

ALASKA LEGISLATURE

2077

HOUSE and SENATE FINANCE COMMITTEE FILES, 1999 - 2000

228

SB

40

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/7/99

FURTHER: _____

4/12/99

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 4/12/99

Finance Committee considered SENATE BILL NO. 40

"An Act relating to eligibility for the longevity bonus; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR# _____

| SIGNING <u>DO</u> PASS | DP | OTHER RECOMMENDATIONS | NR | DNP | AM |
|--|----|--|----|-----|----|
| | | <i>[Handwritten signature]</i> | | ✓ | |
| | | <i>[Handwritten signature]</i> | | ✓ | |
| | | <i>[Handwritten signature]</i> | X | | |
| | | <i>[Handwritten signature]</i> | | ✓ | |
| | | <i>[Handwritten signature]</i> | ✓ | | |
| | | <i>[Handwritten signature]</i> | ✓ | | |
| Co-Chair: <i>[Handwritten signature]</i> | ✓ | Co-Chair: <i>[Handwritten signature]</i> | | | |
| Co-Chair: <i>[Handwritten signature]</i> | ✓ | Co-Chair: <i>[Handwritten signature]</i> | | | |

(As part of balanced budget plan)

NEW FISCAL NOTE(S):

| Department | Date | Zero | Fiscal |
|------------|------|------|--------|
| | | | |
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PREVIOUS FISCAL NOTE(S):

| Department | Date | Zero | Fiscal |
|-----------------------|--------|------|-----------|
| Admin/Longevity Bonus | 1/5/99 | | (4,100.0) |
| DHSS/Public Assist. | 1/8/99 | | (1,589.3) |
| DHSS/Med. Assist. | 1/8/99 | 0 | |
| | | | |
| | | | |
| | | | |

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

STATE OF ALASKA
1999 LEGISLATIVE SESSION

REPORTED ON
8/2 4/12/99

NO. ✓
Bill Ver. in: SB 40
(S) Publish Date: 1/21/99

Revision Date/Time (Note if correction): _____ Dept. Affected: Health and Social Services
Title: Eligibility for Longevity Bonus BRU: Medical Assistance
Sponsor: Rules Component: Medicaid ALB Hold Harmless
Requestor: Governor COMPONENT SERIAL NO. 231
See also (SN#): _____

Expenditures/Revenues: (Thousands of Dollars)

| OPERATING | FY2000 | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 |
|------------------------|------------|------------|------------|------------|------------|------------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | |
|-----------------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | |
|-----------------------------|--|--|--|--|--|--|

| | | | | | | |
|--------------------------------|--|--|--|--|--|--|
| CHANGES IN REVENUES () | | | | | | |
|--------------------------------|--|--|--|--|--|--|

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|--------------------------|------------|------------|------------|------------|------------|------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| Other (please specify) | | | | | | |
| TOTAL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY1999) cost: \$0.0

POSITIONS:

| | | | | | | |
|-----------|--|--|--|--|--|--|
| FULL-TIME | | | | | | |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

Federal law currently permits the Alaska Medicaid program to disregard the Alaska Longevity Bonus, under most circumstances, when determining client income. Under federal law, Medicaid cannot disregard the Bonus when determining eligibility for Medicaid categories that use the income standard for residents of institutions. This legislation will not change the requirement that the Alaska Medicaid program count this income when determining eligibility for these Medicaid categories. Therefore, Medical Assistance will continue to spend small amounts of funds on the ALB Hold Harmless program.

Prepared by: Jon Sherwood Phone: 465-3355
 Division: Medical Assistance Date/Time: 1/7/99 11:05 AM
 Approved by Commissioner: Karen Perdue, Commissioner Date: 1/8/99
 Agency: Department of Health & Social Services

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STATE OF ALASKA
1999 LEGISLATIVE SESSION

NO. 2
Bill Version: SB 40
REPORTED BY: 4/12/99
(S) Publish Date: 1/21/99

Revision Date/Time (Note if correction): _____ Dept. Affected: Health and Social Services
Title: Eligibility for Longevity Bonus BRU: Public Assistance
Sponsor: Ruies Component: OAA-ALB Hold Harmless
Requestor: Governor COMPONENT SERIAL NO. 223
See also (SN#): _____

Expenditures/Revenues: (Thousands of Dollars)

| OPERATING | FY2000 | FY2001 | FY2002 | FY2003 | FY2004 | FY2005 |
|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | (1,589.3) | (1,850.0) | (1,794.5) | (1,740.7) | (1,688.5) | (1,637.8) |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | (1,589.3) | (1,850.0) | (1,794.5) | (1,740.7) | (1,688.5) | (1,637.8) |

| | | | | | | |
|----------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | |
|----------------------|--|--|--|--|--|--|

| | | | | | | |
|-------------------------|--|--|--|--|--|--|
| CHANGES IN REVENUES () | | | | | | |
|-------------------------|--|--|--|--|--|--|

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|--------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | (1,589.3) | (1,850.0) | (1,794.5) | (1,740.7) | (1,688.5) | (1,637.8) |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| Other (please specify) | | | | | | |
| TOTAL | (1,589.3) | (1,850.0) | (1,794.5) | (1,740.7) | (1,688.5) | (1,637.8) |

Estimate of any current year (FY1999) cost: \$0.0

POSITIONS:

| | | | | | | |
|-----------|--|--|--|--|--|--|
| FULL-TIME | | | | | | |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

Federal law governing the administration of the Supplemental Security Income (SSI) program allows SSI to exclude state-funded, need-based payments from consideration when determining eligibility for federal SSI benefits. This legislation changes the treatment of Longevity Bonus payments by SSI. Currently, ALB payments made to an individual who first qualified for the bonus after September, 1985 are treated as countable income in SSI eligibility calculations. Under AS 47.45.122, the ALB hold harmless program replaces public assistance, SSI, and Medicaid benefits that are denied because federal law requires that bonus payments be counted as income.

This legislation will establish the Alaska Longevity Bonus (ALB) as a need-based program. SSI will be allowed to disregard ALB payments from income when determining eligibility and benefits and eliminates the need for Alaska Longevity Bonus Hold Harmless (ALB/HH) funds to replace lost SSI benefits.

Prepared by: Jim Nordlund Phone: 465-2680
Division: [Signature] Date/Time: 1/6/99 11:05 AM
Approved by Commissioner: Karen Perdue, Commissioner Date: 1/8/99
Agency: Department of Health & Social Services

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ANALYSIS (cont.):

Because of the SSI program's retrospective budgeting process, this legislation will not affect ongoing SSI recipients until the benefit month of September 1999. Therefore the decrease in ALB/HH expenditures for FY98 only reflects 10 months for FY00.

Under existing state law, no new individuals will be eligible for ALB payments after December 31, 1996. Accordingly, the need for ALB/HH funds will decrease each year while Old Age expenditures would increase by the same amount. ALB/HH expenditures are anticipated to decrease each year after FY00 by about 3 percent a year.

The need for Medicaid ALB hold harmless payments remains, because the federal Medicaid program rules continue to require that the bonus payments be treated as income for some individuals.

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

No. 1
 Bill Version: SB 40
 (S) Publish Date: 1/21/99

4/12/99

Revision Date: _____
 Title: "An Act relating to the eligibility for longevity bonus..."
 Sponsor: Rules
 Requestor: Governor

Department Affected: Administration
 BRU: Longevity Bonus
 Component: Longevity Bonus Grants
 COMPONENT SERIAL NO. 26

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING EXPENDITURES | FY 2000 | FY 2001 | FY 2002 | FY 2003 | FY 2004 | FY 2005 |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| PERSONAL SERVICES | 150.0 | 150.0 | 150.0 | 150.0 | 150.0 | 150.0 |
| TRAVEL | | | | | | |
| CONTRACTUAL | 350.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | (4,600.0) | (4,338.0) | (4,059.4) | (3,782.9) | (3,503.2) | (3,224.1) |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | (4,100.0) | (4,088.0) | (3,809.4) | (3,532.9) | (3,253.2) | (2,974.1) |
| CAPITAL EXPENDITURES | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CHANGE IN REVENUES () | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

FUND SOURCE: (Thousands of Dollars)

| | | | | | | |
|--------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | | | | | | |
| 1005 GF/Program Receipts | (4,100.0) | (4,088.0) | (3,809.4) | (3,532.9) | (3,253.2) | (2,974.1) |
| 1037 GF/Mental Health | | | | | | |
| OTHER | | | | | | |
| TOTAL | (4,100.0) | (4,088.0) | (3,809.4) | (3,532.9) | (3,253.2) | (2,974.1) |

Estimate of any current year (FY 98) cost: \$ 0.0

POSITIONS:

| | | | | | | |
|-----------|---|---|---|---|---|---|
| FULL-TIME | 3 | 3 | 3 | 3 | 3 | 3 |
| PART-TIME | | | | | | |
| TEMPORARY | | | | | | |

ANALYSIS: (Attach a separate page if necessary.)
 This bill would limit eligibility for the Longevity Bonus Program to those seniors whose income does not exceed \$60.0 for a single person or \$80.0 for a couple. Anyone with income exceeding those amounts would be suspended from the program, but could requalify if their income status changed. Although the amount of savings anticipated from this bill is an estimate, because income data is not collected on bonus recipients at this time, it is expected that the income maximum will reduce program grant costs by approximately 8% each year. However, if this estimate is too high, the program would then need a supplemental appropriation to cover the difference.

The impact of administering the program with these changes would depend on the details worked out regarding the verification of income. The program would probably need additional staff or contract resources to process income verifications, resolve disputes, process appeals, investigate suspected fraud, write detailed regulations and modify the Longevity Bonus computer program.

Prepared by: James L. Kohn, Director
 Division: Alaska Longevity Programs

Phone: (907) 465-2159
 Date: 1/4/99

Approved by Commissioner: Mark Boyer
 Agency: Department of Administration

Date: 1/5/99

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SENATE FINANCE COMMITTEE

SIGN-IN

SB 40-LONGEVITY BONUS ELIGIBILITY

NAME: RALPH C. HURT Sub./Bill No: 40

Co./Dept./Title: SELF Phone: 364-2701

Address: 2616 DOUGLAS HWY #205 JUNEAU, AK Zip: 99801

Do you wish to testify? Yes No Respond to Questions

NAME: Mary Lou Meehan Sub./Bill No: 40

Co./Dept./Title: Pioneers of Ak Phone: 586-2568

Address: 805 Gold Belt Zip: 99801

Do you wish to testify? ~~Yes~~ NO Respond to Questions

NAME: JANE KACKINON Sub./Bill No: 40

Co./Dept./Title: PIONEERS OF AK Phone: 364-3415

Address: 2666 DOUGLAS HWY JUNEAU Zip: 99801

Do you wish to testify? Yes No Respond to Questions

NAME: Alison Elgee Sub./Bill No: SB40

Co./Dept./Title: Dep. Comm Phone: 465-2200

Address: DOA Zip: _____

Do you wish to testify? Yes No Respond to Questions

CORRECTION

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



Rev. 6/98

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State of Alaska

SENATE FINANCE COMMITTEE

SIGN-IN

SB 40-LONGEVITY BONUS ELIGIBILITY

NAME: RALPH C. HURT Sub./Bill No: 40
Co./Dept./Title: SELF Phone: 364-2701
Address: 2616 DOUGLAS HWY #205 JUNEAU, AK Zip: 99801
Do you wish to testify? ___ Yes ___ No Respond to Questions

NAME: Mary Lou Menden Sub./Bill No: 40
Co./Dept./Title: Pioneers of Ak Phone: 586-2568
Address: 805 Gold Belt Zip: 99801
Do you wish to testify? ~~Yes~~ Respond to Questions

NAME: JANE KLACKINSON Sub./Bill No: 40
Co./Dept./Title: PIONEERS OF AK Phone: 364-3415
Address: 2666 DOUGLAS HWY JUNEAU Zip: 99801
Do you wish to testify? ___ Yes ___ No Respond to Questions

NAME: Alison Elgee Sub./Bill No: SB40
Co./Dept./Title: Dep. Comm Phone: 465-2200
Address: DOA Zip: _____
Do you wish to testify? Yes ___ No ___ Respond to Questions

NAME: Marie Harlin Sub./Bill No: 40

Co./Dept./Title: NARFE Phone: 6-3637

Address: 415 Willoughby # 506 Zip: 99801

Do you wish to testify? Yes No Respond to Questions Juror

NAME: JEFF JESSEE / Ex D.R. Sub./Bill No: 40

Co./Dept./Title: MENTAL HEALTH TRUST AUTHORITY Phone: 269-7960

Address: 550 W. 7th Ave Zip: 99501

Do you wish to testify? Yes No Respond to Questions

NAME: _____ Sub./Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond to Questions

NAME: _____ Sub./Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond to Questions

NAME: _____ Sub./Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond to Questions

SB

42

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/25/99

FURTHER: 3/31/99

DATE TURNED IN TO OFFICE: 1 April 99

Finance Committee considered SENATE BILL NO. 42

"An Act making corrective amendments to the Alaska Statutes as recommended by the revisor of statutes; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS SB 42 (JUD)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR" _____

| SIGNING DO PASS | DP | OTHER RECOMMENDATIONS | NR | DNP | AM |
|------------------------------|----|-----------------------|----|-----|----|
| | | <i>[Signature]</i> | ✓ | | |
| | | <i>[Signature]</i> | ✓ | | |
| | | <i>[Signature]</i> | ✓ | | |
| | | <i>[Signature]</i> | ✓ | | |
| | | <i>[Signature]</i> | ✓ | | |
| Co-Chair: <i>[Signature]</i> | ✓ | Co-Chair: | | | |
| Co-Chair: | | Co-Chair: | | | |

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

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PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

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APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

3/31/99

STATE OF ALASKA
1999 LEGISLATIVE SESSION

No. 1
NO. Bill Version: CSSB 42(JUD)
BILL V(S) Publish Date: 3-25-99
PUBLIS

Revision Date: _____
Title: "An Act making corrective amendments to the Alaska Statutes as recommended by the revisor..."
Sponsor: Senate Rules Committee
Requestor: Senate Judiciary

Department Affected: Legislative Affairs Agency
BRU: All
Component: All

COMPONENT SERIAL NO:

Expenditures/Revenues: (Thousands of Dollars)

| OPERATING | FY 00 | FY 01 | FY 02 | FY 03 | FY 04 | FY 05 |
|------------------------|----------|----------|----------|----------|----------|----------|
| PERSONAL SERVICES | 0 | 0 | 0 | 0 | 0 | 0 |
| TRAVEL | 0 | 0 | 0 | 0 | 0 | 0 |
| CONTRACTUAL | 0 | 0 | 0 | 0 | 0 | 0 |
| SUPPLIES | 0 | 0 | 0 | 0 | 0 | 0 |
| EQUIPMENT | 0 | 0 | 0 | 0 | 0 | 0 |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | |
|---------|---|---|---|---|---|---|
| CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 |
|---------|---|---|---|---|---|---|

| | | | | | | |
|---------------------|---|---|---|---|---|---|
| REVENUE FUND SOURCE | 0 | 0 | 0 | 0 | 0 | 0 |
|---------------------|---|---|---|---|---|---|

FUNDING: (Thousands of Dollars)

| | | | | | | |
|-------------------|----------|----------|----------|----------|----------|----------|
| GENERAL FUND | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS | | | | | | |
| OTHER FUND SOURCE | | | | | | |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 |

POSITIONS:

| | | | | | | |
|-----------|---|---|---|---|---|---|
| FULL-TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| PART-TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| TEMPORARY | 0 | 0 | 0 | 0 | 0 | 0 |

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary)

Zero fiscal impact to the Legislative Affairs Agency.

Prepared By: Karla Schofield, Deputy Director
Division: Administrative Services

Phone: 465-3852
Date: 3/25/99

Approved By: Pamela A. Varni, Executive Director
Agency: Legislative Affairs Agency

Date: 3/25/99

Distribution (by preparer): Leg. Finance, Legislative Sponsor, Requestor, OMB, Gov., & Impacted Agency(ies).

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101


130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

March 31, 1999

SUBJECT: Sectional Summary of the 1999 Revisor's Bill, CSSB 42(JUD)
(Work Order No. 21-LS0106\H)

TO: Senator Sean Parnell, Co-Chair
Senator John Torgerson, Co-Chair
Senate Finance Committee

FROM: James P. Crawford 
Assistant Revisor

The following is an updated sectional analysis of CSSB 42(JUD), the 1999 revisor's bill, which reflects the addition of secs. 8 and 9 in the Senate Judiciary Committee. The bill is prepared under AS 01.05.036, which provides, in part, that the revisor of statutes

shall prepare for submission to the legislature legislation for the correction or removal of the deficiencies, conflicts, or obsolete provisions, or to otherwise improve the form or substance of...the statute law of this state.

To assist the reader in understanding the bill, I have summarized the contents by listing sections that have similar purposes or effects.

Sections that correct, delete, or repeal obsolete provisions: Sections 2, 3, 10, 11, 14, 15, and 16 delete, update, or repeal provisions that have become obsolete either through other legislative action or the passage of time.

Sections that correct deficiencies (errors, oversights, etc.): Sections 1, 5, 6, 7, 12, and 19 correct errors or oversights that cannot be corrected editorially.

Sections that improve the form or substance of the statute law: Sections 4, 8, 9, 13, 17, and 18 propose amendments to improve the form or substance of the statute law of Alaska.

SECTIONAL ANALYSIS

Section 1. AS 08.54.605(a) contains a deficiency that is the product of an apparent error. The phrase "a violation of" was not inserted at the beginning of sub-paragraph (a)(1)(A) when the section was added by sec. 3, ch. 33, SLA 1996, while other sections added by sec. 3 containing similar concepts did include the phrase. See, e.g., AS 08.54.710(a)(1), 08.54.720(a)(1), and 08.54.740(a) and (b). Section 1 adds the phrase.

Senator Sean Parnell, Co-Chair
Senator John Torgerson, Co-Chair
Senate Finance Committee
March 31, 1999
Page 2

Sections 2 and 3. AS 09.55.040 and 09.55.069 contain language that subsequent legislative action has made obsolete. Specifically, these sections contain a reference to "the 'Relief Fund' created by the laws dealing with lost persons." This is an apparent reference to AS 18.60.110, "Fund for the rescue and relief of lost persons," which at one time stated:

There is created a fund out of money in the state treasury, not otherwise appropriated, for the rescue and relief of any person who becomes lost. The fund shall be known as the Relief Fund.

However, this fund was repealed over thirty years ago by sec. 1, ch. 15, SLA 1968, and no replacement fund was created or designated in the repealing legislation. Consequently, sections 2 and 3 remove the references to this repealed fund.

Section 4. AS 10.50.995 is in need of improvement as to form. The chapter that it references was entitled "Chapter 50. Limited Liability Company Act" when enacted in ch. 99, SLA 1994 (Emphasis added). The sections in Chapter 50 relate to limited liability companies. Section 4 changes the reference in AS 10.50.995 to clarify that the concept of limited liability in Chapter 50 is related to companies.

Section 5. AS 11.61.123(e) contains a deficiency that is the product of an apparent oversight. Paragraph (c)(2) refers to AS 47.10.990 for the meaning of the phrase "juvenile detention facility." However, sections 45 and 46, ch. 59, SLA 1996 moved the definition of "juvenile detention facility" from AS 47.10.990 to AS 47.12.990 in 1996. Section 5 corrects the reference.

Section 6. AS 13.05.060 suffers from a deficiency that is the product of an apparent oversight. This section, which is part of Alaska's version of the Uniform Probate Code ("UPC"), was redrafted in 1996 in ch. 75, SLA 1996. However, the UPC definition of "person" was not added to the redraft. According to Arthur H. Peterson, Uniform Law Commissioner for the State of Alaska who was involved in the redrafting effort, it was thought at the time that the general definition of "person" in AS 01.10.060 was considered adequate. The UPC definition was consequently omitted.

Subsequent discussions between Mr. Peterson and Legislative Counsel Terry Bannister have pointed out the fact that the UPC definition of "person" includes an "organization," which itself is defined to include "government or governmental subdivision or agency." These entities are not specifically listed in AS 01.10.060's definition of "person". Section 6 changes the definition so that AS 13.05.060 matches the UPC in this respect.

Section 7. AS 13.26.344(a)(9) contains a deficiency that is the product of an apparent error. In various paragraphs in the section, the phrase "other instrument that the agent considers useful" appears. (Emphasis added). These paragraphs include (b)(7), (c)(9), (c)(7),

Senator Sean Parnell, Co-Chair
Senator John Torgerson, Co-Chair
Senate Finance Committee
March 31, 1999
Page 3

(f)(9), (g)(7), and (j)(11). However, in paragraph (a)(9), the language is ungrammatically phrased as "other instrument the agent useful." The word "considers" appears to have been omitted unintentionally. Section 7 adds it.

Section 8. AS 15.13.074(h) contains an obsolete reference. Specifically, paragraph (h)(3) refers to a subparagraph in AS 15.13.116 that was renumbered last year. Section 8 adds the correct reference.

Section 9. AS 15.13.078(b) contains obsolete references. Specifically, paragraphs (b)(1) and (b)(2) refer to a subparagraph in AS 15.13.116 that was renumbered last year. Section 9 adds the correct reference.

Section 10. AS 15.45.250 is in need of improvement as to form; specifically, section 13 adds "an" before "appropriation".

Section 11. AS 18.26.030(b) is in need of improvement as to form. By letter dated November 26, 1997, Ms. Karen Boorman, Executive Director of the Alaska Public Offices Commission, requested that the title to AS 39.50 be changed from "Conflict of Interest" to "Public Official Financial Disclosure" for the following reason:

The Commission believes that the existing title of the statute is a misnomer and creates the impression that the law enables APOC to determine when a conflict of interest exists. The law does not specify what constitutes a conflict, or how a conflict may be resolved or sanctioned. Instead, the law requires the disclosure of income sources, business interests, real property interests and loans or debts so that the public may know of the financial and business interests of persons seeking or holding office.

Although changes to titles of chapters can usually be accomplished in letter instructions to the publisher, in this case, the old title reference is found mentioned in the text of AS 18.26.030(b). The reference also appears in AS 24.60.130(m), amended by sec. 13, and AS 44.85.030, amended by sec. 17. Sections 9, 13, and 17 make the necessary changes. The revisor will instruct the publisher to make necessary title changes if these sections remain in the revisor's bill and if the bill becomes law.

Section 12. AS 19.10.300(f) contains an obsolete reference. Specifically, subparagraph (f)(1)(C)(iii) contains a spanned reference, 49 U.S.C. 1801-1813 (Hazardous Materials Transportation Act), which no longer exists. The obsolete reference is also found in AS 19.10.399(1), amended by sec. 11; AS 28.33.140(d), amended by sec. 14; AS 28.33.190(8), amended by sec. 15; and AS 28.40.100(2), amended by sec. 16. The Table of Dispositions for the United States Code Service volume for Title 49 of the federal statutes indicates that the provisions encompassed by the obsolete spanned reference were recodified without substantive change and are now found in 49 U.S.C. 5101-5127. The Department of

Senator Sean Parnell, Co-Chair
Senator John Torgerson, Co-Chair
Senate Finance Committee
March 31, 1999
Page 4

Transportation and Public Facilities has suggested this spanned reference as the appropriate correction. Sections 10, 11, 14, 15, and 16 make this change.

Section 13. See the explanation for sec. 12.

Section 14. AS 24.60.050(d) contains a deficiency that is the product of an apparent oversight. Last year, sec. 36, ch. 74, SLA 1998 added a new section to AS 24.60 -- AS 24.60.105 -- which relates to deadlines for filing certain disclosures. A default deadline in the section is March 15. In light of this new date, AS 24.60.050(c) was given a conforming amendment in sec. 24 of the same 1998 bill. As amended, subsection (c) reads "the date required under AS 24.60.105" instead of the former date reference, "February 15". However, at the time subsection (c) was changed, subsection (d), which had heretofore contained the same date reference as subsection (c), was not similarly changed. Section 12 corrects this.

Section 15. See the explanation for sec. 11.

Section 16. See the explanation for sec. 12.

Section 17. See the explanation for sec. 12.

Section 18. See the explanation for sec. 12.

Section 19. See the explanation for sec. 11.

Sections 20. AS 47.10.080(c)(3) is in need of improvement as to form. It now reads, in pertinent part, "the court shall ... by order ... the termination." It logically should read "the court shall ... order ... the termination." Section 19 makes this change, which has the additional effect conforming its sentence structure to that of paragraphs (c)(1) and (c)(2) of this section.

Section 21. Section 54, ch. 123, SLA 1996 (HCS 2d CSSB 136(FIN) am H(brf sup maj fld H)(efd fld S)("SB 136")) contains a deficiency that is the product of an apparent error. The section contains a reference to sec. 102, but review of ch. 123 reveals that sec. 102 does not exist. The last section in ch. 123 is sec. 101.

In light of the bill's history, the reference is corrected to read "sec. 100". SB 136 passed the House of Representatives on reconsideration. 1996 House Jour. 4579 (May 7, 1996). This version -- version "D" -- did have a sec. 102 (103 sections total), and sec. 54's reference to sec. 102 was correct at the time. It also had two alternate effective date sections, which were secs. 100 and 101. However, when SB 136 version "D" came before the Senate to determine whether the Senate would concur in House amendments, the Senate failed to adopt the effective date clauses. 1996 Senate Jour. 4178 (May 7, 1996). When the new

Senator Sean Parnell, Co-Chair
Santor John Torgerson, Co-Chair
Senate Finance Committee
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version -- version "H" -- was reprinted as HCS 2d CSSB 136(FIN) am H (brf sup maj fld H)(efd fld S), the effective date clause sections that failed were removed, and the provision previously designated as sec. 102 became sec. 100, as can be seen by comparing the two versions. Unfortunately, sec. 54's reference to sec. 102 remained unchanged. Section 24 makes the change now.

Section 22. Section 22 makes the correction to sec. 54, ch. 123, SLA 1996 retroactive to July 1, 1996, the effective date of sec. 54, ch. 123, SLA 1996, in order to protect any reliance interest of those expending money under sec. 54, ch. 123, SLA 1996.

Section 23. Effective date.

JPC:glc
99-155.glc

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101


130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

February 19, 1999

SUBJECT: Sectional Summary of the 1999 Revisor's Bill, CSSB 42(STA)
(Work Order No. 21-LS0106\G)

TO: Senator Sean Parnell, Co-Chair
Senator John Torgerson, Co-Chair
Senate Finance Committee

FROM: James P. Crawford 
Assistant Revisor

The following is a sectional analysis of CSSB 42(STA), the 1999 revisor's bill. The bill is prepared under AS 01.05.036, which provides, in part, that the revisor of statutes

shall prepare for submission to the legislature legislation for the correction or removal of the deficiencies, conflicts, or obsolete provisions, or to otherwise improve the form or substance of...the statute law of this state.

To assist the reader in understanding the bill, I have summarized the contents by listing sections that have similar purposes or effects.

Sections that correct, delete, or repeal, obsolete provisions: Sections 2, 3, 10, 11, 14, 15, and 16 delete, update, or repeal provisions that have become obsolete either through other legislative action or the passage of time.

Sections that correct deficiencies (errors, oversights, etc.): Sections 1, 5, 6, 7, 12, and 19 correct errors or oversights that cannot be corrected editorially.

Sections that improve the form or substance of the statute law: Sections 4, 8, 9, 13, 17, and 18 propose amendments to improve the form or substance of the statute law of Alaska.

SECTIONAL ANALYSIS

Section 1. AS 08.54.605(a) contains a deficiency that is the product of an apparent error. The phrase "a violation of" was not inserted at the beginning of sub-paragraph (a)(1)(A) when the section was added by sec. 3, ch. 33, SLA 1996, while other sections added by sec. 3 containing similar concepts did include the phrase. See, e.g., AS 08.54.710(a)(1), 08.54.720(a)(1), and 08.54.740(a) and (b). Section 1 adds the phrase.

Sections 2 and 3. AS 09.55.040 and 09.55.069 contain language that subsequent legislative action has made obsolete. Specifically, these sections contain a reference to "the 'Relief Fund' created by the laws dealing with lost persons." This is an apparent reference to AS 18.60.110, "Fund for the rescue and relief of lost persons," which at one time stated:

There is created a fund out of money in the state treasury, not otherwise appropriated, for the rescue and relief of any person who becomes lost. The fund shall be known as the Relief Fund.

However, this fund was repealed over thirty years ago by sec. 1, ch. 15, SLA 1968, and no replacement fund was created or designated in the repealing legislation. Consequently, sections 2 and 3 remove the references to this repealed fund.

Section 4. AS 10.50.995 is in need of improvement as to form. The chapter that it references was entitled "Chapter 50. Limited Liability Company Act" when enacted in ch. 99, SLA 1994 (Emphasis added). The sections in Chapter 50 relate to limited liability companies. Section 4 changes the reference in AS 10.50.995 to clarify that the concept of limited liability in Chapter 50 is related to companies.

Section 5. AS 47.10.123(e) contains a deficiency that is the product of an apparent oversight. Paragraph (e)(2) refers to AS 47.10.990 for the meaning of the phrase "juvenile detention facility." However, sections 45 and 46, ch. 59, SLA 1996 moved the definition of "juvenile detention facility" from AS 47.10.990 to AS 47.12.990 in 1996. Section 5 corrects the reference.

Section 6. AS 13.05.060 suffers from a deficiency that is the product of an apparent oversight. This section, which is part of Alaska's version of the Uniform Probate Code ("UPC"), was redrafted in 1996 in ch. 75, SLA 1996. However, the UPC definition of "person" was not added to the redraft. According to Arthur H. Peterson, Uniform Law Commissioner for the State of Alaska who was involved in the redrafting effort, it was thought at the time that the general definition of "person" in AS 01.10.060 was considered adequate. The UPC definition was consequently omitted.

Subsequent discussions between Mr. Peterson and Legislative Counsel Terry Bannister have pointed out the fact that the UPC definition of "person" includes an "organization," which itself is defined to include "government or governmental subdivision or agency." These entities are not specifically listed in AS 01.10.060's definition of "person". Section 6 changes the definition so that AS 13.05.060 matches the UPC in this respect.

Section 7. AS 13.26.344(a)(9) contains a deficiency that is the product of an apparent error. In various paragraphs in the section, the phrase "other instrument that the agent considers useful" appears. (Emphasis added). These paragraphs include (b)(7), (c)(9), (e)(7), (f)(9), (g)(7), and (j)(11). However, in paragraph (a)(9), the language is ungrammatically

phrased as "other instrument the agent useful." The word "considers" appears to have been omitted unintentionally. Section 7 adds it.

Section 8. AS 15.45.250 is in need of improvement as to form; specifically, section 13 adds "an" before "appropriation".

Section 9. AS 18.26.030(b) is in need of improvement as to form. By letter dated November 26, 1997, Ms. Karen Boorman, Executive Director of the Alaska Public Offices Commission, requested that the title to AS 39.50 be changed from "Conflict of Interest" to "Public Official Financial Disclosure" for the following reason:

The Commission believes that the existing title of the statute is a misnomer and creates the impression that the law enables APOC to determine when a conflict of interest exists. The law does not specify what constitutes a conflict, or how a conflict may be resolved or sanctioned. Instead, the law requires the disclosure of income sources, business interests, real property interests and loans or debts so that the public may know of the financial and business interests of persons seeking or holding office.

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Section 11. See the explanation for sec. 10.

Section 12. AS 24.60.050(d) contains an deficiency that is the product of an apparent oversight. Last year, sec. 36, ch. 74, SLA 1998 added a new section to AS 24.60 -- AS 24.60.105 -- which relates to deadlines for filing certain disclosures. A default deadline in the section is March 15. In light of this new date, AS 24.60.050(c) was given a conforming amendment in sec. 24 of the same 1998 bill. As amended, subsection (c) reads "the date required under AS 24.60.105" instead of the former date reference, "February 15". However,

at the time subsection (c) was changed, subsection (d), which had heretofore contained the same date reference as subsection (c), was not similarly changed. Section 12 corrects this.

Section 13. See the explanation for sec. 9.

Section 14. See the explanation for sec. 10.

Section 15. See the explanation for sec. 10.

Section 16. See the explanation for sec. 10.

Section 17. See the explanation for sec. 9.

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Section 21. Effective date.



OFFICIAL BUSINESS

Alaska State Legislature
Senate
Office of the Secretary

STATE CAPITOL, ROOM 213
JUNEAU, ALASKA 99801-1182
(907) 465-3701
FAX: 465-2832
EMAIL: senate_secretary@Legis.state.ak.us

FOR YOUR IMMEDIATE ATTENTION

DATE: February 19, 1999
TO: Jerry Lee Soltani
Senate Finance Secretary
FROM: Office of the Senate Secretary

The Senate President has added a referral on the following bill:

SENATE BILL NO. 42

RETRIEVE

Please give the bill file to the page delivering this message. The bill has had a Judiciary referral added prior to the Finance referral.

Thank you.

SENATE FINANCE COMMITTEE

SIGN-IN

SB 42-1999 REVISOR'S BILL

NAME: James Crawford Subject/Bill No: SB 42
Co./Dept./Title: Assistant Revisor Phone: 465-2450
Address: 130 Seward St., Ste 409 Zip: 99801
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

LTN1100-R01
03/31/99

LEGISLATIVE TELECONFERENCE NETWORK

PAGE 02
19:42:08

TCN: 90487 DATE & TIME: 03/31/99 18:00 TO 21:00 STATUS:5 IN PROG.

PARTICIPANTS IN:MATSU

MAT

AK (907)000-0000
TSFY. SB 113
AK (907)000-0000

2 MR BILL BRUU

**** UPDATES ****

01 03/29/99 12:04:28 ANNOUNCING TELECONFERENCE
02 03/30/99 11:25:40 FAIRBANKS ADDED ON
02 03/30/99 11:25:41 KENAI LIO ADDED ON
02 03/30/99 11:25:42 MATSU ADDED ON
02 03/30/99 11:25:43 OFFNET 1 ADDED ON

LTN1100-R01

LEGISLATIVE TELECONFERENCE NETWORK

PAGE 01
19:42:12

03/31/99

TCN: 90487 DATE & TIME: 03/31/99 18:00 TO 21:00 STATUS:5 IN PROG.

**** ORDER SUMMARY ****

SPONSOR: SFIN SENATE FINANCE

CHAIRS: PARNELL

PURPOSE: PUB PUBLIC HEARING

LEGISLATIVE

TORGERSON

CONTACT: DARWIN

TEL#: (907)465-2138

CHAIRING SITE: JUNEAU

CAPITOL

CAP532

TOLL FREE: (907)269-0141

DIAL-UP:

LIO: (907)258-8772

SPONSOR REMARKS(PUB): TESTIMONY:Y ALLOWED

3 MINUTE LIMIT

TESTIMONY WILL BE TAKEN WITH A 3 MINUTE LIMIT.

SEE COMMITTEE SCHEDULE IN BASIS

SPONSOR REMARKS(LIO): BACKUP MATERIAL:N MEETING IN PROGRESS:N MAX. SITES:10

MEETING ID = 7346

OTHER SITES MAY ADD.

TCN REQUESTED ON 03/31/99 AND HAS 2 UPDATES

**** AGENDA ****

- 1 SB 24 REGULATIONS: ADOPTION & JUDICIAL REVIEW
- 2 SB 113 FINANCES OF ALASKA HOUSING FINANCE CORP
- 3 SB 42 1999 REVISOR'S BILL
- 4 SB 84 CIGARETTE SALES: AGREEMENT/ESCROW

**** PARTICIPATING LIOS ****

| | | |
|---------------|------------------|-----------------------|
| ANC ANCHORAGE | 716 W 4TH, #200 | LOCATION STAFF |
| FBX FAIRBANKS | 119 N CUSHMAN ST | LOCATION STAFF |
| * JNU JUNEAU | CAPITOL | CAP532 LOCATION STAFF |
| KEN KENAI LIO | 145 MAIN ST LOOP | LOCATION STAFF |
| MAT MATSU | 600 E RAILROAD | LOCATION STAFF |

**** VOLUNTEER & OFFNET SITES ****

ZZZ OF1 OFFNET 1

ANCHORAGE

DENNIS WOLDOCK

(907)562-7051

PARTICIPANTS IN:ANCHORAGE

ANC

2 MR ERIC DYRUD

AK TSFY. SB 113
(907)000-0000

3 MR DICK DOLMAN

AK TSFY. SB 113
(907)000-0000

4 MS ARLENE PATTON

AK TSFY. SB 113
(907)000-0000

5 MR ARTHUR CLARK

AK TSFY. SB 113
(907)000-0000

SB

44

SFIN

FILE

SB 44

was referred to the
Senate Finance
Committee

Hearing(s) were held

The bill did not move
from Committee

STATE OF ALASKA

YEAR 2000 PROJECT
BRIEFING AND
BACKGROUND MATERIALS

- Governor Knowles' Administrative Order No. 177
- State of Alaska Mission-Critical Business Functions
- Departmental Y2K Readiness Reports
- Project Status Reports
- Year 2000 Project Office - - Contact Information

Year 2000 Project Office

<http://www.state.ak.us/y2000/>

January 22, 1999



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

ADMINISTRATIVE ORDER NO. 177

I, Tony Knowles, Governor of the State of Alaska, under the authority of art. III, secs. 1 and 24 of the Alaska Constitution, establish a Year 2000 (Y2K) project office within the Office of the Governor, to be headed by the Y2K senior project manager.

PURPOSE

The Year 2000 date change problem is already affecting automation systems and the conduct of business worldwide, in both public and private sectors. The Y2K problem will increasingly affect automation systems and business operations as December 31, 1999, approaches, and will continue to have substantial effects even beyond the year 2000. Therefore, the Year 2000 problem poses serious potential risks for the State of Alaska and all Alaskans.

The brief time remaining to obtain compliance with year 2000 standards requires the Administration to act as if under emergency conditions to prevent or minimize the effects of noncompliance which may pose a direct and imminent threat of a disaster of sufficient magnitude and severity to justify state action.

To do the Administration's utmost to ensure essential state government functions continue without interruption, I declare Year 2000 compliance to be a priority of the highest level for the executive branch. In recognition of that priority, the Y2K senior project manager must function at the level of a member of the cabinet.

For the same reason, the Y2K project office, which has worked closely with state agencies in compiling inventories and assessments of their automated systems, must be elevated organizationally to link directly to the Office of the Governor.

DIRECTIVES FOR THE Y2K PROJECT OFFICE

The Y2K project office shall:

1. coordinate all Y2K efforts for the executive branch and focus those efforts on meeting the needs of mission critical systems of state agencies;
2. set Y2K compliance standards consistent with law for all state agencies in the executive branch;

3. monitor the efforts of state agencies in the executive branch to meet compliance standards established under this order;
4. establish a remediation timetable and a risk management and contingency plan for the executive branch for Y2K efforts;
5. establish a Y2K clearinghouse for making Y2K preparedness information available to state agencies, the public, and entities outside of state government; and coordinate technical assistance to other affected entities in Alaska;
6. maintain ongoing contact with Y2K coordinators in state agencies;
7. compile information regarding resource needs of state agencies to address Y2K issues; and analyze, coordinate, and present Y2K requests for appropriations to the Governor and the Legislature;
8. make monthly reports on the Y2K efforts and progress of state agencies to the Governor, Chief of Staff, Cabinet, and Legislature;

DIRECTIVES FOR STATE AGENCIES

Each state agency is responsible for doing its utmost to ensure its mission critical systems are, or can be made, and will remain, Y2K compliant. This includes ensuring, to the extent possible, its mission critical systems will not be interrupted or corrupted as a result of automation interfaces or business relationships with other entities inside or outside of state government.

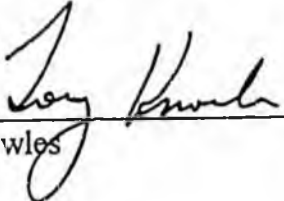
Each state agency shall:

1. consistent with legal obligations, adhere to all Y2K standards established for the executive branch;
2. with due consideration for mandated Administration and legislative initiatives, defer commencing new technology projects (including purchases or leases of software, system enhancements, and hardware) until mission critical systems are Y2K compliant, unless the state agency can demonstrate that those projects will not impede the agency's ability to achieve Y2K compliance for all of its mission critical systems;
3. identify all mission critical systems for the agency which requires Y2K-related modifications in order to function correctly and reliably, or may require replacement or elimination;
4. develop and implement a Y2K project work plan that is based on the use of existing resources to the extent possible, and is focused on achieving or maintaining the Y2K compliance of mission critical systems of the agency;

5. develop appropriate contingency plans to ensure that mission critical systems of the agency can continue to operate if Y2K-related interruption or corruption of supporting systems occurs;
6. identify additional needs to ensure its mission critical systems are repaired or replaced, tested, and fully addressed by an appropriate contingency plan of the agency; and
7. provide monthly progress reports on efforts conducted under this order to the Y2K senior project manager.

This order takes effect immediately.

Dated at Juneau, Alaska, this 28 day of August 1998.



Tony Knowles
Governor

State of Alaska - Year 2000 Project
Y2K Project Office

MISSION-CRITICAL BUSINESS FUNCTIONS

ENTERPRISE-LEVEL

The list below identifies the "enterprise-level" mission-critical business functions for purposes of the Year 2000 Project. These business functions and the systems which support them (business systems, automation systems, facilities, supplier and customer relationships, etc.) will be the primary focus of Y2K remediation and compliance efforts.

Administration

Procurement
Mental Health Trust Authority Grants
Public Guardian Trust Accounting System
Alaska Longevity Bonus Program
Alaska Pioneer Homes (general)
Payroll
Accounting
Computer Services
Network Services
Telephone Services
Telecommunications Services
Alaska Public Communications Services
Vehicle and Driver Licensing
Retiree Payroll
Supplemental Benefits System Annuity Plan
On-Line Personnel Recruitment

COMMERCE AND ECONOMIC DEVELOPMENT

Bradley Lake Hydro
Four Dam Pool Hydro
Larsen Bay Hydro
Alaska Intertie
AIDEA Loan Servicing
Investment Loan Servicing
Alaska Railroad

COMMUNITY AND REGIONAL AFFAIRS

Power Cost Equalization
State Revenue Sharing
Seniors and Disabled Renters Program
Safe Communities (formerly Municipal Assistance)

CORRECTIONS

DOC Twelve Correctional Institutions, And Their Security, Central Control Systems, Perimeter Fences, Card Entry/Exit Systems, Monitoring Systems, Health and Life/Safety Systems

DOC Telecommunications In Correctional Facilities.
EDUCATION

Post-Secondary Education Commission - Loans

ENVIRONMENTAL CONSERVATION

**Laboratory Analysis of Food Samples
Certifying Commercial Drinking Water Labs
Analysis of environmental samples
Communications System for Emergency Response**

FISH & GAME

**Licensing fishermen, crew members and vessels for commercial fishing across the state
Enhancement Hatcheries
Process Fish Tickets**

GOVERNOR

**State Budget Preparation
Elections**

HEALTH AND SOCIAL SERVICES

**Family and Youth Services - Youth Detention Facilities
Family and Youth Services - Family Services, Child Protection Services
Alaska Psychiatric Institute
Public Health Nursing
Medical Benefits to Alaskans who qualify
Public Assistance or "Welfare" Programs (ATAP, Food Stamps/EBT, General Relief, Adult
Public Assistance and others) for Alaskans who qualify
Public Health Laboratories
Emergency Medical Services**

LABOR

**Unemployment Insurance
Employment Services
Worker's Compensation**

LAW

**Prosecution of Criminals
Collection of Civil & Criminal Debts to the State - Child Support Enforcement Collections
Investigation, Defense, & Prosecution of State's Oil & Gas Royalty and Taxation Cases
Child Protection Cases**

MILITARY AND VETERANS AFFAIRS

**Emergency Response Capability - State, Local, Federal Coordination
Disaster Recovery Database - Emergency Response Support**

NATURAL RESOURCES

**DNR's revenue processing
Property recorder's office system
DNR oil patch
DNR Land Administration System.
Wildland Fire Suppression Systems
Field Radio and Mobile Repeater Systems**

PUBLIC SAFETY ¹

**Alaska Public Safety Information Network
911 Emergency Dispatch Centers
Public Safety Message Switch
Vehicles, Vessels, Aircraft**

REVENUE

**Income & Excise Audit Division's Cash Processing
Process and deliver PFD checks
Process Child Support Payments
Collection of State Revenues
Disbursement of State Funds
In-house investment management of State/ASPIB fixed income
Permanent Fund Corporation - Asset Management**

TRANSPORTATION

**Alaska Marine Highway System Vessels
Anchorage International Airport Fire Alarm System
Anchorage International Airport Heating, Ventilating, Air Conditioning
Alaska Marine Highway System Shoreside Facilities
Anchorage International Airport Access Control System
Land Highway Traffic Control Devices
State Equipment Fleet Vehicles and Shop Equipment
State Equipment Fleet Equipment Management System
Fairbanks International Airport Access Control System
Fairbanks International Airport Andover Heating, Ventilating, Air Conditioning Control
Fairbanks International Airport Fire Alarm System
Sitka Airport
Telecommunication Infrastructure
Third Party Billing System
Public Facilities, Buildings**

¹ Two additional MCBF's ("Public Safety Message Switch" and " Vehicles, Vessels, Aircraft"), previously listed separately, were consolidated and included within the two MCBF's shown, effective 11/6/98.)

YEAR 2000 READINESS STATUS as of DECEMBER 1998

DEPARTMENT OF ADMINISTRATION

Overall Rating: **YELLOW**¹

- All systems have been inventoried and assessed
 - Each MCBF² is being aggressively worked
 - All systems except Payroll have been remediated and are in testing or awaiting testing
 - Good top management support
 - Appropriate funding requests have been made

Status of each Mission Critical Business Function:

1) Procurement - **YELLOW**

- Largely a manual process, Y2K problems not anticipated

2) Mental Health Trust Authority Grants - **YELLOW**

- Uses AKSAS

3) Alaska Longevity Bonus Program - **YELLOW**

- 100% remediated
- In testing

4) Alaska Pioneer Homes – Pharmacy System - **YELLOW**

- System certified by vendor to be Y2K compliant
- Tested in December 1998. Rating pending results

5) Payroll - **YELLOW**

- Anticipate Y2K compliant vendor upgrade in March 1999
- Do not anticipate completing testing until July 1999

Note – if system failure is affected by 6/30/99 changeover, plan could be too tight

¹ (red) Given current status/constraints, it is unlikely this MCBF will be Year 2000 compliant prior to projected failure date.

(yellow) Given current status, this MCBF should be Year 2000 compliant one month prior to its projected failure date.

(green) This MCBF is Year 2000 compliant, and an approved contingency plan is in place.

² **MCBF**: Mission Critical Business Function. Selected based on significant impact on life, health safety or economic well-being of Alaskans

6) Accounting- YELLOW

- 75% Remediated
- 70% Tested
- 60% Implemented
- AKSAS designed to process four digit dates

7) Vehicle and Driver Licensing - YELLOW

- Copy of ASPIN which is expected to be compliant
- Awaiting mainframe testing

8) Public Guardian Trust Accounting System - YELLOW

- Pacific Western package certified by vendor to be Y2K compliant
- Needs to be tested on platform it operates on

9) On-line Personnel Recruitment - YELLOW

- Not discussed in agency status report
- Comment based on research by Chris Parse
- New system – expected to be Y2K compliant
- Needs to be tested on current platform

10) Retiree Payroll - YELLOW

- Expected to be compliant
- 50% tested

11) Supplemental Benefits System Annuity Plan - YELLOW

- Expected to be compliant
- 30% tested

Funding Requirement: \$1,622,400

- \$104,000 - Convert Public Guardian system to Y2K compliant and more stable platform
- \$250,000 - funding to assist with required testing of retirement system and potential additional remediation
- \$400,000 - Complete replacement of BENEALC system with Y2K compliant version
- \$868,400 - Y2K Project Administration

YEAR 2000 READINESS STATUS as of DECEMBER 1998

DEPARTMENT OF ADMINISTRATION (ITG ONLY)

Overall Rating: **YELLOW**¹

- The mainframe test environment is in place. This is the most critical element for testing and certifying all key systems. Testing is currently scheduled to begin in January.
- All areas are being aggressively worked. The red rating in Telecommunications appears to be caused by a lack of update information. This area is being researched for update information at this time.
- Contingency plans have been submitted for review

Status of each Mission Critical Business Function:

1) Computer Services - **YELLOW**

- The partitioned environment needed for Y2K testing is in place
- This rating is tentative, and based on the pending release of a testing schedule, due out in mid January
- Remediation is ahead of schedule

2) Network Services - **YELLOW**

- Assessment and planning is complete and Remediation is ahead of schedule
- An aggressive team is working all levels of statewide network services
- A comprehensive inventory is available and being used in this effort

3) Telephone Services - **YELLOW**

- The state's three major PBX systems are run on Y2K compliant hardware and software
- Testing is possible and scheduled for these systems
- Local Exchange Carriers (LECs) in the three major urban areas (Anchorage, Fairbanks, Juneau) are addressing Y2K concerns

¹ (red) Given current status/constraints, it is unlikely this MCBF will be Year 2000 compliant prior to projected failure date.

(yellow) Given current status, this MCBF should be Year 2000 compliant one month prior to its projected failure date.

(green) This MCBF is Year 2000 compliant, and an approved contingency plan is in place.

4) Telecommunications - YELLOW

- The main ITG leased-line systems and interfaces supporting this function, are estimated at 100% assessed, and 30-50% remediated.
- Assessment and planning of paging equipment and two-way radios is 100% assessed, with a task order under preparation between ITG and the Y2K Project Office for conducting remediation. Completion of remediation is expected by 6/30/99, depending on availability of funding..

5) Alaska Public Communications Services - YELLOW

- Earth stations and transmission facilities have redundancy and backup power sources.
- The Satellite Interconnect Program is on schedule and should be completed by March 1999

6) Desktop LAN/WAN - YELLOW

- Remediation is ahead of schedule
- Activity is well into the remediation phase

Funding Requirement: \$2,126,300

- \$2,126,300 - Mainframe Test Environment

YEAR 2000 READINESS STATUS - - AS OF DECEMBER 1998

DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

OVERALL STATUS:..... YELLOW¹

- Department is making satisfactory progress and is ahead of the estimated failure dates for the automation systems supporting its MCBF's. No problems expected.
- Department-wide Y2K contingency plan in place.

STATUS OF MISSION-CRITICAL BUSINESS FUNCTION (MCBF):

1. Investment Loans Servicing YELLOW

- Mortgage Loans Extended system and Loans Online Information System both 100% completed for Assessment and Planning Stage, and 80% completed with Remediation Stage. Critical suppliers are identified (KeyBank LockBox Services and electrical utilities), and contingency plans for them are in place.

2. Alaska Railroad YELLOW

- Assessment and planning for main automation systems are 100% completed. Remediation is functionally 100% completed, with systems having been upgraded or replaced. Testing is 100% completed in four major systems and 90% completed for the fifth. Compliance work on embedded systems (signal systems, events recorders, phone/fax/radio controllers) is 100% completed.

3. Bradley Lake Hydro YELLOW

- Assessment and planning for all systems are 100% completed.
- Remediation is functionally 100% completed. Strategy (per normal operations) calls for replacement or manual override of relays, control

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YELLOW: Given current status and constraints, this MCBF should be Year 2000 compliant one month prior to its estimated failure date.

GREEN: This MCBF is Year 2000 compliant, and an approved contingency plan is in place.

systems and other parts if problems occur. Adequate procedures, on-site personnel, and inventory of replacement parts and equipment are all in place.

- Y2K-compliant verifications already received from most suppliers.
- Pilot-site testing of SCADA and maintenance management systems is scheduled for January 1999, with completion by 6/30/99 and results applied to other hydro sites and Alaska Intertie as needed.

4. Four-Dam Pool Hydro YELLOW

- (Same as above.)

5. Larsen Bay Hydro YELLOW

- (Same as above.)

6. Alaska Intertie YELLOW

- (Same as above.)

7. AIDEA Loan Servicing YELLOW

- Assessment and Planning for main automation systems (MLS system and Dynamics interface) are 100% completed, with remediation also 100% completed. Testing and implementation are both 80% completed.
- Remediation of desktop computers, LAN systems, and WAN links are 50% remediated, with testing and implementation also 50% completed.

8. Desktop/LANs/WAN YELLOW

- Assessment and planning for departmental systems supporting mission-critical business functions are 100% completed, with remediation 30% completed.

Y2K FUNDING REQUIREMENT: \$75,000

- \$ 75,000 - Alaska Public Utilities Commission Y2K Assessment

YEAR 2000 READINESS STATUS - - AS OF DECEMBER 1998

DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS

OVERALL STATUS:..... YELLOW ¹

- Department is making adequate progress and is well ahead of the estimated failure dates for the automation systems supporting its MCBF's. No problems expected.

STATUS OF MISSION-CRITICAL BUSINESS FUNCTION (MCBF):

1. State Revenue Sharing..... YELLOW

- 100% completed for Assessment and Planning Stage, and for Remediation Stage. Testing is 20% done, with completion expected by 5/1/99. Small application, no problems expected.

2. Safe Communities (Municipal Assistance)..... YELLOW

- (Same as above.)

3. Seniors And Disabled Renters Program..... YELLOW

- 100% completed for Assessment and Planning Stage. Remediation is 90% done, with completion expected by 2/28/99. Small application, no problems expected.

¹ **RED:** Given current status and constraints, it is unlikely this MCBF will be Year 2000 compliant prior to its estimated failure date.

YELLOW: Given current status and constraints, this MCBF should be Year 2000 compliant one month prior to its estimated failure date.

GREEN: This MCBF is Year 2000 compliant, and an approved contingency plan is in place.

4. Power Cost Equalization YELLOW

- 100% completed for Assessment and Planning Stage, and 90% completed for Remediation Stage. Testing and Implementation are both 85% completed. Small application, no problems expected

5. Desktop/LANs/WAN YELLOW

- 100% remediated, with 90% of testing currently completed.

Y2K FUNDING REQUIREMENT: -- NONE --

- n/a

YEAR 2000 READINESS STATUS as of DECEMBER 1998

DEPARTMENT OF CORRECTIONS

Overall Rating: **YELLOW¹**

- 51% of all systems have been through the remediation phase
- Each MCBF² is being aggressively worked
- A funding request has been made to address non-compliant systems
- Strong contingency plans are in place
- Needed resources have been identified and requested

Status of each Mission Critical Business Function:

1) **Twelve Correctional Institutions, and their security, central control systems, perimeter, fences, card entry systems, monitoring systems, health and life/safety systems - YELLOW**

- Each facility has been walked through and inspected
- All facilities, to include administrative buildings, are being inspected under DOT's RSA
- A funding request to address the one correctional facility that cannot be brought into compliance has been submitted

2) **DOC Telecommunications in Correctional Facilities - YELLOW**

- Key systems are being replaced
- Digital systems are based on Y2K compliant hardware and software
- Communications between facilities is under review

3) **Desktop LAN/WAN - YELLOW**

- Desktop units tied to MCBFs have been tested
- Funding request for replacements of non-compliant units has been submitted

Funding Requirement: \$1,625,000

- \$1,000,000 - Upgrade Cook Inlet Prfe-Trial Facility central control system
- \$560,000 - Replace desktop units identified as non-compliant
- \$65,000 - Upgrade non-compliant telecommunications and embedded systems

¹ (red) Given current status/constraints, it is unlikely this MCBF will be Year 2000 compliant prior to projected failure date.

(yellow) Given current status, this MCBF should be Year 2000 compliant one month prior to its projected failure date.

(green) This MCBF is Year 2000 compliant, and an approved contingency plan is in place.

² MCBF: Mission Critical Business Function. Selected based on significant impact on life, health safety or economic well-being of Alaskans

YEAR 2000 READINESS STATUS as of DECEMBER 1998

DEPARTMENT OF EDUCATION

Overall Rating: **YELLOW**¹

- 83% through remediation
 - Each MCBF² is being aggressively worked
 - Top management involved
 - No additional funds required

Status of each Mission Critical Business Function:

1) Postsecondary Education - **YELLOW**

- Same as above

Funding Requirement: \$0

¹ (red) Given current status/constraints, it is unlikely this MCBF will be Year 2000 compliant prior to projected failure date.

(yellow) Given current status, this MCBF should be Year 2000 compliant one month prior to its projected failure date.

(green) This MCBF is Year 2000 compliant, and an approved contingency plan is in place.

² **MCBF**: Mission Critical Business Function. Selected based on significant impact on life, health safety or economic well-being of Alaskans

YEAR 2000 READINESS STATUS as of DECEMBER 1998

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

Overall Rating: **YELLOW**¹

- Completion of remediation is dependent upon funding approval
- Each MCBF² is being aggressively worked
- All laboratory equipment has been tested and non-Y2K compliant units identified
- A funding request for compliant units has been made
- A contingency plan has been submitted for review

Status of each Mission Critical Business Function:

1) Laboratory Analysis and Food Services - **YELLOW**

- Non-compliant units have been identified and replacement funding requested
- If approved, units can be in place and tested prior to failure dates
- The monthly status report indicates that two elements can be brought into compliance, while 41 will need to be replaced

2) Certifying Commercial Drinking Water Labs - **YELLOW**

- Same as above

3) Analysis of Environmental Samples - **YELLOW**

- Same as above

4) Communications Systems for Emergency Response - **YELLOW**

- Radios, portable fax units and phones are compliant
- Repeaters are under review by the Information Technology Group

5) Desktop LAN/WAN - **YELLOW**

- Certification and replacement activity is currently under way

Funding Requirement: \$561,453

- \$ 533,453 - Statewide equipment, software, and database compliance
- \$ 28,000 - Community waste water systems Y2K assessment

¹ (red) Given current status/constraints, it is unlikely this MCBF will be Year 2000 compliant prior to projected failure date.

(yellow) Given current status, this MCBF should be Year 2000 compliant one month prior to its projected failure date.

(green) This MCBF is Year 2000 compliant, and an approved contingency plan is in place.

² MCBF: Mission Critical Business Function. Selected based on significant impact on life, health safety or economic well-being of Alaskans

YEAR 2000 READINESS STATUS - - AS OF DECEMBER 1998

DEPARTMENT OF FISH AND GAME

OVERALL STATUS:..... YELLOW¹

- Department is making adequate progress and is well ahead of the estimated failure dates for the automation systems supporting its MCBF's. No problems expected.
- Department-wide Y2K contingency plan expected to be completed by 1/15/99.

STATUS OF MISSION-CRITICAL BUSINESS FUNCTION (MCBF):

1. Fish Ticket Processing..... YELLOW

- Assessment and planning for the main Fish Ticket System are 90% completed, and 100% completed on both the Fish Ticket Entry & Reporting interface and the Marianer system interface.
- Remediation of the Fish Ticket System is 40% completed, with reporting and Marianer interfaces at 40% and 100%, respectively.

2. Enhancement Hatcheries YELLOW

- Assessment and planning for the three main systems being tracked (ProScan Monitoring & Alarm System, Automated Process & Control System, and Emergency Power Generation System) is 100% completed.
- Remediation work on the three main systems, above, is 50% completed.

¹ **RED:** Given current status and constraints, it is unlikely this MCBF will be Year 2000 compliant prior to its estimated failure date.

YELLOW: Given current status and constraints, this MCBF should be Year 2000 compliant one month prior to its estimated failure date.

GREEN: This MCBF is Year 2000 compliant, and an approved contingency plan is in place.

3. Sport And Crew License Sales YELLOW

- Assessment and planning of main system is 100% completed, with remediation also 100% done.
- Testing and certification work is 80% completed, with implementation currently 50% completed.

4. Permit And Vessel Licensing..... YELLOW

- Assessment and planning for main licensing and revenue accounting system (Commercial Fisheries Entry Commission) are 100% completed, with remediation currently 85% completed.
- Testing and certification work are 85% completed, with the system currently 83% implemented to date.

5. Desktop/LANs/WAN..... YELLOW

- Assessment and planning for the department's desktop computer systems, LAN systems and WAN links, are 100% completed, with remediation currently 50% completed.

Y2K FUNDING REQUIREMENT: -- NONE --

- n/a

YEAR 2000 READINESS STATUS - - AS OF DECEMBER 1998

OFFICE OF THE GOVERNOR

OVERALL STATUS:..... YELLOW¹

- Department is making adequate progress and is well ahead of the estimated failure dates for the automation systems supporting its MCBF's. No problems expected.
- Department-wide Y2K contingency plan is in place.

STATUS OF MISSION-CRITICAL BUSINESS FUNCTION (MCBF):

1. Election Ballot Tabulation..... YELLOW

- Assessment and planning for Accu-Vote system is 100% completed, with remediation also 100% completed. Testing is expected to be completed by 3/1/99.

2. Voter Registration Process..... YELLOW

- Assessment and planning for current Voter Registration and Election Management System (VREMS) is 90% completed, with remediation also approximately 90% completed. Key suppliers are identified (contractor-supplied voter ID cards, voter worker payment warrants from Division of Finance) and supply contingency plans are under development.

¹ **RED:** Given current status and constraints, it is unlikely this MCBF will be Year 2000 compliant prior to its estimated failure date.

YELLOW: Given current status and constraints, this MCBF should be Year 2000 compliant one month prior to its estimated failure date.

GREEN: This MCBF is Year 2000 compliant, and an approved contingency plan is in place.

3. State Budget Process..... YELLOW

- Assessment and planning for the Automated Budget System (ABS) is 100% completed, including virtually all of its system interfaces. Remediation for ABS is also 100% completed (the system was designed to be 100% Y2K compliant) and the system is currently in the testing stage.

4. Desktop/LANs/WAN..... YELLOW

- This MCBF is 100% completed for the Assessment and Planning Stage, and 50% for the Remediation Stage, with testing expected to be completed by 4/1/99.

Y2K FUNDING REQUIREMENT: - - NONE - -

- n/a

YEAR 2000 READINESS STATUS as of DECEMBER 1998

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

Overall Rating: **YELLOW**¹

- 84% of all systems have been through the remediation phase
- Each HSS MCBF² is being aggressively worked, and the program strongly supported by management
- Funding requests to bring non-compliant systems into compliance have been made
- Strong Contingency Plans have been submitted

Status of each Mission Critical Business Function:

1) Family and Youth Services - Youth Detention Facilities - **YELLOW**

- All facilities are being reviewed under the DOT RSA
- A contingency plan exists for the provider payment system
- Funding requests for replacement of non-compliant systems have been submitted

2) Family and Youth Services - Family Services, Child Protection Services - **YELLOW**

- A contingency plan exists for the provider payment system
- AKSAS, a critical interface, is Y2K compliant
- Key suppliers have been identified

3) Alaska Psychiatric Institute - **YELLOW**

- Non-compliant systems have been identified
- A funding request has been submitted to address non-compliant systems

4) Public Health Nursing - **YELLOW**

- Most services in this area are communications dependent and are being addressed through ITG/APUC channels
- A contingency plan exists for this function
- Concerns over embedded systems have been isolated and are being researched

¹ (**red**) Given current status/constraints, it is unlikely this MCBF will be Year 2000 compliant prior to projected failure date.

(**yellow**) Given current status, this MCBF should be Year 2000 compliant one month prior to its projected failure date.

(**green**) This MCBF is Year 2000 compliant, and an approved contingency plan is in place.

² **MCBF**: Mission Critical Business Function. Selected based on significant impact on life, health safety or economic well-being of Alaskans

5) Medical Benefits to Alaskans Who Qualify - YELLOW

- Testing and Certification of system upgrades and Y2K compliance appears to be on schedule and due to be completed by March 1999

6) Public Assistance Program - YELLOW

- This rating is based on the probable availability of a host-based test platform
- Migration from the SNA link to a HSS LAN is in progress and ahead of schedule

7) Public Health Laboratories - YELLOW

- All assessment and planning is complete
- Testing and certification activities are on schedule, with a projected completion of April 1999
- Suppliers for critical biomedical equipment have been identified and are currently under review
- A funding request has been submitted to replace non-compliant server

8) Emergency Medical Services - YELLOW

- A funding request has been submitted to replace non-compliant database
- The automated system (PRMS) function can be performed manually
- All assessment and planning is complete
- Replacement software for TRAUMA! is on order and should be tested by year end, 1998

9) Desktop LAN/WAN - YELLOW

- All assessment and planning has been completed
- Aggressive testing and certification activity is under way

Funding Requirement: \$ 2,564,000

- \$4,000 - McLaughlin Youth Facility - HVAC
- \$100,000 - Alaska Psychiatric Institute information systems upgrade
- \$30,000 - McLaughlin youth Facility Telephone System Upgrade
- \$10,000 - Public Health Laboratory Server Replacement
- \$20,000 - Emergency Medical Services Certification Database Replacement
- \$2,400,000 - Medicaid Management Information System Y2K Upgrade

YEAR 2000 READINESS STATUS - - AS OF DECEMBER 1998

DEPARTMENT OF LABOR

OVERALL STATUS:..... YELLOW ¹

- The department is making adequate progress and is well ahead of the estimated failure dates for the automation systems supporting its MCBF's.
- The department also has its own mini-mainframe machine and testing environment for repairing and testing departmental applications, so is particularly well positioned to maintain its current rate of progress.
- Additionally, the department has engaged a contractor to provide independent validation and verification of its remediation and testing work on selected critical application systems.
- A department-wide Y2K contingency plan is in place.

STATUS OF MISSION-CRITICAL BUSINESS FUNCTIONS (MCBF):

1. Unemployment Insurance YELLOW

- 100% completed for Assessment and Planning Stage; currently 95% - 100% through the Remediation Stage. Testing expected to be completed by 2/1/99.

2. Employment Services YELLOW

- 100% completed for Assessment and Planning Stage; currently 95% - 100% through the Remediation Stage. Testing expected to be completed by 3/1/99.

¹ **RED:** Given current status and constraints, it is unlikely this MCBF will be Year 2000 compliant prior to its estimated failure date.

YELLOW: Given current status and constraints, this MCBF should be Year 2000 compliant one month prior to its estimated failure date.

GREEN: This MCBF is Year 2000 compliant, and an approved contingency plan is in place.

3. Workers Compensation..... YELLOW

- Assessment and planning for the new system being developed are 100% completed. Remediation also is 100% completed (the system was designed to be 100% Y2K compliant), with the department awaiting final change requests from end-users currently testing the beta version of the system. Implementation is expected between 3/1/99 and 4/1/99, depending on final end-user comments.

4. Desktop/LANs/WAN..... YELLOW

- Assessment and planning for this MCBF are virtually 100% completed. Remediation is about 30% completed, with desktop remediation software having been acquired for the department's 600 desktop work stations and contractor engagement currently being finalized.

Y2K FUNDING REQUIREMENT:

- None.

YEAR 2000 READINESS STATUS - - AS OF DECEMBER 1998

DEPARTMENT OF LAW

OVERALL STATUS:..... YELLOW ¹

- Assessment and planning for all major critical systems of the department are 100% completed and 100% remediated.
- Assessment and planning for the single-user database interface) which supports the department's child support enforcement collections is 100% completed. Remediation of the interface (terminal access to the Dept. of Revenue's ENSTAR database) is part of the department's desktop/LAN/WAN remediation work, which currently is 35% completed.
- A department-wide Y2K contingency plan is in place.

STATUS OF MISSION' CRITICAL BUSINESS FUNCTIONS (MCBF):

1. Prosecution of Criminals YELLOW

- 100% completed for Assessment and Planning Stage; also currently 100% completed with remediation. Testing expected to be completed by 4/1/99.

2. Collection of Civil and Criminal Debts to the State..... YELLOW

- 100% completed for Assessment and Planning Stage; currently 95% - 100% through the Remediation Stage. Testing expected to be completed by 3/1/99.

¹ **RED:** Given current status and constraints, it is unlikely this MCBF will be Year 2000 compliant prior to its estimated failure date.

YELLOW: Given current status and constraints, this MCBF should be Year 2000 compliant one month prior to its estimated failure date.

GREEN: This MCBF is Year 2000 compliant, and an approved contingency plan is in place.

3. Child Support Enforcement Collections YELLOW

- Assessment and planning for this MCBF are 100% completed, with remediation 35% completed. This business function consists of a single terminal interface used by one attorney to access the Department of Revenue's ENSTAR database (whose Y2K compliance is being worked on by that department).

4. Investigation, Defense and Prosecution of State's Oil & Gas Royalty and Taxation Cases YELLOW

- Assessment and planning for the department's litigation support imaging system and mainframe document indexing system are 100% completed, with remediation of the systems 95% and 80% completed, respectively.

5. Child Protection Cases..... YELLOW

- Assessment and planning for the department's civil case management system, as well as remediation (replacement) of the system, are 100% completed. Testing is expected to be completed by 5/1/99.

6. Desktop/LANs/WAN..... YELLOW

- Assessment and planning for the department's desktop computers, LANs, and WAN links are 100% completed, with remediation approximately 35% completed. Testing is expected to be completed by 6/1/99.

Y2K FUNDING REQUIREMENT:

- None.

YEAR 2000 READINESS STATUS as of DECEMBER 1998

DEPARTMENT OF MILITARY AND VETERAN AFFAIRS (DES)

Overall Rating: **YELLOW**¹

- Remediation and testing is on schedule
- DES (DMVA's MCBF) is being aggressively managed
- By its nature, DES responds to disruptions, critical systems failures, and disasters that threaten life/safety
- Proactive interaction between DES and communities throughout Alaska is evident

Status of each Mission Critical Business Function:

1) Emergency response capability - State, Local, Federal Coordination - **YELLOW**

- Power Generators, antennas, communications and controllers are Y2K compliant
- Backup power systems are portable, and have no Y2K sensitive components
- The National Guard Bureau will be testing a stand-alone voice/data communications system in May 1999
- A Tabletop exercise is being scheduled for the February time frame

2) Disaster Recovery Database - Emergency Response Support - **YELLOW**

- Physical components are included above
- A strong contingency plan is in place

3) Desktop LAN/WAN - **YELLOW**

- SNA functionality is under review
- The DES LAN is stand-alone, and has a back-up power source
- All connectivity alternatives are being extensively tested

Funding Requirement: \$0

¹ (red) Given current status/constraints, it is unlikely this MCBF will be Year 2000 compliant prior to projected failure date.

(yellow) Given current status, this MCBF should be Year 2000 compliant one month prior to its projected failure date.

(green) This MCBF is Year 2000 compliant, and an approved contingency plan is in place.

YEAR 2000 READINESS STATUS - - AS OF DECEMBER 1998

DEPARTMENT OF NATURAL RESOURCES

OVERALL STATUS:..... YELLOW¹

- Department is making adequate progress and is well ahead of the estimated failure dates for the automation systems supporting its MCBF's. No problems are expected.
- All critical systems have been assessed, are expected to be Y2K compliant, and are awaiting testing.
- A department-wide Y2K contingency plan is in place.
- A funding request for compliant units has been made.

STATUS OF MISSION-CRITICAL BUSINESS FUNCTION (MCBF):

1. Revenue Processing..... YELLOW

- Assessment and planning for the department's revenue and billing system are 100% completed, with remediation also 100% completed. Testing is 50% completed, and is expected to be finished by 7/1/99.

2. Property Recorder's Office YELLOW

- Assessment and planning for the Recorder's Office System are 100% completed, with remediation and testing also nearly completed.

¹ **RED:** Given current status and constraints, it is unlikely this MCBF will be Year 2000 compliant prior to its estimated failure date.

YELLOW: Given current status and constraints, this MCBF should be Year 2000 compliant one month prior to its estimated failure date.

GREEN: This MCBF is Year 2000 compliant, and an approved contingency plan is in place.

3. DNR Oil Patch..... YELLOW

- Y2K readiness concerns in this area pertain to critical supply relationships with oil companies, pipeline service companies, tankers, refineries, etc. (Automation dependencies for this critical business function, including interfaces with banking institutions and payment transfer systems, are covered within MCBF's #1-2, above.) The department is maintaining close coordination with all key oil patch companies and service providers regarding supply dependencies, embedded systems in facilities, and Y2K contingency planning.

4. DNR Land Administration YELLOW

- Assessment and planning for the land administration system are 100% completed, with remediation also 100% completed. Testing is 50% completed, and is expected to be finished by 7/1/99.

4. Wildland Fire Suppression..... YELLOW

- Planning and assessment for the Fire Reporting System and the Fire Warehouse Program system are 100% completed, and more than 30% remediated. Mainframe database software supporting the Fire Reporting System is already Y2K compliant. Upgraded, Y2K-compliant software for the Fire Warehouse Program is currently under procurement and should require only testing.

5. Field Radio & Mobile Repeater System..... YELLOW

- Main systems being tracked for this function are embedded systems in communications hardware (field radios, mobile repeater systems). Radios are Y2K compliant because not date-sensitive. Embedded systems in mobile repeater systems are undergoing remediation, with completion expected by 6/30/99.

6. Desktop/LANs/WAN..... YELLOW

- Assessment and planning for the department's desktop computer systems and LAN/WAN links, are 90% completed, with remediation currently 50% completed. Implementation is currently 90% completed.

Y2K FUNDING REQUIREMENT: \$225,000

- \$ 225,000 - Upgrade for Recorder's Office.

YEAR 2000 READINESS STATUS as of DECEMBER 1998

DEPARTMENT OF PUBLIC SAFETY

Overall Rating: **YELLOW**¹

- All assessment and planning activity is completed.
- Remediation is largely dependent on mainframe testing
- Considerable redundancy and back-up support systems exist for apprehension and emergency response
- An aggressive program is in place, and fully supported by management

Status of each Mission Critical Business Function:

1) Alaska Public Safety Information Network - **YELLOW**

- Critical elements (vehicles, radios) have been tested and found Y2K compliant
- Contingency plans exist for the APSIN system
- Mainframe testing will be scheduled in early January

2) 911 Emergency Dispatch Centers - **YELLOW**

- Urban areas (E911) use highly redundant systems that will function as long as power is provided
- Radios, PLBs, ELTs and pagers have been tested and are Y2K compliant

3) Desktop LAN/WAN - **YELLOW**

- Testing and certification has been started and should be completed by April 1999
- The monthly status report indicates this MCBF is 40% through the remediation phase

Funding Requirement: \$0

¹ (red) Given current status/constraints, it is unlikely this MCBF will be Year 2000 compliant prior to projected failure date.

(yellow) Given current status, this MCBF should be Year 2000 compliant one month prior to its projected failure date.

(green) This MCBF is Year 2000 compliant, and an approved contingency plan is in place.

YEAR 2000 READINESS STATUS as of DECEMBER 1998

DEPARTMENT OF REVENUE

Overall Rating: **YELLOW¹**

- All systems are believed to be Y2K compliant and are awaiting testing
- Each MCBF² is being aggressively worked
- Generally good top management support
- Good contingency plan
- Additional funding not required

Status of each Mission Critical Business Function:

1) **Income and Excise Audit Division's Cash Processing - YELLOW**

- System is expected to be Y2K compliant, awaiting testing
- Interface to AKSAS is manual
- State Street Bank key to overall compliance so will require assurance from bank

2) **Process and Deliver PFD Checks - YELLOW**

- System is expected to be Y2K compliant, awaiting testing
- Plan to complete testing by end of December, 1998

3) **Process Child Support Payments - YELLOW**

- System is expected to be Y2K compliant, in system testing
- Plan to complete testing by end of December, 1998

4) **Collection of State Revenues - YELLOW**

- Assessment and planning for automation systems are 100% completed, and remediation is 100% completed.

5) **Disbursement of Funds - YELLOW**

- Assessment and planning for three main automation systems and interfaces are 100% completed. Remediation for two of them is 100% completed, with the third (communications interface) 35% completed..

¹ (red) Given current status/constraints, it is unlikely this MCBF will be Year 2000 compliant prior to projected failure date.

(yellow) Given current status, this MCBF should be Year 2000 compliant one month prior to its projected failure date.

(green) This MCBF is Year 2000 compliant, and an approved contingency plan is in place.

² MCBF: Mission Critical Business Function. Selected based on significant impact on life, health safety or economic well-being of Alaskans

6) In-house Investment Management of State/ASPIB Fixed Income- YELLOW

- New Y2K compliant system expected by January, 1999

7) Permanent Fund Corporation – Asset Management- YELLOW

- System expected to be compliant, awaiting testing
- Good plan
- Plan to replace Routers by 7/1/99

Funding Requirement: \$0

YEAR 2000 READINESS STATUS as of DECEMBER 1998

DEPARTMENT OF TRANSPORTATION

Overall Rating: **YELLOW¹**

- Two MCBFs are nearing a green status rating
- Extremely strong efforts are being taken to insure Y2K compliance at Anchorage and Fairbanks International Airports
- All Mission Critical Business Functions are being aggressively worked and all efforts strongly supported by management

Status of each Mission Critical Business Function:

- 1) **Alaska Marine Highway System Vessels - YELLOW**
 - Funds have been requested to address compliance for this function
- 2) **Alaska Marine Highway System Shoreside Facilities - YELLOW**
 - All facilities are currently under review and all activity on schedule
- 3) **Anchorage International Airport Fire Alarm System - YELLOW**
- 4) **Anchorage International Airport Access Control System - YELLOW**
- 5) **Anchorage International Airport Heating, Ventilation, Air Conditioning - YELLOW**
- 6) **Fairbanks International Airport Fire Alarm System - YELLOW**
- 7) **Fairbanks International Airport Access Control System - YELLOW**
- 8) **Fairbanks International Airport Heating, Ventilation, Air Conditioning - YELLOW**
 - All airport systems at Anchorage and Fairbanks Airports are being aggressively worked and tested
 - By their nature, both airports have heavily redundant systems, as well as backup power sources and redundant communications links
 - Remediation activity is on schedule
 - The Fairbanks Fire Alarm System is Y2K compliant

¹ (red) Given current status/constraints, it is unlikely this MCBF will be Year 2000 compliant prior to projected failure date.

(yellow) Given current status, this MCBF should be Year 2000 compliant one month prior to its projected failure date.

(green) This MCBF is Year 2000 compliant, and an approved contingency plan is in place.

9) Land Highway Traffic Control Devices - YELLOW

- All devices have been tested and are Y2K compliant
- Once an approved contingency plan is in place, this MCBF will be elevated to GREEN

10) State Equipment Fleet Vehicles and Shop Equipment - YELLOW

- All vehicles been tested and are Y2K compliant

11) Sitka Airport - YELLOW

- The access control system is not Y2K compliant. However, this will not cause disruptions or delays in airport services

12) Telecommunications Infrastructure - YELLOW

- Activity on this MCBF is on schedule and under review by ITG

13) Third Party Billing System - YELLOW

- The application itself is Y2K compliant
- Testing in the mainframe environment will be scheduled in January

14) State Equipment Fleet Management System - YELLOW

- The EMS system is scheduled for migration to a UNIX/AIX platform in 1999
- A RFP is currently in the system
- As long as this project remains on schedule, the system should be completed, tested and in service by September 1999

Funding Requirement: \$5,825,000

- \$4,500,000 - State Facility Review
- \$110,000 - M/V Kennecott Y2K Assessment
- \$75,000 - State Equipment Fleet emissions test equipment replacement
- \$600,000 - Alaska Marine Highway system Y2K remediation

State of Alaska

Year 2000 (Y2K) Project Office

State of Alaska

Status Report on Year 2000

January 4, 1999

This represents the seventh Y2K status report provided to the Legislative Budget and Audit Committee. There remain 361 days until the Year 2000.

December Accomplishments:

1. Draft contingency plans have been received from each agency.
2. Initial agency readiness reports have been reviewed with each respective commissioner. These reports describe each agency's progress toward resolving Y2K problems within its department. This first report was internal. The second of these readiness reports will be available on January 18, 1999 and will be provided to the Legislature as well as posted on our Y2K web site (www.state.ak.us/y2000).
3. The NASIRE site that reports on each state's progress in addressing Y2K has been updated and reflects the current status of Alaska's Y2K progress.
4. Federal interface data has been gathered to assist coordination between state and federal agencies in resolving Y2K issues. This data has been posted on the GSA Y2K site as requested.
5. A statewide emergency management response "table top" exercise is targeted for late February 1999. This effort will factor into the State's emergency response plan those new elements introduced by Y2K. We anticipate considering several regional scenarios. The exercise process will then be taken to each region to continue the "table top" approach.
6. The RSA with DOT/PF to estimate the cost of making state-owned facilities Y2K compliant has been completed. This should add significantly to the accuracy of this budget request. The revised figure has been reduced significantly from the originally estimated amount. State agencies will meet on 1/6/99 to prioritize which facilities should be addressed first.

7. ITG has implemented OS390, the Y2K compliant mainframe operating system, and it is currently available for use in testing mainframe application systems. 65% of Alaska's mission critical systems are currently either in testing or awaiting testing. An RSA from the YPO is paying for this effort.
8. A new and much improved Y2K web site for Alaska has continued to serve us well in communicating to a wide variety of parties interested in Alaska's progress in dealing with Y2K. There have been approximately 3500 hits since the beginning of November.
9. The YPO will be moving from the Governor's Office to the Department of Administration as part of my transition to the Department of Administration, Commissioner's Office.
10. The YPO initiated an RSA with the Department of Transportation to review the MV Kennecott in order to identify any Y2K problems that may be present.
11. The Y2K supplemental budget review process has been completed and a budget bill is currently being drafted. This request will be provided to the Legislature during the first week of the Twenty-First Alaska State Legislature. Timely passage of this bill will be requested.
12. The YPO continues to work with a wide variety of community Y2K organizations that have been forming around the state. Additionally, as part of the Y2K outreach effort, we continue to do a wide range of newspaper, radio and television programs on the subject.

State of Alaska

Year 2000 (Y2K) Project Office

State of Alaska Status Report on Year 2000

December 4, 1998

This represents the sixth Y2K status report provided to the Legislative Budget and Audit Committee.

November Accomplishments:

1. A new and much improved Y2K web site for Alaska has continued to serve us well in communicating to a wide variety of parties interested in Alaska's progress in dealing with Y2K. There have been over 2000 hits since the beginning of November.
2. System testing guidelines were published by the Y2K Project Office (YPO) and posted on the web site for use by agencies in determining whether their systems are Y2K compliant. This step was crucial in establishing when a system would be considered compliant.
3. Contingency plan guidelines were published by the YPO and posted on the web site. All agency contingency plans are due to the YPO 12/15/98.
4. Agency readiness reports have been presented to the Cabinet. The first iteration of these reports will be internal and thereafter, future reports will be issued for legislative and public review. The first public round of these reports will be available in mid January 1999 and will be posted to the Y2K web site.
5. Plans are underway to conduct a statewide emergency management response "table top" exercise which factors into the State's emergency response plan those new elements introduced by Y2K. We anticipate considering several regional scenarios. The exercise process will then be taken to each region to continue the "table top" approach.
6. The RSA with DOT/PF to estimate the cost to make state owned facilities Y2K compliant has been expanded to encompass 58 facilities. This should add significantly to the accuracy of this budget request.

7. ITG anticipates having the mainframe operating system Y2K compliant and available for use in testing mainframe applications by mid December 1998. An RSA from the YPO is paying for this effort.
8. During November formal Y2K presentations were made to the Alaska Municipal League conference, the City of Homer and to the Board of the Anchorage Chamber of Commerce.
9. The YPO has been staying in touch with other states' efforts through participation in the monthly national Y2K teleconference which allows state Y2K coordinators to speak with John Koskinen, the Chairman of the Presidents Y2K Council.
10. We have also been working with several other communities in their efforts to form local Y2K task forces including Juneau, Homer, Kenai, Kodiak, and Valdez.

State of Alaska

Year 2000 (Y2K) Project Office

State of Alaska Status Report on Year 2000

November 17, 1998

This represents the fifth Y2K status report provided to the Legislative Budget and Audit Committee.

October Accomplishments:

1. A new and much improved Y2K web site for Alaska has been brought up. This site will serve as one of the key ways that the Y2K Project Office (YPO) will communicate its progress to the public, other states, interested parties, etc. The URL for the new site is www.state.ak.us/y2000 or it can be accessed under Year 2000 from the State of Alaska's home page.
2. The state agency status reporting system is in its second iteration. Agency response was significantly improved and most bugs have been eliminated. We are currently preparing the summary agency reports. Agency walk-throughs have been completed indicating significant agency progress in addressing Y2K.
3. The review of Y2K-related budget requests is very near completion. Commissioner Mark Boyer and Deputy Commissioner Rick Cross participated in the Y2K project review process.
4. An Reimbursable Services Agreement (RSA) has been executed with the Department of Transportation and Public Facilities (DOT/PF) to pay for the review of all state-owned facilities and to develop a solid budget estimate on the cost of Y2K-related problems. This project has also been expanded, in cooperation with the Department of Environmental Conservation (DEC), to include Village Safe Water projects.
5. An RSA has also been executed with the Information Technology Group (ITG) to pay for a mainframe computer upgrade, software license fees and data storage devices to allow for required Y2K testing of agency mainframe systems. Approximately 65% of agency MCBF's are awaiting testing on the state's mainframe computer. This upgrade is expected to be completed in December of this year.

6. Met with the City Manager and Y2k Coordinator for the City and Borough of Juneau to assist them in getting their Y2K effort off the ground.
7. Assisted Alaska Science and Technology Fund (ASTF) in reviewing Y2K grant proposals that they have been receiving.
8. Facilitated a meeting of the Anchorage and Fairbanks International Airports to discuss and verify their efforts in addressing Y2K problems. This meeting led to a presentation by the international airports to the Airport Operating Committee on their Y2K efforts. This did a lot to satisfy airlines' concerns about the future Y2K readiness of these two airports. Additionally, an invitation has been extended to Alaska Airlines to conduct a tour of selected rural airports to better understand the state of Y2K readiness for these airports.

State of Alaska

Year 2000 (Y2K) Project Office

State of Alaska Status Report on Year 2000

October 7, 1998

This represents the fourth Y2K status report provided to the Legislative Budget and Audit Committee. The first series of status reports concentrated heavily on defining the Y2K problem and on describing the state's approach to resolving its Y2K problems. In order to make these reports as useful as possible, this and future status reports will now simply report on our progress in completing the work tasks ahead of us.

September Accomplishments:

1. Y2K project team has been approved and hired. Joe Culp and Brenn Berliner are on board and Chris Meholic will begin October 12, 1998. Agency assignments and other work tasks have been assigned as appropriate. There are now 7 members of the Y2K Project Office including the Senior Project Manager and our full time intern.
2. Lt. Governor and TIC Policy Council have been continually briefed on Y2K progress and emerging issues.
3. Agency Y2K Status Reporting System was implemented and tested, bugs are being resolved, and work with individual agencies is ongoing.
4. An RSA was executed with Military and Veterans Affairs to hire Dusty Finley to manage the Y2K effort for the emergency management functions.
5. Met with Sam Cotton and Robert Lohr to discuss the APUC's efforts toward assuring that certified and regulated utilities would be Y2K compliant.
6. RSA's are under discussion with DOT/PF the pay for a Y2K review of state facilities and to review the state marine vessels for Y2K compliance. And an RSA with the Information Technology Group to pay for additional mainframe capacity to support agency Y2K testing is under development.
7. Representative Gail Phillips has agreed to participate on statewide Y2K task force as the House member.

8. Testified before LB&A to brief the committee on Y2K, explain how the state was addressing the Y2K challenge, to describe the current use of the Risk Management Fund as our current fund source and to describe our plans to replenish the Risk Management Fund and for submitting Y2K CIP requests for FY00.
9. Public outreach activities this month have included:
 - Appearance on Kay Brown's radio show in Anchorage on Y2K
 - Y2K presentation to Western States Conference in Anchorage
 - Y2k presentation at Southeast Conference
 - Y2K presentation to State Chamber of Commerce convention in Valdez
10. National Y2K reporting system (NASIRE) responsibility was moved from Information Technology Group (ITG) to Y2K Project Office and the survey is now current.

State of Alaska

Year 2000 (Y2K) Project Office

State of Alaska Status Report on Year 2000

September 4, 1998

This is the third update for the Legislative Budget and Audit Committee, legislators and the public on the State of Alaska's progress in preparing for the automated system problems and potential resulting impacts on essential state government services caused from the Year 2000 problem (Y2K). Additionally, this report represents the first report since the Y2K office was elevated to an independent special office within the Office of Governor, and the Y2K senior project manager, Bob Poe, was brought on to the project. From this date forward, project status reports will be provided monthly. This report covers activities in the executive and judicial branches.

The Y2K Workplan:

Y2K is unique for a number of reasons. First, this project has literally never been done before, so every Y2K effort must maintain a certain degree of flexibility in how it helps assure Y2K compliance and readiness. Secondly, the Y2K approach is basically the same for every Y2K effort. Thirdly, since virtually every organization using automated systems today is working on this problem at the same time, resources have become very scarce. The basic worksteps are as follows:

- Inventory – all of the business functions should be identified and the underlying automation systems supporting the business function should be inventoried.
- Assessment – each of the mission critical (see **A Question of Limited Resources** below) business functions should be reviewed to determine if they will likely experience difficulty with the date change to the year 2000. Additionally, work requirements, timetables, and resource needs should be preliminarily scoped.
- Remediation – each mission critical business function, and the supporting automation systems it relies on, determined to have

problems dealing with the Y2K date change, must either be reprogrammed to correct the problems, replaced, or temporarily corrected to allow time for a more permanent correction.

- Testing and validation – any mission critical business function that was remediated, must be tested to assure that the corrections solved the Y2K problems and that the corrections did not introduce new problems.
- Implementation – all newly Y2K compliant systems must be implemented so that they will be in place prior to the dates when Y2K problems are expected.
- Contingency planning – whether a system is Y2K compliant or not, it is prudent to make plans which outline how the agency would continue the mission critical business function with little or no automated assistance. Contingency plans are required for each mission critical business function.

This is essentially the workplan that each state agency dealing with the Y2K problem is following. Each status report from here forward will present agency progress in terms of the above workplan by mission critical business function (MCBF).

As described in our July 30, 1998 report, many state agencies have been following this approach for the last two or more years to assure that certain key systems like AKSAS, the Permanent Fund Corporation systems, Child Support Enforcement, etc. were Y2K compliant. However, the larger job for the Y2K Project Office will be to assure that each agency has identified their non-compliant MCBF's, and are taking the appropriate steps to mitigate expected Y2K problems. The Y2K office will have the ongoing responsibility to monitor agency activity, to help make resources available to agencies as they need them, and to pinpoint problem areas where additional focus or resources need to be directed.

Attachment A is Administrative Order 177, which outlines the responsibilities of both the Y2K office and each agency. Further it establishes Y2K as the highest priority for each agency in working with automated systems.

A Question of Limited Resources:

The key resources in any automation project are time, staff, computer capacity and money. All of these are sharply limited at this time. In order to assure that these very limited resources are directed at assuring continuity for the highest priority business functions, we have subjected all agency business functions to a triage screening process. We have defined the systems that made it through the triage as MCBF's. As was outlined in the July 30, 1998 status report, MCBF's

were chosen based on their relative impact on the life, health, safety and economic well being of Alaskans. **Attachment B** represents this list of MCBF's.

However, even with this significant reduction in the number of systems being addressed by the agencies, there will no doubt be state systems that may not be fully Y2K compliant given the time remaining. This fact brings forward three key issues. First, agencies may have to rely on contingency plans to make sure that mission critical system functions are not interrupted. Secondly, agencies will require significant supplemental appropriations to accomplish the Y2K tasks ahead of them. Thirdly, additional Y2K expenditure requests to the Legislature will continue beyond FY2000 both to complete work on MCBF's and to deal with the Y2K-related needs of other less critical systems in the future.

Staffing limitations can often be met temporarily through contractors. However, at the present time, qualified contractors are becoming very difficult to obtain, and competition to obtain available contractor staff is driving the cost up significantly. As agencies move to identify needed corrections to their MCBF's, the Y2K office will act as a clearinghouse for external resources that may be available to assist agencies in solving their Y2K problems. However, each of the resources will cost money, funds that agencies do not presently have in their budgets. As we move closer to the Twenty-First Alaska State Legislature, we expect to have more substantiated numbers on the cost of the Y2K clean up both for FY99 and for FY00 (FY2000).

Finally and critically, additional short-term computer capacity will be required to meet agency Y2K testing needs. The problem is that, as MCBF's are remediated, they will need to be tested. Responsible systems implementation requires that the revised system be tested at the same time as the old system is operating. This process is called parallel testing. The reality is that there will be so many systems being parallel tested at one time that there will be insufficient computer space to accommodate the need.

Agency Status Reporting:

One of the most important functions of the Y2K Office is to monitor agency status in regards to their specific Y2K MCBF's. First, this is necessary in order to provide a meaningful reporting on Alaska's progress in solving its Y2K problems. Secondly, it is a critical tool in identifying problem areas so that resources and other solutions can be used efficiently where help is most needed.

While state agencies have been reporting their progress to the Governor's office for the last few months, they have reported their status using a variety of formats. Due to these varying formats and the disparity of data that has been provided, a comparable state summary of agency status and an overall state summary can not be provided at this time. The Y2K Office has designed an Excel agency status reporting system, which was presented to agency Y2K coordinators on

September 2, 1998. Once each agency's initial status is entered into the system, agencies will be asked to update their status report by the third week of each month. Allowing for one month of system debugging, we anticipate having clean, comparable agency status reports and an overall executive branch summary report by the beginning of December. At that time we should be able to provide the Legislature with a clear picture of Alaska's Y2K situation.

Compliance Standards:

How do you know when a system is Y2K compliant? That is the question that compliance standards answer. These standards were released in draft to the agency Y2K coordinators at our 8/14/98 meeting and were released in final at our 9/2/98 meeting of the Y2K coordinators. The compliance standards outline the approach that each agency should take in resolving their Y2K problems on MCBF's, describe the elements to consider in each work step including testing and contingency planning, and outline monthly reporting that is required from each agency.

Compliance standards have been included as **Attachment C**.

Testing Standards:

Testing is perhaps the most critical, and certainly the most costly, step in solving an agency's Y2K problems. Without an adequate testing plan, it will not be known whether the remediated MCBF can withstand the wide variety of date changes that will arise during 1999, 2000 and 2001. For instance, not only does a system have to accommodate the date change from 12/31/99 to 1/1/00, but it also has to accommodate other dates including 7/1/99, 9/9/99, 10/1/99, 2/15/00, 4/30/00, 2/29/01, etc. There are actually several date changes that can, depending on the purpose of the system in question, cause a variety of problems.

Alaska will be adopting the testing approach suggested by the GAO in GAO/AIMD-10.1.21 Year 2000 testing. This document, along with appropriate attachments was provided to both the Y2K coordinators at our 9/2/98 meeting and is being distributed to the Technical Advisory Committee (TAC) of the Telecommunications Information Council (TIC). See **Attachment D**.

Testing will represent a large portion of the work to be completed by agencies in addressing their Y2K issues. Systems must be tested at least twice, once to determine under what situations the existing system will fail and a second time to determine if the remediated system can withstand the full range of dates that it will have to process successfully. The Y2K Office expects to bring on a full time testing staff member no later than 12/16/98 to assist agencies with their testing responsibilities.

Additionally, Y2K coordinators have been asked to advise the Y2K Office as to their testing training needs. These comments are expected by 9/9/98. Based on agencies' needs, the Y2K Office will be issuing an RFP (request for proposals) to obtain an agency testing training program(s) to be given as soon as possible.

Contingency Plans:

Contingency plans are required for all MCBF's regardless of whether the system has been proven to be Y2K compliant or not. Contingency plans will generally be developed by each agency for their MCBF's prior to remediating any systems expected not to be Y2K compliant. Since an MCBF could be negatively impacted by an interface with another system, which may not be Y2K compliant, contingency plans are critical to assure that each agency knows how they will maintain the continuity of the MCBF even if their Y2K compliant automated system fails. Contingency plans will also be critical in enabling agencies to maintain MCBF continuity even if they will not be able to fully remediate the automated systems, which support the MCBF, by the time date problems are encountered.

We will be adopting the contingency planning methodology suggested by the GAO in the GAO/AIMD-10.1.19 reference. **Attachment 2** illustrates the contingency planning process and includes the GAO reference.

Other Accomplishments to Date:

The Y2K Project Office has been established using surplus furniture and equipment to the extent possible. The project team has been formed and will be fully staffed by December.

Communication between the Y2K Project Office and state agencies has been formally established through the Y2K coordinators group. All Y2K coordinators are either Deputy Commissioners or Administrative Services Directors. All technical communication is accomplished through the Technical Advisory Committee to the Telecommunication Information Council.

An RSA has been established between the Risk Management Office and the Y2K Project Office within the Office of the Governor to temporarily fund Alaska's Y2K effort. The RSA is initially for \$1.0 million with an understanding the future increments under the RSA of \$1.0 million will be allowed based on future requests from the Y2K Project Office. As discussed in earlier correspondence to the Legislative Budget and Audit Committee, our intention will be to submit a supplemental budget request to the Legislature at the start of the 21st Alaska Legislature when it begins in January 1999 to reimburse the Risk Management Fund and to fund the FY99 Y2K effort.

State of Alaska

Year 2000 (Y2K) Project Office

Office of Management and Budget

PO Box 110020

Juneau AK 99811-0020

(907) 465-4696, fax 465-3640

State of Alaska Status Report on Year 2000

July 30, 1998

This is the second update for the Legislative Budget and Audit Committee, legislators and the public on the State of Alaska's progress toward readiness for the Year 2000 (Y2K). The first update was issued April 25, 1998 in a memo to the House and Senate Finance Committees. From now on, reports will be issued at least quarterly by the Y2K Project Office. This report covers activities in the executive and judicial branches. The University of Alaska is submitting a separate report directly to LB&A.

What is the Y2K problem?

The Y2K problem is a holdover from the early days of computers. Due to the immense cost of computer hardware, every effort was devoted to reducing hardware acquisition and operating costs. Storing only the last two digits of the year saved billions of dollars of data storage space and other computer processing resources nationwide. This worked fine until it became necessary to determine if a year stored as '01', for example, should be interpreted as 1901 or as 2001.

The Y2K problem can appear in an astonishing variety of ways. Common examples include:

- computer system freezes and shutdowns;
- data corruption;
- erroneous instructions to automated security systems, such as in hospitals and prisons;
- incorrect telemetry instructions to railroad switching yards and hydroelectric facilities;
- incorrect operation of security, heating and ventilation systems in buildings;
- failure of microchips in vehicles; and,
- proliferation of these and other errors via the Internet and other network links.

Complications include the fact that applications and systems previously repaired and certified by manufacturers as Year 2000 compliant sometimes turn out not to be compliant after all. Many contingency or back-up systems are at risk as well. For example, disaster recovery and emergency preparedness systems often depend on computer based technology, especially power grids and telecommunications systems.

The overall approach to identifying and solving Y2K problems includes the following phases for all types of systems:

- Inventory
- Assessment
- Remediation
- Testing and Validation
- Implementation
- Contingency Planning

Each state agency is in various stages of this process for each of their specific systems, depending on system priority, resources, and other factors.

Overview of state progress through July 1998

An Alaska Year 2000 Task Force was established last February to ensure that all branches of state government are adequately addressing Y2K issues. The Governor, House Speaker, Senate President, Chief Justice, and University president each appointed a high-level representative to the task force. ARCO and National Bank of Alaska were asked to participate on the task force to provide the benefit of private sector experience as the state responds to this critical issue.

This spring, a Y2K Project Office was established in the Office of Management and Budget to provide statewide coordination of Y2K activities. In April, the state engaged Unisys Corporation, a national firm with expertise in Year 2000 project management and coordination services, to help design the next phase of the state's Y2K effort. This contract extends through September 1998 with funding from a special information technology appropriation in the FY98 budget. As the state moves into the next intensive phase of Y2K activity, the governor has named Bob Poe to be the full-time Y2K Senior Project Manager. Poe, who begins the assignment August 3, will be a member of the cabinet and report directly to the Chief of Staff.

Many state agencies have been working for months to assess and fix Y2K problems by the end of this calendar year. For instance:

- The state accounting and payroll systems will have been fully tested and verified as Year 2000 compliant by the end of this calendar year.
- The Alaska Permanent Fund has already converted two of its major financial systems – portfolio management and accounting. The remaining mission-critical financial system (real estate management) will have new Y2K compliant software installed this fall.

In some cases, Y2K corrections have been made as outdated systems were overhauled primarily for other reasons, e.g. criminal justice information systems and child support enforcement.

Public health and safety requirements are the focus of intensive efforts underway among state agencies and others outside of state government. For instance:

- The Alaska Public Utilities Commission opened a docket on Y2K and is surveying all regulated and certificated utilities to ensure that power, telecommunications and other critical utilities are preparing adequately to remediate and test their systems.