation.			p. 24
327					
328	Transportation 25		DOT/PF shall publish a biannual report containing a breakdown of contracts awarded by the department for the categories of: Planning, Design and Engineering services; Construction services; Construction Management services; Maintenance and Operations.		p. 24
329					
330	Health & Social Services 1	Fully fund and reinstate the Citizen's Review Panel for Permanency Planning Act (1990) in accordance with AS 47.10.400 et seq chapter 117 (SLA 1990).			p. 3
331					
332	Health & Social Services 2	Create an independent oversight board for DFYS and Juvenile Justice (functionally similar to the State Board of Education) The board would be tasked with the following primary oversight responsibilities: (1) review of policies and procedures of DFYS, (2) case review to ensure quality control. (3) Set up a statewide task force to study practices of other states (what successes and failures other states have experienced see page 12) so that we can develop a			p. 3

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
		<p>model for this state.</p> <p>(4) be responsible for foster home licensing operations to include training, hiring, discipline, oversight.</p> <p>(5) adoption procedures of relinquished children or assist DHHS in establishing a framework for the privatization of the adoption of relinquished children.</p> <p>(6) review reports of harm and grievances.</p>			
333					
334	Health & Social Services 3		Support the concept of "Single Point of Entry" for services to children and families through a private agency or non-profit designated for such a point of contact.		p. 3
335					
336	Health & Social Services 4		Support DHSS in contracting some of API services to private hospitals and practitioners.		p. 4
337					
338	Health & Social Services 5	Amend the Administrative Procedures Act and allow for external monitoring and implementation of regulations by the legislative branch.			p. 4
339					
340	Health & Social Services 6		Increase the ability of tribal organizations to contract with DFYS by providing child welfare services and assist in educating caseworkers about cultural differences.		p. 4
341					
342	Health & Social Services 7	Pass a law that would entitle the state to establish a lien to recoup money spent in Medicaid payments if an insurance company or other third party makes a subsequent settlement for the same expenses.			p. 5
343					
344	Health & Social		Considerations should be given to extending all		p. 5

Commission on Privatization and Delivery of Government Services

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
	Services 8		contracts with providers to multi-year or continuing contracts or grants, with changes handled as minor amendments thereto.		
345					
346	Health & Social Services 9		We recommend giving consideration to entering annual approved budgets of contracted agencies, receiving electronic billings periodically charging against those budgets and electronically sending payments to contracted agencies.		p. 5
347					
348	Health & Social Services 10	Cut the budget of the Alaska Mental Health Trust Authority in half or more, as a non value-added function of the state government.			p. 5
349					
350	Health & Social Services 11		We recommend beginning the process now to work with private sector entities regarding the redesign and new delivery of services at API.		p. 6
351					
352	Health & Social Services 12		Consider efficiency that could be gained by eliminating duplicated services through possible privatization.		p. 6
353					
354	Health & Social Services 13		We recommend that your department look into finding ways to incorporate some programs that are offered, with the intent of making them into a loan programs.		p. 6
355					
356	Health & Social Services 14	Implement a state statute giving medical providers the flexibility to decide whether or not to pursue collection of questionable debts.			p. 6
357					
358	Health & Social	Make the medical assistance program into a			p. 7

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
	Services 15	loan program for people who are physically able to support themselves and their family, but have medical needs and to not have the immediate resources to pay for that need.			
359					
360	Health & Social Services 16		All medical services provided by Health and Social Services that are based on income level tests are provided to applicants who are 100% of poverty level.		p. 7
361					
362	Health & Social Services 17	We recommend that the legislature conduct a legislative audit on the Medicaid Rate Advisory Commission.			p. 7
363					
364	Health & Social Services 18	Pass legislation similar to Rep. Jeannette James proposed that would require the legislature to review and approve proposed regulations before they are put into effect.			p. 7
365					
366	Health & Social Services 19	Make the ATAP program into a loan program for all public assistance for people who are physically able to support themselves and their family.			p. 7
367					
368	Health & Social Services 20	Eliminate the hold harmless programs for the permanent fund dividend and Alaska Longevity Bonus payments.			p. 8
369					
370	Health & Social Services 21		Consolidate the childcare assistance and Head Start programs currently in the Department of Education into Division of Public Assistance Welfare-to-Work Services and contract regionally for administration of the consolidated program.		p. 8
371					

Commission on Privatization and Delivery of Government Services

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
372	Health & Social Services 22		Scale down the Adult Public Assistance to include only an Interim Assistance Program.		p. 8
373					
374	Health & Social Services 23	Eliminate the General Relief Assistance Program with the exception of the inuigent burial component.			p. 8
375					
376	Health & Social Services 24	Eliminate all exemptions to the 60 month limitation for receiving ATAP.			p. 8
377					
378	Public Safety 1	The Committee recommends that legislation be passed to remove vehicle fleet management responsibilities from the Department of Transportation and Public Facilities (DOT/PF) under the Highway Capital Working Fund, and to allow each department to manage the acquisition and maintenance of their own vehicles. In remote locations where DOT/PF is the only resource available, they should continue to provide service.			p. 26
379					
380	Public Safety 2	It is also recommended that the Legislature reauthorize an audit of the Highway Capital Working Fund.			N/A
381					
382	Public Safety 3	It is the recommendation of the Subcommittee that the federal government be notified by resolution of the Alaska			p. 27

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
		Legislature that the State of Alaska be reimbursed for patrol and enforcement currently performed by DPS in federal waters outside of the three mile limit. All possible efforts be expended to ensure that Congress appropriates funds to reimburse DPS for these expenditures.			
383					
384	Public Safety 4		The Subcommittee recommends that the Legislature work with the Department to develop a comprehensive plan for more effective use of the Department's computer information resources including acquisition of appropriate software for instant and continuing information and analysis.		p. 27
385					
386	Natural Resources - Information & Data Mgmt 1		Establish some sort of punishment procedure for deliberate lies/distortions made on budget request documents.		p. 11
387					
388	NR - Information & Data Mgmt 2		Ban state agencies from trying to coerce the public into lobbying for their budget requests.		p. 11
389					
390	DNR - Information & Data Mgmt 3		Reprivatize the recorders office index processing.		p. 11
391					
392	DNR - Information & Data Mgmt 4		Consider contracting out the entire recorder's office process.		p. 12
393					
394	DNR - Information & Data Mgmt 5		Return to the policy of letting established bonded companies check out microfiche for volume copying of filmed documents.		p. 12
395					
396	DNR - Information		Make the State Recorder follow the statutes		p. 12

Commission on Privatization and Delivery of Government Services

#	Dept. A.d Number & Data Mgmt 6	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
397			regarding acceptance for recording.		
398	DNR - Resource Development 7		Maximum use should be made of "generic" contracts for geologic work, cadastral surveying, forest practices, etc.		p. 14
399					
400	DNR - Resource Development 8		The procurement procedures currently in place in all branches of the state government should be examined, and one procedure written (followed).		p. 14
401					
402	DNR - Resource Development 9		Permits should be issued for a project's life or up to five years.		p. 15
403					
404	DNR -Land Development 10		The promotion and sale of Alaska public land should be privatized, including 5000 parcels that have been foreclosed on, relinquished or otherwise returned to the state from private owners.		p. 17
405					
406	DNR -Land Development 11		Appraisal and Surveying of land for lease or sale.		p. 17
407					
408	DNR -Land Development 12		Customer Service Area -Dissemination of information to the public via web sites.		p. 17
409					
410	DNR -Land Development 13		Privatize the state owned cabin rental program.		p. 17
411					
412	DNR -Land Development 14		Privatize the data entry and web site construction activities.		p. 17
413					
414	DNR -Forest Management & Development 15		The State Department of Forestry is not compelled to give checks and balances to the legislature. I feel they should break their costs		p. 24

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
			down to show costs of design, offering, administration, road costs, etc. Costs should be computed on costs per board foot sold.		
415					
416	DNR - Forest Management & Development 16		Pre-suppression costs should be separated from Forest Management.		p. 24
417					
418	DNR - Forest Management & Development 17		Legislation should be passed to allow longer-term contracts up to twenty years, based on performance and fair market value returns to the state.		p. 24
419					
420	DNR - Oil & Gas Development 18		Itemized Savings in Oil and Gas.		N/A
421					
422	DNR - Agricultural Revolving Loan Prog 19		Contract with a statewide Alaskan bank to manage the five million-dollar principle and outstanding loan portfolio.		p. 55
423					
424	DNR - Agricultural Revolving Loan Prog 20		The bank; would share in profits generated by both old and new loans		p. 55
425					
426	DNR - Agricultural Revolving Loan Prog 21		Programs now being paid from ARLF would be budgeted out of the general funds making the real costs to State more transparent.		p. 55
427					
428	DNR - Agricultural		The State Attorney General's office would contract out to collection agencies the recouping		p. 55

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
	Revolving Loan Prog 22		of funds due from bad loans and judgements.		
429					
430	DNR – Agricultural Revolving Loan Prog 23		Improved land now held be auctioned off immediately before it deteriorates further and to reduce cost of managing.		p. 55
431					
432	DNR – Agricultural Revolving Loan Prog 24		ARLF to be dismembered.		p. 55
433					
434	DNR –Parks & Recreation 25		Phase out the campground pass program and attract campground concessionaires.		p. 58
435					
436	DNR –Parks & Recreation 26		Increasing service to the public with customer support services.		p. 58
437					
438	DNR –Statewide Fire Suppression 27		More extensive use of the internet		p. 64
439					
440	DNR –Statewide Fire Suppression 28		More support for the Tanana Hotshot fire fighting crew.		p. 64
441					
442	DNR –Various Divisions 29		Film old recording books currently located in 14 different offices.		p. 66
443					
444	DNR –Various Divisions 30		Implement imaging technology.		p. 66
445					
446	DNR –Various Divisions 31		Introduce legislation to address and design a new water right system for the water allocation program.		p. 70
447					

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
448	DNR -Various Divisions 32		Streamline DNR Appeal Process.		p. 70
449					
450	DNR -Various Divisions 33		In conjunction with Commercial Setnet Fishing Sites, repeal AS 38.05.082 and replace it with a streamlined self-registration system that would not require agency review and processing steps.		p. 71
451					
452	DNR -Various Divisions 34		Support bond issue for improving park facilities and catching up on deferred maintenance.		N/A
453					
454	DNR -Parks 35		Stop further funding of developed facilities and eliminate existing facilities that are comprised of outhouses.		p. 75
455					
456	DNR -Parks 36		Eliminate the authority of parks to set user fees for the funding of the division.		p. 75
457					
458	DNR -Parks 37		Promote private ownership of state lands through homesteading.		p. 78
459					
460	DNR -Parks 38		Build more roads and trails into remote areas of Alaska.		p. 78
461					
462	DNR -Parks 39		Demand that Governor Knowles challenge Title VIII of ANILCA in the U.S. Supreme Court.		p. 80
463					
464	DNR -Parks 40		Obtain an exemption from the Alaska Regulatory Commission for solid waste disposal for the Division or obtain a statutory exemption.		p. 80
465					
466	DNR -Parks 41		Expand Chena Hot Springs Road northwest to connect to the Steese Highway at Eagle Summit.		p. 80
467					
468	DNR -Parks 42		Contract parks in clusters allowing for sole		p. 80

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
			concessionaire clauses in the contract.		
469					
470	DNR -Parks 43		Increase interagency planning for multiple use in parks.		p. 80
471					
472	DNR - Alaska Oil & Gas Advisory Commission (Dept of Admin) 44		<p>Abolish the Commission and require the unit operator to certify compliance with statutes and regulations.</p> <p>a. Production records, well history files and well logs should be filed electronically and posted on a website for easy access.</p> <p>b. Oil pool development plans, enhanced oil recovery techniques, well spacing rules, production rates, oil/gas/water ratios, pressure maintenance, underground injection control and waste disposal activities can be monitored by the Division of Oil and Gas within DNR.</p> <p>c. Outsource the "witness meter proving, calibration and oil quality testing.</p>		N/A
473					
474	Fish & Game 1		<p>Research Plans and Partnerships: The department should acquire and use research funding sources, including the Dinkon Sands Settlement (\$160 million), the Exxon Valdez Research Trust, the Prince William Sound Oil Spill Recovery Institute (\$23 million), the Bristol Bay and Norton Sound Disaster Funds and other funds, to study the Bering Sea, to ensure real time stock assessment, local participation in scientific management decisions, and utilization of new technologies for fisheries management.</p>		p. 5
475					
476	Fish & Game 2		Funding for New Fishery Development		p. 6

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
			Opportunities: The Legislature should further consider HB 198 which provides a self-taxing mechanism to fund the development of dive fisheries based on harvest value.		
477					
478	Fish & Game 3		The department should consider bidding out development rights to a specific area for a specific species and stock assessment surveys.		p. 6
479					
480	Fish & Game 4		Electronic Data Collection and Reporting: The department should move quickly to resolve legal issues relating to implementation of an electronic fish ticket program.		p. 6
481					
482	Fish & Game 5		License Sales: The department should upgrade its internet application program for fishing licenses to include actual issuance of the license via internet.		p. 6
483					
484	Fish & Game 6		The department should expand the "collector duck stamp" program to include "collector King Salmon" stamps.		N/A
485					
486	Fish & Game 7		Stream Watch Programs: We urge a program whereby a stream watch volunteer would notify a department representative when he or she is on site and able to supplement departmental enforcement activities.		p. 7
487					
488	Fish & Game 8		Contract Out for Private Research Vessels: Establish long term research and monitoring requirements to optimize long-term charter vessel costs.		p. 7
489					
490	Fish & Game 9		Use Retired Enforcement Officers:		p. 7

Commission on Privatization and Delivery of Government Services

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
			Legal impediments need to be cleared up that complicate the use of retired personnel to supplement existing enforcement program.		
491					
492	Fish & Game 10		Collection of Fines: The department should work with the Department of Law to ensure that all civil fines and forfeitures from fish and game violations be dedicated back to fish and game research, management and habitat protection.		p. 7
493					
494	Fish & Game 11		Contract Out Wildlife Watching Venues: The department should issue a Request for Proposals to manage state wildlife watching facilities at places like Pack Creek, Round Island and McNeil River.		p. 7
495					
496	University of Alaska 1		While protecting student employment opportunity, evaluate privatization for: <ul style="list-style-type: none"> - Internet Book Sales, all campuses - Fairbanks Campus Power Plant - Fairbanks Campus Phone System - Grounds Maintenance, all campuses - Student Housing, all campuses - Fairbanks Campus Refuse Collection and Removal - Printing, Anchorage and Fairbanks - Janitorial, Juneau campus 		p. 2
497					
498	University of Alaska 2		Use private employment agencies to fill temporary, non-student, positions.		p. 2
499					
500	University of Alaska 3		Outsource the distribution of payroll.		p. 2
501					

#	Dept. And Number	LEGISLATIVE RECOMMENDATIONS	POLICY RECOMMENDATIONS	Legislation Required	Notes & page #
502	University of Alaska 4		Evaluate lease vehicles instead of purchase vehicles.		p. 3
503					
504	Community Economic Development 1		<p>Privatize tourism functions as envisioned by SB107 (CH 29, SLA99)</p> <ul style="list-style-type: none"> • Pertaining to Alaska Tourism Information Association a. Development and approval of multi-year marketing plan to include domestic, international, and travel trade markets. b. Implementation of marketing plan to include production, placement and distribution for all markets and types of media, including the web. c. Fulfillment of consumer, travel industry, press and media information requests for all markets. d. Developing markets including international. e. Participation in domestic and international travel trade (i.e. NTA, Pow Wow, etc.). f. Market research including conversion studies and travel trend analysis. 		p. 4
505					
506	Community Economic Development 2		<p>a) Privatize tourism functions as envisioned by SB107 (CH 29, SLA99)</p> <ul style="list-style-type: none"> • Pertaining to Division of Tourism. a. Administration of fiduciary, contract and regulatory compliance issues involving the ATIA marketing contract b. Communication and coordination with outside governmental agencies. c. Implementation of rural tourism development and training programs, limited 		p. 4