

**ALASKA LEGISLATURE**

**2315**

**HOUSE and SENATE FINANCE COMMITTEE FILES, 2001 - 2002**

1 mission by considering the

2 (1) number of permanent jobs created;

3 (2) loan delinquency rate;

4 (3) amount and percentage of earnings of the authority available to the state as

5 a dividend.

6 \* **Sec. 30. DCED - Alaska Energy Authority.** (a) The mission of the Alaska Energy  
7 Authority is to tap Alaska's natural resources and new technology to achieve the lowest  
8 reasonable consumer power costs.

9 (b) The legislature intends to measure the success of the authority in achieving its  
10 mission by considering the

11 (1) change in the number of unscheduled outages of hydroelectric projects  
12 owned by the authority;

13 (2) number of four dam pool project repairs and upgrades completed on time  
14 and within budget; (this measurement will be used until the transfer of ownership of the four  
15 dam pool projects has been completed;)

16 (3) change in the amount of revenue created by projects owned by the  
17 authority.

18 \* **Sec. 31. DCED - Rural Energy Programs.** (a) The mission of rural energy programs is  
19 to lower the cost and increase the reliability of rural utility systems.

20 (b) The legislature intends to measure the success of the rural energy programs by  
21 considering the

22 (1) number of bulk fuel storage upgrade projects on rural energy group  
23 priority lists compared to the number completed;

24 (2) number of electric utility upgrade projects on rural energy group priority  
25 lists compared to the number completed;

26 (3) change in the average power cost for households receiving power cost  
27 equalization compared to average statewide costs;

28 (4) reduction of power cost in dollars and the percentage of increased  
29 reliability and technological advances;

30 (5) number of communities that have become self-reliant in fully maintaining  
31 their power systems.

#3

#2

1 \* **Sec. 32. DCED - Alaska Science and Technology Foundation.** (a) The mission of the  
2 Alaska Science and Technology Foundation (ASTF) is to support the development and  
3 application of science and technology.

4 (b) The legislature intends to measure the success of the foundation in achieving its  
5 mission by considering

6 (1) the number of new jobs created in the state from technology projects; #3

7 (2) project diversity;

8 (3) the new revenue to the state from technology projects; #3

9 (4) the percentage of technology project grantees in business in the state #3  
10 because of ASTF grants;

11 (5) the change in student achievement in math and science in schools that  
12 received ASTF teacher grants;

13 (6) the increase in student interest in math and science in schools that #3  
14 ASTF teacher grants.

15 \* **Sec. 33. DCED - Alaska Seafood Marketing Institute.** (a) The mission of the Alaska  
16 Seafood Marketing Institute (ASMI) is to

17 (1) increase worldwide consumption of Alaska seafood;

18 (2) promote the quality and superiority of Alaska seafood products; and

19 (3) accomplish these marketing efforts while maximizing ASMI staff who are #3  
20 residents and under ASMI employment in Alaska.

21 (b) The legislature intends to measure the success of the institute in achieving its  
22 mission by considering the

23 (1) increase in the development of new markets;

24 (2) change in pounds of seafood sold;

25 (3) percentage of ASMI staff that resides in Alaska and average salaries of #3  
26 Alaska staff compared to out-of-state staff.

27 \* **Sec. 34. DCED - Division of Banking, Securities, and Corporations.** (a) The mission  
28 of the Division of Banking, Securities, and Corporations is to

29 (1) maintain a stable financial network in the state for the safe conduct of  
30 financial services;

31 (2) protect securities investors;

1 (3) provide businesses with a legal structure enabling commerce in the state.

2 (b) The legislature intends to measure the success of the division in achieving its  
3 mission by considering the

4 (1) percentage of change when compared to the prior fiscal year in the number  
5 of members of the public who use forms provided by the division over the Internet for filing  
6 complaints and requests for exemptions as a percentage of all filings;

7 (2) percentage of uncollected fines that have not been converted to court  
8 judgment;

9 (3) average time taken to respond to and resolve complaints.

10 \* **Sec. 35. DCED - Division of Insurance.** (a) The mission of the Division of Insurance is  
11 to

12 (1) develop, interpret, and enforce the insurance statutes and regulations;

13 (2) protect and educate the consumer;

14 (3) enhance the insurance business environment.

15 (b) The legislature intends to measure the success of the division in achieving its  
16 mission by considering the

17 (1) percentage of change when compared to the prior fiscal year in the average  
18 time taken to respond to consumer complaints;

19 (2) percentage of change when compared to the prior fiscal year in the average  
20 number of days required to process applications and issue licenses and renewals;

21 (3) number and percentage of insurance-related civil and criminal  
22 investigations completed.

23 \* **Sec. 36. DCED - Division of Occupational Licensing.** (a) The mission of the Division  
24 of Occupational Licensing is to ensure that competent professional and commercial services  
25 are available to Alaska consumers.

26 (b) The legislature intends to measure the success of the division achieving its  
27 mission by considering

28 (1) the time taken to respond from the filing of a licensing law complaint to  
29 the conclusion of the case;

30 (2) whether the division provides opportunities to take tests in a timely manner  
31 when the division controls when tests are given;

1 (3) the percentage of complaints per license classification.

2 \* **Sec. 37. DCED - Regulatory Commission of Alaska.** (a) The mission of the  
3 Regulatory Commission of Alaska is to regulate public utilities and pipelines in Alaska.

4 (b) The legislature intends to measure the success of the commission in achieving its  
5 mission by considering the

6 (1) time required to issue public notice, provide an initial analysis, and render  
7 the initial commission determination concerning

8 (A) utility and pipeline filings;

9 (B) competitive offerings;

10 (2) percentage of the change when compared to the prior fiscal year in the  
11 number of unresolved filings.

12 **Article 3. Department of Corrections.**

13 \* **Sec. 38. Department of Corrections.** The mission of the Department of Corrections is  
14 to protect the public by confining, supervising, and rehabilitating offenders under the custody  
15 of the department.

16 \* **Sec. 39. DCorrections - Office of the Commissioner.** (a) The mission of the Office of  
17 the Commissioner is to provide support and direction to divisions within the department.

18 (b) The legislature intends to measure the success of the office in achieving its  
19 mission by considering the

20 (1) percentage of divisions that meet assigned performance measures;

21 (2) number of convicted inmates released in a calendar year who return to  
22 incarceration after being convicted of a new offense within one year, two years, and three  
23 years after the release;

24 (3) number of days in which the department's facilities are filled at greater  
25 than their emergency capacity;

26 (4) average time taken to respond to complaints and questions that have been  
27 elevated to the commissioner's office; #3

28 (5) compliance with statutory requirements for facilities, including the Alaska  
29 No Frills Prison Act. #3

30 \* **Sec. 40. DCorrections - Division of Administrative Services.** (a) The mission of the  
31 Division of Administrative Services is to provide support services to departmental programs.

1 (b) The legislature intends to measure the success of the division in achieving its  
2 mission by considering the

3 (1) cost of the division compared to personnel costs for the department;

4 (2) number of late penalties incurred for payroll divided by the number of  
5 paychecks issued;

6 (3) number of late penalties incurred for vendor payments divided by the  
7 number of vendor payments issued;

8 (4) number of complaints received concerning payroll errors divided by the  
9 number of pay checks issued;

10 (5) number of outstanding audit exceptions divided by the audits during the  
11 fiscal year. #3

12 \* **Sec. 41. DCorrections - Division of Institutions, Inmate Health Care.** (a) The  
13 mission of inmate health care is to provide essential health care for offenders under the  
14 custody of the department.

15 (b) The legislature intends to measure the success of the inmate health care section in  
16 achieving its mission by considering the

17 (1) average medical cost per inmate;

18 (2) amount of inmate co-pay fees collected annually.

19 \* **Sec. 42. DCorrections - Division of Institutions, Inmate Programs.** (a) The mission  
20 of inmate programs is to provide opportunities for positive change and to rehabilitate inmates.

21 (b) The legislature intends to measure the success of the inmate programs section in  
22 achieving its mission by considering the number of

23 (1) inmates who complete programs successfully divided by the number of  
24 inmates enrolled in the program, set out by program;

25 (2) re-admits who completed inmate programs during previous incarcerations  
26 with the department set out by program;

27 (3) inmates who have completed GED programs when compared to the  
28 number enrolled.

29 \* **Sec. 43. DCorrections - Alaska Correctional Industries.** (a) The mission of the  
30 Alaska Correctional Industries (ACI) is to assist in the rehabilitation of inmates by providing  
31 marketable work skills.

1 (b) The legislature intends to measure the success of the Alaska Correctional  
2 Industries in achieving its mission by considering

3 (1) income divided by expense for each ACI program;

4 (2) the percentage of ACI participants, set out by program, with sentences of

5 (A) less than three years;

6 (B) three years to less than seven years;

7 (C) seven years to less than 12 years;

8 (D) 12 or more years;

9 (3) the percentage of inmate pay that is used to pay court-ordered obligations;

10 (4) the percentage of sentenced inmates who participate in Alaska

11 Correctional Industries.

12 \* **Sec. 44. DCorrections - Division of Institutions.** (a) The mission of the Division of  
13 Institutions is to ensure that the institutions are maintaining an environment for prisoners that  
14 promotes positive change and at the same time fulfills the statutory obligation of protecting  
15 the public.

16 (b) The legislature intends to measure the success of the division in achieving its  
17 mission by considering the change in the

18 (1) number of inmates assaulted by staff while in custody;

19 (2) number of inmates assaulted by other inmates while in custody;

20 (3) number of inmate suicides and reportable suicide attempts;

21 (4) average cost per day per inmate for the last 10 years.

22 \* **Sec. 45. DCorrections - Division of Community Corrections.** (a) The mission of the  
23 Division of Community Corrections is to

24 (1) develop and maintain public safety through supervision standards in  
25 conjunction with the regional chief probation officers; and

26 (2) provide for public safety through supervision of adult felons who are  
27 placed in the division's jurisdiction.

28 (b) The legislature intends to measure the success of the division in achieving its  
29 mission by considering the change in the number of offenders on felony supervision

30 (1) divided by the number of probation officers set out by geographical area;

31 (2) set out by geographical area.

1 \* **Sec. 46. DCorrections - Division of Institutions, Electronic Monitoring.** (a) The  
2 mission of electronic monitoring is to monitor offenders in the community.

3 (b) The legislature intends to measure the success of the electronic monitoring section  
4 in achieving its mission by considering the

5 (1) total cost of the program per man-day;

6 (2) number of participants failing the program divided by the total number of  
7 participants set out by geographic location.

8 \* **Sec. 47. DCorrections - Parole Board.** (a) The mission of the Parole Board is to  
9 administer the release of eligible correctional inmates while providing for public safety and  
10 for the successful integration of parolees into the community.

11 (b) The legislature intends to measure the success of the board in achieving its  
12 mission by considering the change in the number of discretionary parolees who are arrested  
13 and returned to the custody of the Department of Corrections each year.

14 **Article 4. Department of Education and Early Development.**

15 \* **Sec. 48. Department of Education and Early Development.** The mission of the  
16 Department of Education and Early Development is to support the development of lifelong  
17 learners.

18 \* **Sec. 49. DOEED - Office of the Commissioner.** (a) The mission of the Office of the  
19 Commissioner is to provide support and policy direction to the divisions within the  
20 department.

21 (b) The legislature intends to measure the success of the office in achieving its  
22 mission by considering the

23 (1) percentage of divisions that meet assigned performance measures;

24 (2) change in the percentage of students meeting proficiency levels in  
25 uniformly administered benchmark tests in grades 3, 6, and 8 per student expenditure for K-  
26 12 support (public school funding) and per the amount reported on the district audited  
27 financial statements;

28 (3) change in the percentage of students passing the high school graduation  
29 qualifying exam per change in per-student expenditure for K-12 support (public school  
30 funding) and per the amount reported on the district audited financial statements; and

31 (4) average time taken to respond to complaints and questions that have been

1 elevated to the commissioner's office.

2 \* **Sec. 50. DOEED - Division of Teaching and Learning Support.** (a) The mission of  
3 the Division of Teaching and Learning Support is to improve student performance.

4 (b) The legislature intends to measure the success of the division in achieving its  
5 mission by considering the percentage of students

6 (1) who meet the proficiency level in benchmark assessments in grades 3, 6,  
7 and 8 reported for all students

8 (A) on a statewide basis;

9 (B) in major racial and ethnic groups;

10 (C) with disabilities;

11 (D) with limited English proficiency;

12 (2) performing above the national average on state-adopted norm-referenced  
13 tests reported for all students

14 (A) on a statewide basis;

15 (B) in major racial and ethnic groups;

16 (C) with disabilities;

17 (D) with limited English proficiency;

18 (3) who took and passed the state high school graduation qualifying exam in  
19 the current school year reported for all students

20 (A) on a statewide basis;

21 (B) in major racial and ethnic groups;

22 (C) with disabilities;

23 (D) with limited English proficiency;

24 (4) in a high school cohort group (graduating class) who pass the state high  
25 school graduation qualifying exam on a cumulative basis.

26 \* **Sec. 51. DOEED - Division of Early Development.** (a) The mission of the Division of  
27 Early Development is to provide early child care and education programs.

28 (b) The legislature intends to measure the success of the division by considering the

29 (1) percentage change in the number of children served in licensed and in  
30 registered child care facilities;

31 (2) percentage change in the number of eligible children served in a Head

1 Start program;

2 (3) percentage change in the number of staff in child care facilities who  
3 received at least 15 hours of training in the current fiscal year;

4 (4) percentage change in the number of children who receive federally funded  
5 meals;

6 (5) change in the ratio of registered providers compared to licensed providers.

7 \* **Sec. 52. DOEED - Division of Education Support Services.** (a) The mission of the  
8 Division of Education Support Services is to provide support services to departmental  
9 programs and the operation of public schools.

10 (b) The legislature intends to measure the success of the division in achieving its  
11 mission by considering the

12 (1) number of late penalties for payroll or vendor payments;

13 (2) cost of administrative services personnel compared to the total personnel  
14 costs for the department;

15 (3) number of department decisions on the annual school construction and  
16 major maintenance lists upheld by the State Board of Education and Early Development  
17 compared to the number of appeals;

18 (4) percentage of school districts meeting the minimum expenditure for  
19 instruction.

20 \* **Sec. 53. DOEED - Alyeska Central School.** (a) The mission of Alyeska Central School  
21 (ACS) is to provide an educational program for state students through distance delivery.

22 (b) The legislature intends to measure the success of the school in achieving its  
23 mission by considering the percentage of

24 (1) students who meet the proficiency level in benchmark assessments in  
25 grades 3, 6, and 8;

26 (2) students performing above the national average on the state-adopted norm-  
27 referenced tests;

28 (3) students enrolled in ACS who take and pass the state high school  
29 graduation qualifying exam in the current school year;

30 (4) students in a high school grade level at ACS who pass the state high school  
31 graduation qualifying exam on a cumulative basis;

1 (5) ACS students utilizing post-secondary institutions while participating in  
2 ACS programs; and

3 (6) students enrolled in a state-funded correspondence school program who  
4 are enrolled at ACS.

5 \* **Sec. 54. DOEED - Alaska State Council on the Arts.** (a) The mission of the Alaska  
6 State Council on the Arts (ASCA) is to encourage lifelong participation in the state's artistic  
7 diversity.

8 (b) The legislature intends to measure the success of the council in achieving its  
9 mission by considering the

10 (1) year to year change in ratio of nonstate funds to state funds appropriated to  
11 ASCA;

12 (2) percentage of administration costs compared to grants issued;

13 (3) percentage change of artists and of vendors participating in the Silver  
14 Hand program.

15 \* **Sec. 55. DOEED - Alaska Vocational Technical Center.** (a) The mission of the  
16 Alaska Vocational Technical Center is to provide market-driven vocational and technical  
17 training to state residents.

18 (b) The legislature intends to measure the success of the center in achieving its  
19 mission by considering the

20 (1) change when compared to the prior fiscal year in the percentage of  
21 graduates employed in their areas of training;

22 (2) change when compared to the prior fiscal year in the wage increase  
23 realized by graduates of training programs;

24 (3) change when compared to the prior fiscal year in the percentage of  
25 students who complete long-term training programs;

26 (4) change when compared to the prior fiscal year in the percentage of  
27 students living in student housing compared to student-housing capacity; and

28 (5) change when compared to the prior fiscal year for each long-term program,  
29 the percentage of students who applied to the program who actually enrolled in the program.

30 \* **Sec. 56. DOEED - Mt. Edgecumbe High School.** (a) The mission of Mt. Edgecumbe  
31 High School is to provide a residential high school for Alaska students.

1 (b) The legislature intends to measure the success of the school in achieving its  
2 mission by considering

3 (1) the percentage of applicants who are admitted to the school;

4 (2) the percentage of students enrolled at Mt. Edgecumbe High School who  
5 take and pass the state high school qualifying exam in the current school year;

6 (3) the percentage of students in a high school grade level at Mt. Edgecumbe  
7 who pass the state high school graduation qualifying exam on a cumulative basis;

8 (4) the average duration of an individual student's enrollment at the school;

9 (5) the percentage of graduates who enroll in a postsecondary education  
10 institution or program; and

11 (6) the total state cost per student (set out as instructional costs and residential  
12 costs) at Mt. Edgecumbe High School compared to the per student cost for high school  
13 students in the school districts in the students' home communities.

14 \* **Sec. 57. DOEED - Division of Libraries, Archives, and Museums.** (a) The mission of  
15 the Division of Libraries, Archives, and Museums is to

16 (1) provide access to information;

17 (2) preserve the history of the state; and

18 (3) encourage and facilitate the transfer of library services and training to local  
19 governments.

20 (b) The legislature intends to measure the success of the division in achieving its  
21 mission for libraries by considering

22 (1) the number of public inquiries and the number of governmental inquiries  
23 per dollar appropriated for library personnel costs;

24 (2) the number of items catalogued per dollar appropriated for library services;

25 (3) what percentage of Alaskans have access to the Internet;

26 (4) the change when compared to the prior fiscal year in the time taken for  
27 response to requests; and

28 (5) the percentage increase in Internet inquiries made via the library network  
29 from the previous year.

30 (c) The legislature intends to measure the success of the division in achieving its  
31 mission for archives by considering the

1 (1) average time taken from the division's receipt of archival material to the  
2 time that it is made available to the public;

3 (2) percentage of records retained having long-term value for legal,  
4 administrative, or historical reasons;

5 (3) percentage of current records that are reviewed and those that are  
6 destroyed if not considered necessary for long-term legal, administrative, or historical  
7 reasons; and

8 (4) percentage of records available electronically.

9 (d) The legislature intends to measure the success of the division in achieving its  
10 mission for museums by considering the

11 (1) percentage of the collection on public display;

12 (2) ratio of visitors to full-time equivalent employees and full-time equivalent  
13 volunteers;

14 (3) percentage change in state cost per traveling exhibit; and

15 (4) cost per visitor of traveling exhibits compared with static displays.

16 \* **Sec. 58. DOEED - Alaska Commission on Postsecondary Education.** (a) The mission  
17 of the Alaska Commission on Postsecondary Education is to

18 (1) provide postsecondary educational financial assistance to Alaskans,  
19 including offering loan rates and conditions competitive with and less than those offered by  
20 the private sector;

21 (2) authorize the operation of postsecondary institutions in the state.

22 (b) The legislature intends to measure the success of the commission in achieving its  
23 mission by considering the

24 (1) completion and placement rate of students attending Alaska institutions  
25 that offer job-specific training programs;

26 (2) percentage of loans issued by the commission that are in default;

27 (3) change in the defaulted loan recovery rate; and

28 (4) percentage change in administrative cost per loan outstanding.

29 \* **Sec. 59. DOEED - WWAMI.** (a) The mission of the Alaska Commission on  
30 Postsecondary Education in administering the WWAMI program is to improve the general  
31 health of state residents.

1 (b) The legislature intends to measure the success of the WWAMI program by  
2 considering the percentage

3 (1) change in the number of Alaska communities with access to medical  
4 services associated with WWAMI/UW;

5 (2) of WWAMI participants who return to the state to practice medicine;

6 (3) change in the number of patient visits provided to Alaskans through  
7 programs and physicians associated with the University of Washington School of Medicine  
8 WWAMI program;

9 (4) change in the number of health-related programs developed in the state  
10 that are associated with WWAMI/UW; and

11 (5) change in the number of research projects in or about the state associated  
12 with the University of Washington School of Medicine WWAMI program.

13 **Article 5. Department of Environmental Conservation.**

14 \* **Sec. 60. Department of Environmental Conservation.** The mission of the Department  
15 of Environmental Conservation is to protect human health and the environment.

16 \* **Sec. 61. DEC - Office of the Commissioner.** (a) The mission of the Office of the  
17 Commissioner is to provide support and policy direction to the divisions in the department.

18 (b) The legislature intends to measure the success of the office in achieving its  
19 mission by considering the

20 (1) percentage of divisions that meet assigned performance measures;

21 (2) percentage of permittees out of compliance with state statute or regulation;

22 (3) percentage of change when compared to the prior fiscal year in the number  
23 of critical violations in inspected public or private facilities that significantly affect the health  
24 or safety of the public;

25 (4) average time taken to adjudicate decisions in permit disputes;

26 (5) percentage of adjudicated decisions that are appealed to the courts;

27 (6) average time taken to respond to complaints and questions that have been  
28 elevated to the commissioner's office.

29 \* **Sec. 62. DEC - Division of Administrative Services.** (a) The mission of the Division of  
30 Administrative Services is to provide support services to departmental programs.

31 (b) The legislature intends to measure the success of the division in achieving its

1 mission by considering the

2 (1) percentage of employee complaints and grievances filed and resolved at  
3 the departmental level as compared to all other departments;

4 (2) percentage of employee grievances overturned by hearing officers as  
5 compared to all other departments;

6 (3) percentage of indirect costs collected for the commissioner and the  
7 administrative services division and for shared overhead costs;

8 (4) percentage of penalties for total payroll or vendor payments per year;

9 (5) change when compared to the prior fiscal year in percentage of audit  
10 exceptions resolved.

11 \* **Sec. 63. DEC - Division of Environmental Health.** (a) The mission of the Division of  
12 Environmental Health is to protect consumers from food- and water-borne illness.

13 (b) The legislature intends to measure the success of the division in achieving its  
14 mission by considering the

15 (1) change in the cost per

16 (A) permitted facility; and

17 (B) nonpermitted facility;

18 (2) change when compared to the prior fiscal year in percentage of "boil  
19 water" notices issued, the population affected, and the duration for the year;

20 (3) percentage of sanitary surveys that result in significant compliance  
21 violations;

22 (4) percentage of landfills with a permit or an alternative to a permit;

23 (5) percentage of landfills with an inspection score of 80 or higher;

24 (6) change when compared to the prior fiscal year in percentage of critical  
25 violations affecting food safety;

26 (7) percentage of facilities inspected according to risk-based inspection  
27 frequency.

28 \* **Sec. 64. DFC - Division of Statewide Public Service.** (a) The mission of the Division  
29 of Statewide Public Service is to improve compliance by communities and businesses.

30 (b) The legislature intends to measure the success of the division in achieving its  
31 mission by considering the

- 1 (1) percentage change in compliance;
- 2 (2) facility savings resulting from statewide public service assistance;
- 3 (3) cost per
- 4 (A) barrel of hazardous waste collected and disposed of in a legal
- 5 manner;
- 6 (B) business or community provided environmental assessment
- 7 training;
- 8 (C) industry sector or community group served;
- 9 (4) percentage of contacts that result in compliance;
- 10 (5) percentage of completed environmental assessments in communities;
- 11 (6) percentage of department contacts that result in a favorable experience.

12 \* **Sec. 65. DEC - Division of Air and Water Quality.** (a) The mission of the Division of

13 Air and Water Quality is to protect air and water quality.

14 (b) The legislature intends to measure the success of the division in achieving its

15 mission by considering

- 16 (1) the change when compared to the prior fiscal year in the cost per permit
- 17 issued;
- 18 (2) whether the carbon monoxide levels in Fairbanks and Anchorage meet
- 19 health standards;
- 20 (3) the average time taken in days from receipt of a permit application to
- 21 approval;
- 22 (4) the average time taken from receipt of a permittee complaint to resolution
- 23 of the complaint;
- 24 (5) the percentage of facilities inspected according to risk-based inspection
- 25 frequency;
- 26 (6) the percentage of fast-track general permits as compared to the total
- 27 number of permits.

28 \* **Sec. 66. DEC - Division of Spill Prevention and Response.** (a) The mission of the

29 Division of Spill Prevention and Response is to reduce unlawful oil and hazardous substance

30 contamination in the environment.

31 (b) The legislature intends to measure the success of the division in achieving its

1 mission by considering the

2 (1) number of oil spills greater than one gallon per year compared to the  
3 number of spills requiring a response;

4 (2) number of hazardous substance spills compared to the number of  
5 hazardous substance spills requiring response;

6 (3) time the division takes from receiving a report of a spill to the  
7 determination of "no further action";

8 (4) average annual state cleanup costs per spill;

9 (5) average annual state cleanup costs per contaminated site;

10 (6) average annual environmental hazard per contaminated site;

11 (7) percentage of underground storage tank owners required to clean up a site  
12 who are issued "no further action" letters during the year;

13 (8) average time to approve oil spill prevention contingency plans as  
14 compared to the prior year.

15 \* **Sec. 67. DEC - Division of Facility Construction and Operation.** (a) The mission of  
16 the Division of Facility Construction and Operation is to assist communities in improving  
17 sanitation conditions.

18 (b) The legislature intends to measure the success of the division in achieving its  
19 mission by considering the

20 (1) agency operating costs per sanitation project;

21 (2) number and cost of sanitation projects per division engineer;

22 (3) cost per household served;

23 (4) percentage of households with improved sanitation systems;

24 (5) actual life cycle cost compared to the design life cycle cost per year.

25 **Article 6. Department of Fish and Game.**

26 \* **Sec. 68. Department of Fish and Game.** The mission of the Department of Fish and  
27 Game is to protect, maintain, and improve the fish, game, and aquatic plant resources of the  
28 state, and manage their use and development in the best interest of the economy and the well-  
29 being of the people of the state, consistent with the sustained yield principle.

30 \* **Sec. 69. DF&G - Division of Commercial Fisheries.** (a) The mission of the Division of  
31 Commercial Fisheries is to manage, protect, rehabilitate, enhance, and develop fisheries and

#2

1 aquatic plant resources in the interest of the economy, consistent with the sustained yield  
2 principle and subject to allocations through public regulatory processes.

3 (b) The legislature intends to measure the success of the division in achieving its  
4 mission by considering

5 (1) the number of escapement objectives met compared to the total number of  
6 objectives set per region;

7 (2) for fisheries that are actively managed, the number of allocation objectives  
8 met within a 10 percent variance compared to the total number of objectives set per region.

9 \* **Sec. 70. DF&G - Division of Sport Fish.** (a) The mission of the Division of Sport Fish  
10 is to protect and improve the state's recreational fisheries resources.

11 (b) The legislature intends to measure the success of the division in achieving its  
12 mission by considering, for river systems that support a sport harvest of 100 or more king  
13 salmon, the number and percentage

14 (1) for which an escapement goal is established;

15 (2) for which enumeration occurs annually;

16 (3) of escapement objectives achieved annually.

17 (c) The legislature intends to measure the success of the division in achieving its  
18 mission by considering the

19 (1) number of fishing licenses sold and the total revenue generated;

20 (2) percentage of Alaska residents between the ages of 16 and 59 who  
21 purchase fishing licenses.

22 (d) The legislature intends that unsuccessful angler days not be used as a measure of  
23 success of the division.

24 \* **Sec. 71. DF&G - Division of Wildlife Conservation.** (a) The mission of the Division  
25 of Wildlife Conservation is to conserve and enhance Alaska's wildlife and to provide for a  
26 wide range of uses for people.

27 (b) The legislature intends to measure the success of the division in achieving its  
28 mission by considering the

29 (1) number of big game surveys completed for populations identified by the  
30 Board of Game as important for providing high levels of human consumptive use;

31 (2) number of hunting and trapping licenses sold and the total revenue

1 generated;

2 (3) percentage of Alaska residents between the ages of 16 and 59 who  
3 purchase hunting or trapping licenses;

4 (4) number of drawing permits applied for each year and the total number of  
5 drawing permits issued by species;

6 (5) number of tier II permits applied for each year and the total number of tier  
7 II permits issued by game management unit;

8 (6) total number of visitors visiting the state's wildlife viewing areas at Pack  
9 Creek, McNeil River, and Creamer's Field.

10 \* **Sec. 72. DF&G - Office of the Commissioner and Division of Administrative**  
11 **Services.** (a) The missions of the Office of the Commissioner and the Division of  
12 Administrative Services are to provide support and policy directions to departmental  
13 programs.

14 (b) The legislature intends to measure the success of the office and the division in  
15 achieving their missions by considering the

16 (1) total number of vendor payments made within 30 days or less compared to  
17 the total number of vendor payments;

18 (2) number and percentage of fish and game licenses sold through an  
19 automated process;

20 (3) number of issues that the Boards of Fisheries and Game must consider out  
21 of cycle;

22 (4) number and percentage of advisory committees from a region that meet in  
23 a year that the board cycles through their region;

24 (5) average time taken to respond to complaints and questions that have been  
25 elevated to the commissioner's office.

26 \* **Sec. 73. DF&G - Division of Subsistence.** (a) The mission of the Division of  
27 Subsistence is to

28 (1) gather, quantify, evaluate, and report data about uses, users, and methods  
29 of subsistence hunting and fishing; and

30 (2) make recommendations on the impacts of federal and state laws and  
31 regulations on subsistence uses and users.

1 (b) The legislature intends to measure the success of the division in achieving its  
2 mission by considering the

3 (1) number and percentage of Alaska communities in each region for which  
4 fisheries harvest data are collected and reported;

5 (2) number and percentage of Alaska communities in each region for which  
6 wildlife harvest data are collected and reported;

7 (3) number and percentage of subsistence proposals at meetings of the Board  
8 of Fisheries and the Board of Game for which subsistence data are assessed and  
9 recommendations are made;

10 (4) number of proposed statutory and regulatory changes by federal and other  
11 state entities for which subsistence data are assessed and recommendations are made.

12 \* **Sec. 74. DF&G - Division of Habitat and Restoration.** (a) The mission of the Division  
13 of Habitat and Restoration is to protect, maintain, enhance, and restore habitat for fish and  
14 wildlife consistent with sound conservation and sustained yield principles.

15 (b) The legislature intends to measure the success of the division in achieving its  
16 mission by considering whether at least

17 (1) 95 percent of the Title 16 (anadromous waters) applications are approved  
18 or modified to protect, minimize, or mitigate habitat damage within an average of 20 days  
19 after receipt;

20 (2) 80 percent of the land use plans reviewed result in consensus on habitat-  
21 related issues;

22 (3) 95 percent of the project reviews for industrial development, road  
23 construction, and timber harvest are completed within an average of 25 days or less or within  
24 the scheduled time frame for complex projects.

25 \* **Sec. 75. DF&G - Commercial Fisheries Entry Commission.** (a) The mission of the  
26 Commercial Fisheries Entry Commission is to limit entry into commercial fisheries for  
27 purposes of resource conservation and to prevent economic distress among fishermen and  
28 those dependent on them for a livelihood.

29 (b) The legislature intends to measure the success of the commission in achieving its  
30 mission by considering whether the commission

31 (1) processes 90 percent of all vessel licenses, permit renewals, and requests

1 for duplicates within three days of receipt of a fully completed application;

2 (2) processes 90 percent of all emergency transfer requests within four days of  
3 receipt of a fully completed application;

4 (3) processes 90 percent of all permanent transfer requests within five days of  
5 receipt of a fully completed application;

6 (4) maintains the number of hearing officer and paralegal decisions issued  
7 during the year at 70 or more;

8 (5) maintains the number of final decisions issued by the commission during  
9 the year at 100 or more;

10 (6) by the end of the fiscal year, maintains or decreases the net number of  
11 cases pending before hearing officers and the commissioners from the number that are  
12 pending at the beginning of the fiscal year;

13 (7) maintains at 20 percent or less the number of appeals from final decisions  
14 of the commission that are filed with the superior court during the year.

15 **Article 7. Department of Health and Social Services.**

16 \* **Sec. 76. Department of Health and Social Services.** The mission of the Department of  
17 Health and Social Services is to promote and protect the health and well-being of Alaskans.

18 \* **Sec. 77. DHSS - Division of Public Assistance.** (a) The mission of the Division of  
19 Public Assistance is to promote self-sufficiency and provide basic living expenses to Alaskans  
20 in need.

21 (b) The legislature intends to measure the success of the division in achieving its  
22 mission by considering the

23 (1) percentage of the Alaska temporary assistance program (ATAP)  
24 (AS 47.27) families meeting federal work participation rates;

25 (2) percentage of closed cases with earnings and that remain off temporary  
26 assistance six months after closure;

27 (3) percentage by region of temporary assistance clients with wage  
28 progression;

29 (4) percentage of adults receiving temporary assistance who have earned  
30 income;

31 (5) rate of payment accuracy for ATAP payments and food stamps.

1     \* **Sec. 78. DHSS - Division of Medical Assistance.** (a) The mission of the Division of  
2 Medical Assistance is to maintain access to health care and to provide health coverage for  
3 Alaskans in need.

4           (b) The legislature intends to measure the success of the division in achieving its  
5 mission by considering the

6                   (1) average, median, minimum, and maximum time the division takes from  
7 receiving a claim to paying it;

8                   (2) percentage of claims with no errors categorized by the type of provider;

9                   (3) percentage of total funds that are used to pay claims compared to the  
10 percentage used for administration of the division;

11                   (4) percentage of providers who are participating in the medical assistance  
12 program by region.

13     \* **Sec. 79. DHSS - Division of Family and Youth Services.** (a) The mission of the  
14 Division of Family and Youth Services is to protect children who are abused and neglected or  
15 at risk of abuse and neglect.

16           (b) The legislature intends to measure the success of the division in achieving its  
17 mission by considering the

18                   (1) percentage of children placed outside the home who were the subject of  
19 maltreatment by a caregiver;

20                   (2) percentage of children who exited care to a final adoption in less than 24  
21 months;

22                   (3) length of time to achieve a permanent placement that is not reunification or  
23 adoption;

24                   (4) percentage of children reunified with parents or caregivers within 12  
25 months of removal;

26                   (5) percentage of children that were the victims of abuse or neglect in the first  
27 six months of the preceding calendar year who were reported as victims during the last six  
28 months of the same year;

29                   (6) percentage of legitimate reports of harm that are investigated;

30                   (7) turnover rate of the Division of Family and Youth Services staff by region;

31                   (8) average, median, minimum, and maximum social worker caseload by

1 region.

2 \* **Sec. 80. DHSS - Division of Juvenile Justice.** (a) The mission of the Division of  
3 Juvenile Justice is to protect and restore communities and victims while holding juvenile  
4 offenders accountable for correcting their behavior.

5 (b) The legislature intends to measure the success of the division in achieving its  
6 mission by considering the

7 (1) percentage of ordered restitution and community work service that is paid  
8 or performed by the juvenile offender;

9 (2) number of escapes from juvenile justice institutions;

10 (3) rate of recidivism of youth in the juvenile justice system by region and by  
11 race;

12 (4) number of juvenile offenders who are maltreated while in state custody; #3

13 (5) satisfaction of the victims of juvenile crime with the juvenile justice #3  
14 system.

15 \* **Sec. 81. DHSS - Division of Public Health.** (a) The mission of the Division of Public  
16 Health is to preserve and promote the state's public health.

17 (b) The legislature intends to measure the success of the division in achieving its  
18 mission by considering the

19 (1) percentage of two-year-old children in the state who are fully immunized;

20 (2) percentage of families who are qualified for the services of the infant  
21 learning program who are enrolled in the program;

22 (3) rate of tuberculosis cases by race and region;

23 (4) rate of child hospitalizations and fatalities related to injury;

24 (5) rate of hepatitis C cases;

25 (6) rate of unmarried and married teen births;

26 (7) rate of new cases of sexually transmitted diseases.

27 \* **Sec. 82. DHSS - Division of Alcoholism and Drug Abuse.** (a) The mission of the  
28 Division of Alcoholism and Drug Abuse is to reduce alcoholism and substance abuse.

29 (b) The legislature intends to measure the success of the division in achieving its  
30 mission by considering the

31 (1) rate of binge or chronic drinking by age group;

- 1 (2) rate of drug and inhalant abuse by age group and region;
- 2 (3) number of new convictions and the number of repeat convictions in state  
3 district and superior courts on charges of driving while intoxicated (DWI);
- 4 (4) number and rate of infants affected by prenatal exposure to alcohol by  
5 region;
- 6 (5) number of new admissions as a percentage of the total admissions to  
7 treatment programs for alcohol and drug abuse;
- 8 (6) length of time that alcohol or other drug treatment clients are on waiting  
9 lists before receiving services. ← *should be ;*
- 10 (7) number of juvenile clients who return for treatment within six and 12  
11 months of being discharged from a residential alcohol or drug abuse treatment program. #4

12 \* **Sec. 83. DHSS - Division of Mental Health and Developmental Disabilities.** (a) The  
13 mission of the Division of Mental Health and Developmental Disabilities is to improve and  
14 enhance the quality of life for consumers impacted by mental disorders or developmental  
15 disabilities.

16 (b) The legislature intends to measure the success of the division in achieving its  
17 mission by considering the

- 18 (1) percentage of consumers with developmental disabilities who received  
19 some form of interim services while on the waiting list;
- 20 (2) average, median, minimum, and maximum length of time that  
21 developmentally disabled consumers are on a waiting list before receiving full services;
- 22 (3) percentage of mental health consumers receiving services who show  
23 improved functioning as a result of the services;
- 24 (4) percentage of the programs designated by the department that are reviewed  
25 for consumer satisfaction;
- 26 (5) average length of stay at the Alaska Psychiatric Institute.

27 \* **Sec. 84. DHSS - Office of the Commissioner.** (a) The mission of the Office of the  
28 Commissioner is to provide support and policy direction to the divisions within the  
29 department.

30 (b) The legislature intends to measure the success of the office in achieving its  
31 mission by considering the

1 (1) percentage of divisions within the department that meet assigned  
2 performance measures;

3 (2) average time taken to respond to complaints and questions that have been  
4 elevated to the commissioner's office;

5 (3) turnover and vacancy rates by division and job class.

6 \* **Sec. 85. DHSS - Division of Administrative Services.** (a) The mission of the Division  
7 of Administrative Services is to provide quality administrative services that support the  
8 department's programs.

9 (b) The legislature intends to measure the success of the division in achieving its  
10 mission by considering the

11 (1) cost of administrative services personnel as compared to the cost of the  
12 entire department's personnel;

13 (2) percentage of grievances and complaints resolved without resort to  
14 arbitration;

15 (3) average number of days taken for vendor payments;

16 (4) percentage of audit exceptions that are resolved.

17 **Article 8. Department of Labor and Workforce Development.**

18 \* **Sec. 86. Department of Labor and Workforce Development.** The mission of the  
19 Department of Labor and Workforce Development is to promote safe and fair working  
20 conditions and to advance opportunities for employment.

21 \* **Sec. 87. DOLWD - Division of Employment Security.** (a) The mission of the Division  
22 of Employment Security is to promote employment and economic stability by responding to  
23 the needs of employers and job seekers.

24 (b) The legislature intends to measure the success of the division in achieving its  
25 mission by considering the

26 (1) number of registered clients who enter employment after receiving  
27 services through an Alaska Job Center and, compared to the prior fiscal year, the percentage  
28 of change in that number;

29 (2) timeliness of initial payments to unemployment insurance claimants;

30 (3) percentage of Alaskans who enter and retain employment at least six  
31 months after receiving training through the State Training Employment Program;

1 (4) percentage of eligible WIA Adult Job Training participants who are placed  
2 into full-time jobs and who retain work at least six months after training;

3 (5) average cost of assisting a client to find employment;

4 (6) percentage of survey respondents rating the unemployment insurance  
5 services as adequate or higher;

6 (7) number of employers who are satisfied with the public labor exchange  
7 services they received.

8 \* **Sec. 88. DOLWD - Division of Administrative Services.** (a) The mission of the  
9 Division of Administrative Services is to provide support services to departmental programs.

10 (b) The legislature intends to measure the success of the division in achieving its  
11 mission by considering the

12 (1) cost of the management services component compared to personnel costs  
13 for the department;

14 (2) percentage, based on value, of late penalties incurred for payroll or vendor  
15 payments and the number of occurrences.

16 \* **Sec. 89. DOLWD - Office of the Commissioner.** (a) The mission of the Office of the  
17 Commissioner is to provide support and policy direction to divisions within the department.

18 (b) The legislature intends to measure the success of the office in achieving its  
19 mission by considering the

20 (1) percentage of assigned performance measures met by the department;

21 (2) percentage of financial audit exceptions resolved;

22 (3) average time taken to respond to complaints and questions that have been  
23 elevated to the commissioner's office.

24 \* **Sec. 90. DOLWD - Division of Workers' Compensation.** (a) The mission of the  
25 Division of Workers' Compensation is to ensure that injured Alaska workers receive fair  
26 benefits.

27 (b) The legislature intends to measure the success of the division in achieving its  
28 mission by considering the

29 (1) average time taken from a compensation hearing request until the date on  
30 which the hearing is scheduled;

31 (2) number of cases filed before the Workers' Compensation Board compared

1 to the number of requests for hearing;

2 (3) average time taken for completion of a Fishermen's Fund claim;

3 (4) number of uninsured workplace injuries;

4 (5) average time taken for completion of a Second Injury Fund petition.

5 \* **Sec. 91. DOLWD - Division of Labor Standards and Safety.** (a) The mission of the  
6 Division of Labor Standards and Safety is to provide for the monitoring of safe and legal  
7 working conditions.

8 (b) The legislature intends to measure the success of the division in achieving its  
9 mission by considering the

10 (1) injury incident rate for lost workdays in high-hazard industries, including  
11 seafood processing, logging, and construction;

12 (2) percentage of violations found compared to total inspections;

13 (3) percentage of wage claims settled;

14 (4) number of boiler and pressure vessel inspections completed compared to  
15 the backlog;

16 (5) number of boiler and pressure vessel violations abated compared to the  
17 number detected.

18 \* **Sec. 92. DOLWD - Division of Vocational Rehabilitation.** (a) The mission of the  
19 Division of Vocational Rehabilitation is to assist individuals with disabilities to overcome  
20 barriers to employment and to maintain suitable employment.

21 (b) The legislature intends to measure the success of the division in achieving its  
22 mission by considering the

23 (1) number of people served in post-employment services;

24 (2) percentage of Alaskans who apply for services compared to the number  
25 determined eligible and served;

26 (3) increase in wages of clients who are served by the division;

27 (4) number of individuals who enter and retain employment for at least 90  
28 days after receiving services from the division;

29 (5) number of individuals placed in jobs who require additional services from  
30 the division after one full year.

31 **Article 9. Department of Law.**

1     \* **Sec. 93. Department of Law.** The mission of the Department of Law is to provide legal  
2 services to state government and to prosecute crime.

3     \* **Sec. 94. DLaw - Criminal Division.** (a) The mission of the Criminal Division is to  
4 prosecute criminal cases.

5           (b) The legislature intends to measure the success of the division in achieving its  
6 mission by considering, for each Criminal Division budget component, the number of

7                   (1) violent felony prosecutions;

8                   (2) felony drug case prosecutions;

9                   (3) misdemeanor domestic violence assault prosecutions;

10                  (4) felony property prosecutions;

11                  (5) felony drunk driving prosecutions;

12                  (6) misdemeanor drunk driving prosecutions;

13                  (7) felony cases in which charges that were initially accepted for prosecution  
14 are later reduced; and

15                  (8) misdemeanor cases in which charges that were initially accepted for  
16 prosecution are later reduced.

17     \* **Sec. 95. DLaw - Office of Special Prosecutions and Appeals.** (a) The mission of the  
18 Office of Special Prosecutions and Appeals is to prosecute complex cases and to uphold the  
19 state's position on appeals.

20           (b) The legislature intends to measure the success of the office in achieving its  
21 mission by considering the

22                   (1) number of new criminal cases reviewed for prosecution;

23                   (2) number of criminal cases resolved;

24                   (3) number of new appeals and petitions opened;

25                   (4) number of appeals and petitions resolved;

26                   (5) average cost per criminal case reviewed;

27                   (6) average cost per appeal or petition opened.

28     \* **Sec. 96. DLaw - Civil Division.** (a) The mission of the Civil Division is to protect the  
29 human, financial, and natural resources of the state.

30           (b) The legislature intends to measure the success of the division in achieving its  
31 mission by considering the

1 (1) monetary value of disputed oil and gas taxes received by the state, whether  
2 obtained through court judgment or settlement;

3 (2) monetary value of disputed oil and gas royalties received, whether  
4 obtained through court judgment or settlement;

5 (3) monetary value of the criminal and civil judgments collected, including  
6 indigent defense costs, costs of incarceration for offenders convicted of driving while  
7 intoxicated, and other fines and costs owed to the state, and the number of civil and criminal  
8 judgments satisfied in full;

9 (4) number of new case files opened, categorized by type of case, for each  
10 year for the past 10 years;

11 (5) number of new cases opened relating to protecting children in the state  
12 against abuse and neglect;

13 (6) percentage of child abuse and neglect cases completed in the permanency  
14 placement backlog;

15 (7) percentage of other child abuse and neglect cases that are resolved within  
16 the statutory deadline of no more than 21 months of out-of-home placement;

17 (8) number of child support enforcement cases completed;

18 (9) number of collections of civil and criminal judgments overseen by the  
19 collections unit.

20 \* **Sec. 97. DLaw - Office of the Attorney General.** (a) The mission of the Office of the  
21 Attorney General is to provide support and direction to divisions within the department,  
22 allocate resources, and represent the state in civil and criminal actions.

23 (b) The legislature intends to measure the success of the office in achieving its  
24 mission by considering

25 (1) the cost of legal services rendered on behalf of each state agency;

26 (2) whether the divisions and offices in the department meet the performance  
27 measures set out in secs. 93 - 98 of this Act; and

28 (3) the average time taken to respond to complaints and questions that have  
29 been elevated to the Office of the Attorney General.

30 \* **Sec. 98. DLaw - Division of Administrative Services.** (a) The mission of the Division  
31 of Administrative Services is to provide support services to departmental programs.

1 (b) The legislature intends to measure the success of the division in achieving its  
2 mission by considering the

- 3 (1) cost of the division compared to personnel costs for the department;
- 4 (2) number of late penalties incurred for payroll or vendor payments;
- 5 (3) number of audit exceptions.

6 **Article 10. Department of Military and Veterans' Affairs.**

7 \* **Sec. 99. Department of Military and Veterans' Affairs.** The mission of the  
8 Department of Military and Veterans' Affairs is to

- 9 (1) provide military forces capable of ready operations;
- 10 (2) provide for an organized response during emergencies and disasters;
- 11 (3) train at-risk juveniles;
- 12 (4) coordinate veterans' programs; and
- 13 (5) assist agencies in suppressing illegal drugs.

14 \* **Sec. 100. DMVA - Division of Emergency Services.** (a) The mission of the Division of  
15 Emergency Services is to maintain a statewide, integrated emergency management system to  
16 protect lives and property.

17 (b) The legislature intends to measure the success of the division in achieving its  
18 mission by considering

- 19 (1) preparedness as measured by the "after action" reports;
- 20 (2) whether the division closed out disasters within an average of 18 months;
- 21 (3) the state funds expended during actual events.

22 \* **Sec. 101. DMVA - Alaska National Guard.** (a) The mission of the Alaska National  
23 Guard is to provide a force that fulfills state and federal military missions and that is capable  
24 of protecting life and property, preserving peace and order, and enhancing public safety.

25 (b) The legislature intends to measure the success of the Alaska National Guard in  
26 achieving its mission by considering

- 27 (1) whether the guard meets military efficiency and readiness ratings;
- 28 (2) the adequacy of response time for each emergency;
- 29 (3) the number of persons assisted during actual events;
- 30 (4) whether the guard meets recruitment and retention goals established by the

31 National Guard;

1 (5) whether the guard acquires new missions while minimizing the cost to the  
2 state.

3 \* **Sec. 102. DMVA - Office of the Commissioner.** (a) The mission of the Office of the  
4 Commissioner is to provide support and policy direction to divisions within the department.

5 (b) The legislature intends to measure the success of the office in achieving its  
6 mission by considering the

7 (1) percentage of divisions that meet assigned performance measures;

8 (2) average time taken to respond to complaints and questions that have been  
9 elevated to the commissioner's office.

10 \* **Sec. 103. DMVA - Division of Administrative Services.** (a) The mission of the  
11 Division of Administrative Services is to support and provide support services to  
12 departmental programs.

13 (b) The legislature intends to measure the success of the division in achieving its  
14 mission by considering the

15 (1) percentage of costs applicable to administrative services as compared to  
16 the total personnel costs for the department;

17 (2) percentage of late penalties compared to total payroll payments;

18 (3) average vendor payment time;

19 (4) number of audit exceptions.

20 \* **Sec. 104. DMVA - National Guard Facilities Management.** (a) The mission of the  
21 department with respect to National Guard facilities management is to operate safe and secure  
22 facilities and areas for the National Guard.

23 (b) The legislature intends to measure the success of the department in achieving its  
24 mission with respect to National Guard facilities management by considering

25 (1) the percentage reduction in accrued deferred maintenance projects;

26 (2) the change in the number of days lost due to facility-related accidents;

27 (3) expenditures and estimated cost savings related to energy efficiency  
28 measures applied to state and federal facilities;

29 (4) the cost per square foot to operate and maintain Alaska National Guard  
30 facilities during a federal fiscal year.

31 \* **Sec. 105. DMVA - Alaska Military Youth Academy.** (a) The mission of the Alaska

1 Military Youth Academy is to help at-risk youth to gain an education and learn self-discipline.

2 (b) The legislature intends to measure the success of the youth academy in achieving  
3 its mission by considering the

4 (1) percentage of cadets who receive their high school diplomas or  
5 equivalencies by completion of Phase III;

6 (2) percentage of cadets increasing English comprehension a minimum of one  
7 grade level at the completion of Phase II;

8 (3) percentage of cadets increasing math comprehension a minimum of one  
9 grade level at the completion of Phase II;

10 (4) percentage of cadets who graduate from Phase II;

11 (5) percentage of cadets who are working or in school, including continuing  
12 education, one year after completion of Phase II;

13 (6) cost of the program per registered cadet.

14 \* **Sec. 106. DMVA - Office of Veterans' Affairs.** (a) The mission of the Office of  
15 Veterans' Affairs is to advocate for veterans' benefits for veterans and their families.

16 (b) The legislature intends to measure the success of the office in achieving its  
17 mission by considering the

18 (1) number of contacts with persons seeking information about veterans'  
19 benefits;

20 (2) number of trips to assist rural veterans;

21 (3) change in the number of veterans served each year;

22 (4) change in the estimated monetary value of benefits obtained;

23 (5) ratio of cost to estimated value of monetary benefits obtained.

24 **Article 11. Department of Natural Resources.**

25 \* **Sec. 107. Department of Natural Resources.** The mission of the Department of Natural  
26 Resources is to develop, conserve, and maximize the use of Alaska's natural resources  
27 consistent with the public interest.

28 \* **Sec. 108. DNR - Office of the Commissioner.** (a) The mission of the Office of the  
29 Commissioner is to provide support and policy direction to each of the divisions within the  
30 department.

31 (b) The legislature intends to measure the success of the office in achieving its

1 mission by considering the

2 (1) percentage of the assigned performance measures met by the department;

3 (2) percentage of maintained daily entry and weekly verification of the on-line  
4 grantor/grantee and location indexing process for all documents accepted in the recorders'  
5 offices;

6 (3) percentage of time the computer systems are able to support the annual  
7 volume of land and recorded transactions;

8 (4) revenue generated by the development and sale of natural resources;

9 (5) average time taken to respond to complaints and questions that have been  
10 elevated to the commissioner's office;

11 (6) average time taken to respond to appeals and reconsiderations that have  
12 been elevated from the divisions to the commissioner's office.

13 \* **Sec. 109. DNR - Administrative Services.** (a) The mission of Administrative Services  
14 is to provide support services for departmental programs.

15 (b) The legislature intends to measure the success of Administrative Services in  
16 achieving its mission by considering the

17 (1) average time taken to pay vendors;

18 (2) number of late penalties for payroll or vendor payments;

19 (3) number of audit exceptions;

20 (4) cost of administrative services as compared to the total personnel costs for  
21 the department.

22 \* **Sec. 110. DNR - Division of Forestry.** (a) The mission of the Division of Forestry is to  
23 develop, conserve, enhance, and manage the state's forests to provide a sustainable yield of  
24 forest resources for Alaska and to manage the wildland fire suppression program.

25 (b) The legislature intends to measure the success of the division in achieving its  
26 mission by considering the

27 (1) level and areas of noncompliance with AS 41.17 (Forest Resources and  
28 Practices Act) measured by the annual number of field visits and violations;

29 (2) annual volume of state timber sold as compared to the amount offered for  
30 sale;

31 (3) acreage of

- 1 (A) state forest land with active insect infestations or diseases;  
 2 (B) infested or diseased timber offered for sale on state land; and  
 3 (C) infested or diseased timber sold on state land;  
 4 (4) annual volume of state timber offered for in-state companies and converted  
 5 to value-added products;  
 6 (5) number of fires that result from human actions, whether as a function of  
 7 population growth or other causes;  
 8 (6) percentage of fires in full and critical protection categories that are held to  
 9 less than 10 acres.

10 \* **Sec. 111. DNR - Division of Oil and Gas.** (a) The mission of the Division of Oil and  
 11 Gas is to maximize responsible oil and gas exploration and development.

12 (b) The legislature intends to measure the success of the division in achieving its  
 13 mission by considering

- 14 (1) compliance with the areawide leasing plan and exploration licensing;  
 15 (2) the amount of available state acreage offered for oil and gas leasing or for  
 16 exploration that is  
 17 (A) licensed for exploration;  
 18 (B) leased for oil and gas development;  
 19 (C) leased for shallow natural gas development;  
 20 (3) the non-tax revenue received for total state production of oil and gas;  
 21 (4) the number of resident and nonresident private-sector jobs in the oil and  
 22 gas industry in the state;  
 23 (5) the number of new and assigned oil and gas rights, plans, and units;  
 24 (6) the total amount of oil and gas acreage  
 25 (A) under lease or license;  
 26 (B) within oil and gas units;  
 27 (C) within participating areas and/or non-unitized producing acreage.

28 \* **Sec. 112. DNR - Division of Mining, Land, and Water.** (a) The mission of the  
 29 Division of Mining, Land, and Water is to encourage the use and development of Alaska's  
 30 land, mineral, and water resources.

31 (b) The legislature intends to measure the success of the division in achieving its

1 mission by considering the

2 (1) number of leases and permits issued for public and private use of state  
3 land;

4 (2) number of private-sector jobs in mining compared to the prior fiscal year;

5 (3) number of acres of land conveyed to municipalities compared to total  
6 municipal entitlement;

7 (4) percentage change in the number of acres of land sold and the revenue  
8 generated from land sales and leases;

9 (5) number of water right files processed as compared to the number of water  
10 rights applied for;

11 (6) percentage change in the number of periodic dam safety inspections;

12 (7) number and change in the number of active placer, lode, and coal mines  
13 permitted and the number of mining locations staked and processed.

14 \* **Sec. 113. DNR - Division of Geological and Geophysical Surveys.** (a) The mission of  
15 the Division of Geological and Geophysical Surveys is to determine the

16 (1) potential of Alaska land for production of metals, minerals, fuels, and  
17 geothermal resources;

18 (2) locations and supplies of groundwater and construction material; and

19 (3) potential hazards to buildings, roads, bridges, and other installations and  
20 structures.

21 (b) The legislature intends to measure the success of the division in achieving its  
22 mission by considering the

23 (1) total value of Alaska's mineral industry;

24 (2) total state revenue generated by Alaska's mineral industry;

25 (3) number of acres of ground under private-sector exploration;

26 (4) number of the square miles included in completed geophysical/geological  
27 mineral surveys of at least 1,000 square miles of Alaska land;

28 (5) number of users requesting information on the geology of Alaska from the  
29 Division of Geological and Geophysical Surveys web site;

30 (6) number of responses made by the division to requests for information or  
31 assistance relating to engineering geology or hazards in the state.

1     \* **Sec. 114. DNR - Division of Parks and Outdoor Recreation.** (a) The mission of the  
2 Division of Parks and Outdoor Recreation is to

- 3                   (1) provide outdoor recreation opportunities;  
4                   (2) conserve, interpret, and preserve natural, cultural, and historic resources  
5 and services; and  
6                   (3) encourage the development of local park and recreational facilities and  
7 programs.

8           (b) The legislature intends to measure the success of the division in achieving its  
9 mission by considering the

- 10                   (1) percentage of park facilities open;  
11                   (2) number of visits by site and type of visit;  
12                   (3) percentage of newly identified historic properties entered on the statewide  
13 inventory;  
14                   (4) amount of dollars generated from sources other than the state government  
15 for trail maintenance and site development;  
16                   (5) level of deferred maintenance in state parks;  
17                   (6) annual dollars applied to deferred maintenance in state parks.

18     \* **Sec. 115. DNR - Division of Agriculture.** (a) The mission of the Division of  
19 Agriculture is to promote and encourage the development of an agricultural industry in the  
20 state.

21           (b) The legislature intends to measure the success of the division in achieving its  
22 mission by considering the

- 23                   (1) loan to equity ratio in the Agricultural Revolving Loan Fund;  
24                   (2) number of improved crop accessions produced by the plant material center  
25 and grown in the state;  
26                   (3) percentage change in agricultural acreage compared to the prior fiscal  
27 year;  
28                   (4) monetary value of agricultural products grown in the state that are sold  
29 domestically or exported.

30                                   **Article 12. Department of Public Safety.**

31     \* **Sec. 116. Department of Public Safety.** The mission of the Department of Public Safety

1 is to ensure public safety and enforce fish and wildlife laws.

2 \* **Sec. 117. DPS - Division of Fish and Wildlife Protection.** (a) The mission of the  
3 Division of Fish and Wildlife Protection is to enforce the state's fish and game laws.

4 (b) The legislature intends to measure the success of the division in achieving its  
5 mission by considering the percentage change in the annual

6 (1) sport fishing violations compared to the percentage change in overall  
7 license sales; and

8 (2) hunting violations compared to the percentage change in overall license  
9 sales.

10 \* **Sec. 118. DPS - Division of Fire Prevention.** (a) The mission of the Division of Fire  
11 Prevention is to prevent the loss of life and property from fire and explosion.

12 (b) The legislature intends to measure the success of the division in achieving its  
13 mission by considering, compared to the prior fiscal year, the percentage change in the

14 (1) number of fires;

15 (2) severity of damage;

16 (3) buildings found in compliance with legal standards;

17 (4) fire prevention educational contacts made by the division.

18 \* **Sec. 119. DPS - Division of Alaska State Troopers.** (a) The mission of the Division of  
19 Alaska State Troopers is to preserve the public peace and to protect life and property.

20 (b) The legislature intends to measure the success of the division in achieving its  
21 mission by considering the number of

22 (1) homicides and the percent solved per year;

23 (2) sexual assaults and the percent solved per year;

24 (3) burglaries and the percent solved per year.

25 \* **Sec. 120. DPS - Alaska Police Standards Council.** (a) The mission of the Alaska  
26 Police Standards Council is to ensure there are professional public safety officers.

27 (b) The legislature intends to measure the success of the council in achieving its  
28 mission by considering the

29 (1) number of annual certifications suspended or revoked;

30 (2) number of complaints received and acted upon annually by the council;

31 (3) percentage of advanced training hours for each officer;

1 (4) percentage of budget used for recruit training.

2 \* **Sec. 121. DPS - Violent Crimes Compensation Board.** (a) The mission of the Violent  
3 Crimes Compensation Board is to mitigate the effects of having been victimized.

4 (b) The legislature intends to measure the success of the division in achieving its  
5 mission by considering the

6 (1) average time from receipt of a claim to the board's final determination;

7 (2) percentage of administrative costs/claim and payout;

8 (3) percentage change from year to year of costs/claims.

9 \* **Sec. 122. DPS - Council on Domestic Violence and Sexual Assault.** (a) The mission  
10 of the Council on Domestic Violence and Sexual Assault is to reduce the causes and incidence  
11 and to alleviate the effects of domestic violence and sexual assault.

12 (b) The legislature intends to measure the success of the council in achieving its  
13 mission by considering the

14 (1) percentage of continuing clients;

15 (2) percentage of the council's budget spent on prevention;

16 (3) cost of shelter per night;

17 (4) percentage reduction in domestic violence and sexual assault per dollar  
18 spent annually;

19 (5) incidence of reported domestic violence and sexual assault cases;

20 (6) number of homicides from domestic violence and sexual assault.

21 \* **Sec. 123. DPS - Office of the Commissioner.** (a) The mission of the Office of the  
22 Commissioner is to provide support and policy direction to divisions within the department.

23 (b) The legislature intends to measure the success of the office in achieving its  
24 mission by considering the

25 (1) percentage of divisions that meet assigned performance measures;

26 (2) average time taken to respond to complaints and questions that have been  
27 elevated to the commissioner's office.

28 \* **Sec. 124. DPS - Public Safety Academy.** (a) The mission of the Public Safety  
29 Academy is to train law enforcement officers.

30 (b) The legislature intends to measure the success of the academy in achieving its  
31 mission by considering the

1 (1) cost per officer trained;

2 (2) graduation rate;

3 (3) percentage of officers who remain employed as law enforcement officers  
4 one year after graduating.

5 \* **Sec. 125. DPS - Division of Administrative Services.** (a) The mission of the Division  
6 of Administrative Services is to provide support services to departmental programs.

7 (b) The legislature intends to measure the success of the division in achieving its  
8 mission by considering the

9 (1) personnel cost of administrative services compared to the total personnel  
10 costs for the department;

11 (2) number of department employee grievances as compared to the total  
12 number of grievances for all state departments.

13 \* **Sec. 126. DPS - Scientific Crime Detection Laboratory.** (a) The mission of the  
14 Scientific Crime Detection Laboratory is to provide forensic science services to law  
15 e. enforcement agencies.

16 (b) The legislature intends to measure the success of the laboratory in achieving its  
17 mission by considering the

18 (1) average time from receipt of a case to issuance of a report;

19 (2) percentage change in the average cost per case compared to the previous  
20 year;

21 (3) percentage change in total costs compared to the previous year;

22 (4) percentage and number of laboratory reports offered but not admitted into  
23 evidence at trial.

24 **Article 13. Department of Revenue.**

25 \* **Sec. 127. Department of Revenue.** The mission of the Department of Revenue is to  
26 collect and invest funds for public purposes.

27 \* **Sec. 128. DRev - Child Support Enforcement Division.** (a) The mission of the Child  
28 Support Enforcement Division is to ensure that children receive the child support due them.

29 (b) The legislature intends to measure the success of the Child Support Enforcement  
30 Division in achieving its mission by considering each of the following measures as compared  
31 to the previous five years:

1 (1) the total operating budget of the division as compared to the total amount  
2 of collections;

3 (2) the percentage of current child support collected;

4 (3) the number of child support administrative orders and order modifications  
5 that are appealed compared to the total number of new administrative orders and  
6 modifications issued during the year;

7 (4) the number of cases where adjustment is overdue by 30 days or more;

8 (5) the percentage of cases in which there are child support orders;

9 (6) the number of cases with arrearages that have collections as compared to  
10 the total number of cases with arrearages.

11 \* **Sec. 129. DRev - Alcoholic Beverage Control Board.** (a) The mission of the Alcoholic  
12 Beverage Control Board is to ensure compliance with the state's liquor laws.

13 (b) The legislature intends to measure the success of the board in achieving its  
14 mission by considering each of the following measures as compared to the previous five  
15 years:

16 (1) the cost of providing compliance services compared to the number of  
17 licenses per year;

18 (2) the cost of certifying or providing training services compared to the  
19 number of servers trained per year;

20 (3) the percentage of noncompliant licenses compared to the number of  
21 licenses held per year.

22 \* **Sec. 130. DRev - Alaska Municipal Bond Bank Authority.** (a) The mission of the  
23 Alaska Municipal Bond Bank Authority is to provide municipalities with financing options  
24 for capital projects.

25 (b) The legislature intends to measure the success of the authority in achieving its  
26 mission by considering each of the following measures as compared to the previous five  
27 years:

28 (1) the number of capital projects financed or refinanced with bonds as  
29 compared to the total number of projects for which applications were made;

30 (2) the par amount of bonds issued during the year and estimated savings to  
31 Alaska communities through Bond Bank sales;

1 (3) the cost of operations compared to the value of the bonds issued.

2 \* **Sec. 131. DRev - Alaska Permanent Fund Corporation.** (a) The mission of the  
3 Alaska Permanent Fund Corporation is to maximize the value of the permanent fund through  
4 prudent long-term investment.

5 (b) The legislature intends to measure the success of the corporation in achieving its  
6 mission by considering each of the following measures as compared to the previous five  
7 years:

8 (1) the corporation's investment expenses compared to the investment  
9 expenses of other large institutional funds;

10 (2) the total return by asset type compared to other institutional funds;

11 (3) the inflation-adjusted rate of return over time.

12 \* **Sec. 132. DRev - Alaska Housing Finance Corporation.** (a) The mission of the Alaska  
13 Housing Finance Corporation is to provide access to housing and the Alaska dividend.

14 (b) The legislature intends to measure the success of the corporation in achieving its  
15 mission by considering each of the following measures as compared to the previous five  
16 years:

17 (1) the administrative costs per dollar of investment;

18 (2) the net income of the corporation;

19 (3) the percentage of AHFC-owned housing compared to privately owned  
20 housing in the marketplace;

21 (4) the public housing management assessment score.

22 \* **Sec. 133. DRev - Treasury Division.** (a) The mission of the Treasury Division is to  
23 manage the state's funds consistent with prudent investment guideline and Governmental  
24 Accounting Standards Board rules.

25 (b) The legislature intends to measure the success of the division in achieving its  
26 mission by considering each of the following measures as compared to the previous five  
27 years:

28 (1) the investment returns against performance benchmarks;

29 (2) the administrative costs per dollar of investment.

30 \* **Sec. 134. DRev - State Pension Investment Board.** (a) The mission of the State  
31 Pension Investment Board is to manage state pension funds.

1 (b) The legislature intends to measure the success of the board in achieving its  
2 mission by considering each of the following measures as compared to the previous five  
3 years:

4 (1) the investment returns expressed in terms of most recent five-year and one-  
5 year averages measured against performance benchmarks;

6 (2) the administrative costs per dollar of investment.

7 \* **Sec. 135. DRev - Tax Division.** (a) The mission of the Tax Division is to collect taxes  
8 consistent with statute.

9 (b) The legislature intends to measure the success of the division in achieving its  
10 mission by considering each of the following measures as compared to the previous five  
11 years:

12 (1) the division budget as compared to the total amount collected by the  
13 division;

14 (2) the percentage of taxes collected as compared to the percentage of taxes  
15 due;

16 (3) the time expended compared to the time budgeted and the average time  
17 taken to complete audits;

18 (4) the amount of assessments disallowed on appeal as compared to the  
19 amount of assessments claimed.

20 \* **Sec. 136. DRev - Office of the Commissioner.** (a) The mission of the Office of the  
21 Commissioner is to provide support and policy direction to the divisions in the department.

22 (b) The legislature intends to measure the success of the office in achieving its  
23 mission by considering each of the following measures as compared to the previous five  
24 years:

25 (1) the percentage of divisions that meet assigned performance measures;

26 (2) the average time taken to respond to complaints and questions that have  
27 been elevated to the commissioner's office;

28 (3) the average time taken to issue decisions in child support and permanent  
29 fund dividend appeals;

30 (4) the number of decisions sustained as compared to all the decisions  
31 appealed to the commissioner's office.

1     \* **Sec. 137. DRev - Division of Administrative Services.** (a) The mission of the Division  
2 of Administrative Services is to provide support services for departmental programs.

3           (b) The legislature intends to measure the success of the division in achieving its  
4 mission by considering each of the following measures as compared to the previous five  
5 years:

6                   (1) the percentage of employee grievances that are overturned by a hearing  
7 officer from the Department of Administration or by an arbitrator;

8                   (2) the percentage of employee complaints and grievances filed at the  
9 departmental level that are resolved at that level;

10                   (3) the cost of administrative services as compared to the total personnel costs  
11 for the department;

12                   (4) the number and amount of late penalties assessed for payroll or vendor  
13 payment;

14                   (5) the number of audit exceptions resolved for the department.

15     \* **Sec. 138. DRev - Permanent Fund Dividend Division.** (a) The mission of the  
16 Permanent Fund Dividend Division is to administer the permanent fund dividend program.

17           (b) The legislature intends to measure the success of the division in achieving its  
18 mission by considering each of the following measures as compared to the previous five  
19 years:

20                   (1) the percentage of dividend payments sent out on time to eligible  
21 applicants;

22                   (2) the average time taken to process dividend applications;

23                   (3) the average time taken to resolve informal appeals;

24                   (4) the average number of applications in review at the time of the dividend  
25 calculation;

26                   (5) the number of application denials upheld on appeal;

27                   (6) the cost to administer the program compared to the number of applications  
28 processed.

29     \* **Sec. 139. DRev - Alaska Mental Health Trust Authority.** (a) The mission of the  
30 Alaska Mental Health Trust Authority is to ensure access to comprehensive and integrated  
31 mental health programs.

1 (b) The legislature intends to measure the success of the authority in achieving its  
 2 mission by considering each of the following measures as compared to the previous five  
 3 years:

- 4 (1) the amount of revenue from land and cash;  
 5 (2) the percentage of trust income disbursed for mental health programs;  
 6 (3) the number of partners and the amount of money from mental health trust  
 7 programs received from funding partners.

8 **Article 14. Department of Transportation and Public Facilities.**

9 \* **Sec. 140. Department of Transportation and Public Facilities.** The mission of the  
 10 Department of Transportation and Public Facilities is to develop, operate, maintain, and  
 11 manage facilities, vehicles, and transportation modes.

12 \* **Sec. 141. DOT/PF - Office of the Commissioner.** (a) The mission of the Office of the  
 13 Commissioner is to provide support and policy direction to the divisions within the  
 14 department.

15 (b) The legislature intends to measure the success of the office in achieving its  
 16 mission by considering the percentage of

- 17 (1) divisions that reach assigned performance measures;  
 18 (2) state national highway system lane miles of road that meet standards of the  
 19 American Association of State Highway Transportation Officials;  
 20 (3) requested engineering firm audits and desk reviews completed in the  
 21 previous fiscal year;  
 22 (4) required compliance reviews for responsiveness to disadvantaged business  
 23 enterprise and on-the-job training contract requirements completed;  
 24 (5) the average time taken to respond to complaints and questions that have  
 25 been elevated to the commissioner's office.

26 \* **Sec. 142. DOT/PF - Division of Administrative Services.** (a) The mission of the  
 27 Division of Administrative Services is to support the department's operations with  
 28 administrative support and information technology.

29 (b) The legislature intends to measure the success of the division in achieving its  
 30 mission by considering

- 31 (1) whether the average time for payment to vendors is 29 days or less;

1 (2) how long it takes the division to process a purchase request before the  
2 order is placed;

3 (3) the percentage of protests and claims appealed to the commissioner that  
4 courts overturned during the fiscal year;

5 (4) the percentage reduction in payroll calculation errors.

6 \* **Sec. 143. DOT/PF - Division of Statewide Planning.** (a) The mission of the Division  
7 of Statewide Planning is to optimize state and federal investment in transportation projects.

8 (b) The legislature intends to measure the success of the division in achieving its  
9 mission by considering the

10 (1) percent and dollar value of planned projects that are constructed;

11 (2) percentage of required federal planning, programming, and data collection  
12 completed and accepted by the United States Department of Transportation on a federal fiscal  
13 year basis;

14 (3) number of motor vehicle crashes during the fiscal year at which serious  
15 injury or fatality occurred.

16 \* **Sec. 144. DOT/PF - Division of Statewide Design and Engineering Services.** (a) The  
17 mission of the Division of Statewide Design and Engineering Services is to develop projects  
18 that improve Alaska's transportation and public facilities infrastructure.

19 (b) The legislature intends to measure the success of the division in achieving its  
20 mission by considering the

21 (1) percentage of federal highway funds obligated in the previous federal  
22 fiscal year;

23 (2) percentage of projects in the capital budget that have been bid in the year  
24 programmed;

25 (3) percentage of total project costs spent on project development by the  
26 department and by private contractors performing design and engineering services;

27 (4) percentage difference between final project estimates and construction  
28 bids;

29 (5) ratio of new projects bid to completed projects closed out during the fiscal  
30 year, reported by region;

31 (6) percentage of the design and engineering work of the division that was

1 performed by private contractors;

2 (7) number of miles of roads that have a level of service rating of E or F #3  
 3 compared to the prior year. #3

4 \* **Sec. 145. DOT/PF - Division of Construction and CIP Support.** (a) The mission of  
 5 the Division of Construction and CIP Support is to administer state construction projects.

6 (b) The legislature intends to measure the success of the division in achieving its  
 7 mission by considering the percentage of the total construction costs that were spent on

8 (1) contract administration;

9 (2) change orders.

10 \* **Sec. 146. DOT/PF - Public facilities.** (a) The mission of the department with respect to  
 11 public facilities is to manage, operate, and maintain state public facilities.

12 (b) The legislature intends to measure the success of the department in achieving its  
 13 mission with respect to public facilities by considering

14 (1) whether the net value of facilities deferred maintenance increases or  
 15 decreases annually;

16 (2) the percentage of facility mechanical systems that pass safety inspections  
 17 each year;

18 (3) the percentage of rural airport leases that are renewed or newly leased at  
 19 fair market value during the fiscal year;

20 (4) the transfer of state-owned ports and harbors to local control.

21 \* **Sec. 147. DOT/PF - Equipment fleet.** (a) The mission of the department with respect to  
 22 the equipment fleet is to allocate, maintain, and manage state-owned vehicles, equipment, and  
 23 attachments for safe and appropriate use.

24 (b) The legislature intends to measure the success of the department in achieving its  
 25 mission with respect to the equipment fleet by considering

26 (1) whether 85 percent of the fleet wet rentals are returned to the division as  
 27 scheduled for preventive maintenance on or before June 30 of the fiscal year;

28 (2) the average down time for light duty, actively used equipment in urban  
 29 areas;

30 (3) the number of locations of the state equipment fleet whose rates are equal  
 31 to or less than the rental rates published in industry guide books.

1     \* **Sec. 148. DOT/PF - Division of Measurement Standards and Commercial Vehicle**  
2 **Enforcement.** (a) The mission of the Division of Measurement Standards and Commercial  
3 Vehicle Enforcement is to protect the traveling public, preserve the state's transportation  
4 infrastructure, and protect consumers' interests in weight and measurement transactions.

5           (b) The legislature intends to measure the success of the division in achieving its  
6 mission by considering

7                   (1) safety inspections per full-time-equivalent employee of the division;

8                   (2) weighing and measuring device inspections conducted per full-time-  
9 equivalent employee of the division.

10    \* **Sec. 149. DOT/PF - Highway maintenance and operations.** (a) The mission of the  
11 department with respect to highway maintenance and operations is to maintain, protect, and  
12 control the state's highway system.

13           (b) The legislature intends to measure the success of the department in achieving its  
14 mission with respect to highway maintenance and operations by considering

15                   (1) the number of miles of gravel roads that are surfaced with chip seal, hot  
16 mix, or high float asphalt for the first time, reported regionally;

17                   (2) the percentage of highway and airport lane miles per full-time-equivalent  
18 employee compared to the average of member states of the Western Association of State  
19 Highway and Transportation Officials;

20                   (3) the number of miles of road maintenance for which responsibility is  
21 transferred to local governments;

22                   (4) whether the department fully implements the maintenance management  
23 system statewide by June 30, 2003.

24    \* **Sec. 150. DOT/PF - Aviation.** (a) The mission of the department with respect to  
25 aviation is to improve, maintain, and operate state and international airports.

26           (b) The legislature intends to measure the success of the department in achieving its  
27 mission with respect to aviation by considering

28                   (1) the percentage of applicable rural airports that maintain the pavement  
29 condition index (PCI) at 70 for runways and 60 for taxiways and aprons;

30                   (2) whether the department completes the environmental impact statement  
31 phase on the Ketchikan Airport Access by December 31, 2002;

1 (3) the percentage of private maintenance contracts at noncertified airports  
2 compared to the total number of noncertified airports;

3 (4) whether the department maintains the 100 percent pass level of annual  
4 federal airport certification inspections for response and safety standards set out in federal  
5 aviation regulations;

6 (5) the percentage of change in cargo landings at certified maximum gross  
7 take-off weight at the international airports during the last three years;

8 (6) whether the department completes the Gateway Alaska Terminal  
9 Redevelopment Project by September 1, 2004;

10 (7) the percentage of airports that have a Federal Aviation Administration  
11 approved airport layout plan.

12 \* **Sec. 151. DOT/PF - Marine Highway System.** (a) The mission of the Alaska Marine  
13 Highway System is to assist in meeting the transportation needs of the traveling public and the  
14 communities served by the system while prioritizing and maximizing access to service by  
15 Alaska residents. #3

16 (b) The legislature intends to measure the success of the system in achieving its  
17 mission by considering the

18 (1) percentage of times that vessels depart on time;

19 (2) revenue per rider mile divided by the operational costs per rider mile,  
20 calculated including and excluding fuel cost;

21 (3) total ridership, including passengers and vehicles, compared to the five-  
22 year ridership average;

23 (4) average onboard revenue per passenger, including cabin occupancy, food,  
24 beverage, and other sources of revenue;

25 (5) percentage of persons served who are satisfied customers; #3

26 (6) development of a reservation and pricing system that prioritizes use by  
27 Alaska residents. #3

#### 28 Article 15. University of Alaska.

29 \* **Sec. 152. University of Alaska.** (a) The mission of the University of Alaska is to  
30 respond to the educational needs of all Alaskans and to enhance Alaska's economy by  
31 fostering and promoting

1 (1) a high quality postsecondary educational system;  
 2 (2) appropriate vocational education development and training;  
 3 (3) advancement and extension of knowledge, learning, and culture; and  
 4 (4) the application of new knowledge and emerging technologies to meet the  
 5 needs of the state.

6 (b) The legislature intends to measure the success of the University of Alaska in  
 7 achieving its mission by considering the

8 (1) number and percentage of total Alaska high school graduates who

9 (A) attend the University of Alaska;

10 (B) attend the University of Alaska as Alaska Scholars; and

11 (C) stay in Alaska one year, five years, and 10 years after graduation

12 from the University;

13 (2) percentage of students graduating with degrees in teacher education, health  
 14 careers, process technology, transportation and logistics, information technology, and other  
 15 high demand job areas;

16 (3) number of University of Alaska graduates, by community of origin and by  
 17 community of current employment, who are

18 (A) new teachers;

19 (B) new principals;

20 (C) new superintendents;

21 (4) number and percentage of total credit hours and courses offered by  
 22 distance delivery;

23 (5) cost per credit hour delivered by distance delivery;

24 (6) pre-training wage as compared to the post-training wage for vocational  
 25 education graduates;

26 (7) amount of research grants in arctic biology, climate change, resource  
 27 development, fisheries and ocean science, logistics, geosciences, and atmospheric sciences;

28 (8) number of graduate students whose education is funded by research grants;

29 (9) occurrences of applied research benefiting the state's economy;

30 (10) quality of research as measured by annual citation and significant  
 31 publications in referred journals;

1 (11) graduation and retention rate of full-time-equivalent students in degree  
2 programs;

3 (12) comparative scores of students who take professional examinations.

4 **Article 16. Alaska Court System.**

5 \* **Sec. 153. Alaska Court System.** (a) The mission of the Alaska Court System is to  
6 provide an accessible and impartial forum for the just resolution of all cases that come before  
7 it, and to decide the cases in accordance with the law, expeditiously and with integrity.

8 (b) The legislature intends to measure the success of the Alaska Court System in  
9 achieving its mission by considering the

10 (1) change in the percentage of the total number of District Court criminal  
11 cases affirmed on appeal compared to the previous fiscal year;

12 (2) change in the percentage of the total number of Superior Court criminal  
13 cases affirmed on appeal compared to the previous fiscal year;

14 (3) change in the percentage of the total number of Alaska Supreme Court  
15 cases appealed to a higher court affirmed on appeal compared to the previous fiscal year;

16 (4) percentage of felony criminal cases dismissed for failure to prosecute  
17 within the time limits of the speedy trial rule;

18 (5) change in the percentage of offenders convicted in the Anchorage and  
19 Bethel driving while intoxicated courts who have not had another alcohol-related offense  
20 compared to the previous fiscal year;

21 (6) change in the percentage of offenders convicted in the Anchorage felony  
22 drug court who have not had another illegal substance- or alcohol-related offense compared to  
23 the previous fiscal year;

24 (7) change in the percentage of mentally disabled offenders assisted by the  
25 Coordinated Resources Project who have not committed another crime since being assisted  
26 compared to the previous fiscal year;

27 (8) change in the percentage of offenders convicted in the Anchorage and  
28 Juneau Wellness Courts who have not had another alcohol-related offense.

29 **Article 17. Miscellaneous Provisions.**

30 \* **Sec. 154. Immunity from Suit.** The state and its agents and employees are immune from  
31 suit that is based upon accomplishing or failing to accomplish a mission statement or

1 performance measure contained in this Act.

2 \* Sec. 155. This Act takes effect July 1, 2002.

ADOPTED

SENATE FINANCE  
COMMITTEE

Amendment Number: # 4

Bill Number: HB 515

Sponsor: Donley Date: 4/30/02

Logged In By: Robin

32

Page 8, Line 23

Following the word *services* insert

i

- (7) number of juvenile clients who return for treatment within 6 and 12 months of being discharged from a residential alcohol or drug abuse treatment program.

SENATE FINANCE  
COMMITTEE #3  
Amendment Number: #3  
Bill Number: HB 515  
Sponsor: Donley Date: 4/30/02  
Logged In By: J Mindy

ADOPTED

22-LS1613\LA.2  
Cook  
4/30/02

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR DONLEY

TO: CSHB 515(FIN) am

1 Page 2, line 6, following "(2)":

2 Insert "reasonable but not excessive"

3

4 Page 2, line 16:

5 Delete "."

6 Insert ";

7

8 Page 2, following line 16:

9 Insert new paragraphs to read:

10 "(3) number of work initiatives implemented that resulted in more efficient  
11 ways to perform the department's mission compared to the prior year;

12 (4) innovative ways the department uses to improve the state's compliance  
13 with the merit system requirement while reducing costs."

14

15 Page 3, line 30:

16 Delete "."

17 Insert ";

18

19 Page 3, following line 30:

20 Insert a new paragraph to read:

21 "(5) number of workers given merit increases for truly meritorious  
22 performance compared to the number of workers denied merit increases."

23

24 Page 7, line 2:

1 Delete "."

2 Insert ";"

3

4 Page 7, following line 2:

5 Insert a new paragraph to read:

6 "(4) wins and losses of appeals compared with the private sector."

7

8 Page 11, line 21:

9 Delete "."

10 Insert ";"

11

12 Page 11, following line 21:

13 Insert a new paragraph to read:

14 "(5) number of communities that have become self-reliant in fully maintaining  
15 their power systems."

16

17 Page 11, line 27, following "jobs":

18 Insert "created in the state"

19

20 Page 11, line 29, following "revenue":

21 Insert "to the state"

22

23 Page 11, line 30, following "business":

24 Insert "in the state"

25

26 Page 12, lines 9 and 10:

27 Delete "Alaska resident"

28 Insert "who are Alaska residents and under ASMI"

29

30 Page 12, line 15, following "Alaska":

31 Insert "and average salaries of Alaska staff compared to out-of-state staff."

1

2 Page 14, line 16:

3 Delete ",."

4 Insert ";

5

6 Page 14, following line 16:

7 Insert a new paragraph to read:

8 "(5) compliance with statutory requirements for facilities, including the  
9 Alaska No Frills Prison Act."

10

11 Page 14, line 28:

12 Delete "audit exemptions"

13 Insert "audits"

14

15 Page 31, line 28:

16 Delete ",."

17 Insert ";

18

19 Page 31, following line 28:

20 Insert a new paragraph to read:

21 "(5) satisfaction of the victims of juvenile crime with the juvenile justice  
22 system."

23

24 Page 54, line 13:

25 Delete ",."

26 Insert ";

27

28 Page 54, following line 13:

29 Insert a new paragraph to read:

30 "(7) number of miles of roads that have a level of service rating of E or F  
31 compared to the prior year."

1

2 Page 56, line 24, following "system":

3       Insert "while prioritizing and maximizing access to service by Alaska residents"

4

5 Page 57, line 3:

6       Delete "."

7       Insert ";"

8

9 Page 57, following line 3:

10       Insert a new paragraph to read:

11               "(6) development of a reservation and pricing system that prioritizes use by  
12 Alaska residents."

ADOPTED

SENATE FINANCE  
COMMITTEE

Amendment Number: #2

Bill Number: HB 515

Sponsor: Leman Date: 4/30/02

Logged In By: Mindy

AMENDMENT

OFFERED IN SENATE FINANCE  
TO: CS HB 515(FIN) am

BY: SENATOR LEMAN

Page 25, following Line 30

INSERT:

(8) average time to approve oil spill prevention contingency plans as compared to the prior year



Official Business

# Alaska State Senate

## Senate Finance Committee

*Faxed*  
6:25  
4/30/02

Mail Stop 3100  
State Capitol  
Juneau, Alaska 99801-1152

### FAX COVER SHEET

DATE: 4/30, '02 TIME: 6:25 PM

TO: LEGAL

NUMBER OF PAGES, INCLUDING COVER SHEET: 3

FROM: ROBIN PAUL  
SENATE FINANCE CMTE. ASST. SECRETARY  
PHONE: 465-2618  
FAX: 465-2187

NOTES: Pls. prepare a FINAL SCS HB 515 (FIN)

with three Amendments incorporated  
as follows:

Amend #2 (ATTACHED)

Amend #3 22-LS1613\ L.A.2

Amend #4 (ATTACHED)

*Thank You!  
Robin*

WITHDRAWN

SENATE FINANCE  
COMMITTEE #1  
Amendment Number: #1  
Bill Number: HB 515  
Sponsor: Donley Date: 4/30/02  
Logged In By: U.Mindy

22-LS1613\LA.1  
Cook  
4/29/02

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR DONLEY

TO: CSHB 515(FIN) am

1 Page 2, line 6, following "(2)":

2 Insert "reasonable but not excessive"

3

4 Page 2, line 16:

5 Delete "."

6 Insert ";

7

8 Page 2, following line 16:

9 Insert new paragraphs to read:

10 "(3) number of work initiatives implemented that resulted in more efficient  
11 ways to perform the department's mission compared to the prior year;

12 (4) innovative ways the department uses to improve the state's compliance  
13 with the merit system while reducing costs."

14

15 Page 3, line 30:

16 Delete "."

17 Insert ";

18

19 Page 3, following line 30:

20 Insert a new paragraph to read:

21 "(5) number of workers given merit increases for truly meritorious  
22 performance compared to the number of workers denied merit increases."

23

24 Page 7, line 2:

- 1 Delete "."
- 2 Insert ";
- 3
- 4 Page 7, following line 2:
- 5 Insert a new paragraph to read:
- 6 "(4) wins and losses or appeals compared with the private sector."
- 7
- 8 Page 11, line 21:
- 9 Delete ";
- 10 Insert ";
- 11
- 12 Page 11, following line 21:
- 13 Insert a new paragraph to read:
- 14 "(5) number of communities that have become self-reliant."
- 15
- 16 Page 11, line 27, following "jobs":
- 17 Insert "created in the state"
- 18
- 19 Page 11, line 29, following "revenue":
- 20 Insert "to the state"
- 21
- 22 Page 12, lines 9 and 10:
- 23 Delete "Alaska resident"
- 24 Insert "who are residents and under ASMI"
- 25
- 26 Page 12, line 15, following "Alaska":
- 27 Insert "and average salaries of Alaska staff compared to out-of-state staff."
- 28
- 29 Page 14, line 16:
- 30 Delete "."
- 31 Insert ";

1

2 Page 14, following line 16:

3 Insert a new paragraph to read:

4 "(5) compliance with statutory requirements for facilities."

5

6 Page 31, line 28:

7 Delete "."

8 Insert ";

9

10 Page 31, following line 28:

11 Insert a new paragraph to read:

12 "(5) satisfaction of the victims of juvenile crime with the juvenile justice  
13 system."

14

15 Page 54, line 13:

16 Delete "."

17 Insert ";

18

19 Page 54, following line 13:

20 Insert a new paragraph to read:

21 "(7) number of miles of roads that have a level of service rating of E or F  
22 compared to the prior year."

23

24 Page 56, line 24, following "system":

25 Insert "while maximizing access to service by Alaska residents"

REPRESENTATIVE  
**BILL WILLIAMS**  
Co-Chair  
(907) 465-3424  
Fax: (907) 465-3793

INTERIM ADDRESS  
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Ketchikan, Alaska 99901  
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Fax (907) 225-7157

**Alaska State Legislature**  
**House Finance Committee**

State Capitol, Juneau, Alaska 99801-1182

REPRESENTATIVE  
**ELDON MULDER**  
Co-Chair  
(907) 465-2647  
Fax: (907) 465-3518

INTERIM ADDRESS  
716 W 4th Avenue  
Anchorage, Alaska 99501  
(907) 269-0265  
Fax: (907) 269-0264

## **CS HB 515 (FIN) am**

### **Sponsor Statement**

April 17, 2001

House Bill 515 is the process we use to establish the mission of various state agencies. We also establish the measures against which the agencies will be measured. This bill is a result of extensive committee work and reflects the legislature's expectation of the performance of state government.

Basically, this is a format that lets the Legislature and all Alaskans get an answer to the question, "Are we getting the best return on our investment."

HB 515 is a continuing step in a process begun by the Legislative Majorities almost 6 years ago. It is a process that requires continuing review and dedication to monitoring the activities and accomplishments of state agencies.

These missions and measures will help the Legislature determine which agencies are moving toward accomplishing the goals and which are not. This information will be used to guide budget decisions. Activities that are efficient and focused at the correct target will receive favorable consideration. Agencies that are not moving in an appropriate direction or are not improving efficiency will be addressed in the budget process.

This is a key part of any long-range fiscal plan. We must assure Alaskans that the funds state government has are being spent effectively, before we dare ask them for additional funds.

House Bill 515 provides the ability to hold state government accountable for the public funds we are currently investing.

## House Bill 515 Missions & Measures

### INDEX

Section 1	Page 1	Specifies that this is Uncodified Law
Section 2	Page 1 to 2	Legislative purpose and preamble
Sections 3 to 20	Pages 2 to 7	Dept. of Administration
Sections 21 to 37	Pages 7 to 13	Dept. of Community & Economic Development
Sections 38 to 47	Pages 14 to 16	Dept. of Corrections
Sections 48 to 59	Pages 17 to 22	Dept of Education & Early Development
Sections 60 to 67	Pages 22 to 26	Dept. of Environmental Conservation
Sections 68 to 75	Pages 26 to 29	Dept. of Fish & Game
Sections 76 to 85	Pages 29 to 33	Dept of Health & Human Services
Sections 86 to 92	Pages 33 to 36	Dept. of Labor & Workforce Development
Sections 93 to 98	Pages 36 to 38	Dept. of Law
Sections 99 to 106	Pages 38 to 41	Dept of Military & Veterans Affairs
Sections 107 to 115	Pages 41 to 45	Dept. of Natural Resources
Sections 116 to 126	Pages 45 to 48	Dept. of Public Safety
Sections 127 to 139	Pages 48 to 52	Dept. of Revenue
Sections 140 to 151	Pages 52 to 57	Dept. of Transportation & Public Facilities
Section 152	Pages 57 to 58	University of Alaska
Section 153	Pages 58 to 59	Court System
Section 154	Page 59	Immunity Clause
Section 154	Page 59	Effective date - July 1, 2002

**HB**

**519**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 24, 2002

FURTHER REFERRALS:

Date of Committee Action: 4/29/02

The FINANCE Committee considered:

HB 519

HOUSE BILL NO. 519

NATURAL GAS PIPELINE: SPECIAL PROVISIONS

"An Act authorizing priority treatment under the Right-of-Way Leasing Act for an Alaska North Slope natural gas project; expanding the scope for the kinds of gas development projects that may become qualified projects under the Alaska Stranded Gas Development Act; extending the deadline for submitting applications under the Alaska Stranded Gas Development Act; exempting an Alaska North Slope natural gas project from state property tax and all municipal taxes during construction; and providing for an effective date."

Recommends it be replaced with CS HB 519 (FIN) | Same Title  New Title   
 For Senate Bills with new title:  Technical Title  New Title: HCR \_\_\_\_\_

- attach amendments
- add new referral to \_\_\_\_\_ Committee
- Letter of Intent \_\_\_\_\_ Committee

List of Abbrev. for Deps.:  
 ADM  
 CED  
 COR  
 CRT  
 EED  
 DEC  
 DFG  
 GOV  
 HSS  
 LAA  
 LAW  
 LWF  
 MVA  
 DNR  
 DPS  
 REV  
 DOT  
 UA

<u>NEW FISCAL NOTES</u>				
*For Chief Clerk's Office Use Only				
List by Dept(s):	*Fis#	Fiscal	Indet.	Zero
DNR		✓		
DOR		✓		
DCED		✓		

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	Bunde	✓			
	Whitaker				✓
	FOSTER	X			
Chair:	Mulder	✓			
Chair:	Williams	✓			

Adopted 22-LS16511W.5  
Chenoweth  
4/12/02 24/26/02

AMENDMENT #10 Mulder

OFFERED IN THE HOUSE

TO: H.B. 519(FIN), Draft Version "W"

1 Page 7, lines 21 - 22:

2 Delete "until December 31 of the second calendar year after the calendar year in  
3 which the project is placed in service"

4 Insert "until 24 full calendar months after the project is placed in service"

5

6 Page 7, line 23:

7 Delete "December 31, 2015"

8 Insert "December 31, 2012, but the commissioner shall extend this date after  
9 project construction has commenced if that construction is delayed due to litigation or to  
10 shortages of supplies for construction that are not due to or under the control of a  
11 taxpayer who is a producer, as that term is defined in AS 31.05.170, or not due to or  
12 under the control of a project sponsor"

# FISCAL NOTE

**STATE OF ALASKA**  
**2002 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: CSHB 519 (FIN)  
 () Publish Date: \_\_\_\_\_  
 Dept. Affected: Natural Resources  
 BRU: Oil and Gas Developmen  
 Component: Oil and Gas Developmen  
 Component Number: 439

Revision Date/Time (Note if correction): 5/1/2002  
 Title: Natural Gas Pipeline: Special Provisions  
 Sponsor: House Rules Committee  
 Requester: House Rules

**Expenditures/Revenues (Thousands of Dollars)**

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services	<i>See Note on Page 2:</i>					
Travel	40.0	40.0				
Contractual	200.0	200.0				
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>240.0</b>	<b>240.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>			<b>*See Below</b>			
-------------------------------	--	--	-------------------	--	--	--

**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF	40.0	40.0				
1005 GF/Program Receipts						
1037 GF/Mental Health						
1108 Stat. Des. Prog. Receipts	200.0	200.0				
<b>TOTAL</b>	<b>240.0</b>	<b>240.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2002) cost: none

Check this box (X) if funding for this bill is included in the Governor's FY2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** *(Attach a separate page if necessary)*

This bill, in reviving the Alaska Stranded Gas Development Act, allows the state, with the concurrence of its North Slope oil and gas lessees, to: (1) establish a valuation methodology for the state's royalty share of gas production, and (2) modify existing requirements regarding the timing and notice of the state's right to take royalty in-kind or in-value.

Continued on next page.

Prepared by: Bonnie Robson Phone 269-8800  
 Division: Oil and Gas Date/Time 1-May-02  
 Approved by: Pat Pourchot Date 1-May-02  
 Agency: Natural Resources

ANALYSIS: (continued)

\* HB 519, by extending the Stranded Gas Act, authorizes negotiations to "establish" a valuation method for the state's royalty share of gas production from an approved qualified project. Actually, a valuation methodology already exists in the state's oil and gas leases. Generally, that methodology requires the payment of royalties on the highest of: (1) the market value of the gas; (2) the lessee's actual proceeds from the sale of its own gas; or (3) an average of the actual proceeds of other proximate lessees from the sale of their own gas. Consequently, any valuation methodology agreed to through negotiations conducted under HB 519 may result in the collection of lower royalties than would be available under the existing valuation methodology. In fact, every \$0.01/mcf difference in royalties due under alternative valuation methodologies results in a \$36.5 million impact on the state treasury over 20 years for a 4 bcfd pipeline, and a \$54.7 million impact for a 6 bcfd pipeline. However, it is impossible to determine at this time whether a new valuation methodology would be agreed to under HB 519 and, if so, whether and to what extent it would reduce royalty payments to the state.

DNR estimates that HB 519, if passed, would require at least \$480,000 in expenditures to address any application to "establish" a royalty valuation method, \$400,000 of which would be reimbursed over a 2-year period by the applicant for change in methodology. DNR will need to obtain access to and review extensive documentation pertaining to the economics of any proposal, then engage in complex negotiations with multiple sophisticated oil and gas corporations. This effort will require diversion of existing and proposed staff from their currently assigned duties, the retention of one or more experts, and travel. Currently, we anticipate that much of the work envisioned by this bill would fall on the Division's Petroleum Investments Manager, Petroleum Market Analyst, and a Commercial Analyst, as well as an additional Pipeline Commercial Analyst, requested in the FY03 budget. One or more experts would need to be retained to assure that royalty relief is not inadvertently or imprudently given, though the cost of that expert or those experts is to be borne by the applicant. Finally, significant sums would be needed for travel and document reproduction and indexing expenses.

The cost of the independent consultants allowed under AS 43.82.240 to assist in the evaluation of a request to change the royalty valuation methodology could be reimbursed by the applicant. The statute allows the state to condition any contract on agreement by the applicant to reimburse the state for the expenses of the independent contractors. Those funds are requested as authority to receive and expend statutorily designated program receipts. Those costs are \$200,000 each in Fiscal 2003 and Fiscal 2004.

NOTE:

The estimated costs are split into two years for purposes of this fiscal note, however it is difficult to determine how much would actually be required in each year. The solution is to fund the full amount (\$480,000) as a single appropriation with a two-year lapse date.

# FISCAL NOTE

**STATE OF ALASKA**  
**2002 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: CS HB 519 (FIN)  
 () Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: \_\_\_\_\_  
 Title Natural Gas Pipeline: Special Provisions BRU Alaska Railroad Corporation  
 Component Alaska Railroad Corporation  
 Sponsor House Rules  
 Requester House Finance Component No. \_\_\_\_\_

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual			163,000.0			
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>163,000.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Bond proceeds			163,000.0			
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>163,000.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2002) cost: 0.0  
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

Please see second page.

Prepared by: Bill O'Leary, Vice President, Finance and Chief Financial Officer Phone (907) 265-2516  
 Division Alaska Railroad Corporation Date/Time 4/30/02 3:14 PM  
 Approved by: Deborah B. Seelink, Commissioner Date 4/30/2002  
 Agency Department of Community & Economic Development

**FISCAL NOTE**

**STATE OF ALASKA  
2002 LEGISLATIVE SESSION**

**BILL NO. CS HB 519 (FIN)**

**ANALYSIS CONTINUATION**

The bill authorizes the issuance of up to \$17 billion in revenue bonds by the Alaska Railroad Corporation (ARRC) to pay for 70% of the construction of a Natural Gas Pipeline. Based on current estimates, ARRC could issue \$14.265 billion in bonds as early as State Fiscal Year 2005. ARRC will act as a conduit for the issuance of these bonds to allow the debt to be issued as tax exempt. Through modeling, the tax exemption has been shown to reduce the cost of financing the project by over one billion dollars. The bonds would be solely secured by revenues generated by the pipeline. The Alaska Railroad will bear no liability and have no responsibility for repayment of the bonds.

The projected costs of issuing the bonds determined here will be paid with bond proceeds at closing. Anticipated professional services include those related to financial advisors, attorney's fees (bond, counsel, underwriters counsel, tax counsel, negotiating with producers), rating agencies, underwriters, printing, travel, public notices, and feasibility consultant. ARRC will front certain minor necessary reimbursable costs from corporation revenues.

For purposes of this fiscal note, it is assumed that bonds with a face value of \$14.265 billion will be issued in FY 2005. The bonds are expected to be issued with a 25 year term and for modeling purposes carry an interest rate of 6.5%. As the project will not generate revenue while under construction, the first two years of interest payments will be made with bond proceeds. Following construction, annual debt service will begin at approximately \$1.3 billion, growing to \$1.4 billion in year 6 and then gradually lowering to \$800 million in the final year. However, ultimately, issuance amounts, dates, term, and other significant variables will be dependent upon the financing structure determined by market conditions at the time of sale of the bonds.

# FISCAL NOTE

**STATE OF ALASKA**  
**2002 LEGISLATIVE SESSION**

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: CSHB519(FIN)  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
 Title Natural Gas Pipeline BRU Administration and Support  
Special Provisions Component Office of the Commissioner  
 Sponsor House Rules Committee  
 Requester House Finance Committee Component No. 123

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services	83.0	83.0				
Travel	30.0	30.0				
Contractual	420.0	420.0				
Supplies	5.0	5.0				
Equipment	6.0					
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>544.0</b>	<b>538.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>			<b>(19,000.0)</b>	<b>(50,000.0)</b>	<b>(69,000.0)</b>	<b>(76,000.0)</b>
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	294.0	288.0				
1005 GF/Program Receipts						
1037 GF/Mental Health						
Statutorily Designated Receipts	250.0	250.0				
<b>TOTAL</b>	<b>544.0</b>	<b>538.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2002) cost: 0.0  
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time	1	1				
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See attached pages.

Prepared by: Larry Persily, Deputy Commissioner Phone 465-5469  
 Division: Department of Revenue Date/Time 4/29/02 9:34 PM  
 Approved by: Wilson Condon, Commissioner Date 4/29/2002  
 Agency: Department of Revenue

## **CSHB519(FIN) - Department of Revenue**

### **OVERVIEW – Stranded Gas Development Act and Alaska Railroad Bond Issuance**

This legislation would reauthorize the Alaska Stranded Gas Development Act under AS 43.82. The act expired June 30, 2001, and this legislation would extend the application date for a project sponsor from June 30, 2001 to April 1, 2004.

The Stranded Gas Development Act, adopted by the 1998 Legislature, authorized the Commissioner of Revenue to negotiate a contract for payments in lieu of taxes with the developer of an LNG project to commercialize Alaska's North Slope natural gas reserves. No project sponsor applied under the act before it expired last year. The intent of the legislation was to provide a mechanism whereby the state could help promote commercialization of its natural gas reserves by structuring payments in lieu of taxes to help relieve the burden on a project sponsor in the early years, when cash flow is not positive, and in return receive a larger share of the revenues in later years after the project sponsor had recovered its heavy development costs. This also would allow the state to receive a greater share of the revenues in later years if gas prices increased.

The Stranded Gas Act allows for a negotiated contract for payments in lieu of one or some or all of the following taxes:

- Production taxes and surcharges
- Oil and gas production property taxes (state and municipal portions) under AS 43.56)
- Municipal property taxes
- Municipal special assessments
- Corporate income taxes
- Municipal sales and use taxes

This legislation (HB 519) expands the definition of a qualifying project under the Stranded Gas Act to include a natural gas pipeline to serve markets outside Alaska. In addition, this legislation clarifies the definition of a qualifying LNG project to include any project that serves Lower 48 states or overseas markets.

This legislation also would authorize the Alaska Railroad Corporation to issue up to \$17 billion in tax-exempt bonds to help finance the natural gas project. Although the Railroad Corporation would issue the bonds, the project sponsor(s) would be responsible for all of the debt and liable for 100% of the repayment of the bonds. Neither the Alaska Railroad Corporation nor the State of Alaska would be liable for the debt, which would be secured by the project developer(s) and the project's revenue stream. The tax-exempt financing would help reduce the project's cost of debt.

## CSHB519(FIN) - Department of Revenue

### COST OF LEGISLATION

This fiscal note includes the following costs and assumptions leading up to the costs:

- We assume the state would receive a project application early in Fiscal 2003.
- Negotiating the contract for payments in lieu of taxes would start immediately, and would be completed with the conclusion of the 2004 legislative session.
- Project construction would start in Fiscal 2005 and continue through Fiscal 2008.
- Natural gas production would start in Fiscal 2009.
- A special assistant to the commissioner would be hired for Fiscal 2003 and 2004 to coordinate the Department of Revenue's work with the project sponsor and the affected communities. *(\$83,000 per year for total personnel costs)*
- Travel, supplies, contractual and equipment costs would be associated with the new position and with the department's overall effort to meet with the project applicant and officials of the affected communities. *(\$45,000 per year)*
- The contractual expenses would be incurred in two areas:
  1. Oil and gas economic and tax consultants to advise the department in negotiating with the project applicant and structuring a contract for payment in lieu of taxes that is both advantageous to the project and provides for a fair return to the state on the publicly owned resource. *(\$250,000 per year, to be reimbursed by the project applicant)*
  2. A Reimbursable Services Agreement with the Department of Law to assist in the legal issues involved in negotiating a contract in lieu of taxes. *(\$100,000 per year)*
- Because of the importance of this project to the state's economy and public finances, and the complexity of the bond issuance, it is important that the Railroad Corporation receive expert advice. The Department of Revenue proposes to transfer to the Railroad Corporation, via a Reimbursable Services Agreement, \$50,000 per year for the first two years to ensure that the corporation can contract with a financial adviser and bond counsel for this project. The Commissioner's Office also requests \$10,000 per year to cover the expenses of contracting with the state's financial adviser and bond counsel to make certain that the state's own interests, separate from those of the Railroad Corporation, are adequately considered and protected.

Money for the new position, contractual and supplies are requested from the general fund. That total is \$294,000 in Fiscal 2003 and \$288,000 in Fiscal 2004.

The cost of the independent consultants allowed under AS 43.82.240 to assist in the department's evaluation of the project application and in developing terms of the contract would be reimbursed by the applicant. The statute allows the commissioner to condition the contract on agreement by the applicant to reimburse the state for the expenses of the independent contractors. Those funds are requested as authority to receive and expend statutorily designated program receipts. Those costs are \$250,000 each in Fiscal 2003 and Fiscal 2004.

## **CSHB519(FIN) - Department of Revenue**

### **PROPERTY TAX WAIVER**

Although the Stranded Gas Act calls for the commissioner to negotiate a contract for payments in lieu of taxes, including property taxes, this legislation waives all state and municipal property taxes on the project during construction and in the first 24 months of operation. This also would be imposed upon municipalities, which would not have any option in accepting or rejecting the 100% property tax waiver for the estimated six years total of construction and operation.

The department believes it is premature to waive an estimated \$763 million in municipal and state property taxes without first determining if the tax relief would be needed to help make the project economical. (The \$763 million estimate is based on the assumption that the tax waiver would apply only to the pipeline, compressor stations along the line, and a gas conditioning plant at Prudhoe Bay.) The department believes such a complete waiver of taxes could be giving away more than necessary to make the project economical. Proponents argue, however, that the state would not be waiving any taxes, since the line would not be built without the waiver.

The tax waiver also could apply to other facilities associated with the gasline. The department believes the language in this legislation is ambiguous and could result in oil and gas producers and/or the project developer reaching further than intended by this bill in an attempt to bring other facilities under the waiver provision. This fiscal note estimate of property tax revenues that would be lost does not include such facilities as additional gas conditioning plants, separation facilities, well conversion and Point Thomson field developments, but the department is concerned that owners of these properties also might construe the waiver to their benefit.

The Stranded Gas Act allows for tax relief or deferral, but the explicit mandate of the Act was to tailor the state's fiscal terms to the particular economics of the project and to maximize the benefit to the people of the state from the development. For example, the Act enables the state to give tax relief where needed to make the project economic, but then recoup its foregone revenue — or more — when the project's economics improve.

Under this bill, however, the state would get nothing in exchange for property tax relief. What happens if the price of gas goes up and the project developer profit enormously from the upside, but the state would lose out on sharing in that additional profit potential as "repayment" for any tax relief granted early in the development? Yes, the legislature could then raise taxes, but this is not the fiscal certainty that the state and potential project sponsors seek from this legislation.

The department recommends changing the waiver provision of this bill to (1) include an opportunity for the state to share in the potential future benefits from the project as part of the package for any tax relief, (2) provide an opportunity for the affected communities to participate in the tax relief discussions, and (3) a tighter definition of facilities eligible for the tax relief.

**CSHB519(FIN) - Department of Revenue**

**DECREASE IN STATE and MUNICIPAL REVENUES**

Under Sections 4 and 5 of this legislation:

- The state would lose an estimated \$359 million or more in property tax revenues during construction and through the first 24 months of project operation.
- The Fairbanks North Star Borough and North Slope Borough would lose an estimated \$404 million or more in property tax revenues during construction and through the first 24 months of production.
- Although the state and the municipalities would never receive this property tax revenue if the project is not built, there is no opportunity to determine whether the tax relief provided by this bill is needed to make the project economic.
- The above property tax estimates are based on a natural gas project carrying North Slope gas to Alberta, for distribution to markets in the Lower 48 states. The estimate of lost revenues would be different and would include additional municipalities if the project was an LNG line to tidewater at Valdez or Cook Inlet.
- The affected municipalities would face higher expenses during the influx of construction workers and the resulting demand for increased school, police, road and various other public services. Meeting those demands without the ability to tax the project itself would put a severe strain on local resources. This issue is at least partially met by the section of the legislation that would establish a Natural Gas Pipeline Impact Assistance Fund at the Department of Community and Economic Development. Subject to future legislative appropriations, the department could use the fund to make state grants to affected municipalities.
- One option for localities would be raise property taxes on all other property within their jurisdiction. The state's share of property taxes on the Trans-Alaska Oil Pipeline and other oil and gas facilities already in place is reduced dollar for dollar by property taxes paid to local communities. Therefore increased municipal property taxes in the affected municipalities would reduce the state's oil and gas property tax receipts.

# FISCAL NOTE

STATE OF ALASKA  
2002 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
Bill Version: CSHB519(FIN)  
( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Revenue  
Title Natural Gas Pipeline BRU Administration and Support  
Special Provisions Component Office of the Commissioner  
Sponsor House Rules Committee  
Requester House Finance Committee Component No. 123

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services	83.0	83.0				
Travel	30.0	30.0				
Contractual	420.0	420.0				
Supplies	5.0	5.0				
Equipment	6.0					
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>544.0</b>	<b>538.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>			<b>(19,000.0)</b>	<b>(50,000.0)</b>	<b>(69,000.0)</b>	<b>(76,000.0)</b>
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	294.0	288.0				
1005 GF/Program Receipts						
1037 GF/Mental Health						
Statutorily Designated Receipts	250.0	250.0				
<b>TOTAL</b>	<b>544.0</b>	<b>538.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2002) cost: 0.0  
Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time	1	1				
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)  
  
See attached pages.

Prepared by: Larry Persily, Deputy Commissioner Phone 465-5469  
Division Department of Revenue Date/Time 4/29/02 9:34 PM  
Approved by: Wilson Condon, Commissioner Date 4/29/2002  
Agency Department of Revenue

**CSHB519(FIN) - Department of Revenue**

**OVERVIEW – Stranded Gas Development Act and Alaska Railroad Bond Issuance**

This legislation would reauthorize the Alaska Stranded Gas Development Act under AS 43.82. The act expired June 30, 2001, and this legislation would extend the application date for a project sponsor from June 30, 2001 to April 1, 2004.

The Stranded Gas Development Act, adopted by the 1998 Legislature, authorized the Commissioner of Revenue to negotiate a contract for payments in lieu of taxes with the developer of an LNG project to commercialize Alaska's North Slope natural gas reserves. No project sponsor applied under the act before it expired last year. The intent of the legislation was to provide a mechanism whereby the state could help promote commercialization of its natural gas reserves by structuring payments in lieu of taxes to help relieve the burden on a project sponsor in the early years, when cash flow is not positive, and in return receive a larger share of the revenues in later years after the project sponsor had recovered its heavy development costs. This also would allow the state to receive a greater share of the revenues in later years if gas prices increased.

The Stranded Gas Act allows for a negotiated contract for payments in lieu of one or some or all of the following taxes:

- Production taxes and surcharges
- Oil and gas production property taxes (state and municipal portions) under AS 43.56)
- Municipal property taxes
- Municipal special assessments
- Corporate income taxes
- Municipal sales and use taxes:

This legislation (HB 519) expands the definition of a qualifying project under the Stranded Gas Act to include a natural gas pipeline to serve markets outside Alaska. In addition, this legislation clarifies the definition of a qualifying LNG project to include any project that serves Lower 48 states or overseas markets.

This legislation also would authorize the Alaska Railroad Corporation to issue up to \$17 billion in tax-exempt bonds to help finance the natural gas project. Although the Railroad Corporation would issue the bonds, the project sponsor(s) would be responsible for all of the debt and liable for 100% of the repayment of the bonds. Neither the Alaska Railroad Corporation nor the State of Alaska would be liable for the debt, which would be secured by the project developer(s) and the project's revenue stream. The tax-exempt financing would help reduce the project's cost of debt.

**CSHB519(FIN) - Department of Revenue**

**COST OF LEGISLATION**

This fiscal note includes the following costs and assumptions leading up to the costs:

- We assume the state would receive a project application early in Fiscal 2003.
- Negotiating the contract for payments in lieu of taxes would start immediately, and would be completed with the conclusion of the 2004 legislative session.
- Project construction would start in Fiscal 2005 and continue through Fiscal 2008.
- Natural gas production would start in Fiscal 2009.
- A special assistant to the commissioner would be hired for Fiscal 2003 and 2004 to coordinate the Department of Revenue's work with the project sponsor and the affected communities. (*\$83,000 per year for total personnel costs*)
- Travel, supplies, contractual and equipment costs would be associated with the new position and with the department's overall effort to meet with the project applicant and officials of the affected communities. (*\$45,000 per year*)
- The contractual expenses would be incurred in two areas:
  1. Oil and gas economic and tax consultants to advise the department in negotiating with the project applicant and structuring a contract for payment in lieu of taxes that is both advantageous to the project and provides for a fair return to the state on the publicly owned resource. (*\$250,000 per year, to be reimbursed by the project applicant*)
  2. A Reimbursable Services Agreement with the Department of Law to assist in the legal issues involved in negotiating a contract in lieu of taxes. (*\$100,000 per year*)
- Because of the importance of this project to the state's economy and public finances, and the complexity of the bond issuance, it is important that the Railroad Corporation receive expert advice. The Department of Revenue proposes to transfer to the Railroad Corporation, via a Reimbursable Services Agreement, \$50,000 per year for the first two years to ensure that the corporation can contract with a financial adviser and bond counsel for this project. The Commissioner's Office also requests \$10,000 per year to cover the expenses of contracting with the state's financial adviser and bond counsel to make certain that the state's own interests, separate from those of the Railroad Corporation, are adequately considered and protected.

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