

**ALASKA LEGISLATURE**

**2175**

**HOUSE and SENATE FINANCE COMMITTEE FILES,**

**2001 - 2002**

THIS MEASUREMENT DOES NOT ADEQUATELY REFLECT OUR  
PERFORMANCE IN PROJECT DESIGN AND SHOULD BE ELIMINATED.

**THE PERCENTAGE OF TOTAL PROJECT COSTS SPENT ON PROJECT  
DEVELOPMENT;**

14% OF TOTAL PROJECT COSTS WERE SPENT ON PROJECT DEVELOPMENT  
IN FY 2000.

**THE PERCENTAGE DIFFERENCE BETWEEN FINAL PROJECT ESTIMATES  
AND CONSTRUCTION BIDS;**

WE HAVE RECENTLY IMPLEMENTED A SYSTEM WHICH WILL PROVIDE  
THIS INFORMATION. WE WILL REPORT ON RESULTS NEXT YEAR.

**WHETHER THE DEPARTMENT IS SUCCESSFUL IN REQUIRING PRIVATE  
CONTRACTORS PERFORMING DESIGN AND ENGINEERING SERVICES  
FOR THE STATE TO REPORT ON THE SAME MEASURES;**

PRIVATE CONTRACTORS ARE REPORTING PERFORMANCE MEASURES AND  
THEY ARE INCLUDED IN THE DEPARTMENT'S REPORT.

**THE PERCENTAGE OF THE DESIGN AND ENGINEERING WORK OF THE  
DIVISION THAT WAS PERFORMED BY PRIVATE CONTRACTORS**

55% OF THE DESIGN AND ENGINEERING WORK WAS PERFORMED BY  
PRIVATE CONTRACTORS. THIS IS IN LINE WITH THE RECENTLY RELEASED

NATIONAL TRANSPORTATION RESEARCH BOARD REPORT #277 ON THE  
OUTSOURCING OF DEPARTMENT OF TRANSPORTATION DESIGN WORK  
WHICH RECOMMENDS THAT THE OPTIMAL PROGRAM IS A BALANCE OF  
ONE-HALF IN-HOUSE AND ONE-HALF CONSULTANT DESIGNS.

**THE NUMBER OF PLANNED PROJECTS THAT ARE IMPLEMENTED AS A  
PERCENTAGE OF THE NUMBER PROPOSED;**

AROUND \$500 MILLION IS COMPLETED EACH YEAR OR 6.6% OF AN  
APPROXIMATE \$7.5 BILLION NEEDS LIST. THE NEEDS LIST IS DEFINED BY  
THE STATE, BOROUGH, AND LOCAL COMMUNITIES. IMPROVEMENT OF  
OUR ABILITY TO CONSTRUCT A LARGER PART OF THE CURRENT NEED  
WILL DEPEND ON AVAILABILITY OF ADDITIONAL STATE OR FEDERAL  
TRANSPORTATION FUNDING.

**THE PERCENTAGE OF REQUIRED FEDERAL PLANNING,  
PROGRAMMING, AND DATA COLLECTION COMPLETED AND ACCEPTED  
BY THE UNITED STATES DEPARTMENT OF TRANSPORTATION ON A  
FEDERAL FISCAL YEAR BASIS.**

100% - THE DEPARTMENT HAS NEVER FAILED IN OBLIGATING ITS FEDERAL  
FUNDING.

**THE NUMBER OF HIGHWAY DEATHS PER YEAR.**

THE 2000 YEAR STATISTICS WON'T BE AVAILABLE FOR ANOTHER 2-3 MONTHS.

**THE PERCENTAGE OF THE TOTAL CONSTRUCTION COSTS THAT WERE SPENT ON CONTRACT ADMINISTRATION;**

THE PERCENTAGE OF CONTRACT ADMINISTRATION COSTS DURING FY00 WAS AS FOLLOWS:

	HIGHWAYS	AVIATION
CENTRAL REGION	18%	13%
NORTHERN REGION	18%	18%
SOUTHEAST REGION	19%	19%

**THE PERCENTAGE OF THE TOTAL CONSTRUCTION COSTS THAT WERE SPENT ON CHANGE ORDERS.**

THE PERCENTAGE OF CHANGE ORDER COSTS DURING FY00 WAS AS FOLLOWS:

	HIGHWAYS	AVIATION
CENTRAL REGION	6%	5%
NORTHERN REGION	6%	10%
SOUTHEAST REGION	8%	8%

**THE PERCENTAGE OF TIMES THAT THE MARINE HIGHWAY VESSELS  
DEPART ON TIME;**

FOR THE 12-MONTH PERIOD ENDING JUNE 30, 2000, THE FLEET HAD A 77%  
ON-TIME DEPARTURE RATE. THIS RATE VARIES BETWEEN VESSEL AND  
ROUTE FROM A LOW OF 65% TO A HIGH OF 90%.

**THE REVENUE PER RIDER MILE DIVIDED BY THE OPERATIONAL COSTS  
PER RIDER MILE;**

THE RATIO OF MARINE HIGHWAY REVENUE PER RIDER MILE TO COST PER  
RIDER MILE FOR FY 00 WAS .51. THE WASHINGTON STATE FERRY SYSTEM  
REPORTS A RATIO OF .60 AND THE BRITISH COLUMBIA FERRY  
CORPORATION REPORTS A RATIO OF .81. THEIR COST PER RIDER MILE IS  
ABOUT THE SAME AS THE ALASKA MARINE HIGHWAY SYSTEM'S, BUT  
THEIR REVENUES PER MILE IS MUCH HIGHER.

IN FY00, FUEL PRICES INCREASED 50% DRIVING THE COST PER RIDER MILE  
UP 17%.

**THE TOTAL RIDERSHIP, INCLUDING PASSENGERS AND VEHICLES,  
COMPARED TO THE FIVE-YEAR RIDERSHIP AVERAGE;**

THE FIVE-YEAR RIDERSHIP AVERAGE FOR PASSENGERS HAS BEEN 359,068,  
WHILE FOR VEHICLES IT HAS BEEN 101,819. RIDERSHIP FOR BOTH  
PASSENGERS AND VEHICLES INCREASED ABOUT 1% IN FY 2000 TO 362,566

AND 103,212 RESPECTIVELY. WE ANTICIPATE A RIDERSHIP DECLINE IN FY 2001 DUE TO THE COLUMBIA BEING OFF LINE FOR THE SUMMER BECAUSE OF FIRE DAMAGE.

**THE AVERAGE ONBOARD REVENUE PER PASSENGER, INCLUDING CABIN OCCUPANCY, FOOD, BEVERAGE, AND OTHER SOURCES OF REVENUE;**

THE ONBOARD SALES PER PASSENGER DECLINED SLIGHTLY IN FY 00. THIS WAS PRIMARILY DUE TO PEOPLE TAKING SHORTER TRIPS, THUS SPENDING LESS ON FOOD AND ENTERTAINMENT. THE THREE-YEAR AVERAGE PER PASSENGER HAD BEEN \$21.49. IN FY 00 THE AVERAGE WAS \$20.89.

**OUR LAST MEASURE IS THE PERCENTAGE OF PERSONS SERVED BY THE ALASKA MARINE HIGHWAY SYSTEM WHO ARE SATISFIED CUSTOMERS.** AS PART OF THE MCDOWELL STUDY IT WAS FOUND THAT OVERALL CUSTOMER SERVICE BY THE MARINE HIGHWAY SYSTEM WAS RATED VERY GOOD BY 75% OF ITS CUSTOMERS WITH ONLY 2% GIVING POOR RATINGS. THIS CORRESPONDS CLOSELY WITH THE SATISFACTION SURVEY MENTIONED PREVIOUSLY.

2000 WAS A GOOD YEAR FOR DOT. WE RECEIVED OVER \$80 MILLION IN EXTRA FEDERAL FUNDING WHICH REQUIRED NO STATE MATCH. \$30 MILLION OF THOSE FUNDS WILL BE SPENT ON THE DALTON HIGHWAY

AND \$50 MILLION FOR AN INTERCHANGE AT THE INTERSECTION OF THE PARKS AND GLENN HIGHWAYS. THANKS TO THE FHWA ALLOWING US TO USE \$20 PLUS MILLION OF OUR FEDERAL DOLLARS FOR MAINTENANCE, OUR ROADS ARE IN BETTER SHAPE NOW THAN THEY HAVE BEEN FOR YEARS. 2001 IS A BIG YEAR FOR US AND WE WILL CONTINUE TO IMPROVE OUR QUALITY AND COST EFFECTIVENESS. THE EMPLOYEES OF DOT&PF ARE DOING A GREAT JOB!!

THANK YOU AND I'LL NOW TAKE QUESTIONS.

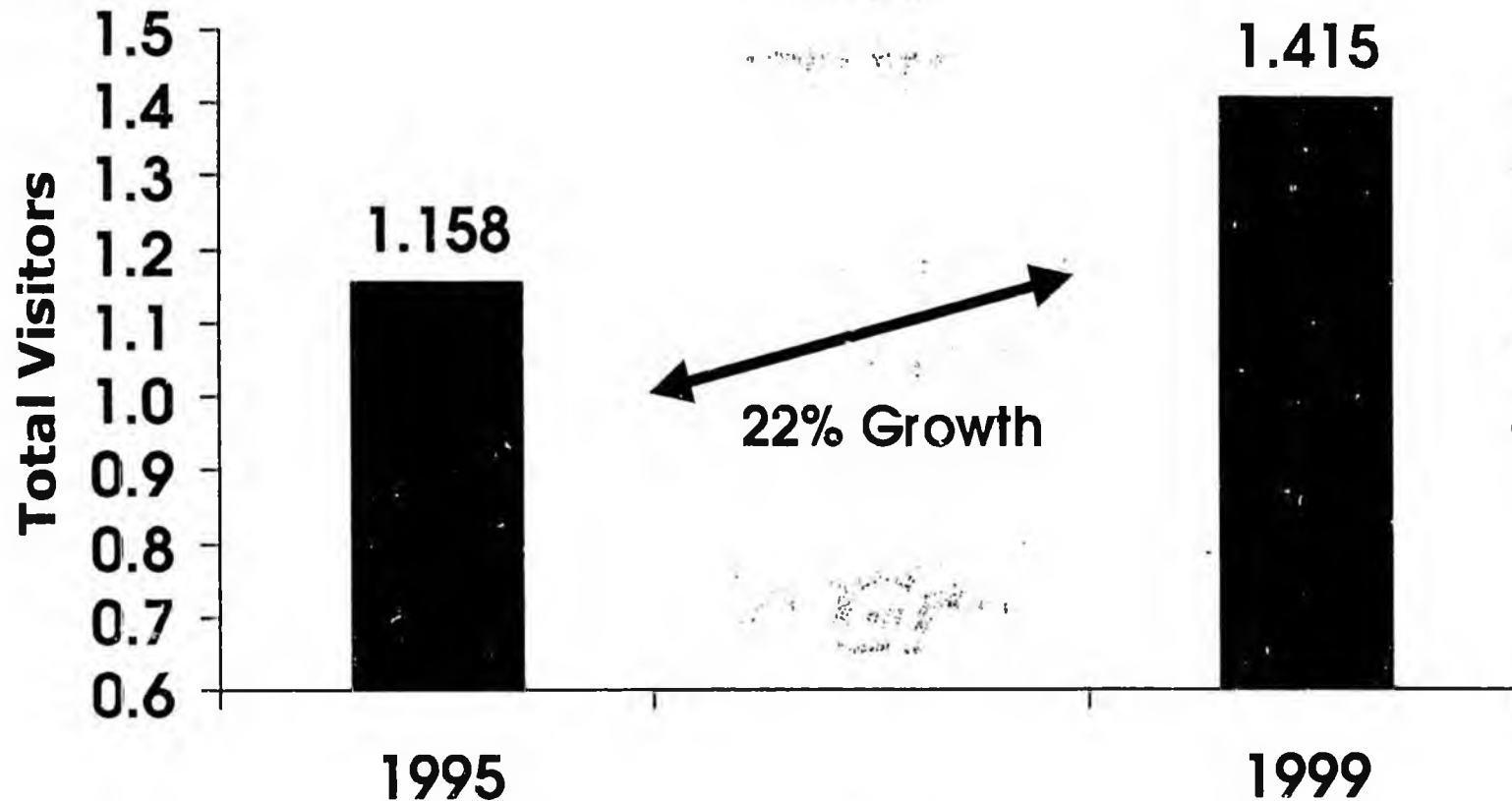
# ***Growth Rates Are Slowing***

	<u>Total Summer Visitor Growth Rate</u>	<u>Summer Cruise Visitor Growth Rate</u>
1996	10.1%	18.7%
1997	5.3%	16.5%
1998	3.8%	10.0%
1999	3.0%	6.0%

*1.4 million <sup>total</sup> visitors in 99*

# ***Strong Historic Growth***

**Total Annual Visitation (000)**



*expect  
to hold  
constant in  
00 - But  
no data.*

**Department of Environmental Conservation  
FY 2002 Report on Performance Measures**

**Commissioner's Office**

**Measure:** The percentage of divisions that meet assigned performance measures.

**Current Status:**

All divisions are tracking performance measures.

**Benchmark:**

The goal is for all divisions to track performance on 100% of their assigned performance measures.

**Background and Strategies:**

The goal is for divisions to track 100% of their assigned performance measures. To accomplish this goal the following strategies will be employed:

- Evaluate merit of performance measures and modify performance measures when necessary; and
- Establish valid benchmarks to determine and/or measure results.

**Measure:** The percentage of permittees where the department can determine compliance through inspection, monitoring, and/or reporting. *(Revised from Legislature's FY2001 version.)*

**Current Status:**

Programs which are funded with general funds have been the primary targets of budget reductions (Environmental Health and Water) and are least able to determine compliance. The water discharge program data is non-existent. Programs funded by restricted funding which has not been the target of large budget reductions (federal funds, response funds, clean air protection fund) are generally able to complete compliance inspections. The concern grows that the general funded programs can not determine compliance due to under funding, yet those programs involve persistent and life threatening critical public health and environmental issues.

**Percentage of facilities inspected at least once per year.**

Historical Data	Calendar Year		
	1997	1998	1999
Food Programs	49%	48%	39%
Seafood Processors	87%	84%	49%
Public Facilities	21%	12%	11%
Drinking Water (Class A and B)	97%	97%	93%
Solid Waste	15%	17%	17%

**Benchmark:**

The goal of the department is to incrementally increase percentage of facilities where it can determine compliance and to increase compliance for those facilities.

**Background and Strategies:**

To accomplish this goal, the following strategies will be employed:

- Request incremental funding for programs lacking sufficient funds;
- Assess risk of permitted facilities through inspection, monitoring, and/or reports;
- Prioritize facility inspections according to risk;
- Create and maintain a valid inventory or database of permitted facilities, using a department-wide facility identification database;

1/12/01

- Create and maintain automated reporting tools for permitted facilities;
- Use data from permittees to determine compliance; and
- Use third party inspections to determine compliance.

**Measure:** The number of critical violations in inspected public or private facilities that significantly affect the health or safety of the public.

**Current Status:**

The data provided by Environmental Health illustrates the dilemma raised by the prior measure. With insufficient general funds, we are unable to inspect all facilities to determine compliance, yet those we do inspect clearly have critical violations. The water program is not doing any effective monitoring and is unable to estimate critical violations. The air program does compliance monitoring but has not looked at critical violations that affect health or safety as part of that evaluation process.

**Percent of inspections where one or more critical violations were found.**

Historical Data	Calendar Year		
	1997	1998	1999
Pesticides	26%	62%	29%
Public Facilities	47%	35%	46%
Food	49%	46%	31%
Paralytic Shellfish Poisoning	1%	2%	3%
Water discharges – No Historical Data	-	-	-
Air Permits – No Historical Data	-	-	-

**Benchmark:**

The goal of the department is to achieve incremental decreases in the number of critical violations in inspected facilities while increasing the frequency of inspections.

**Background and Strategies:**

To meet this goal we will employ the following strategies:

- Ensure that all programs, whether fee or general fund supported, get sufficient funding to detect critical violations that affect health or safety;
- Increased inspection and monitoring of high risk public or private facilities;
- Peer reviews and inspections performed by affected industries; and
- Educate inspected facilities regarding the impacts of and how to avoid critical violations.

**Measure:** The number of times the Commissioner's Office was involved in adjudicating a state permit decision or in changing a federal standard or decision. *(Revised from Legislature's FY2001 version.)*

**Current Status:**

Spill Prevention and Response - In the last three years, oil discharge and contingency plans for Prince William Sound tankers, Alliance fuels, the Valdez Marine Terminal and the Trans-Alaska Pipeline have been adjudicated.

Air - Challenged unnecessary federal restrictions and over filing on an air permit issued to Cominco under the state delegation for air primacy.

Water - The state certification of the log transfer facility general permit is currently under adjudication. Removal of the state from the National Toxics rule for arsenic.

**Benchmark:**

Reduction in number of disputes on state permits requiring adjudication. Increased number of federal standards or decisions modified for Alaska's unique conditions.

**Background and Strategies:**

To accomplish reduced adjudication's, the following strategies will be employed:

Shift focus from permitting and emphasize monitoring to determine results of permit decision  
Develop and offer alternatives for informal dispute resolution  
Increase staff training in consensus-based decision making and conflict resolution

To accomplish Alaska appropriate federal rules and standards, the following strategies will be employed:

Where it's important for industry to "Alaskanize" a federal rule, we will dedicate all necessary resources to assist;  
Be proactive in identifying federal rules and regulations that do not make sense in the State of Alaska;  
Actively participate in national and interstate forums; and  
Encourage industry, the environmental community, and the public to actively communicate to the department federal issues of concern.

## Administrative Services

**Measure:** The percentage of employee complaints and grievances filed and resolved at the departmental level as compared to all other departments.

**Current Status:**

The department has tracked numbers of grievances but only recently began to track disposition of those grievances. Some grievances take more than one year to resolve. Pending complaints and grievances is a total of unresolved from the prior calendar year added to new from this calendar year.

**Historical Data / Graph:**

	FY 1999	FY 2000
Total Number of Complaints and Grievances Pending	12	14
Number Resolved at Department Level	4	11
Number Resolved at Department of Administration	1	0
Percentage Resolved at Department Level	33%	79%

**Benchmark:**

The goal of the department is to resolve 90% or more of complaints and grievances within the department.

**Background and Strategies:**

Grievances are disputes that relate only to application of contract provisions or contractual violations, while complaints are defined as any controversy or dispute that does not involve the application or interpretation of contract provisions. The department is involved at every step of the grievance/complaint process and normally must approve all grievance settlements, even when resolved by labor relations. The table above provides a listing of disputes resolved as a percentage by department in the last two years.

To achieve the goal of the department, the following strategies will be used:

- Conduct regular preventative meetings with union representatives;
- Provide supervisory training to ensure supervisors comply with contractual agreements;
- Establish clear performance measures at the employee level;
- Mediate and resolve problems before a complaint or grievance is filed; and
- Update and revise evaluation process/forms to provide meaningful, timely feedback tools.

**Measure:** The percentage of employee grievances overturned by hearing officers as compared to all other departments.

**Current Status:**

In FY98, no department grievances were overturned at hearing. In FY99, one department grievance was partially overturned at hearing. Currently, in FY00, no grievances have been overturned. Cumulatively, one department grievance reached arbitration in the last three fiscal years and the department received a partial decision.

**Historical Data / Graph:**

	CY 1999	CY 2000
Total Grievances Pending	12	14
Grievances Overturned at Hearing	1	0
Percentage Overturned at Hearing	8%	0%

**Benchmark:**

The goal of the department is to have less than 5% of grievances overturned by a hearing officer.

**Background and Strategies:**

Arbitration is the negotiated process the employer and the unions agreed to use to resolve allegations of contract violations or to enforce the terms of the contract. Grievances are disputes that relate to application or interpretation of a specific contract provision, allegations of a specific contractual violation, or used to bring enforcement of a specific contractual term or article.

To achieve the goal of the department, the department will employ the same strategies as the previous measure.

**Measure: The percentage of indirect costs collected for the commissioner and the administrative services division and for shared overhead costs.**

**Current Status:**

For the last several years the department has slightly reduced the percentage of funds being collected to cover indirect costs.

**Historical Data / Graph**

	FY 98	FY99	FY00	FY01
Administrative / Commissioner	8.4%	8.2%	7.9%	7.7%
Shared Overhead	5.9%	6.00%	5.8%	5.9%
Total	14.3%	14.2%	13.7%	13.6%

**Benchmark:**

The goal of the department is to maintain or decrease the indirect funding relative to total dollars.

**Background and Strategies:**

The goal is to provide effective support services at the lowest possible cost and to manage shared costs to reduce those costs. For example, the department was able to reduce telephone costs through consolidation of billings. To achieve this goal, services will be evaluated using the following criteria:

- Is the task required by statute;
- Is the task required by federal regulation;
- What consequences occur if the task is not completed;
- What level of detail is required;
- What level of staff knowledge and training is required to perform the task;
- Is there another way we can purchase these services at a lower cost;
- Will an additional investment now lead to efficiencies or savings in the future;
- Does this cost benefit only a specific program(s) and therefore be charged directly to the program; and
- Does a reduction in program funding reduce the needs for indirect services or costs?

**Measure: The percentage of penalties for total payroll or vendor payments per year.**

**Current Status:**

The department has not paid any penalty payroll in the last ten years. The annual percentage of penalties for vendor payments is very low, well below 1% of total payments.

**Historical Data / Graph:**

	FY 97	FY 98	FY 99	FY 00
Vendor Penalty Payments	.0150%	.0079%	.0011%	.0025%

**Benchmark:**

The department will limit penalty pay to less than 0.1%.

**Background and Strategies:**

Payroll:

The department currently has almost 500 employees. With 24 pay periods each year, the department completes about 12,000 payroll transactions annually. Employees are paid from different accounts and, when combined with additional parameters such as bargaining unit and overtime, the potential for error rises dramatically. To ensure that the goal is met, the department will explore new technologies and methods for time and payroll purposes. For example, the use of electronic timesheets and the possibility of eliminating timesheets for overtime-exempt employees claiming pay for a single funding code.

**Vendors:**

The department strives to make vendor payments as close to the due date as possible. To accomplish this we attempt to enter payments five days prior to the invoice due date. Delays occur when approvals are not available; an invoice is delayed; or insufficient information is provided on an invoice. To ensure prompt payments we centralized tracking of travel charges, train staff on invoice processing, and review statements to monitor outstanding invoices.

**Measure:** The number of audit exceptions resolved.

**Current Status:**

From fiscal year 1996 to 1998 the department has reduced the audit exceptions by 59%. In addition, 100% of audit exceptions have been resolved.

**Historical Data / Graph**

	FY 96	FY 97	FY 98
Audit Exceptions	12	6	5
Resolved Audit Exceptions	8	4	5

**Benchmark:**

The goal of the department is to eliminate audit exceptions and to resolve any valid exceptions that do occur within six months of notification.

**Background and Strategies:**

The department makes the identification and resolution of potential audit exceptions a high priority. To meet this goal we:

- Review prior audit issues to identify current areas of need;
- Identify the appropriate staff level to resolve issues; and
- Assign tasks to clearly identify staff responsible for technical processing and those responsible for compliance monitoring.

## Spill Prevention and Response

**Measure:** The number of oil spills greater than one gallon per year compared to the number of spills requiring a response.

**Current Status:**

1,854 oil spills over one gallon were reported in FY 2000.

**Benchmark:**

The number and amount of oil spills per year and the number of spills requiring a department field response.

**Background and Strategies:**

Consistent with the Governor's goal of a 15% overall reduction of oil and hazardous substance spills, the department is working to prevent oil spills through the implementation of a prevention plan which includes risk reduction measures, technical assistance, legal action, and/or public outreach/educational approaches; educates commercial fuel tank owners and operators in proper spill prevention and response methods and technologies; and provides technical assistance to tank owners and operators to ensure compliance with federal regulations.

**Measure:** The number of hazardous substance spills and the number of hazardous substance spills requiring response.

**Current Status:**

402 hazardous substance releases occurred in FY 2000.

**Benchmark:**

Reduce the amount of oil spilled through targeted prevention efforts.

**Background and Strategies:**

Consistent with the Governor's goal of a 15% overall reduction of oil and hazardous substance spills, the department is working to prevent hazardous substance spills through prevention, technical assistance, and and/or public outreach/educational approaches. The Department is expanding and maintaining statewide hazardous spill response capability through joint training, drills, and equipment testing; and provides technical assistance to industry in safe handling and use of hazardous substances.

**Measure:** The time it takes the division from receiving a report of a spill to the determination of "no further action".

**Current Status:**

The department is currently evaluating how to determine the "start date" for a contaminated site since many historical sites were discovered long after the spill occurred.

**Benchmark:**

Decrease in the time it takes to receive "no further action" determination.

**Background and Strategies:**

DEC's preference is to take a collaborative approach with responsible persons to facilitate cleanup of contaminated properties. A collaborative approach involves working within the responsible person's level of resources, if there is not an acute risk to human health and the environment such as chemicals going into a stream or drinking water source. This may result in work being undertaken in a phased approach and use of cleanup technologies, such as bioremediation, which are less expensive, but take a longer time to achieve cleanup levels.

In order to speed the cleanup process up at a number of sites, DEC would have to rely on its enforcement authorities and potentially the Response Account, to facilitate quicker action. Faster action may also require more comprehensive sampling on a one time basis to reduce uncertainty (rather than an iterative approach, where additional information needs are dependent upon initial sampling results) and the use of more expensive cleanup techniques that yield immediate results, such as incineration.

Rather than take an aggressive enforcement approach when the risk does not warrant it, DEC is focusing its efforts on creating a regulatory climate that assists responsible persons in speeding up the cleanup process. The Division promulgated cleanup regulations in 1999 which are reducing transaction costs for the development of cleanup plans and has implemented an expanded Voluntary Cleanup Program to speed up the cleanup of low to medium priority sites. DEC is also increasing its emphasis on working with parties to take quick action to mitigate risk, and employ risk based cleanup standards, accompanied by institutional controls to facilitate cleanups proportional to risk and appropriate for the intended land use. Risks based approaches decrease the need for long term cleanups and facilitate redevelopment of contaminated property. A pre-remedial unit has also been developed to provide for better record keeping, and more efficient follow-up to shorten the time from the reporting of a spill to action leading to the final closeout of a spill.

**Measure:** The state cleanup costs per spill per year and the state cleanup costs per contaminated site per year.

**Current Status:**

Cleanup costs are reported in the Biennial Response Fund Report.

**Benchmark:**

Average state cleanup costs per spill and contaminated site.

**Background and Strategies:**

The Department is required by law to track and recover state response and cleanup costs from responsible parties and seek compensation for damages to the state's natural resources. The goal is to continue to improve the state's accounting, cost-tracking and billing procedures to ensure timely recovery of expended costs to the Oil and Hazardous Substance Release Prevention and Response Fund.

**Measure:** The average environmental hazard per contaminated site.

**Current Status:**

At the end of FY 2000, there were 756 "high", 602 "medium", 466 "low" and 219 "unranked" contaminated sites.

**Benchmark:**

The number of contaminated sites in the "high", "medium", "low", and "unranked" relative risk categories at the end of the year.

**Background and Strategies:**

The administration is working to characterize and rank all known contaminated sites in the State and reduce the number of sites in all categories, beginning with the highest-ranked sites. The goal is the assessment and cleanup of the highest risk sites in Alaska by ensuring the cleanup of contaminated sites by responsible parties; applying consistent and measurable cleanup standards; contracting private specialists to assess and clean up state-owned and "orphan" sites; and implementing an expanded Voluntary CleanUp Program, which includes regulated underground storage tanks, to increase the rate of cleanup of lower priority sites with reduced government oversight.

**Measure:** The number of underground storage tank owners issued "no further action" letters during the year.

**Current Status:**

124 "no further action" letters were issued to underground storage tank owners in FY 2000.

**Benchmark:**

Increase in the number of underground storage tank "no further action" letters.

**Background and Strategies:**

Through Legislation and rule making, the state adopted the federal regulatory program for Underground Storage Tanks and added financial assistance and tank worker/inspector elements. The goals are to clean up existing petroleum spills and prevent new spills from happening. Approximately 44 percent of over 2100 UST petroleum spills have been cleaned up and made available for economic reuse. The program has increased its annual rate of "No

Further Actions" from 80 to over 100 by ensuring that each site is assigned to a designated staff person and then working the sites in order of highest hazard ranking. Sites of low rank can be expedited by processing through the Voluntary CleanUp Program.

**Measure:** Number of contaminated sites that have been cleaned up. *(Not yet addressed by Legislature.)*

**Current Status:**

49 contaminated site cleanups were completed in FY 2000.

**Benchmark:**

Increase the number of contaminated sites cleaned up.

**Background and Strategies:**

Annual site completion rates have more than doubled over the last ten years. The Division has taken a number of steps, which will result in further acceleration of the rate of cleanup completions. In 1999 the Division promulgated new cleanup regulations which allow contaminated site cleanups to be proportional to the risks posed to human health and the environment and the intended land use. The use of "institutional controls" tools has been expanded to facilitate risk-based cleanups which can reduce the time and costs associated with cleanups. The Division has also expanded the Voluntary Cleanup Program (VCP) for low and medium priority sites to enable many sites, including underground storage tank sites, to be cleaned up under a streamlined process with minimal oversight by Department staff. During new site identification, responsible parties for VCP candidate sites are invited to take advantage of this streamlined cleanup process. The Division made an earlier decision to focus some staff resources on large facilities that have multiple high priority sites, such as the former U.S. Navy facility on Adak Island. This approach allowed simultaneous assessment and clean up of multiple sites in an area. The results of this approach will be realized during FY 01 and following years as multiple final cleanup efforts are completed and documented.

**Measure:** Amount of oil spilled (gallons). *(Not yet addressed by Legislature.)*

**Current Status:**

257,043 gallons of oil were spilled in FY 2000.

**Benchmark:**

Reduce the amount of oil spilled through targeted prevention efforts.

**Background and Strategies:**

Consistent with the Governor's goal of a 15% overall reduction of oil and hazardous substance spills, the department is working to prevent oil spills through the implementation of a prevention plan which includes risk reduction measures, technical assistance, legal action, and/or public outreach/educational approaches; educates commercial fuel tank owners and operators in proper spill prevention and response methods and technologies; and provides technical assistance to tank owners and operators to ensure compliance with federal regulations.

## **Air and Water Quality**

### **Measure: The cost per permit issued**

#### **Current Status:**

Air Quality: We have a time billing system using codes for various activities. We track the total amount time billed to the companies for staff time on permit issuance activities for permits that have been issued. Under this billing system, an operating permit costs \$9,006.

Water Quality: DEC is re-assessing what would be appropriate fees and related tracking system.

#### **Benchmark:**

Determine and reduce the cost per permit issued.

#### **Background and Strategies:**

Air Quality: An Air Permit Benchmarking study has just been completed. The study was conducted to find ways to streamline the air permit process. A final report of this study was completed by November 2000. The strategy used to accomplish the benchmark will be the implementation of the key recommendations from the Air Permit Benchmarking study.

Water Quality: To determine and reduce permit costs, the department will be revising fees according to the requirements of HB361.

### **Measure: Whether the carbon monoxide levels in Fairbanks and Anchorage meet health standards.**

#### **Current Status:**

For the past three winters (e.g., 1997, 1998, and 1999) Anchorage has met the health standard benchmark. Violations could still occur. Fairbanks has failed to meet the standard. In 1998, Fairbanks exceeded the standard twice. In 1999, Fairbanks exceeded the standard three times.

#### **Benchmark:**

Attainment of the national ambient air quality standards.

#### **Background and Strategies:**

DEC is working closely with Fairbanks Borough, Municipality of Anchorage and EPA to develop plans to further improve air quality. The plan for Fairbanks is to be completed by August 2001 and the plan for Anchorage is to be completed by December 2001.

### **Measure: The average time taken from receipt of a permit application to approval.**

#### **Current Status:**

Air Quality: The average time is 278 days.

Water Quality: DEC has just begun the redesign efforts for Water Permits.

#### **Benchmark:**

Decrease in time from receipt to approval per permit type.

#### **Background and Strategies:**

Air Quality: We maintain a construction permit file of pending permit applications and track issuance of permits. We use median time average for evaluating this performance measure. There are three types of averages: mode, arithmetic mean, and median. Mode is the value that occurs most frequently in a series of data. Arithmetic mean, commonly known as average, is affected by the exceptional and unusual. It emphasizes the extreme variations. In permitting, a complicated or controversial permit may take a very long time increasing the average even if most of the permits take a much shorter time. The most appropriate average measure for air permitting is median time. Median is determined by calculating the time from when the staff begins work on a permit until the permit is effective for

operating permits. These times are then arranged in order from the lowest to the highest. For operating permits, the median time is the value where half the permits take a longer time and half the permits take a shorter time.

In accomplishing the benchmark, we will:

- Adopt regulations to make permits more uniform.
- Implement key recommendations from the Air Permits Benchmarking study.

Water Quality: In accomplishing the benchmark, we will:

- Re-design our permitting system to fast-track lower risk activities.
- Examine possible interagency regulatory time clocks for streamlining opportunities.

**Measure: The average time taken from receipt of a permittee complaint to resolution of the complaint.**

**Current Status:**

We are currently not tracking this performance measure, as we have not received many permittee complaints.

**Benchmark:**

Decrease in time from receipt of permittee complaint to resolution.

**Background and Strategies:**

The Division will begin tracking this measure at the program level and higher. This will be accomplished by establishing a method to track permittee complaints, i.e., complaint log.

**Measure: The percentage of facilities inspected according to risk-based inspection frequency.**

**Current Status:**

Air Quality: The risk-based inspection strategy identified 51 facilities requiring inspections. All 51 facilities have been inspected.

Water Quality: We are not currently tracking this performance measure as we do not have a risk-based inspection frequency program.

**Benchmark:**

Increase the percentage of higher risk facilities inspected.

**Background and Strategies:**

Air Quality: Some of the factors that make up risk based targeting are:

- Size of facility
- When the facility was last inspected
- Actual quantity of emissions
- Actual hazardous air pollutant emission
- Compliance history

Risk factors should be reconsidered in light of trends regarding non-compliance and the new law which relies upon operator self-reporting and verifying compliance. We expect to maintain our current level of effort.

Water Quality: To increase the percentage of higher risk facilities inspected, we will establish a risk-based inspection program.

**Measure: The number of activities covered by fast-track general permits as compared to the total number of permits**

**Current Status:**

Air Quality: We have developed pre-approved limits, owner requested limits, Permit By Rule, and nine general permit to fast-track the normal permitting process.

Water Quality: We currently issue fast-track general permits and we are also waiving permit requirements for certain low risk activities.

**Benchmark:**

Increase in number of activities covered by fast-track permits as compared to the total number of permits.

**Background and Strategies:**

Air Quality: In order to increase the number of activities covered by fast-track permits, we will:

- Adopt the Permit By Rule for oil drilling regulations.
- Combine unified permitting for solid waste landfills.
- Continue to identify general permit opportunities during permit reviews.

Water Quality: In order to increase the number of activities covered by fast-track permits, we will increase other fast-track options based upon risk to the environment and public health.

**Measure: Percentage of timber operations inspected using best management practices.**

*(Not yet addressed by Legislature.)*

**Current Status:**

Based upon the Department of Natural Resource's Best Management Practice (BMP) implementation monitoring completed on private lands in 1997, BMP's were fully or adequately implemented in the upper eighty to low ninety percentiles. Partial analysis of the 1999 BMP implementation monitoring data indicate overall implementation of selected BMPs on private land as slightly over what was reported in 1997. Monitoring conducted on federal lands indicates BMP implementation rates approach 98%.

**Benchmark:**

Implementation by 100% of forest operators.

**Background and Strategies:**

Continued monitoring and education. Maintain adequate field presence by state resource agencies to work with operators.

**Measure: Percentage of construction operations inspected using best management practices.**

*(Not yet addressed by Legislature.)*

**Current Status:**

We did not historically track this performance measure. We began tracking this measure July 1, 2000.

**Benchmark:**

Percent increase of construction operations inspected using best management practices.

**Background and Strategies:**

To accomplish this benchmark, we will be developing a risk-based inspection/monitoring program.

**Measure: Number of water bodies with confirmed pollution that have been restored.**

*(Not yet addressed by Legislature.)*

**Current Status:**

There are fifty-eight water bodies with confirmed pollution. In a typical year, at least two water bodies are identified as restored.

**Benchmark:**

Decrease number of impaired water bodies with confirmed pollution.

**Background and Strategies:**

Through the Alaska Clean Water Action Plan, we will develop individual water body recovery plans and institutional control programs.

## Environmental Health

**Measure:** The amount of state investment per facility or unit. (Revised from Legislature's FY2002 version.)

### Current Status:

As can be seen from the attached spreadsheets, most of the program areas are funded roughly 60% general fund and 40% program receipts. There are two program areas where this is not the case:

- **Food (other than seafood) and public facility sanitation:** In this program area, general funds account for just 13% of the total funding available per unit. This is down from nearly 70% in calendar year 1998. Program receipts represent 81% of the program unit funding, up significantly from calendar year 1998 when program receipts were just under 28%.
- **Drinking Water:** General funds account for 24% of this program area while federal funds account for 74%. In calendar year 1998, general funds represented nearly 30% of the funding. Because the federal drinking water grant is a 75%/25% match grant, what this means is that the state is essentially running a federal drinking water program.

Program	FY1998		FY1999		FY2000		FY2001 (EST)	
	\$ Per		\$ Per		\$ Per		\$ Per	
	Unit	%	Unit	%	Unit	%	Unit	%
<b>Food/Sanitation</b>								
State Investment (General Funds)	\$118	69.6%	\$113	65.3%	\$21	13.6%	\$22	13.4%
User Investment (Program Receipts)	\$48	28.7%	\$57	33.1%	\$133	84.7%	\$136	81.3%
Federal Investment	\$3	1.7%	\$3	1.6%	\$3	1.8%	\$9	5.3%
<b>Seafood</b>								
State Investment (GF & Comm Fish)	\$761	52.2%	\$913	56.8%	\$952	62.7%	\$944	61.2%
User Investment (Program Receipts)	\$600	41.1%	\$580	36.1%	\$443	29.2%	\$458	29.6%
Federal Investment	\$98	6.7%	\$114	7.1%	\$123	8.1%	\$143	9.2%
<b>Drinking Water</b>								
State Investment (General Funds)	\$217	29.8%	\$233	25.7%	\$223	24.0%	\$229	24.0%
User Investment (Program Receipts)	\$18	2.5%	\$18	2.0%	\$17	1.9%	\$18	1.9%
Federal Investment	\$492	67.7%	\$657	72.3%	\$692	74.1%	\$704	74.1%
<b>Domestic Waste Water</b>								
State Investment (General Funds)	\$331	36.2%	\$331	36.2%	\$320	36.2%	\$328	36.3%
User Investment (Program Receipts)	\$583	63.8%	\$583	63.8%	\$364	63.8%	\$576	63.7%
Federal Investment	\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
<b>Solid Waste</b>								
State Investment (General Funds)	\$591	55.6%	\$674	58.8%	\$566	57.3%	\$618	59.0%
User Investment (Program Receipts)	\$472	44.4%	\$473	41.2%	\$397	40.2%	\$403	38.6%
Federal Investment	\$0	0.0%	\$0	0.0%	\$24	2.5%	\$25	2.4%

### Benchmark:

Until there is agreement on the appropriate relative percentage of general fund to program receipt support for state services, there is no way to determine a benchmark. However, a split of 60% general fund / 40% program receipts seems appropriate.

### Background and Strategies:

During the 2000 Legislative session, legislation was passed (HB 361) that changed what services DEC could include in its fee calculations for some programs. The net effect of this legislation will be to reduce the fees paid certain industries for their permits, approvals and other services. The solid waste program was included in HB 361, and as

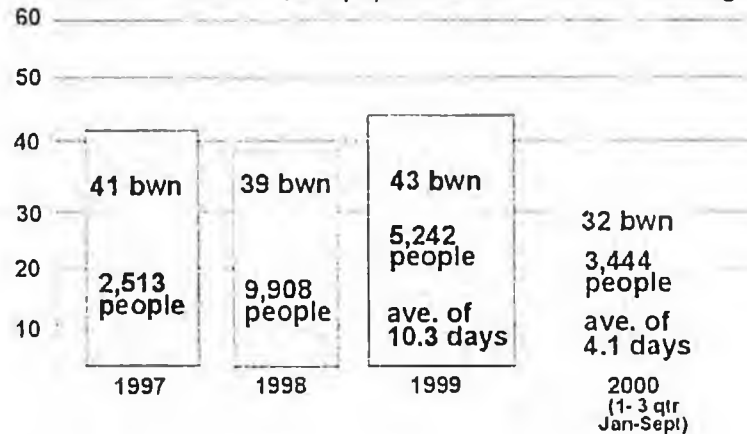
shown in the attached spreadsheet, the overall percentage of fees was reduced from 44.4% to 38.6%. The ratio of general funds and program receipts is now approximately 60%/40%.

Throughout the legislative hearings on HB 361, the department consistently stated that the food service program should be included in order to reduce the overall level of fees paid by facility operators. We continue to support such a strategy.

**Measure:** The number of "boil water" notices issued, the population affected, and the duration for the year.

**Current Status:**

In the first three quarters of calendar year 2000, we've seen a reduction from 1999 in each of the three areas measured: the number of boil water notices issued, the population affected, and the length of the boil water notice.



**Benchmark:**

Decrease in the number of Boil Water Notices issued, population affected, and duration.

**Background and Strategies:**

Boil water notices are issued when public water supplies exceed the public health standards for fecal coliform. Fecal coliform indicates a water system is being contaminated by sewage. Testing for fecal coliform is the most routine testing done by public water systems and the least expensive. 85% of the compliance sampling done by public water systems is for fecal coliform. The longer it takes the public water system to bring the water into public health compliance, the longer the requirement to boil the water will last.

In order to continue to see a decrease in the number of Boil Water Notices, their duration, and the population affected the department will

- continue to work with engineers and others to ensure domestic wastewater systems are properly designed and installed;
- work with property owners and utility managers to ensure domestic wastewater systems are properly maintained;
- work with public water systems and the Division of Facilities, Construction and Operation to ensure water system operators are properly trained for the collection of water samples; and
- work with public water system operators to ensure the disinfection methods for the water system are appropriate and properly functioning.

**Measure:** The percentage of sanitary surveys that result in significant compliance violations.

**Current Status:**

Tracking significant deficiencies in sanitary surveys began 4/1/00. Therefore, we have no historical data as of yet. Between 4/1/00 and 9/30/00, 16% of the completed sanitary surveys (11 out of 71) found significant deficiencies.

**Benchmark:**

Yearly percent decrease (with a target of 10% for 6/30/01 and 5% for 6/30/02) in sanitary surveys that identify significant compliance violations.

**Background and Strategies:**

A sanitary survey is required of all public water systems that are federally regulated under the Total Coliform Rule. It is a general "inspection" of the system where the surveyor reviews how the system is operated, how well the operator is keeping required records, and the overall integrity of the infrastructure of the system. A sanitary survey can result in a number of "paperwork" violations that may not present a threat to public health, such as monitoring and reporting; however, this performance measure seeks to decrease the number of violations that may be a threat to public health.

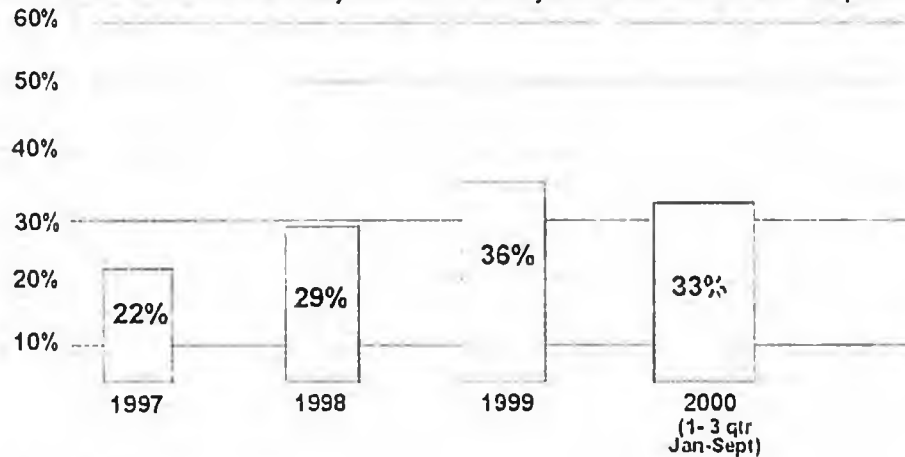
In order to achieve a decrease in the number of sanitary surveys that result in significant compliance violations, we will

- work with system operators and the Division of Facilities, Construction and Operation to ensure each public water system is managed by a certified operator;
- continue to provide assistance to water system operators, directly and through the Remote Maintenance Worker program and the National Rural Water Association on how the water treatment process works and the system's maintenance needs; and
- provide information annually to the Division of Facilities, Construction and Operation on the infrastructure needs of individual systems.

**Measure:** The percentage of landfills with a permit or an alternative to a permit.

**Current Status:**

All landfills are required to have a permit or some form of acceptable alternative in order to operate. At the end of the third quarter in 2000, 88 active landfill sites out of 264 (33%) had a current permit or an acceptable alternative. This is an increase from calendar year 1997 when just 22% of landfills were permitted.



**Benchmark:**

Percent increase of landfills with permit or an alternative to a permit.

**Background and Strategies:**

Alaskans generate about 1,300 tons of household garbage each day, nearly twice the national average per person. 78% is disposed of in landfills; 15% is incinerated; and 7% is recycled. DEC regulates 385 landfills: 142 are non-municipal (industrial) facilities that handle materials like drilling wastes, mine tailings, and construction wastes; 243 are municipal landfills, of which 10 serve large communities; 21 service medium-sized towns; 38 serve industrial or government camps; and 174 serve small villages. AS 46.03.100 requires that anyone who conducts an operation that results in the disposal of solid waste into the waters or onto the land of the state have a permit.

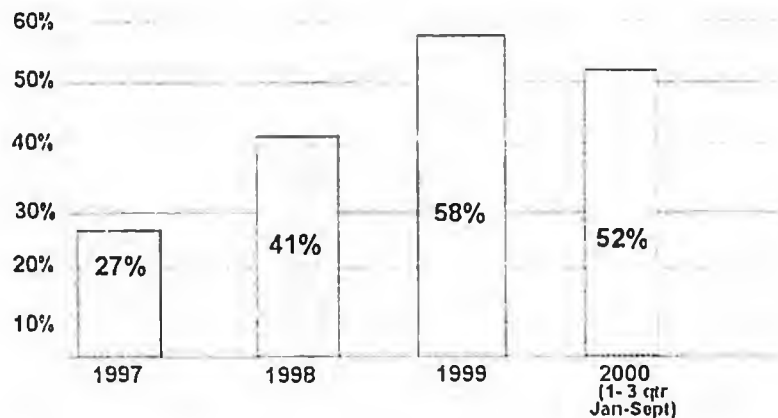
In order to increase the percentage of landfills with a permit and an alternative to a permit, we will

- develop general permits for landfills that serve small camps and villages (Class 3 landfills);
- significantly streamline permitting process in-house through developing standard permit formats and language and reducing the detail in the permit document, relying instead on the language of the regulation and the permit application; and
- develop permits-by-rule.

**Measure:** The percentage of landfills with an inspection score of 80 or higher.

**Current Status:**

Permitted landfills as well as unpermitted dumps are inspected, but scores are only tracked for permitted sites. At the end of the third quarter of 2000, we had inspected 15% of the permitted landfills and 52% had a score of 80 or higher. This compares with calendar year 1997, when we had inspected approximately 10% of the permitted landfills and just 27% had a score of 80 or above.



**Benchmark:**

Increase in the percent of landfills inspected, and percent increase of landfills with an inspection score of 80 or higher.

**Background and Strategies:**

Landfill facilities are inspected to determine if they are handling their wastes in a manner that is protective of public health as outlined in their permits and the department's solid waste regulations. The higher the inspection score, the better the waste disposal practices by the landfill operator.

Over the past four years, the percentage of Class 3 community landfills that have been inspected has ranged from a low of 43% to a high of 79%. In order to achieve the goal of improving how waste is handled and disposed, we need to increase our presence in the field, particularly for Class 3 community landfills.

In order to accomplish this goal, we will

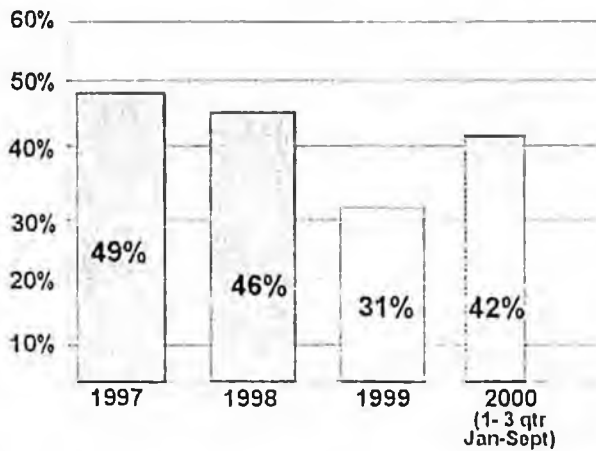
- increase the number of inspections by using staff time that is freed up as a result of streamlining the permitting processing with a target of inspecting 25% to 35% of all permitted landfills annually;
- provide solid waste training to operators with an emphasis on rural landfill operations;
- increase our focus on solid waste handling options with communities; and
- increase the percentage of Class 3 community landfills that are inspected, and decrease the percentage of Class 1 and Class 2 community landfill inspections except for those facilities with compliance problems.

**Measure:** The number of critical violations affecting food safety.

**Current Status:**

We are seeing an increase in the percentage of critical violations in the food inspections we conduct, even though the number of inspections are decreasing because of significant budget reductions to this program. Inspections are used as a means to provide technical assistance to operators on how to prevent problems from occurring. The less we are able to be in the field, the fewer our opportunities to provide this kind of assistance.

These figures do not include seafood processor inspections. The seafood program's database is being redesigned to collect this for future reporting.



**Benchmark:**

Percent decrease in critical violations that affect food safety and wholesomeness.

**Background and Strategies:**

Critical violations occur when an operator is not in compliance with state food rules in a manner that can result in a foodborne illness. They include such things as serving shellfish from unapproved areas, not separating raw foods from cooked foods, and employees that do not wash their hands after using the restroom. Because foodborne illness is notoriously underreported, often passed off as the "stomach flu" (which doesn't exist), we use critical violations as a means to measure the likelihood of a foodborne illness occurring.

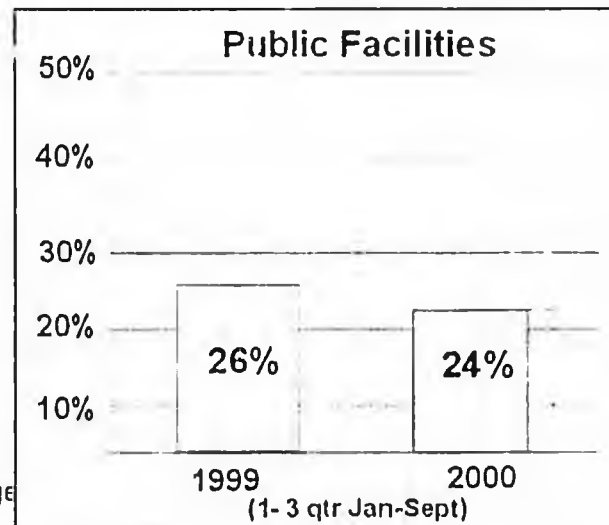
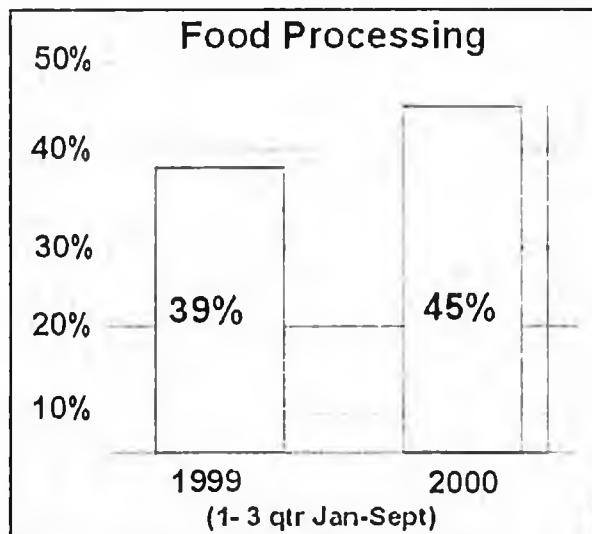
In order to reduce the occurrence of critical violations, we should

- inspect operations according to the public health risks they pose based on the type of food, preparation, or processing;
- focus on critical items during routine inspections;
- continue to provide training to operators in order to have an educated workforce in food industry regarding food safety issues; and
- continue other outreach efforts with the food industry such as direct mailings and posting contemporary food safety issues on our website.

**Measure:** The percentage of facilities inspected according to risk-based inspection frequency protocol.

**Current Status:**

Because of significant budget cuts to this program, no operations are inspected as often as called for in the risk-based inspection frequency protocol. By the end of the third quarter of 2000, 36% of all food operations had been inspected at least once; 67% of the inspections were performed at higher risk level operations. 45% of all higher risk food operations have been inspected at least once. During this same time, 7% of all public facilities were inspected at least once, and 91% of the inspections were performed at higher risk facilities. 24% of all higher risk public facilities have been inspected at least once. Only 27% of all public facilities are ranked as higher risk facilities.



**Benchmark:**

Under funding of this program will prevent us from meeting this performance measure. Therefore, our benchmark is to increase the percentage of high-risk operations inspected at least once per year.

**Background and Strategies:**

The primary goal of a sanitation inspection program, whether for food operations or public facilities such as pools, spas, and day-care centers is to protect the public from diseases that can be spread in those operations because of poor sanitation. This goal is best achieved with regular inspections, the frequency of which is based upon the public health risks posed by the particular operation. Inspections allow the department to interact with facility operators to identify and correct conditions that could lead to a public health outbreak.

In order to ensure the best use of the department's resources, a risk-based inspection frequency protocol was developed and implemented two years ago. The protocol takes into account as appropriate the type of food, the population served, the type of process or handling, and the likelihood that physical, microbial, or chemical hazards will be present.

In order to increase the percentage of higher risk operations that are inspected at least once per year, we will

- continue to cross-train our inspection staff so all are able to proficiently inspect all types of food operations, including seafood processors;
  - continue to reduce the number of inspections performed at lower risk facilities unless done under contract with the U.S. Food and Drug Administration; and
- 1) continue to find ways to reduce the amount of time inspection staff must spend in the office, such as we have done through the expanded use of laptop computers.

## Facility Construction and Operation

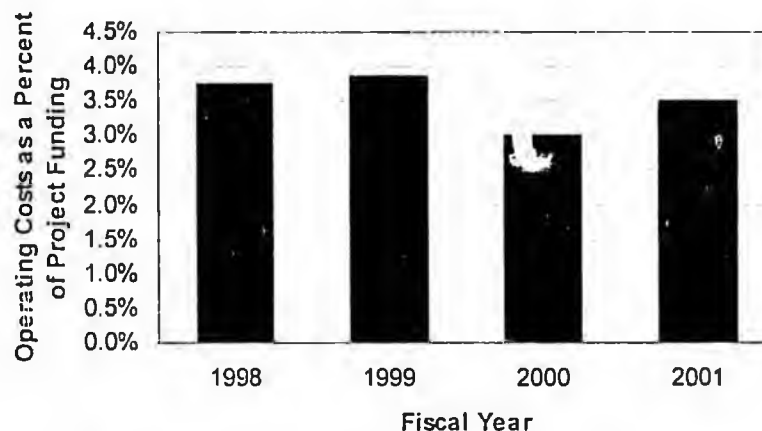
**Measure:** Division operating costs as a percentage of project funding. *(Revised from Legislature's FY2001 version.)*

**Current Status:**

In FY 2001, the Village Safe Water agency operating costs are 3.5% of the project funding.

**Historical Data:**

For fiscal years 1998 through 2001, funding for operating costs for Village Safe Water sanitation projects varied between 3.0 and 3.9% of project funding.



**Benchmark:**

The goal of the Division of Facility Construction and Operation is to manage operating costs at 4 percent, or less, of project funding.

**Background and Strategies:**

This measure is a revision to the measure specified in SB 281: "The agency operating costs per sanitation project." The revised measure looks at operating costs relative to project funding instead of operating costs relative to number of projects. This provides a more stable and meaningful picture of operating cost efficiency. The number of projects can vary substantially from year-to-year with some years having a large number of small projects and other years having a smaller number of larger projects. Project funding, on the other hand, is not subject to these random swings in project number and size.

At this time, the performance measure is confined to the Village Safe Water program (our largest program) where data are readily available. The measure will be expanded next year to include all division grant and loan programs.

The goal is to manage operating costs through efficiencies in how the Division manages water, sewer and solid waste grant projects. The primary strategies for improving efficiency are:

- to increase the use and role of private companies in managing projects; and
- to streamline internal operations by improving data systems and administrative procedures.

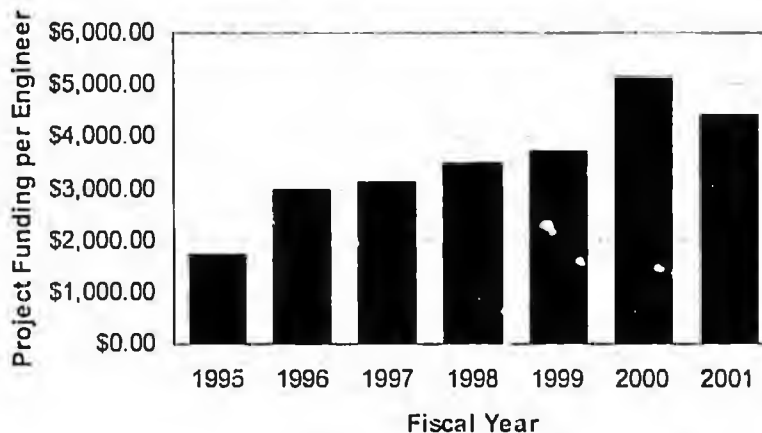
**Measure: Project funding per division engineer.** (Revised from Legislature's FY2001 version.)

**Current Status:**

Village Safe Water project funding per engineer is currently \$4.4 million (FY 2001).

**Historical Data:**

Between fiscal years 1995 and 2000, Village Safe Water project funding per engineer tripled - increasing from \$1.7 million per engineer to \$5.2 million per engineer.



**Benchmark:**

The goal of the Division of Facility Construction and Operation is to manage workload at, or above, \$4 million per engineer.

**Background and Strategies:**

This measure is a revision to the measure specified in SB 281: "The number and cost of sanitation projects per division engineer." The revised measure looks exclusively at project funding per engineer and excludes number of projects per engineer. The workload associated with a number of projects can vary substantially depending on project size and, consequently, the number of projects is not a good workload indicator. Project funding, on the other hand, incorporates project size and is a better workload indicator.

At this time, the performance measure is confined to the Village Safe Water program (our largest program) where data are readily available. The measure will be expanded next year to include all division grant and loan programs.

The goal is project management efficiency as indicated by a project funding per engineer ratio of \$4 million or more. The primary strategies for improving efficiency are:

- to increase the use and role of private companies in managing projects;
- to streamline internal operations by improving data systems and administrative procedures; and
- to develop our engineers' project management skills through training and experience.

**Measure: The cost per household served.**

**Current Status:**

As of this point in FY 2001, there have been no comparable projects completed and, consequently, no new data to indicate a change in this measure from the historic benchmark.

**Historical Data:**

To benchmark this measure, we examined the total state and federal investment in 11 projects completed between 1983 and 2000 that reflected total system development costs starting with water source development and ending with in-home running water and sewer. The average capital cost to develop a water source; provide treatment and distribution systems; and to provide wastewater collection, treatment and discharge on a per household basis was \$67,627.

**Benchmark:**

The goal of the Division of Facility Construction and Operation is to manage capital costs to produce a declining trend in the cost of water and sewer facilities.

**Background and Strategies:**

This measure examines the full capital cost of providing water and sewer service primarily to rural Alaskans. The measure reflects the high costs of construction in remote locations as well as the diseconomies of scale associated with developing utilities for relatively small numbers of customers. For these reasons, high costs are inevitable though the Division actively manages costs.

The primary strategies for managing per household costs for water and sewer systems are:

- to increase use of enclosed haul and other innovative systems where piped utilities are exceedingly expensive; and
- to assert cost control and value engineering as a primary objective throughout project planning and development.

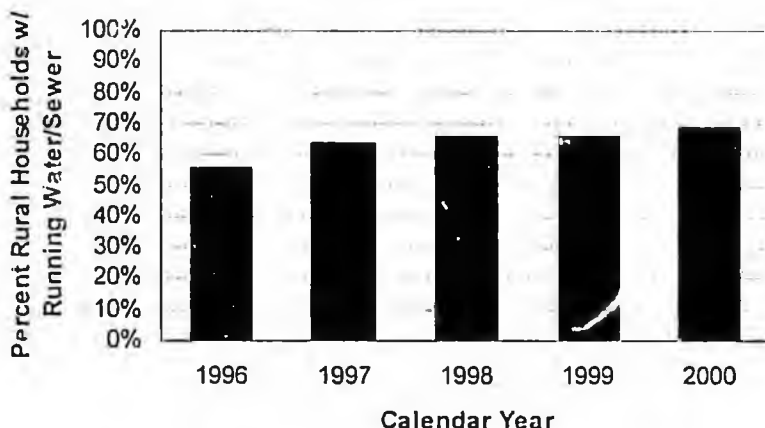
**Measure: Percentage of rural households with access to running water and sewer.** (Revised from Legislature's FY2001 version.)

**Current Status:**

By the end of calendar year 2000 approximately 69 percent of rural households will have access to running water and sewer. This is an increase of 3 percent over last year.

**Historical Data:**

The percentage of rural households with access to running water and sewer systems increased from 54% in 1996 to 66% in 1999.



**Benchmark:**

The Division of Facility Construction and Operation's goal is an average 4 percent annual increase in the number of rural households with access to running water and sewer systems.

**Background and Strategies:**

This measure is revised to focus exclusively on the specific goal of bringing running water and sewer to rural households. While the division's programs also improve sanitation systems in urban communities, the percent of households that benefit from improved sanitation systems in those communities is largely a random function of the nature of the projects underway at any given time. As such, it is not a targetable goal or particularly meaningful measure.

The primary strategies for accomplishing the goal of bringing running water and sewer to rural households are:

- to secure federal grant funds for rural sanitation projects;
- to make grants to rural communities with capacity to operate and maintain sanitation utilities for design and construction of water and sewer systems; and

- to work directly with rural communities to plan and construct water and sewer systems that can be operated and maintained locally.

**Measure: Age of sanitation projects at time of replacement or major renovation.** *(Revised from Legislature's FY2001 version.)*

**Current Status:**

Data are being compiled on the historic and current status of this measure. No data are currently available, but anecdotal evidence for older systems suggests that operational life often exceeds design life.

**Historical Data**

The Division has no historical data for this measure at this time.

**Benchmark:**

The goal of the Division of Facility Construction and Operation is that projects meet or exceed a 20-year life expectancy.

**Background and Strategies:**

The revised measure is suggested to replace the original, very complex measure that sought to examine whether sanitation systems being constructed with the Division's assistance are reaching their design life, and whether annualized capital and operating costs are falling within predictions. The Division does not have, and does not anticipate having, the data - particularly on operating costs which are a local responsibility- that would be required by the original measure. The revised measure seeks to answer the more basic question of whether systems are meeting their 20-year life expectancy before requiring replacement or major renovation.

The primary strategies for managing system useful lives are:

- to continue to use the Remote Maintenance Worker program to assist communities with preventive maintenance and thereby extending the lives of existing systems; and
- to assert the Division's remote maintenance workers' and engineers' arctic experience and expertise throughout project planning and development of new projects to optimize the life expectancy under what are often severe operating conditions.

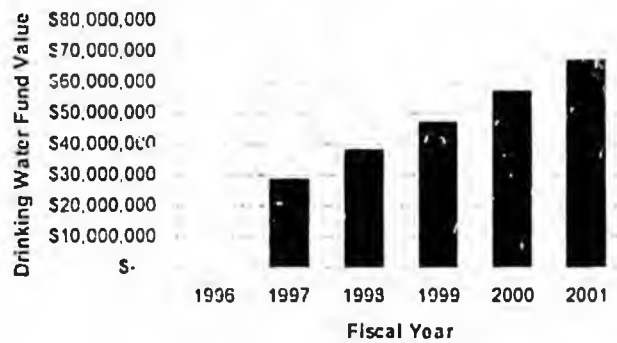
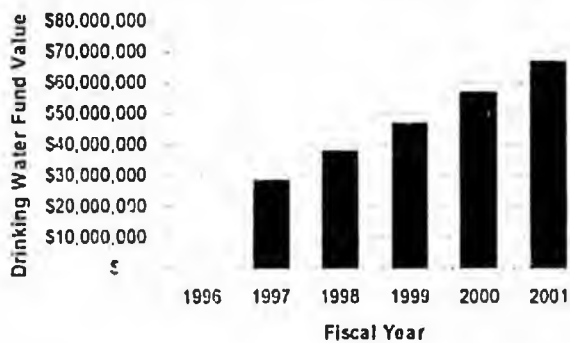
**Measure: Loan program fund growth, repayment delinquency and default rates.** *(Not yet addressed by Legislature.)*

**Current Status:**

The Division of Facility Construction and Operation continues to maintain a zero loan repayment delinquency and default rate. Anticipated growth in the Drinking Water Loan Fund for fiscal year 2001 is 17.9% and the Clean Water Loan Fund is expected to grow 9.0%.

**Historical Data**

Both the Drinking Water and Clean Water loan funds have experienced healthy growth since inception due largely to federal capitalization grants. Loan repayment delinquency and default rates are both zero.



**Benchmark:**

The goal of the Division of Facility Construction and Operation is positive inflation-adjusted growth in both loan funds and zero repayment delinquency and default rates.

**Background and Strategies:**

This new measure is intended to gauge the performance of the division in protecting the financial health of the loan funds so that they can be a perpetual source of assistance to utilities in meeting wastewater and drinking water capital needs.

The primary strategies for protecting the financial health of the loan Funds are:

- to capture federal grant funds for deposit into the loan funds using bonding mechanisms to defray the cost of state match requirements;
  - to establish loan terms that provide for healthy growth of the Funds;
  - to carefully evaluate the credit worthiness and repayment ability of applicants in deciding whether to advance loans; and
- 2) to include conditions in loan agreements that protect the State's investment and provide recourse to recover loan amounts should that be necessary.

## Statewide Public Service

**Measure:** The percentage change in compliance.

**Current Status:**

The Statewide Public Services Division (SPS) no longer receives federal grant funds for hazardous waste compliance assistance. However, we still provide overall compliance assistance to all facilities voluntarily requesting assistance. The division is in the process of implementing a compliance assistance tracking system designed to collect information for all technical assistance.

**Benchmark:**

Maintain the 95% compliance rate, while increasing the number of facilities taking advantage of this service by 5% each year.

**Background and Strategies:**

In previous years Statewide Public Services collected information specifically targeting hazardous waste compliance under a federal grant agreement with the Environmental Protection Agency (EPA). The division only tracked information specifically related to facilities handling Resource Conservation and Recovery Act regulated materials.

Since FY 1998, assistance has been provided to approximately 60 companies annually and corrected 95% of their hazardous waste compliance concerns. Potential EPA violations avoided through voluntary corrective action range from 230 to over 800 annually. These violations have been avoided as a result of voluntary inspections and follow-up actions provided by the division.

To achieve our goal, we will implement the following strategies:

- Obtain federal funding from sources that can support our goals for compliance assistance.
- Increase outreach to facilities through education with business associations, at workshops, fairs, and community events.
- Contact facility owners and operators by mailing out information describing successful results.
- Target priority areas of the state where compliance assistance is unknown.

**Measure:** Facility savings resulting from Statewide Public Services assistance. *(Revised from Legislature's FY2001 version.)*

**Current Status:**

Statewide Public Services (SPS) issues the Alaska Materials Exchange (AME) catalog quarterly throughout the year. Even though our ability to measure savings is limited by the responses we receive to our requests for sharing successful exchanges, we know there has been over \$1.5 million savings to Alaska businesses since the project began. The division collaborates with Chambers of Commerce to assist nearly 500 business in reusing and recycling materials through the Green Star program; however we have not tracked the associated savings. Other kinds of assistance provided by SPS have not been tracked from a cost-savings measure. There has been no measurement of incidental savings to facilities, such as reduced disposal of materials in landfills, or avoiding responses to illegal dumping of wastes, and no measurement of voluntary compliance.

**Benchmark:**

Increase the number of facilities experiencing costs savings for compliance, pollution prevention, and reusing/recycling materials by 10% each year. Assist facilities in realizing a savings of at least 10% of operating costs through pollution prevention and compliance.

**Background and Strategies:**

Even though there is no information available on the economic savings to all facilities that receive assistance from SPS, there is some information through AME, which was started in 1994. SPS supports AME, which is an information clearinghouse that helps businesses reuse valuable materials, rather than dispose of them as waste.

To achieve our goal, we will implement the following strategies:

- Increase the division's ability to more accurately identify and track direct cost savings to facilities, along with incidental savings to others.
- Share information of the cost-savings to other facility owners and operators in an effort to get greater participation.
- Increase AME outreach through use of the catalog on the internet, and thereby reducing the number of paper copies required to share the information.
- Integrate AME, Green Star, and other ways of reusing and recycling materials with compliance assistance services.

**Measure:** The average cost per contact for assistance. *(Unable to measure, recommend deletion.)*

**Measure:** The percentage of site visits and field activities that result in voluntary compliance. *(Revised from Legislature's FY2001 version.)*

**Current Status:**

Over the last year, Statewide Public Services (SPS) performed 112 voluntary assistance site visits to businesses, which resulted in a 72% compliance rate. During the same period, the division provided household hazardous waste disposal assistance to 11 communities in Southeast Alaska and 10 communities along the Yukon River. This resulted in the removal of 461 55-gallon drums, thereby keeping those materials out of their landfills and in compliance with applicable requirements.

**Benchmark:**

To reach and maintain 95% compliance through site visits and field activities.

**Background and Strategies:**

Through education and outreach, particularly targeted at business, community, and tribal associations, increase the number of facilities in compliance through voluntary, innovative methods. Provide more aggressive follow-up with those facilities that need continuing assistance in reaching compliance.

**Measure:** The percentage of completed environmental assessments in communities.

**Current Status:**

Approximately 200 residents of 70 villages have taken 7 Generations training on how to perform environmental assessments. Approximately 80% of those villages have completed their environmental assessment.

**Benchmark:**

100% of the villages participating in environmental assessment training should complete their environmental assessments. Our goal is to get 90% of the rural villages enrolled in the program.

**Background and Strategies:**

7 Generations training relies on voluntary participation by villages and funding support by community/tribal organizations. By word-of-mouth from those taking the course and performing assessments, we are seeing an increased interest from villages who are experiencing environmental and public health problems. We are also seeing interest from other agencies (USDA, Denali Commission, EPA) wanting to assist native communities in community planning, so we are working more closely with them to deliver our services to additional villages. The next step after villages completing an environmental assessment is taking action to address priority problems. Statewide Public Services will be a key partner in working with the communities and other interested agencies in coming up with the resources to actually make a difference.

**Measure:** The percentage of telephone contacts, web site visits, and walk in visits that result in useful assistance to achieve environmental and human health awareness and compliance. *(Revised from Legislature's FY2001 version.)*

**Current Status:**

The division has achieved a 99% satisfaction rate. This rate is based on the return of feedback forms from the users of our service.

**Benchmark:**

Maintain 99% satisfaction rate, while increasing technical assistance to Alaskans through better use of information technology.

**Background and Strategies:**

Statewide Public Services provides information assistance and technical assistance to many individuals, small businesses, and small communities who normally do not have environmental expertise, through staff or contractors. We measure our performance through feedback forms. We have established Information Assistance Centers in Anchorage, Fairbanks, and Juneau for walk-ins. We are increasing our participation in community events like fairs, workshops, school environmental and career events, and community association activities. We are working with business groups and associations to provide a better understanding of DEC assistance available. We encourage those having successful experiences to share their results with other associates.

# Alaska



Department of  
Community and  
Economic Development

# Missions and Performance Measures



Deborah B. Sedwick, Commissioner  
January 2001

1/11/01

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**Department of Community & Economic Development**  
**Mission and Performance Measures**

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**Commissioner's Office**

The mission of the Office of the Commissioner is to effectively manage the department and to serve as a liaison between the department and private, governmental, and other institutions and agencies.

**Measure: The percentage of divisions that meet assigned performance measures.**  
(Added by Legislature in FY2001 version.)

**Measure: The reduction in per unit cost in the departmental divisions.**  
(Added by Legislature in FY2001 version.)

**Status of FY2001 Performance Measures**

	Achieved	On track	Too soon to tell	Not likely to achieve	Needs modification
• The percentage of divisions that meet assigned performance measures.			X		
• The reduction in per unit cost in the departmental divisions.			X		

**Administrative Services**

The mission of the Division of Administrative Services is to provide support services to departmental programs.

**Measure: The number of late penalties for payroll or vendor payments.**  
(Added by Legislature in FY2001 version.)

**Current Status:**

\$1.2 in penalties was paid by ASMI on their travel account in FY00. FY01 so far is 0.

**Benchmark:**

Not known.

**Measure: The number of audit exceptions.**  
(Added by Legislature in FY2001 version.)

**Current Status:**

One audit exception in FY99. FY00 & FY01 audits not completed yet.

**Benchmark:**

Not known.

**Department of Community & Economic Development  
Mission and Performance Measures**

**Measure: The number of procurement protests.**

*(Added by Legislature in FY2001 version.)*

**Current Status:**

In FY00 there were 4 protests and of the 4, 2 were denied with denial upheld, 1 to appeal with a settlement and 1 is being pursued judicially.

**Benchmark:**

Not known.

**Measure: The number of union employees in the department who file grievances compared to other departments.**

*(Added by Legislature in FY2001 version.)*

**Current Status:**

In FY00, 8 grievances were filed in DCED, ranking DCED with 2 other departments having the lowest number of grievances filed. None have been filed to date with DCED in FY01.

**Benchmark:**

Not known.

**Measure: The number of grievances advanced to and sustained in arbitration.**

*(Added by Legislature in FY2001 version.)*

**Current Status:**

There were no grievances advanced to and sustained in arbitration in FY00 and none have occurred to date in FY01.

**Benchmark:**

Not known.

**Measure: The number of contested classification actions.**

*(Added by Legislature in FY2001 version.)*

**Current Status:**

There were no contested classification actions in FY00 and none have occurred to date in FY01.

**Benchmark:**

Not known.

**Status of FY2001 Performance Measures**

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs Modification</i>
• The number of late penalties for payroll or vendor payments.		X			
• The number of audit exceptions.		X			
• The number of procurement protests.		X			
• The number of union employees in the department who file grievances compared to other departments.			X		
• The number of grievances advanced to and sustained in arbitration.			X		
• The number of contested classification actions.			X		

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## Banking, Securities and Corporations

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The mission of the Division of Banking, Securities, and Corporations is to

- (1) maintain a stable financial network in the state for the safe conduct of financial services;
- (2) protect securities investors;
- (3) provide in-state and out-of-state businesses with a legal structure enabling them to transact commerce in the state.

**Measure: The number of members of the public who use forms provided by the division over the Internet for filing complaints and requests for exemptions.**

*(Added by Legislature in FY2001 version.)*

**Current Status:**

In FY99, the division provided no Internet-based forms, so there was no use of this medium by Alaskans.

In FY00, about 80% of complaints and exemption filings have utilized the web-based forms provided by the division.

In FY01, about 90% of complaints and exemption filings have utilized the web-based forms provided by the division. The vast majority of filers using these forms are completing them on-line and then mailing them in. The section is working towards providing a "submit" feature on these forms for complete on-line processing.

**Benchmark:**

Not applicable. There are no known benchmarks for this activity.

**Background and Strategies:**

The division developed Internet-based forms to standardize filings and make it easier for Alaskans who want to file a complaint or an application for exemption from registration.

The strategy: to provide as much information and forms via the Internet as possible in order to improve the ease and accessibility for the public, and to make their availability known through Internet advertising, public meetings, and personal contacts.

**Measure: The number of uncollected fines that have not been converted to court judgment.**

*(Added by Legislature in FY2001 version.)*

**Current Status:**

- FY99 of 8 fines levied, 4 fines were collected, leaving 4 needing action.
- FY00 through FY01, as of 10/27/00, there were 4 fines reduced to judgment, 1 partially collected, and one abandoned, leaving 2 needing action.

**Benchmark:**

The goal is to reach a point where all fines are either collected or converted to court judgment.

**Background and Strategies:**

Sometimes respondents refuse to pay fines. In order to improve the division's ability to take collection actions against them through the courts of any state, the division may petition to have an administrative fine converted to a court judgment (called "reducing an administrative fine to judgment"). The U.S. Constitution provides that a court judgment from one state is given full faith and credit in all states, so the fines should then be collectible wherever the violators and their property are found. This authority was obtained through amendments to the Alaska Securities Act, effective October 1, 1999.

**Department of Community & Economic Development  
Mission and Performance Measures**

With the change in the law, the division will file the appropriate applications to Superior Court to convert these fines to judgment. This is a new process, and the first such application was filed in December 1999. Once that is achieved, the division will attempt to enforce the court's judgment and collect the fine. Once the procedures are developed, it will become the division's routine to take these actions.

**Measure: The time taken to respond to and resolve complaints.**

*(Added by Legislature in FY2001 version.)*

**Current Status:**

Complaint response time

- FY99....7 days
- FY00....5 days
- FY01....5 days, as of 10/27/00

Complaint resolution time:

- FY99....116 days
- FY00....75 days
- FY01....80 days, as of 10/27/00

**Benchmark:**

Not applicable. There are no benchmarks for this measure. The time it takes to resolve complaints is affected by the complexity of the case.

**Background and Strategies:**

Assisting Alaskans with their investment problems by responding to their complaints, and taking actions to resolve those complaints is a critical part of the division's efforts to protect investors. Timeliness is an important aspect of that process.

**Status of FY2001 Performance Measures**

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
• The number of members of the public who use forms provided by the division over the Internet for filing complaints and requests for exemptions.		X			
• The number of uncollected fines that have not been converted to court judgments.		X			
• The time taken to respond to and resolve complaints.		X			

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## Insurance

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The mission of the Division of Insurance is to protect and serve the state by regulating all aspects of insurance in Alaska.

**Measure: The average time taken to respond to consumer complaints**

*(Added by Legislature in FY2001 version.)*

**Current Status:**

Baseline data is being collected in FY 2001.

**Benchmark:**

We looked at other states similar in size with the same volume of work and found that our number of days for resolutions fell in between theirs, which was 37 to 42 days.

**Background and Strategies:**

FY 2001-85% of formal complaints will have communications sent to the consumer and to the company for their response, or the complaint will be resolved within 40 days. 10% of formal complaints could extend beyond 40 days because of potential violation actions; file review by the Attorney General's office; involvement with other DOI sections; multiple issues or complexity of materials in files being investigated. 5% of formal complaints could extend beyond 40 days due to issues pending additional information from complainant or company; delays due to staff shortages and absences; periods of high complaint volume; or delays due to specialists meeting high priority special assignment deadlines.

**Measure: The average number of days required to process applications and issue licenses and renewals.**

*(Added by Legislature in FY2001 version.)*

**Current Status:**

FY99 to FY00 the current average processing time was 10-15 working days.

**Benchmark:**

In Wyoming a state with a similar population our processing time is in-line with theirs which is ten days, even though we have dissimilar laws and regulations.

**Background and Strategies:**

The high number of incomplete applications received complicates measuring the average number of days required to process applications. Currently approximately 75% of all applications submitted are incomplete. To remedy this problem the division is moving to an electronic application process that will substantially reduce if not eliminate the ability to submit an incomplete application. The electronic application will not allow an applicant to submit an application unless all required information is contained in the application.

In FY 2001, a complete application will be processed and a license issued within 5 days of receipt of the application.

For applications that are not complete they are sent notification that the license cannot be processed without additional information. When the necessary information is received a license is issued within 5 days.

**Department of Community & Economic Development  
Mission and Performance Measures**

**Measure: The number of insurance-related civil and criminal investigations completed.**  
(Added by Legislature in FY2001 version.)

**Current Status:**

In FY 2000 the division opened 60 cases, closed 37 and 3 of the cases lead to criminal convictions. We investigate every case that is opened.

**Benchmark:**

Our baseline is to close over 60% of the cases that we open during the year and to present those cases deemed for litigation to the DA's office for prosecution. This compares to the state of Wyoming, which opened 80 cases, closed 49 with 4 cases referred for regulatory action

**Background and Strategies:**

Insurance fraud is widespread through all 50 states. It includes private citizens filing fraudulent claims to insurance companies and insurance agents or companies violating a statute or regulation included in the State of Alaska insurance laws. Prevention of fraud can be reduced through providing more educational materials and having investigators conduct education seminars and speak at professional meetings.

**Status of FY2001 Performance Measures**

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
• The average time taken to respond to consumer complaints.		X			
• The average number of days required to process applications and issue licenses and renewals.		X			
• The number of insurance-related civil and criminal investigations completed.		X			

## Investments

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The mission of the Division of Investments is to

- (1) promote economic development through direct state lending within those industries that are not adequately served by the private sector;
- (2) provide interagency and interdepartmental loan servicing of other loan portfolios.

**Measure: Small Business Economic Development Revolving Loan Fund - Create or save at least one job for every \$10K loaned in this program.**

*(Developed jointly with Legislature in FY2001.)*

**Current Status:**

During fiscal year FY00, \$507,522 was loaned to Alaska small businesses. 117 jobs were created and 8 were saved.

**Benchmark:**

There are no current statistics available at this time.

**Background and Strategies:**

In many areas of the state, individuals wishing to start a small business have had virtually no chance of receiving financing without assistance from a program such as this. In June 1988 the Economic Development Administration (EDA) approved the Alaska Department of Commerce and Economic Development's original application to establish a Revolving Loan Fund (RLF). The funding approved for the original RLF totaled \$600,000 (\$350,000 from EDA and \$250,000 from the State of Alaska). In 1992 the fund was recapitalized with an additional EDA Grant, in the amount of \$450,000 and matching state funds in the amount of \$200,000. The RLF program has proven to be a very useful tool in the Department's overall rural small business and economic development program. In 1998 the department applied for and was awarded a \$600,000 grant to recapitalize this program. The grant was awarded by the EDA and was matched with \$200,000 from the Alaska Industrial Development and Export Authority to provide a total of \$800,000 for new loans. A total of 7 loans were made during the past fiscal year under this program, resulting in the creation of over 70 jobs in areas of the State that have experienced low per capita income or high unemployment. This division will continue to provide this financing by:

- Marketing this program through brochures, conferences, outreach visitation and the Alaska Business Development Center.
- Participating in the Economic Development Funding Forum, talking with other lenders regarding this program.
- Continuing to improve our presence on the Internet by making the loan program information available for viewing and downloading application forms.
- Utilizing the rural staff of Division of Community and Business Development (CBD) to promote this program.

**Measure: Commercial Fishing Revolving Loan Fund - Maintain the proportion of commercial fishing permits held by Alaskans at 75% or higher.**

*(Developed jointly with Legislature in FY2001.)*

**Current Status:**

Through FY99, the proportion of permits held by Alaskans was 78%, an increase of 1% over the last three years.

**Benchmark:**

Other than our twenty-five year loan history, there are no other programs similar to this loan program.

**Background and Strategies:**

The commercial fishing industry continues in flux as world markets adapt to the changing supply of fish from fish farms as well as the more traditional fishing fleets. The salmon markets have been significantly affected, and as a result, they have been extremely volatile for the past several years. It is important that Alaska maintains its place in the worldwide salmon market during these changing times to assure our place for the future. This loan program offers a relatively modest financing program for Alaska resident commercial fishing harvesters. The division's effort is to maintain the proportion of commercial fishing permits held by Alaskans at 75% or higher. To achieve this goal this division will:

- Work with Alaska resident fishermen requesting financing for the purchase of permits.
- Work with Alaska resident fishermen requesting financing for gear, vessel upgrades and/or improvements.
- Travel to fishing communities all over the state to assist them in their planning for financing their on-going fishing businesses.
- Travel to fishing communities all over the state to assist them in solving tax related problems.
- Continue to work with the Alaska Business Development Center, assisting fishermen through our Fisheries Business Assistance Grant.

**Measure: Fisheries Enhancement Revolving Loan Fund - Provide hatchery reared salmon to Alaska commercial fisheries at a harvest value of \$40M or more per year.**

*(Developed jointly with Legislature in FY2001.)*

**Current Status:**

During calendar year 1999 (the most current information available), the harvest value of the hatchery reared salmon was \$46.8M. Preliminary Alaska Department of Fish & Game figures for the 2000 season put the number somewhere around \$32.7, making it the fifth largest contribution since the inception of the program.

**Benchmark:**

There is no comparable program.

**Background and Strategies:**

In 1976, the Alaska Legislature responded to the need for increased production of salmon by creating the Fisheries Enhancement Revolving Loan Fund (FERLF). The purpose of this program was to promote enhancement of the State's fisheries. This division will continue to promote this enhancement by:

- Granting long-term, low interest loans for hatchery planning, construction and operation.
- Providing grants to Regional Corporations for organization and planning purposes.
- Work with hatcheries to insure that adequate funds are available for their continued operation.

**Department of Community & Economic Development  
Mission and Performance Measures**

**Status of FY2001 Performance Measures**

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
<ul style="list-style-type: none"> <li>• Small Business Economic Development Revolving Loan Fund – Create or save at least one job for every \$10K loaned in this program.</li> <li>• Commercial Fishing Revolving Loan Fund - Maintain the proportion of commercial fishing permits held by Alaskans at 75% or higher.</li> <li>• Fisheries Enhancement Revolving Loan Fund - Provide hatchery reared salmon to Alaska commercial fisheries at a harvest value of \$40M or more per year.</li> </ul>			X		
			X		
			X		

**International Trade and Market Development**

The mission of the Division of International Trade and Market Development is to increase international trade and investment in Alaska.

**Measure: Number of trade leads in international trade and development.**

*(Added by Legislature in FY2001 version.)*

**Current Status:**

No baseline number as yet. Current year will be the baseline. Beginning FY01, the division will maintain records to quantify the number of trade leads distributed to Alaska exporters, overseas buyers, film community, and other Alaska businesses.

**Benchmark:**

These records will be compared to similar surveys by national organizations supporting economic development, for example, surveys done by the National Association of State Development Agencies (NASDA).

**Background and Strategies:**

Raise visibility of Alaska as potential source for goods and services, and a place to do business, via promotions, trade shows, seminars, and through efforts of Alaska's trade representatives overseas.

**Measure: Number of Alaska firms that export products and services.**

*(Added by Legislature in FY2001 version.)*

**Current Status:**

No definitive information available for total number of Alaska companies involved in exporting activities.

**Benchmark:**

Most recent figures for number of new companies exporting are from a study done by the U.S. Census Bureau for the years 1992-97. This information is available on an annual basis from the US Census Bureau, often following a substantial lag time.

**Department of Community & Economic Development  
Mission and Performance Measures**

Beginning in FY01, the division will use two numbers to determine number of Alaska firms exporting: Census Bureau's reported figures, and division's tracking of Alaska firms to which the division provides information and assistance.

**Background and Strategies:**

Provide market information and assistance to export-ready Alaska companies; assist smaller and new-to-export firms to test the waters overseas through relatively inexpensive means; conduct matchmaking via trade missions, inbound and outbound.

**Measure: Dollar value of exports from the state.**

*(Added by Legislature in FY2001 version.)*

**Current Status:**

In 1999 the dollar value of exports from Alaska increased 31% from 1998 to \$2.6 billion.

**Benchmark:**

During 1999, the dollar value of all U.S exports increased 1.8% from 1998 to \$692.8 billion. This information is recorded and reported by the U.S. Census Bureau. Figures are derived from Export Statistics, State of Origin series.

**Background and Strategies:**

Information and assistance to Alaska companies to initiate or expand export business activities; research potential niche-market opportunities for value-added products.

**Status of FY2001 Performance Measures**

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
• Number of trade leads in international trade and development			X		
• Number of Alaska firms that export products and services			X		
• Dollar value of exports from the state			X		

**Alaska Aerospace Development Corporation**

The mission of the Alaska Aerospace Development Corporation is to promote aerospace-related economic growth and to develop corresponding technologies and support services.

**Measure: Successfully complete 4 launches from the Kodiak Launch Complex (KLC) in FY02.**

*(Revised from Legislature's FY2001 version.)*

**Current Status:**

AADC is targeting four launches for FY2002; one for Lockheed Martin in August 2001, one for the Air Force and two for the US Army in FY02. Contract negotiations are complete with Lockheed and preliminary contracts have been developed for the government missions.

**Benchmark:**

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

**Department of Community & Economic Development  
Mission and Performance Measures**

**Background and Strategies:**

There have been two launches from the KLC - one in FY99, one in FY00 and two projected in FY01. Lockheed Martin's Athena will be the first commercial vehicle to be launched from the KLC in August 2001.

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

**Measure: Demonstrate economic impact from KLC launch activities of at least \$2 million in FY02.**  
(Revised from Legislature's FY2001 version.)

**Current Status:**

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

**Benchmark:**

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

**Background and Strategies:**

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

**Status of FY2001 Performance Measures**

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs Modification</i>
• The excess earnings (or dividend) per launch.			X		
• The new permanent jobs created			X		
• The number of launches per year.			X		
• The new space-related technologies brought to the state.			X		
• The economic impact of launch activities expressed in dollars.			X		

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## Alaska Seafood Marketing Institute

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The mission of the Alaska Seafood Marketing Institute is to increase worldwide consumption of Alaska seafood.

**Measure: The increase in the development of new markets.**

*(Added by Legislature in FY2001 version.)*

**Current Status:**

ASMI is developing new retail and foodservice partnerships in areas of value-added products with non-commercial accounts and corporate divisions and increasing demand for Alaska seafood product usage via Alaska Seafood brand oriented marketing Programs.

**Benchmark:**

ASMI will use its own FY01 volume of pounds sold figures as a baseline for FY02.

**Background and Strategies:**

**Background:**

- A \$5 million grant to ASMI to assist the Alaska salmon industry against the impact of imported farmed salmon has been incorporated into ASMI's next three fiscal years' budgets.
- ASMI has increased the amount of funds for domestic marketing programs through the grant. The board has approved carrying forward a substantial amount of funds to serve as the match for the federal grant and to even out the potential shortfall expected due to loss of fish revenue.

**Strategies:** A three-year Strategic Marketing Plan (starting FY 01) has been implemented to create a dynamic market-driven environment that will expand the global consumption of Alaska seafood products by fostering growth opportunities within the food industry through collaborative marketing and quality assurance efforts.

- All species of seafood will benefit from the enhanced salmon marketing effort funded by the federal grant.

**Measure: The increase in pounds of seafood sold.**

*(Added by Legislature in FY2001 version.)*

**Current Status:**

In FY00 21,000,000 lbs of Alaskan Seafood and over 1,600,000 U.S. Category Volume equivalent cases of canned salmon sold in ASMI sponsored Retail promotions. Over 4,000,000 lbs of Alaskan Seafood sold during ASMI Foodservice sponsored promotions.

**Benchmark:**

ASMI will use its own FY01 volume of pounds sold figures as a baseline for FY02.

**Background and Strategies:**

**Background:**

- A \$5 million grant to ASMI to assist the Alaska salmon industry against the impact of imported farmed salmon has been incorporated into ASMI's next three fiscal years' budgets.
- ASMI has increased the amount of funds for domestic marketing programs through the grant. The board has approved carrying forward a substantial amount of funds to serve as the match for the federal grant and to even out the potential shortfall expected due to loss of fish revenue.

**Department of Community & Economic Development  
Mission and Performance Measures**

Strategies: A three-year Strategic Marketing Plan (starting FY 01) has been implemented to create a dynamic market-driven environment that will expand the global consumption of Alaska seafood products by fostering growth opportunities within the food industry through collaborative marketing and quality assurance efforts.

- All species of seafood will benefit from the enhanced salmon marketing effort funded by the federal grant.

**Status of FY2001 Performance Measures**

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
• The increase in the development of new markets.		X			
• The increase in pounds of seafood sold.		X			

**Alaska Science and Technology Foundation**

The mission of the Alaska Science and Technology Foundation (ASTF) is to support the development and application of science and technology.

**Measure: The number of new jobs from technology projects.**  
(Developed jointly with Legislature in FY2001.)

**Current Status:**

In September 2000, ASTF surveyed 99 technology project grantees and received responses from 88 grantees. The surveys were sent to grantees that had completed their grant work within the last five years as well as active grantees that are farther along with their project or product development.

245 full time equivalent jobs were reported by 46 out of 88 technology project grantees.

**Benchmark:**

Suggested benchmarks are an average of five jobs per grantee for those grantees reporting jobs and at least 50% of technology project grantees reporting jobs. This ratio reflects that grantees have both technical and business hurdles to achieve. ASTF co-invests in early stage business concepts prior to the concept becoming 'bankable'.

**Background and Strategies:**

ASTF co-invests in new and existing firms that use science or technological innovation to grow their business and achieve Alaska economic benefit. To achieve new job/revenue creation, ASTF co-invests in firms that have strong business plans, management capability, and plans for post-ASTF grant funding if required.

**Measure: The new revenue from technology projects.**  
(Developed jointly with Legislature in FY2001.)

**Current Status:**

\$20.2 million in new revenues were reported by 45 out of 88 technology project grantees.

**Benchmark:**

Suggested benchmarks are an average of \$250,000 per grantee for those grantees reporting revenues and at least 40% of the technology project grantees reporting jobs. This percentage

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**Department of Community & Economic Development  
Mission and Performance Measures**

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(40%) is less than the suggested 50% percentage of grantees reporting jobs because developments jobs are required prior to the onset of sales.

**Background and Strategies:**

ASTF co-invests in new and existing firms that use science or technological innovation to grow their business and achieve Alaska economic benefit. To achieve new job/revenue creation, ASTF co-invests in firms that have strong business plans, management capability, and plans for post-ASTF grant funding if required.

**Measure: The percentage of technology project grantees in business because of ASTF grants**  
*(Developed jointly with Legislature in FY2001.)*

**Current Status:**

53% (47 out of 88) reported being in business because of their ASTF grant

**Benchmark:**

50% is suggested.

**Background and Strategies:**

ASTF co-invests in new business concepts in a portfolio of both new and existing firms. Most Alaskan firms cannot afford R&D projects or risk. New firms offer exciting growth possibilities. Existing firms seeking to add a new business line offer business experience and infrastructure, managerial and financial depth, and support services.

**Measure: The increase in student achievement in math and science as a result of ASTF teacher grants**

*(Revised from Legislature's FY2001 version.)*

**Current Status:**

ASTF also surveyed 50 FY99 teacher grantees and received responses from 34, a 68% response rate. About 80 students participated in each teacher grant.

37% greatly increased, 49% increased, 13% no change, 1% decreased, 0% greatly decreased

**Benchmark:**

At least 80% increased or greatly increased. Benchmark was revised only to separately measure increase in both student achievement and student interest in math and science

**Background and Strategies:**

ASTF develops Alaska's capacity for science and engineering by funding competitive science, math and technology classroom projects for Alaska K-12 students. These projects have been highly successful in developing students' interest and achievement in math, science and technology. In addition to funding approximately 50 new teacher grants per year, in FY 01 ASTF will begin targeting critically understaffed career fields through specialized teacher grant offerings in addition to the main Direct Grants to Teachers program.

**Measure: The increase in student interest in math and science as a result of ASTF teacher grants**  
*(Revised from Legislature's FY2001 version.)*

**Current Status:**

42% greatly increased, 46% increased, 12% no change, 1% decreased, and 0% greatly decreased

**Benchmark:**

At least 80% increased or greatly increased.

**Department of Community & Economic Development  
Mission and Performance Measures**

**Background and Strategies:**

ASTF develops Alaska's capacity for science and engineering by funding competitive science, math and technology classroom projects for Alaska K-12 students. These projects have been highly successful in developing students' interest and achievement in math, science and technology. In addition to funding approximately 50 new teacher grants per year, in FY 01 ASTF will begin targeting critically understaffed career fields through specialized teacher grant offerings in addition to the main Direct Grants to Teachers program.

**Status of FY2001 Performance Measures**

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
• The number of new jobs from technology projects.	X				
• The new revenue from technology projects.	X				
• The percentage of technology project grantees in business because of ASTF grants.	X				
• The increase in student achievement and interest in math and science as a result of ASTF teacher grants.	X				

**Alaska Industrial Development and Export Authority**

The mission of the Alaska Industrial Development and Export Authority is to create jobs through economic development and diversification.

**Key Performance Measures for FY2002**

**Measure: Create at least 250 new jobs for Alaskans in FY 2002 by providing financial assistance to economic development projects that meet defined criteria for feasibility and financial success.**  
*(Revised from Legislature's FY2001 version.)*

**Current Status:**

In FY 2000 AIDEA funded loan participations totaling approximately \$30 million, creating approximately 530 construction jobs and 295 new jobs.

**Benchmark:**

No other state in the nation has a public development corporation identical to AIDEA.

**Background and Strategies:**

AIDEA provides the financing mechanisms necessary to participate in long-term commercial loans, and to own projects that promote economic development.

In FY 2002, AIDEA will purchase \$30.0 million in loan participations with financial institutions; and participate in or guarantee \$5.0 million in small rural loans.

AIDEA will continue to work with the private sector to develop infrastructure projects that AIDEA can own and lease to the private sector, complimenting private sector investment.

**Department of Community & Economic Development  
Mission and Performance Measures**

**Measure: Maintain a loan delinquency rate at or lower than the average loan delinquency rates of Alaskan banks.**

*(Added by Legislature in FY2001 version.)*

**Current Status:**

In August 2000, AIDEA's delinquency rate on loan participations dropped to 0.71 percent. This is a lower delinquency rate than most banks average. This is down from a 1.47 percent delinquency rate for the previous fiscal year.

**Benchmark:**

Delinquency rates can not be directly controlled by AIDEA. Delinquency rates are more a result of the economy. However, through prudent business practices, AIDEA can make knowledgeable decisions on participating in loans that will help diversify Alaska's economy and create jobs for Alaskan.

**Background and Strategies:**

AIDEA will continue to carefully review all loan participation requests from banks to help insure that each business receiving the loan can produce adequate revenues to repay the loan and that AIDEA's loan portfolio remains strong.

AIDEA will monitor its loan portfolio monthly and work with businesses to help insure their loans are current.

AIDEA will insure its loan portfolio is diverse regionally and by industry sector.

**Measure: Annually AIDEA will provide a dividend to the State based on AIDEA's net income for the fiscal year two years before the year the dividend is to be paid (the "base year").**

*(Added by Legislature in FY2001 version.)*

**Current Status:**

Since the Dividend Program became law in 1996, AIDEA has provided \$91.5 million to the General Fund in the form of a dividend.

**Benchmark:**

AIDEA's Dividend Program is unique to the agency.

**Background and Strategies:**

Through prudent business practices and a guiding investment policy, AIDEA will continue to produce net income, thereby allowing AIDEA to provide a dividend to the General Fund to fund other important programs.

**Status of FY2001 Performance Measures**

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
• Number of permanent jobs created			X		
• the loan delinquency rates		X			
• Provide a dividend to the General Fund		X			

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## Alaska Energy Authority

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The mission of the Alaska Energy Authority is to tap Alaska's natural resources and new technology to achieve the lowest reasonable consumer power costs.

**Measure: Amount of revenue created by projects owned by the Authority.**

*(Added by Legislature in FY2001 version.)*

**Current Status:**

In FY 2000 the AEA-owned projects generated \$25,259,000 in revenues from operating plants and \$2,766,000 of investment and other income. The income was offset by expenses in excess of revenues.

**Benchmark:**

The projects owned by AEA were built as infrastructure projects to provide lower-cost energy to Alaskans and were not intended as a source of revenue. AEA works to maximize the revenues at the projects to offset operating expenses.

**Background and Strategies:**

AEA administers the outstanding long-term debt of the AEA-owned projects, which is in excess of \$300 million, and administers special trust funds relating to the facilities. To the extent feasible, AEA contracts the direct operating, maintenance and repair responsibilities of the AEA-owned facilities to the operating utilities and works with the operating utilities to lower operating costs and improve efficiencies at the facilities owned by AEA.

**Measure: Number of unscheduled outages of hydroelectric projects owned by the Authority.**

*(Added by Legislature in FY2001 version.)*

**Current Status:**

AEA works closely in an administrative role with the operating utilities to minimize the number of unscheduled outages at the hydroelectric projects owned by the Authority and to insure the projects are operated effectively and efficiently through regular maintenance and budget oversight. The utilities are tasked with providing the necessary service to get the projects back on line when there is an unscheduled outage and provide backup generation when outages occur.

**Benchmark:**

AEA's primary role is to efficiently oversee the operations and maintenance of approximately \$1 billion in electrical generation and transmission facilities in Alaska. AEA is the owner of the facilities with oversight of the project budgets. The utilities operate and maintain the facilities. Prior to 1993, AEA had a staff of seventeen (17) to monitor the operations of the projects, providing detailed reports on operations, including unscheduled outages. AIDEA currently provides one staff position to provide oversight of the project operations and maintenance. Due to lack of resources, detailed reporting has been discontinued.

**Background and Strategies:**

On January 31, 2000, a heavy snow fall downed the Solomon Gulch hydroelectric project transmission line in Thompson Pass. Copper Valley Electric Association (CVEC) repaired and returned the transmission line to service on March 10th with AEA oversight. CVEC supplied diesel generation and hydroelectric backup while the transmission line was out of service.

**Department of Community & Economic Development  
Mission and Performance Measures**

**Measure: Number of four dam pool project repairs and upgrades completed on time and within budget.**

*(Added by Legislature in FY2001 version.)*

**Current Status:**

AEA initiates regular maintenance and repair to the four dam pool projects and provides administrative and budget oversight to insure the projects are completed on time and within budget. Repairs and upgrades initiated in FY 2000 include:

- In June the 2000 contractor began tunnel repairs at the Terror Lake hydroelectric project. A majority of the project was completed by October 31, 2000. Work will continue to complete the sedimentation discharge system.
- AEA is working with the Ketchikan Public Utility to repair the turbine guide bearings at the Swan Lake hydroelectric project. In addition, a failed corrugated metal culvert was repaired to maintain the integrity of the dam.
- Completed Phase III of the Tyee Lake hydroelectric project transmission lines in November 1999 and reviewed the protective relaying screen.
- Completed the Swan Lake hydroelectric project underground storage in November 1999.

**Benchmark:**

As the owner of the four dam pool projects, it is AEA's responsibility to insure the assets are protected and the integrity of the projects is maintained.

**Background and Strategies:**

AEA initiates repairs and upgrades as necessary to maintain the AEA-owned projects built over a decade ago. In FY 2002, AEA will work with the operating utilities to complete the following:

- Complete the Terror Lake sedimentation discharge system upgrade.
- Evaluate a major overhaul of the Swan Lake generator and turbines.
- Sale of the four dam pool projects to the operating utilities and/or communities.

**Status of FY2001 Performance Measures**

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs Modification</i>
• Number of unscheduled outages of hydroelectric projects owned by the Authority.			X		
• Number of four dam pool project repairs and upgrades completed on time and within budget.			X		
• Amount of revenue created by projects owned by the authority			X		

## Regulatory Commission of Alaska

The mission of the Regulatory Commission of Alaska is to regulate public utilities and pipelines in Alaska.

**Measure:** Consider the time required to issue public notice, provide an initial analysis, and render the initial commission determination concerning (1) utility and pipeline filings; (2) competitive offering.

*(Added by Legislature in FY2001 version.)*

**Current Status:**

During FY00, to the best of our knowledge, we complied with the timeliness standards of 3 AAC 48.200 through .440 adopted in December 1999.

**Benchmark:**

Not applicable.

**Background and Strategies:**

The Legislature created the RCA and tasked us with developing and adhering to timeliness standards because of public complaints about the predecessor agency's processes. We have adopted standards and are incorporating processes to measure our progress as part of developing and implementing our management information system.

By the end of FY2002 we should have actual data from our management information system to report on this measure.

### Status of FY2001 Performance Measures

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
<ul style="list-style-type: none"> <li>• Consider the time required to issue public notice, provide an initial analysis, and render the initial commission determination concerning (1) utility and pipeline filings; (2) competitive offering.</li> </ul>			X		

## Rural Energy Programs

The mission of rural energy programs is to lower the cost and increase the reliability of rural utility systems.

**Measure:** The efficiencies created by using economies of scale in upgrades in similar systems.

*(Added by Legislature in FY2001 version.)*

**Current Status:**

Further consultation needed to determine the intent of this measure.

**Benchmark:**

None

**Department of Community & Economic Development  
Mission and Performance Measures**

**Background and Strategies:**

None

**Measure: The average power cost for households receiving power cost equalization compared to average statewide costs.**

*(Added by Legislature in FY2001 version.)*

**Current Status:**

Average rate for residential customers in rural Alaska in FY98, without PCE rate reduction: 29 cents per kilowatt hour.

Average rate for residential customers in rural Alaska in FY98, after receipt of PCE support: 20 cents per kilowatt hour..

Average rate for residential customers in Anchorage, Fairbanks, and Juneau in 1997: 9.9 cents per kilowatt hour.

**Benchmark:**

The benchmark is the average cost of power in urban Alaska, reported under "current status."

**Background and Strategies:**

Legislation enacted in 2000 includes the following statement of findings by the Legislature:

1. Adequate and reliable electric service at affordable rates is a necessary ingredient of a modern society and a prosperous developing economy.
2. At the current stage of social and economic development in the state, direct participation by the state is necessary to assist in keeping rates in high-cost service areas to affordable levels.
3. Providing a long-term, stable financing source for power cost equalization will permit and encourage the electric utility industry and its lenders to develop plans, make investments, and take other actions that are necessary or prudent to provide adequate and reliable electric service at affordable rates and to meet the health and safety needs of residents of the state.

**Status of FY2001 Performance Measures**

	Achieved	On track	Too soon to tell	Not likely to achieve	Needs modification
<ul style="list-style-type: none"> <li>• Number of bulk fuel and power generation projects on rural energy group priority lists compared to the number completed</li> <li>• The efficiencies created by using economies of scale in upgrades in similar systems.</li> <li>• Average power cost for households receiving power cost equalization compared to average statewide costs.</li> </ul>					X
			X		
			X		

## **Municipal Revenue Sharing**

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The mission of the department with respect to municipal revenue sharing is to provide for the basic needs of citizens by providing pass-through funds to citizens through their local governments.

## **Community and Business Development**

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The mission of the Division of Community Assistance and Business Development is to promote independent local governments and job growth. The mission of the Alaska Regional Development Organization (ARDOR) program is to encourage a healthier economic climate in Alaska by increasing the number of jobs, strengthening existing businesses, attracting new businesses, and encouraging economic diversification.

**Measure: The number of communities successfully managing new sewer and water systems.**  
(Developed jointly with Legislature in FY2001.)

**Current Status:**

Completed or virtually completed systems amount to 97 rural systems since efforts began to build such systems. No data was provided that identified how many of these were completed in FY 00.

26 communities are not considered to be successful. These communities have been identified as chronic violators of environmental regulations related to the operation of water and wastewater systems.

**Benchmark:**

Not applicable.

**Background and Strategies:**

Time frame for measurement is FY 00

New water and sewer systems - defined as a sanitation project completed. The project as envisioned in the original project design has been achieved and the project substantially adds customers or upgrades facilities. It would exclude refurbishment or replacement of existing systems. Source of data: Alaska Native Tribal Health Consortium, DEC's Facility Construction and Operation Division

Successfully manages - defined as operating without major interruption of service and without substantial violations of water quality, waste discharge and environmental regulations. Source of data: Substantial Noncompliance List in DEC, community data.

**Measure: The number of Alaskans employed year-round in the visitor industry.**  
(Developed jointly with Legislature in FY2001.)

**Current Status:**

Data will be available in Fall 2001.

**Benchmark:**

Not applicable.

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**Department of Community & Economic Development**  
**Mission and Performance Measures**

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**Background and Strategies:**

Data is being gathered through the Alaska Visitors Statistics Program administered by the Division of Community and Business Development. Tourism industry employment data is not easily discernable through the Standard Industrial Classification (SIC) system utilized by the Department of Labor and Workforce Development.

**Measure: The number of CDQ-related (community development quota related) jobs in Western Alaska**

*(Developed jointly with Legislature in FY2001.)*

**Current Status:**

There were 1348 CDQ related jobs created in 1999. These jobs included positions on offshore factory trawlers, onshore processing plants, CDQ halibut plants & halibut fisheries, and various management positions within the six CDQ groups.

**Benchmark:**

Not applicable.

**Background and Strategies:**

The data for this Measure was taken from the 1999 CDQ Quarterly Reports.

**Measure: The number of communities that are insolvent.**

*(Developed jointly with Legislature in FY2001.)*

**Current Status:**

There are a total of 47 municipalities that are insolvent as of 11/02/00.

**Benchmark:**

Not applicable.

**Background and Strategies:**

Insolvent is defined as "a community that is unable to pay its debts as they fall due in the usual course of business."

**Measure: How much, expressed as a percentage, local governments rely on revenue sharing in their general operating budgets.**

*(Developed jointly with Legislature in FY2001.)*

**Current Status:**

The average percentage calculated is 10.2%. There were 161 local governments with a range from 71.29% to .27%.

**Benchmark:**

Not applicable.

**Background and Strategies:**

The percentages were calculated by Bill Rolfzen, DCED/DCBD. A listing of the governments and the percentages and figures used in the calculations is available upon request.

**Measure: The number of coordinated regional efforts resulting in the creation of new business opportunities.**

*(Developed jointly with Legislature in FY2001.)*

**Current Status:**

There are 31 coordinated regional efforts resulting in creation of new business opportunities.

**Department of Community & Economic Development  
Mission and Performance Measures**

**Benchmark:**  
Not applicable.

**Background and Strategies:**

The legislature intends to measure the success of the ARDOR program in achieving its mission by considering this Performance Measure. The information in this Performance Measure was taken from the ARDOR grant applications.

**Measure: The percentage of goals identified through regional processes that are achieved.**  
(Developed jointly with Legislature in FY2001.)

**Current Status:**

The percentage of goals identified through regional processes that are achieved is an average of 53%.

**Benchmark:**  
Not applicable.

**Background and Strategies:**

The legislature intends to measure the success of the ARDOR program in achieving its mission by considering this Performance Measure. The information in this Performance Measure was taken from the ARDOR grant applications. The goals used in the calculation are the grantees' goals.

**Measure: The amount of nonstate funds leveraged by ARDOR grants.**  
(Developed jointly with Legislature in FY2001.)

**Current Status:**

The amount of nonstate funds leveraged by the ARDOR grants is \$3,333,264.

**Benchmark:**  
Not applicable.

**Background and Strategies:**

The legislature intends to measure the success of the ARDOR program in achieving its mission by considering this Performance Measure. The information in this Performance Measure was taken from the ARDOR FY02 grant applications.

**Status of FY2001 Performance Measures**

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
• The number of communities successfully managing sewer and water systems.		X			
• The number of Alaskans employed year-round in the visitor industry.			X		
• The number of CDQ-related (community development quota related) jobs in Western Alaska.		X			
• The number of communities that are insolvent.		X			
• How much, expressed as a percentage, local governments rely on revenue sharing in their general operating budgets.		X			

**Department of Community & Economic Development  
Mission and Performance Measures**

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
<ul style="list-style-type: none"> <li>• The number of coordinated regional efforts resulting in the creation of new business opportunities.</li> <li>• The percentage of goals identified through regional processes that are achieved.</li> <li>• The amount of nonstate funds leveraged by ARDOR grants.</li> </ul>		X			

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## Occupational Licensing

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The mission of the Division of Occupational Licensing is to ensure that competent professional and commercial services are available to Alaska consumers

**Measure: the time taken for investigation of licensing law complaints**

*(Developed jointly with Legislature in FY2001.)*

**Current Status:**

In FY 2002 the division will work to reduce the amount of time between the opening of cases and the issuance of a formal accusation, a settlement document or the decision to close the case without action.

**Benchmark:**

Unknown

**Background and Strategies:**

The division opens from 450 to 550 investigation cases each year. Most of these cases are initiated by citizen complaints against licensed professionals, however, others are initiated by the division. Cases are closed when the division determines that no formal charge will be made against the license holder, when disciplinary action is taken, or when a hearing determines the licensee did not violate the law. Many factors affect the length of time a specific case remains open including, the priority the division gives to the case based on risk to public health and safety, the overall division case load, the complexity of the investigation, the availability of Department of Law legal services, the hearing officer's schedule, court action and the action of the licensee under investigation. In recent years, insufficient attorney service has been a major contributor to investigative delay. The FY01 budget authorized additional Department of Law services for the division. When vacant attorney positions are filled, the division anticipates a reduction in investigation time. Quick closure of cases cannot be an isolated goal, because investigative thoroughness is also essential to protect consumers.

**Measure: whether the division increases the number of opportunities to take occupational licensing examinations by at least 25 percent in the fiscal year ending June 30, 2001**

*(Developed jointly with Legislature in FY2001.)*

**Current Status:**

The division will increase the frequency of division-controlled written exams from quarterly to monthly for all of FY02, thereby achieving the performance measure.

**Benchmark:**

The frequency of exams in other small-population states is unknown.

**Background and Strategies:**

Many professionals cannot qualify for licenses and begin working without first passing an exam. Exams must be conducted properly and securely to render accurate results. The quality of exam administration by private proctors has been uneven. Alaska's size makes travel to a central exam site expensive for license applicants. The division currently offers the above referenced written exams four times each year in Anchorage, Juneau and Fairbanks. The division will designate a clerk in Anchorage and Fairbanks who will administer exams one day each week and supervise additional private proctors. This will result in the Fairbanks office being closed to the general public on Fridays.

**Status of FY2001 Performance Measures**

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
<ul style="list-style-type: none"> <li>• the time taken for investigation of licensing law complaints</li> <li>• whether the division increases the number of opportunities to take occupational licensing examinations by at least 25 percent in the fiscal year ending June 30, 2001</li> <li>• whether the division converts the business license classification system to a new, more detailed classification system in the fiscal year ending June 30, 2001</li> </ul>	X				X

# Alaska



Department of  
Community and  
Economic Development

# Missions and Performance Measures Overview



Deborah B. Sedwick, Commissioner  
January 2001

1/11/01

# Mission



SB 281 mission: promote independent communities and economic development in Alaska

# How do Department Programs Contribute to the Mission?

- **Consumer protection** through regulation of business;
- **Economic development** through advocacy programs which develop, strengthen, and diversify Alaska's economic base, increase employment opportunities, and stimulate private enterprise; and
- Advise, assist and coordinate efforts of local governments, individuals, and organizations so **communities** can effectively provide essential public services.

# The Department is Comprised of 7 Divisions

- Division of Banking, Securities and Corporations
- Division of Community and Business Development
- Division of International Trade and Market Development
- Division of Occupational Licensing
- Division of Insurance
- Division of Investments
- Division of Administrative Services

# And 6 Independent Agencies



- Alaska Aerospace Development Corporation
- Alaska Industrial Development and Export Authority
- Alaska Railroad Corporation
- Alaska Seafood Marketing Institute
- Alaska Science and Technology Foundation
- Regulatory Commission of Alaska

# Boards and Commissions

*“Integration not  
duplication”*

- **Alaska Aerospace Development Corporation**
- Alaska Coastal Policy Council
- Alaska Commission on Aging
- Alaska Housing Finance Corporation
- Alaska Human Resource Investment Council
- **Alaska Industrial Development and Export Authority**
- **Alaska Energy Authority**
- **Alaska Railroad Corporation**
- Alaska Royalty and Gas Development Advisory Board
- Alaska Student Loan Corporation
- **Board of Marine Pilots**
- Gasline Cabinet
- Municipal Bond Bank Authority
- **Power Project Loan Committee**
- State Bond Committee
- Telecommunication Information Council

# Customers of Department Programs

## **Regulation of Business**

**Alaskans**

**Business throughout the world**

**Communities and Municipalities in which businesses operate**

## **Economic Development**

**Alaskans**

**Alaska Businesses**

**United States Businesses**

**Foreign Businesses**

## **Assistance to Local Governments, individuals, and organizations**

**Alaskans**

**Municipal governments**

**Non-profit organizations**

**Villages and Tribes**

# Performance Measures

# Consumer Protection

- Reduce response time up to 25 percent by the end of FY03 for the filing and retrieval of licensing and corporate documents, by providing forms and information on the Internet and using e-commerce.

# Improved Customer Service



- On-line purchase/renewal of Alaska Business Licenses began in 2000
- Alaska first among states in the nation to offer on-line service
- Currently 74,000 Alaska business licenses
- 2,300 businesses used on-line systems in the first 3 months
- Public can search businesses by category, name, location and owner
- Businesses can have email and web links

# Performance Measures

# Consumer Protection

- **Banking Securities and Corporations**
  - Time taken to respond and resolve complaints.
- **Insurance**
  - Average time taken to respond to consumer complaints.
  - Average number of days required to process applications and issue licenses and renewals.

# Performance Measures

# Economic Development

- Increase the number of Alaskans employed in the visitor industry to 32,000 by the year 2001 with an emphasis on employment in smaller communities and rural areas of the state.

# Performance Measures

## Economic Development

- The number of trade leads in international trade and development.

# Performance Measures

# Economic Development

- Increase the consumption of Alaska seafood by increasing the volume of product sold through ASMI promotions by 10 percent in FY01.



# Performance Measures

# Community Assistance

- The number of communities successfully managing new sewer and water systems.

# Performance Measures

# Community Assistance

- The number of CDQ-related (Community Development Quota) jobs in Western Alaska.