

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672
2685 SCOMM 122: COMMISSION ON PRIVATIZATION. ., 1999 483

If we convert the same TASK BASED BUDGET above to the format currently in use, it looks like this:

• Personnel	\$49,707,168
• Travel & per diem	\$ 6,000
• Contractual Services	\$ 87,000
• Supplies	\$ 14,000
• Equipment	\$ 1,439,000
• Lands/Buildings	\$ 0
• Grants/Claim	\$ 0
• Miscellaneous	\$ 0

Ask yourself which budget is more useful; which one yields more understanding; which one leads to accountability. It may be useful to have summary information about the amount spent in each category and in each organizational unit. But, the current format simply doesn't go far enough; it doesn't associate costs to work performed.

The current format is devised and is driven by government accountants. As war is too important to be left to the generals, so too is budgeting too important to be left to the accountants. Accounting is a function of financial management needed to produce financial statements in accordance with generally accepted accounting principles. Accounting data is not sufficient for budgeting and operational analyses.

But when accountants drive the planning/budget process they steer the forms and data toward fulfilling their accounting needs. Program Managers, legislators, and others with oversight responsibility, need more than financial accounting data. They need "operating data". Operating data is the quantification of work activities, i.e., the number of cases filed, dismissed, settled, or adjudicated. A budget should attach a cost to each step in the work process, like the "work papers" that back up a CPA's audit.

By default, management cedes budgeting to accountants because a lot of the budget data comes from data under their control. Consequently, their budget process mimics the accounting process, replete with debits, credits, cross-balances, ledgers, rows and columns that all add up very neatly. But, they don't tell a story. And with public spending the public deserves to know what is the story.

The problem is not unique to government. The Private Sector has had the same kind of problems and they solved them. Recognizing the difference between data needed for financial statements vis a vis data needed for operational planning and budgeting, the private sector devised MANAGEMENT INFORMATION SYSTEMS (MIS). An MIS is tailored to an individual organization. It contains regular reports about productivity and costs. An MIS for a manufacturing plant will be markedly different than one for a stock brokerage firm. But they both match information about productivity with information about costs. A budget is one part of an MIS. It takes savvy managers to keep accountants from turning budgets and MIS reports into accounting statements. The two should not be confused.

None of the above information is new. Government is usually slow to adopt progressive management practices. The state's budgeting system is 25 years out of date with modern management practices. It's time to improve and catch up.

Recommendation: The Legislature shall devise a Task Based Budget format and require, by statute, that the governor's budget be submitted in that format.

Respectfully submitted,

ATTACHMENT 2

**Commission on Privatization and Delivery of Government Services
Report to the Governor and Legislature**

HOUSE BILL NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE COWDERY

Introduced:

Referred:

A BILL

FOR AN ACT ENTITLED

"An Act relating to nongovernmental activities of state departments."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 44 is amended by adding a new chapter to read:

Chapter 64. Inventory and Procurement of Nongovernmental Activities.

Sec. 44.64.010. Annual list required. (a) Each state department shall submit to the office of management and budget each fiscal year a list of the activities performed by the department's employees that, in the judgment of the commissioner of the department, are not inherently governmental activities.

(b) The director of the office of management and budget shall consult with a department when the department is preparing the list under (a) of this section and shall review the list.

(c) In this section, "inherently governmental activity"

(1) means an activity that is so closely related to the public interest that it requires performance by state government employees; the term includes an activity that

(A) requires either the exercise of discretion in applying state governmental authority or the making of value judgments, including judgments relating to monetary transactions and entitlements, and making decisions for the state government; or

(B) involves the interpretation or execution of the laws of the state

(i) to bind the state to take or not to take an action by contract, policy, regulation, authorization, order, or another method;

(ii) to determine, protect, or advance state economic, political, territorial, property, or other interests by military action, intergovernmental agreements, civil judicial proceedings, criminal judicial proceedings, contract management, or another method;

(iii) that will significantly affect the life, liberty, or property of private persons;

(iv) to commission, appoint, direct, or control officers or employees of the state; or

(v) and will exert ultimate control over the acquisition, use, or disposition of the real or personal property, whether tangible or intangible, of the state, including the collection, control, or

disbursement of appropriated or other state money;

(2) does not include

(A) gathering information for or providing advice, opinions, recommendations, or ideas to state government employees; or

(B) an activity that is primarily ministerial and internal in nature, including building security, mail operations, facilities operations, facilities maintenance, warehouse operations, motor vehicle fleet management operations, routine electrical services, or routine mechanical services.

Sec. 44.64.020. Description of listed activity. The description of a listed activity must include

(1) the fiscal year when the activity first appeared on a list;

(2) the number of full-time employees that are needed to perform the activity;

(3) the name of a department employee who is responsible for the activity and from whom additional information about the activity may be obtained.

Sec. 44.64.030. Transmittal and publication of list. (a) The commissioner of each department shall promptly transmit a copy of the list prepared by the department under AS 44.64.010 to the legislature and make the list available to the public.

(b) For each list prepared by a department, the director of the office of management and budget shall promptly publish in the Alaska Administrative Journal a notice that the list is available to the public.

(c) If, as a result of a challenge made under AS 44.64.040, a department changes a list after a notice is published under (b) of this section, the department that prepared the list shall promptly

(1) transmit a copy of the change to the legislature and make the change available to the public; and

(2) publish in the Alaska Administrative Journal a notice that the change is available to the public.

Sec. 44.64.040. Challenge and appeal. (a) An interested person may challenge the inclusion or omission of an activity on a list by filing with the department that prepared the list a written notice stating the person's challenge and the reasons for the challenge. A challenge must be filed with the department within 30 days after publication of the notice under AS 44.64.030(b) or (c)(2), as applicable.

(b) Within 28 days after a department receives notice of a challenge under (a) of this section, a department employee appointed by the department's commissioner shall decide whether to reject or uphold the challenge and shall transmit a notice of the decision to the person who filed the notice. The notice must include the decision, an explanation of the reasons for the decision, and an explanation of the party's right to appeal under (c) of this section.

(c) An interested person may appeal an adverse decision made by a department under (b) of this section. The appeal must be filed with the department within 10 days after the person receives the notice of the decision.

(d) Within 10 days after a department receives an appeal of a

decision under (c) of this section, the commissioner of the department shall decide the appeal and shall transmit to the person submitting the appeal a notice of the decision on the appeal, including an explanation of the rationale for the decision.

(e) A challenge and an appeal under this section are not subject to AS 44.62 (Administrative Procedure Act).

Sec. 44.64.050. Review of list. Within a reasonable time after a list is published under AS 44.64.030(b) or (c)(2), the commissioner of the department that prepared the list shall review the activities on the list.

Sec. 44.64.060. Procurement of listed activity. (a) For the purpose of determining whether to contract with a private person to perform a listed activity, when a department compares its costs of performing the activity with the costs of contracting with a private person to perform the activity, the department shall consider all of the realistic and fair costs of the activity. In this subsection, "costs" includes the quality assurance costs, the cost to technically monitor performance of the activity, liability insurance costs, the cost of employee retirement and disability benefits, and other overhead costs.

(b) When a department decides to obtain a private person to perform a listed activity, the department shall use competitive sealed bidding under AS 36.30.100 - 36.30.190 or competitive sealed proposals under AS 36.30.200 - 36.30.270 to procure the contract with the person to perform the listed activity, unless a law other than this chapter or AS 36.30 requires that another method be used for the procurement.

Sec. 44.64.090. Definitions. In this chapter, unless the context indicates otherwise,

(1) "department" means a department listed under AS 44.17.005, but does not include a public corporation located in the department;

(2) "interested person" means

(A) a private person who

(i) is an actual or prospective bidder or offeror for a contract to perform the activity; and

(ii) has a direct economic interest in performing the activity that would be adversely affected by a determination not to procure the performance of the activity from a private person;

(B) a representative of a business association or professional association, if the association includes as members private persons referred to in (A) of this paragraph;

(C) an employee of an organization within the department if the employee or the organization is an actual or prospective performer of the activity; or

(D) the head of a labor organization that includes within its membership employees referred to in (C) of this paragraph; in this subparagraph, "labor organization" means a nonprofit organization established wholly or partly to bargain collectively or deal with employers, including the state, concerning grievances, terms, or conditions of employments or other mutual aid or protection in connection with employees;

(3) "list" means a list prepared under AS 44.64.010;

(4) "listed activity" means an activity included on a list prepared under AS 44.64.010, including an activity added after a challenge under AS 44.64.040.

ATTACHMENT 3

Chapter 061

Chapter: CH061

Source: CCS SB 33

Action Date: June 11, 1999

Effective Date: June 12, 1999

99

AN ACT

Relating to contracts for the performance of certain state functions previously performed by state employees and to the Commission on Privatization and Delivery of Government Services; and providing for an effective date.

* Section 1. FINDINGS AND INTENT. (a) The legislature finds that

- (1) the annual cost of state government is exceeding the annual revenue of the state;
 - (2) the State of Alaska, other states, and the federal government have successfully and substantially reduced government spending and increased government efficiency by contracting with third parties to perform particular state or government functions;
 - (3) there may be functions of our current state government that can be performed more efficiently by any or all of the following entities:
 - (A) nongovernmental or private organizations;
 - (B) local government or regional service organizations;
 - (4) there may be functions that state government should not continue to perform, but should leave to the federal government;
 - (5) there may be state government functions that should be consolidated or otherwise performed more efficiently;
 - (6) there exist state government functions that would be inappropriate to contract out to nongovernmental agencies.
- (b) The legislature finds it is in the best interest of the state to make a formal determination of which state government functions can and should be transferred entirely to private entities or to local government agencies and whether the state should stop performing some functions for the federal government. The legislature also finds that it is in the best interest of the state to determine which state government functions can be consolidated or otherwise made more efficient.
- (c) The legislature intends to make the determination set out in (b) of this section in order to reduce dependency on state governmental revenues for the delivery of government services.

* Sec. 2. COMMISSION ON PRIVATIZATION AND DELIVERY OF GOVERNMENT SERVICES.
(a)

There is created in the legislative branch of the state government the Commission on Privatization and Delivery of Government Services. The commission shall consist of 11 members, as follows:

- (1) one member of the senate appointed by the president of the senate who shall serve as co-chair;
 - (2) one member of the house appointed by the speaker of the house who shall serve as co-chair;
 - (3) one member appointed by the Alaska Municipal League;
 - (4) two public members appointed by the president of the senate, one of whom shall be a representative of a Native corporation established under 43 U.S.C. 1601-1628 (Alaska Native Claims Settlement Act);
 - (5) two public members appointed by the speaker of the house, one of whom shall be a representative of a Native corporation established under 43 U.S.C. 1601-1628 (Alaska Native Claims Settlement Act);
 - (6) one member appointed by the Alaska State Chamber of Commerce;
 - (7) one member appointed by the American Federation of Labor-Congress of Industrial Organizations;
 - (8) one member from the minority caucus of the house appointed by the speaker of the house;
 - (9) one member from the minority caucus of the senate appointed by the president of the senate.
- (b) The commission may appoint an advisory council to assist it in carrying out its duties.

* Sec. 3. COMPENSATION. (a) The public members of the Commission on Privatization and Delivery of Government Services appointed under sec. 2(a) of this Act are not eligible for compensation but are entitled to per diem and travel expenses authorized for boards and commissions under AS 39.20.180 .

(b) Members of the advisory council appointed under sec. 2(b) of this Act are not eligible for compensation, per diem, or payment of travel or other expenses by the state.

* Sec. 4. MEETINGS. The Commission on Privatization and Delivery of Government Services shall meet as frequently as the commission determines necessary to perform its work. The commission may meet and vote by teleconference.

* Sec. 5. DUTIES. (a) The Commission on Privatization and Delivery of Government Services shall

- (1) review and evaluate the policies and recommendations of other states that are studying or have implemented recommendations to transfer the provision of government services to other entities;
- (2) review state contracting policy and procedures, including competitive bidding procedures;
- (3) identify state government functions capable of more efficient performance in the delivery of government services, and determine whether those identified functions could most effectively be provided by
 - (A) transferring to the private sector or contracting out;
 - (B) transferring to local governments or regional service organizations;
 - (C) the federal government;

(D) consolidation or other efficiency changes; or

(E) a combination of the approaches under (A) - (D) of this paragraph;

(4) identify state government functions that should be eliminated;

(5) identify present state government services that are most effectively and efficiently delivered by the state and that should remain a responsibility of the state;

(6) solicit public comment about the delivery of state government services.

(b) By January 1, 2000, the Commission on Privatization and Delivery of Government Services shall submit a written report of its findings and recommendations to the governor and the legislature. The report must include suggested legislation that may be needed to accomplish the recommendations. The report must specify which state

(1) functions should be transferred to the private sector or contracted out;

(2) functions should be transferred to local governments or regional service organizations;

(3) agencies or functions should be consolidated or otherwise made more efficient;

(4) functions should be performed by the federal government;

(5) functions should be eliminated as functions of state government.

* Sec. 6. This Act is repealed on January 1, 2000.

* Sec. 7. This Act takes effect immediately under AS 01.10.070 (c).

SCOMM

122:2



and Delivery of Government Services

21ST ALASKA LEGISLATURE

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

FINAL REPORT

**APPENDIX A:
SUBCOMMITTEE REPORTS
VOLUME 1**

ADMINISTRATION

COMMUNITY AND ECONOMIC DEVELOPMENT

ALASKA RAILROAD CORPORATION

AIDEA HYDROELECTRIC PROJECTS

CORRECTIONS

COURTS

EDUCATION

www.privatizealaska.org

JANUARY 2000

ADMINISTRATION

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

SUBCOMMITTEE REPORT

ON THE

DEPARTMENT OF ADMINISTRATION

November 10, 1999

**Subcommittee Members: Joe Henri, Chair; Bill Allen, Jack Coghill, David Cottrell,
John Fox Worthington, Donn Liston, Paul Martone, Andree McLeod, Dale Nelson,
Janelle Norman, Lewis Quinn, Jim Rowe, Carl Springer, Scott Stewart, Tom Wagner,
Gerri Wakefield, Dan Wayne**

**Commission on Privatization and Delivery of Government Services
Subcommittee on the Department of Administration Report**

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Department Response

REPORT OF THE SUBCOMMITTEE ON ADMINISTRATION

TO

**THE COMMISSION ON PRIVATIZATION AND DELIVERY OF GOVERNMENT
SERVICES**

10 November 1999

[By Joseph R. Henri, Chair]

Those who were in Alaska at statehood 40 years ago, and those who participated in state government during decades prior to the 90's tend to wonder at the growth of Alaska's employee force and the very large annual per capita dollar expenditure. "To govern means to rectify," said Confucius. Senate Bill No. 33 [61 Session Laws of Alaska 1999] sets out to review, rectify, reform, and reinvigorate the current status of our Alaska state government. Our subcommittee on the Department of Administration (DOA) pursued the objectives of Section 5 of SB 33; peculiarly falling to our attention was Sec. 5 (2), "review state contracting policy and procedures, including competitive bidding procedures."

During the course of the summer and fall of 1999, above 25 volunteers signed on to aid the Privatization Commission in pursuing the intent of SB 33 as it affected the Department of Administration; they followed the counsel of the Greek stoic Epictetus, who said, "Let no wise man estrange himself from the government of the state...." But familiarity with the state's functions repelled some of our volunteers; our laboring group shrank to 12 or so people who dedicated time, effort and talent to the assigned tasks. The chair's sincere thanks go out to each and every one.

Each of our volunteers is engaged in a job or business on a daily basis; we had no retired or otherwise leisured people who could fully devote themselves to an intensive pursuit of our subject. We brought what time and insight we had to the task assigned. Thus, this is not the work of a consulting group; it is the product of citizens using what little time they could spare in order to give the Commission a sense of some possibilities which should be pursued in earnest by experts. Such a pursuit will not be without expense; what we have done is to sort out and identify some promising areas of inquiry and consequent action.

In our work we were well and ably assisted by the high echelons of the Department of Administration whenever we requested assistance. Commissioner Robert Poe seems to head an effective, dedicated agency (this is not to say that we conceive of no room for improvement!).

A GENERAL VIEW ABOUT PRIVATIZATION: (SOME NOTES) We were struck by the large amount of state production which is already privatized. This is true in a number

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

Frequently, the privatizing of government work to achieve a lower cost will entail the performance of the tasks out of state. Sometimes, but not often, the necessary talent is not readily available in Alaska. Most times, though, the farming out of work to Lower 48 companies is done to keep the state employee numbers from swelling, and to keep within budget allocations. Obviously such privatization is a matter of trade-offs. For each privatization adventure, careful attention must be given to the overall consequences for the economy and well being of Alaska and its citizens.

Privatization has long term consequences as well as possible immediate reductions in costs. Privatization will always work best in an environment of plentiful competition, i.e., where the services sought are provided by a goodly number of providers, all motivated to do the work competently for the lowest possible cost. Where competition is weak, or non-existent, privatization may well result in higher costs and poorer performance. If by privatizing, existing state-hired talent or state-owned facilities are done away with, the company offering the service from the private sector may profit from a lack of any reasonable alternatives at the time of contract renewal.

The collective bargaining contracts with the various employee groups of state government all contain provisions covering the subcontracting of work outside the state work force. In general, union members are given a "right of first refusal" to analyze the state's plan for outsourcing or privatizing, and then to submit a plan of their own to the state which, to be accepted, must more or less equal the anticipated savings from privatization. These typical provisions provide for a thorough vetting of the possible savings. The privatizing of the function of Central Duplicating a few years ago, brought these clauses into play, and created hard feelings between employer and employees. For the state to privatize work, it must run a gauntlet, which may, in fact, discourage much consideration of privatization. In like vein, we inquired into the effects of the "Little Davis Bacon" (LDB) Alaska statute on privatizing efforts. We learned that LDB applies to construction outsourcing, necessitating "Prevailing Wages" in construction work, making labor costs higher than otherwise. LDB does not apply to strictly maintenance functions, according to the Commissioner of Labor, nor does it apply to non-construction work, i.e., to service contracts.

The items which our group chose to consider, and our comments about them, follow. In most cases, we have attached appendices wherein an explication of the subject is set forth.

A. REORGANIZE AND STREAMLINE DOA AS A PURELY STAFF AGENCY SERVING THE GOVERNOR AND THE OTHER DEPARTMENTS; MOVE LINE ACTIVITIES TO OTHER DEPARTMENTS.

Two of our volunteers are former commissioners of DOA, Messrs. Allen and Henri. DOA has become a handy repository for an unconnected variety of tasks rendering service to the public. We advocate the following "consolidation or other efficiency change": Remove the following "Services to the Public" and place them in other departments: Alaska Longevity Programs, Alaska Oil and Gas Conservation Commission, Alaska Public Offices Commission, Motor Vehicles, Office of Public Advocacy, Senior Services. Retain Office of Tax Appeals and the Public Defender Agency due to conflict of interest problems, and the mandates of federal and state courts. Take the Office of Management and Budget from the Governor's Office and integrate it into the work of DOA, where it had been historically lodged. Restore an Internal Audit function in DOA to give the executive branch ability to manage its departments and create efficiencies. The commissioner of DOA should be the governor's major domo for the management of state government. That is how the job and the department were conceived by the consulting group which advised the first state legislature in 1959, when the Alaska government was initially fleshed out.

- B. PUBLIC DEFENDER AGENCY.** Federal and state courts have mandated legal defense of indigent clients. Alaska spends around \$10 million annually pursuant to this duty, employing over 100 people. To contract out this function to the private bar would cost considerably more than the present cadre of state employees. Your subcommittee recommends leaving the status quo. Appendix B, attached, explains this rationale.
- C. PIONEER HOMES:** Those in our group studying this issue have recommended privatizing the homes, advocating that the services be provided by a private company whose core competency is in providing such care; our subgroup are also of the opinion that the state would realize cost savings. See Appendix C, attached. On the opposite side are DOA officials who assert that state operation costs are cheaper than private nursing home costs, using figures of \$50,000 per resident in the state program, and \$90,000 per resident on the private side.

We learned that Alaska and one other state, Alabama, have "opted out" of Alzheimer's coverage under the Medicaid program. If there were state Medicaid coverage, out of every dollar spent 60 cents would be federal, 40 cents state. Seemingly, more coverage for Medicaid/Alzheimer's would be available to more Alaskans if Alaska "opted in" for Alzheimer's coverage than now receive subsidized

care through being guests at a Pioneer Home. Would overall state expenses be higher? We were not able to establish that answer

The Pioneer Homes require a thorough and objective analysis by a competent third party contractor as to the wisdom and cost savings of privatizing the function.

- D. **PURCHASING FUNCTION, GENERAL SERVICES & SUPPLY.** The purchasing laws of Alaska generally parallel the Model Procurement Code of the Council of State Governments, with certain Alaska modifications. The model code is currently under revision. Complaints were expressed over the law's requirement of purchasing certain goods from the Department of Corrections; i.e., goods made in prisons, because at times the quality is inferior and the items provided not exactly what is needed. Compulsory purchase of prison production, etc., is one of several purchasing quirks under our statutes, all militating in one way or another against finding the best quality goods at the lowest possible prices. Many of the provisions (irritating to purchasing officers) are for the purpose of promoting Alaska business—helping small in-state businesses, instead of buying from large outside suppliers. We make no recommendations on such provisions, except to point out that the concept "purchasing" is fraught with a multitude of overtones and mutually contradictory objectives.

Our Appendix D contains a number of insightful suggestions for bettering service and lowering costs. The bulk of state purchases are for amounts under \$100,000, yet the central office has no method of keeping track of such transactions; at present there is neither a pre-audit nor post-audit function by which to adequately monitor compliance with the laws and regulations. There is regular training of purchasing officers throughout state government. We believe that certain modifications of the state accounting system would enable the GS&S Director and the Governor and the Legislature to have a better grasp of purchases in the "Under \$100,000 Range," and we urge swift action to rectify this failing.

- E. **TELEPHONY.** We recommend privatizing this function in order to realize cost savings and a stream of revenue. Commissioner Robert Poe is already soliciting proposals, which will at least partially implement this recommendation. See Appendix E
- F. **INFORMATION SERVICES GROUP:** We recommend against the privatizing of this function, i.e., against severing the function from state workers; nevertheless, we consider the outsourcing of some of the work a real possibility. See Appendix F, attached.
- G. **PAYING FUNCTIONS, RETIREMENT & BENEFITS:** We raised the question of privatizing these functions (payroll, accounts payable, retirement benefits): Could the state achieve the same results at a reduced cost? Could the availability of so much

computing work be used to attract a new enterprise to Alaska, which would use the state business as its core income generator, and then capture other business of an even larger magnitude from outside Alaska? Could we help create a new and high paying sector in the Alaska economy? These were the exciting questions, but we had no available means to derive answers. We know that several years ago, the state spent above \$20 million to produce a new accounting system; production of such a system entailed a thorough knowledge of the state's accounting needs - what it was currently doing, what it should be doing if it had the computing ability, etc. Our group would also have to apprise itself of this information in order to make privatizing recommendations. We believe the subject is deserving of careful inquiry and subsequent decision, but your subcommittee is not able to make recommendations other than this at the present time. See Appendix G.

- H. **STATE OF ALASKA MAILROOMS:** It seems that the outsourcing of the mailroom functions of the state would result in better service at a lower cost. Appendix H highlights some of the considerations, which prompt our recommendation.
- I. **STATE TRAVEL:** Like many before us, we considered the possibilities for saving money on this function, but we came up with no satisfactory insights or recommendations. A summary of recent departmental effort in this area is contained in Appendix I.
- J. **STATE LABOR RELATIONS OFFICE:** Great dissatisfaction with the care, output and response of this agency led to a strong entreaty to abolish the agency, and farm out its work to each department for decentralized administration of the collective bargaining agreements. While two of our members were for abolition, the vast majority of our group voted their opinion that the Labor Relations agency should be retained, but its performance and responsiveness thoroughly improved.
- K. **PRODUCTIVITY OF STATE WORKFORCE:** While the state conducts on-site and off-site training for many of its employees, the question arises as to whether more could be done to further productivity. In general, government bureaus are little motivated to eliminate jobs; the usual tendency is to add more workers to cope with new facets or increased workload. What can be done to bring more hardheadedness and "bottom-line" mentality into the supervisors' motivating values? One idea was to use the existing capabilities of the state accounting system to record from the segments of the workday spent by employees on their various tasks in order to derive a concrete idea about time spent against tasks accomplished. The result may be quite a revelation: some will be found to be heavy producers, others rather laggard. Knowledge of the facts will presumably lead to higher productivity. Appendix J, attached, addresses two versions of personnel cost accounting.
- L. **PARTNERING WITH LICENSE-ISSUING AGENCIES:** The issuance of various licenses is always a big part of a state's output. Frequently there is a need for licenses

at times other than normal working hours; sometimes expeditious treatment is not available from a typical bureau, but is nevertheless needed by some deserving applicant. These are the types of cases, among others, where a non-state employee partner can be profitably used to fill in the gaps and create better, more efficient service. We found that the Division of Motor Vehicles is doing some of its work through the use of partners. We think their efforts are commendable, that they should be studied and understood by other agencies so that such public-private partnering can be expanded and tested in other areas. Private partners can be a good alternative to expansion of the permanent state workforce. We encourage the state to examine this practice in all fields of licensing.


Joseph R. Henri, Chair



**Department of Administration
Response to subcommittee recommendations
November 10, 1999**

A. Reorganize and streamline DOA as a purely staff agency serving the Governor and the other departments; move line activities to other departments

The placement of various "services to the public" in the Department of Administration has a long and varied history. Many of the functions reside in the department due to potential conflicts with other more logical placements. That is true of the Office of Public Advocacy, the Public Defender Agency, the Alaska Oil and Gas Conservation Commission, the Alaska Public Offices Commission, and the Office of Tax Appeals. The Alaska Pioneers' Home programs have been a part of the department since the '60's. Other senior programs were added to the department in the early '80's in response to senior concerns that placement in the Department of Health and Social Services equated senior programs to welfare. The Legislative Task Force on Long Term Care reviewed the placement of all senior programs as part of its work in 1998-99. It was determined that recent efforts on the part of the Department of Health and Social Services and the Department of Administration to consolidate all senior programs within the Department of Administration provided an effective "one-stop" shop for seniors. Concern was expressed that returning these programs to the Department of Health and Social Services could result in reduced services to seniors because of the competition with children's services.

The Office of Management and Budget was contained within the Department of Administration until 1976, at which time it was relocated to the Office of the Governor. Due to the major policy implications contained within the development and subsequent oversight of the budget each year, placement within the Office of the Governor continues to be appropriate.

Reestablishing an internal audit function would require additional resources.

B. Public Defender Agency

We concur with the subcommittee's conclusions.

C. Pioneers' Homes

Due to the condition of the facilities, and the lack of any public funding for institutional care of residents with a primary diagnosis of Alzheimer's disease (outside of the Pioneers' Homes), we believe that privatization of the Homes is not in the best interests of the residents of the State of Alaska. Alzheimer's disease will become more prevalent as the State of Alaska's population ages in place. National attention has recently been focused on the public policy issues needing to be addressed as the baby boomer generation moves from middle age to senior status. The Alaska Pioneers' Home program

is recognized nationwide as a model program addressing the needs of the ADRD population.

The subcommittee appears to have made several errors in reviewing this program. For example, there is reference to the program ending in 2029. There is no intent to conclude the Pioneers' Homes at any future date. In 2029, the senior population in this state is anticipated to be more than four times the present size making the demand for services even greater.

The Pioneers' Homes are presently run and staffed by people who are professionally certified in the field of long term care. Privatization would not change the character of the staffing, so it is erroneous to assume that better care would be a result. The Pioneers' Homes programs are recognized both statewide and nationally as a leader in specialized care for residents with ADRD.

Compared to other long term care facilities in the state, such as nursing homes, the cost per resident at the Pioneers' Homes is already much lower. Privatization will have two significant factors that will drive the cost of operations up: 1) Depreciation of buildings and equipment which will need to be factored into rates, and 2) operation for profit.

The Pioneers' Home program currently participates in a national cooperative for the purchase of goods and supplies, Peace Health Corporation. This participation has significantly reduced supply costs and resulted in standardization of consumables.

D. Purchasing function, general services and supply

The Department of Administration has requested funding for the past several years to bring automation to the procurement process. The estimated cost, which includes modification to AKSAS, is \$400.0.

E. Telephony

The Department of Administration has embarked upon an effort to bid a "public/private partnership" with a firm or a consortium of firms for the provision of telecommunications services. This process will be completed during the summer of 2000.

F. Information Services Group

We concur with the subcommittee's conclusions.

G. Paying functions; retirement and benefits

We do not believe that there are cost savings in this arena; however, the subcommittee has raised other issues regarding economic advantage that we are unable to address.

H. State of Alaska mailrooms

It is unclear what if any savings are anticipated with this recommendation. The appendix appears to indicate the need for a significant investment in equipment.

I. State Travel

Appendix I contains the Department's response.

J. State Labor Relations office

We concur with the subcommittee's conclusion that a centralized labor relations function should be retained, and have embarked upon a process with other agencies of state government to address concerns about performance and responsiveness.

K. Productivity of state workforce

After 12 years of consecutive budget cuts, all state departments have had to analyze, redefine, and improve work output to continue to provide the services for which they are charged. The Department of Administration is no exception. Additional dollars for computerization could potentially save operating dollars at some time in the future, but the initial up front investment must be made to realize those savings.

In a workforce of over 15,000 employees, there will always be some employees who are "rather laggard". This would be true of any organization of similar size. However, the majority of state employees take a great deal of pride in their work and perform their jobs with a high degree of productivity.

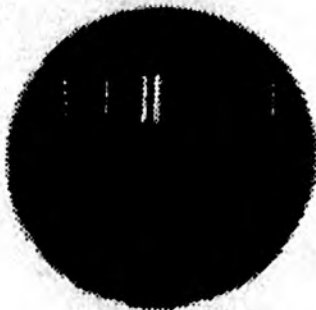
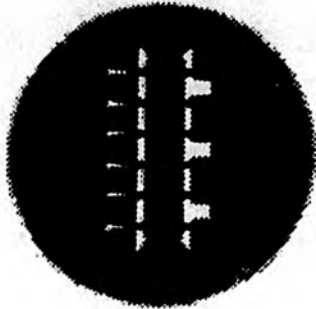
L. Partnering with license-issuing agencies

We concur with the subcommittee's recommendations. However, we wish to add a caveat: development of public/private partnerships does not happen without a considerable investment of time and effort on the part of the public enterprise. In the case of DMV, this also took considerable modification of computing resources. Again, this is an area where improved service to the public can certainly be acquired, but it takes an "up front" investment of time and money to make it happen.





THE Department of Administration



FY2000 Budget Overview

**Bringing Tomorrow's Solutions
to Government Today:
Improving Service for All Alaskans**

Tony Knowles, Governor

Robert Poe, Jr., Commissioner

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Department of Administration Office Locations

Divisions

Commissioner's Office
Administrative Services
Alaska Longevity Programs

Alaska Oil and Gas Conservation
Commission

Alaska Public Offices Commission
Finance

General Services

Information Technology Group
Motor Vehicles

Office of Public Advocacy
Office of Tax Appeals
Personnel
Public Defender Agency

Retirement and Benefits
Risk Management
Senior Services
Y2K Project Office

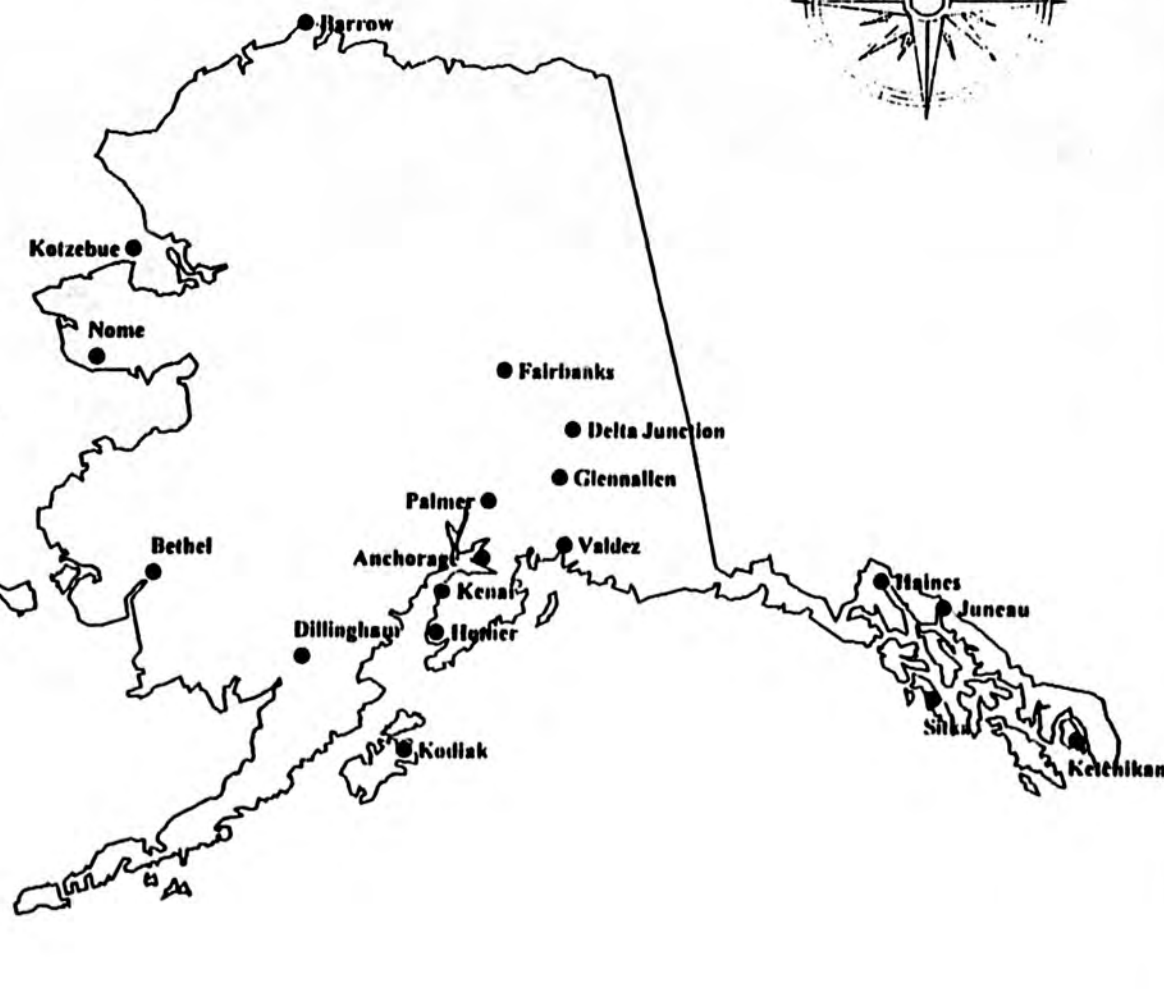
Location

Juneau
Juneau
Anchorage, Fairbanks, Juneau,
Ketchikan, Palmer, Sitka
Anchorage

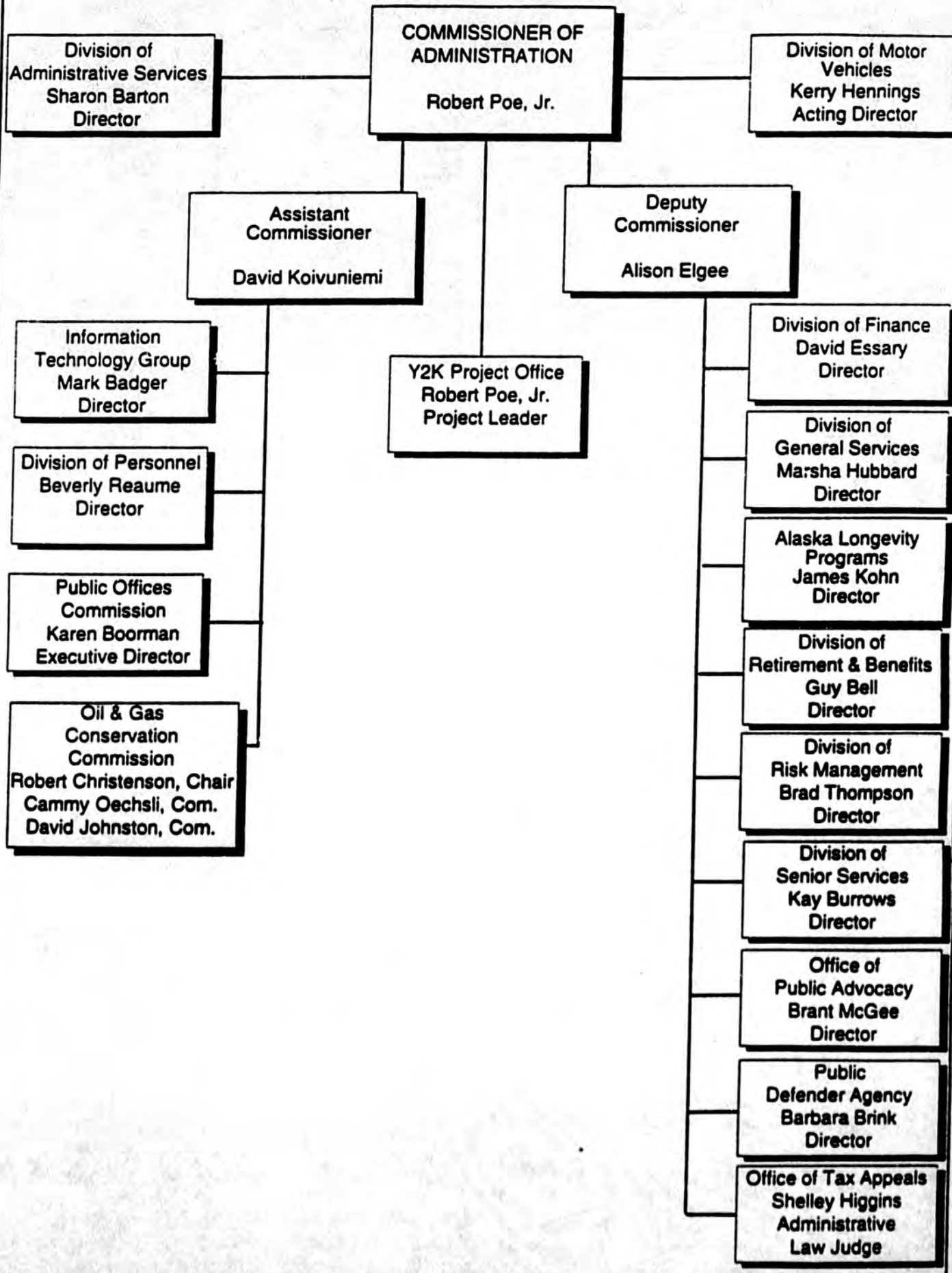
Anchorage, Juneau
Juneau

Anchorage, Juneau
Anchorage, Bethel, Delta Junction,
Elmendorf, Eagle River, Fairbanks,
Glennallen, Haines, Homer,
Juneau, Ketchikan, Kodiak, Nome,
Palmer, Sitka, Soldotna, Valdez
Anchorage, Fairbanks, Juneau

Juneau
Anchorage, Juneau
Anchorage, Barrow, Bethel,
Dillingham, Fairbanks, Juneau, Kenai,
Ketchikan, Kodiak, Kotzebue, Nome,
Palmer, Sitka
Anchorage, Juneau
Juneau
Anchorage, Juneau, Fairbanks
Juneau



Department of Administration



Program Contacts

Department Management

Commissioner's Office

Department Management: Robert Poe, Jr., Alison Elgee,
David Koivuniemi (465-2200)
Legislative Liaison: David Koivuniemi (465-2200)
Telecommunications Information Council: Robert Poe, Jr.
(465-2200)

Administrative Services

Budget: Eric Swanson (465-5654)
DOA-IT Team: John Monagle (465-5768)
Fiscal: Chris Parce (465-5653)
Human Resources: Bruce Cummings (465-5658)
Municipal Grants: Lena Simmons (465-5647)
Payroll: Judy Elphic (465-5663)
Property: Jack Gregson (465-5656)
Procurement: Jack Gregson (465-5656)

Services to the Public

Alaska Longevity Programs

Longevity Bonus/Pioneers' Homes: James Kohn
(465-4400)

Alaska Oil and Gas Conservation Commission

General Information: Robert Christenson (793-1228)

Alaska Public Offices Commission

Campaign Finance: Chris Ellingson, Therese Green
(276-4176)
Conflict of Interest: Nancy Freeman (276-4176)
General Info: Karen Boorman, Jenifer Kohout (276-4176)
Legislative Financial Disclosure: Nancy Freeman (276-4176)
Lobbying: Brooke Miles (465-4864)

Motor Vehicles

Drivers License: Sandra Eckerson (465-2650)
Driving Records: Sandra Eckerson (465-2650)
Vehicle Records: Charles Hosack (269-5559)
Vehicle Documentation: Charles Hosack (269-5559)

Office of Public Advocacy

General Information: Brant McGee (269-3500)

Office of Tax Appeals

Administrative Law Judge: Shelley Higgins (465-5641)

Public Defender Agency

General Information: Barbara Brink (264-4400)

Senior Services

Adult Protective Services: Dwight Becker (269-3674)
Assisted Living Home Licensing: Gary Ward (269-3655)
CHOICE Medicaid Home Care: Barbara Hendrickson
(269-3663)
Grants and Technical Assistance to Senior Services
Providers: Jane Demmert (465-4879)
Long-Term Care Ombudsman: Jane Demmert (465-4879)

Long-Term Care Services Unit: Barbara Hendrickson
(269-3663)

Personal Care Grants Admin: Susan Cook (269-3653)
Alaska Commission on Aging: Jane Demmert (465-4879)

Services to State Agencies

Finance

General Information: Debbie Bump (465-5615)
Accounting: Kevin Worley (465-5614)
Annual Financial Report: Joe Thomas (465-5616)
Payroll Systems: Bill Diebels (465-5600)
Systems Administration & Security: Linda Murray (465-5603)
Payroll: Mark Minthorn (465-5599)
W-2s/1099s: Jim Barnes (465-5590)
Accounting Systems: Guy Warren (465-5602)

General Services

Central Mail: John Schauwecker (465-6546)
Leasing & Facilities: Keith Gerken (465-5683)
Property Control: Rob Spoo (279-0596)
Purchasing: Vern Jones (465-5684)
Surplus Property: Rob Spoo (279-0596)
Vendor Lists: Vern Jones (465-5684)

Information Technology Group

Computer Services: Ron Hensley (465-5789)
Customer Services: Karen Morgan (465-5794)
Public Communications Services: Mark Badger (465-2220)
Telecommunication Services: Mark Badger (465-2220)

Personnel

ADA, FMLA, FLSA: Mike McMullen (465-4431)
Alaska Professional Development Institute: Arlene Abbott
(465-3412)
Classification: Elaine Williams (465-4054)
EEO Investigations: John Dede (563-0226)
Labor Relations: Kent Durand (465-4098)
Personnel Board: Mike McMullen (465-4431)
Workplace Alaska: Elaine Williams (465-4054)
Employee Acquisition: Elaine Williams (465-4054)

Retirement and Benefits

Deferred Compensation: Anselm Staack (465-5703)
Group Health and Life Insurance: Janet Parker (465-4473)
PERS/TRS Boards: Guy Bell (465-4471)
Retirement Programs: Bill Church (465-5700)
SBS Benefits: Janet Parker (465-4473)
Supplemental Annuity Plan: Anselm Staack (465-5703)

Risk Management

Property and Marine Insurance: Scott Jordan (465-2183)
Claims Administration and General Insurance Issues:
Ted Lehrbach (465-5724)
Workers' Comp & General Liability: Betty Johnson (465-2184)
Legal Defense & Self-Insurance: Brad Thompson (465-5723)

Y2K Project Office

General Information: Robert Poe, Jr. (465-2200)

NOTES

FY2000 Major Goals and Strategies

FY2000 Goal

Continue to pursue opportunities for efficiency, cost reduction, innovation, and effective delivery of state services and programs.

FY2000 Strategies

- Enable and support state agencies' efforts to efficiently deliver improved and cost effective state services electronically.
- Ensure that state services remain viable in the face of Y2K-related computer problems.
- Work with the Telecommunications Information Council to design and implement an electronic commerce strategy for statewide procurement and other key transactions.
- Implement state purchasing cards in order to reduce the cost of these high volume/low value transactions.
- Implement procurement officers' certification program that ensures competent application of state law as delegated to state agencies.
- Complete space utilization, information technology infrastructure, business management, and rental structure planning for the Bank of America Center.
- Implement the Eden Alternative in all six Pioneers' Homes.
- Expand the volunteer guardian ad litem court-appointed special advocate (CASA) program to Southeast Alaska.
- Expand care plan counseling for seniors and adults with physical disabilities seeking long-term care.

1998-1999 Major Accomplishments

- **Y2K:** Adopted life, health, safety, and economic wellbeing of Alaskans as Y2K criteria for identifying the most critical public services provided by executive branch departments.
- Established guidelines and standards for Y2K work in departments including the achievement of Y2K compliance in all critical automation systems, preparation of department contingency plans, and preparation of the state's emergency response capabilities.
- Created a Y2K monthly progress reporting system for all departments and executive branch agencies.
- Assisted departments in identifying Y2K problems and resource needs and prioritized funding needs, particularly in the areas of state facilities, transportation systems, and the state's mainframe computing environment.
- Established a statewide Y2K web site as a guide to Y2K readiness for Alaskans.
- Established a statewide outreach program for providing information and assistance to local communities, small and medium-sized businesses, the public, and others.
- **Division of Motor Vehicles (DMV) Services Improvements:** Improved motor vehicle services to the public by implementing Interactive Voice Response (IVR) and Internet-based transactional services allowing the public to do business with DMV by telephone or computer rather than coming to a DMV office.
- **Electronic Commerce Initiatives:** Prepared the state's accounting infrastructure for electronic commerce and piloted purchasing cards.
- **Recruitment for State Employees:** Fully implemented Workplace Alaska providing on-line vacancy-based recruitment for state employees.
- **Statewide On-line Services:** Leveraged the work done at DMV to assist the Departments of Commerce and Economic Development and Revenue with on-line services projects at minimal cost.
- **Pharmacy Program:** Established and implemented the Pioneers' Home pharmacy program serving all six Homes by the end of FY1999 as a cost-saving service for Pioneers' Homes residents.

- **Purchased Bank of America Building.** Established a contract for a private sector property management firm to provide the needed building services and run the daily operations of the building; continued negotiation with private building tenants for their early departure in order to make room for state tenants; prepared an overall building space plan for the accommodation of the new state agency occupants and put in place contracts for the implementation of physical moves during 1999.
- **Central Mail:** Consolidated the Juneau mail offices of the Departments of Revenue and Corrections and the Division of Motor Vehicles into the Central Mail Service operation. All three agencies reported substantial savings and improved service as a result of this effort.

NOTES

Key Issues

Year 2000 Date Conversion

Alaska, like all other states, is facing a major challenge to ensure that key government services are not interrupted due to computer problems resulting from the date change to the new Millennium. The Y2K Project Office is working with all state agencies to ensure that all mission-critical systems are made Y2K-compliant and that all nonmission-critical systems are properly supported by contingency plans. The Y2K Project Office will continue to provide ongoing statewide coordination, progress reporting, and budget control for this effort.

Personnel/Labor Relations

With all 12 union contracts up for renegotiation, the state's labor relations resources will, of necessity, be focused on collective bargaining. Backlogs in grievance and arbitration work are expected during this period. (See Appendix 9, page 105, for details.)

Pioneers' Homes

A movement has begun nationwide to convert long-term care facilities from sterile, institutional settings to more home-like atmospheres including plants, animals, and birds. The "Eden Alternative" has been demonstrated to be very effective in combating loneliness and depression in the elderly. During the remainder of FY1999 and FY2000, the Pioneers' Homes will fully implement the Eden Alternative in all Homes. (See Appendix 2, page 96, for details.)

Senior Services

Alaska is experiencing the second most rapid growth of seniors in the nation relative to the state's total population. This growth rate will result in increased numbers of seniors seeking long-term care. The division is working to expand long-term care alternatives throughout the state by educating and recruiting care providers and developing reasonable reimbursement schedules for home and community-based care alternatives. The care plan counseling project, begun as a pilot in the Anchorage area during FY1998, will be expanded so individuals seeking long-term care will be informed about all options available.

CASA Volunteers

The use of court-appointed special advocates (CASAs) for guardian ad litem services in children's cases has proven cost effective while improving children's advocacy in Southcentral Alaska. The Office of Public Advocacy will begin expansion of this program into Southeast Alaska.

DMV Reengineering

Implementation of interactive voice and Internet transactions will be completed in 1999. Automation of back office processes must be completed to realize maximum potential efficiencies and cost savings. Programming resources are spread thin on this work with the need for complete update to accommodate continuing changes in state and federal law. Otherwise the focus of the division will continue on streamlining core processes, developing additional private partners, and assessing other avenues for providing faster, more convenient service to the public. These include: stand alone self-service devices, and expanding physical locations in Anchorage and the Mat-Su Borough.

Bank of America Building Occupancy

The occupancy project will involve multi-agency planning and management teams focused on business practice improvement opportunities, space planning, and technology infrastructure. During the latter half of FY1999 and early FY2000, the Department of Natural Resources, Office of the Governor, and most of Department of Commerce and Economic Development will be relocated from more expensive leases to the Bank of America Building.

Alaska Oil and Gas Conservation Commission (AOGCC) Funding

Expanded oil field development on the North Slope and in the Cook Inlet area coupled with downsizing of the oil companies calls for an increased level of attention by the Oil and Gas Conservation Commission, requiring a larger commitment of human and capital resources. (See Appendix 10, page 106, for details.)

Children's Initiative

The Office of Public Advocacy, as the advocate for children in need of aid cases, and the Public Defender, as it is assigned to represent the parents in such cases, are partners in the success of the Governor's initiative to reform the state's process for handling children in need of aid cases. Additional funding requested in the Governor's budget may not be adequate to keep up with growing caseloads. This situation must be monitored through FY1999-FY2000 to assure that these agencies do not become the bottleneck in the Children's Initiative.

Electronic Commerce

Budget constraints and pressures from a public being conditioned by private sector models to deliver products and services fast, right, cheap, and easy, as well as from the business community and the federal government, require aggressive implementation of electronic commerce initiatives. The department is working to implement electronic purchasing and payment wherever possible without additional CIP funding.

State Facilities Rental Structure

A rental structure is being developed for all leased and owned state facilities. A rental structure is planned for a pilot in select buildings in FY2000.

NOTES

FY2000 CIP Request

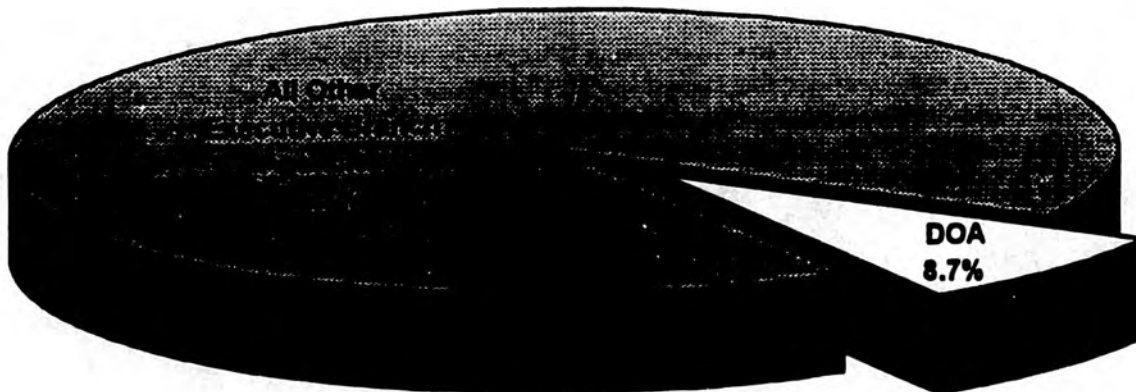
- **Pioneers' Homes Health and Safety Repairs** **\$500.0 GF**
Funding will provide for continued repairs to address health and safety issues in the Homes. The projects proposed for this funding directly relate to failures in the integrity of emergency, electrical, and other building systems.
- **Public Defender Criminal Justice Information Integration** **\$400.0 GF**
This project will electronically connect Public Defender Agency offices allowing them to share internal databases, case management systems, and legal documents, as well as information available from external criminal justice agencies. This project increases the agency's access to and dissemination of information through the purchase and installation of Y2K compatible hardware and software.
- **DMV License Plates and Manuals** **\$200.0 GF**
This project provides for the purchase of license plates to maintain stock levels needed in FY2000. Funds are also included for regular, motorcycle, and commercial driver manuals which must be available at all motor vehicle office locations, and for the purchase of motor vehicle law books for use in DMV field offices.
- **Information Technology Literacy Project** **\$175.0 GF**
This funding is requested to continue the IT Literacy project partnership established in FY1999 with the Gartner Group and the University of Alaska providing on-line training across a broad spectrum of information technology to all state employees.
- **ITG Bandwidth Increase** **\$500.0 GF**
General Funds are requested for capacity increases to the state's Wide Area Network (WAN). Normal capacity increases are a routine requirement of doing IT business and are funded through computer services rates for services. This request would fund extraordinary capacity needs that have arisen from two situations: agency-specific new application development and implementation of the 1996 Federal Telecommunications Act.
- **Satellite Interconnection Project Equipment Replacement/Repair** **\$150.0 GF**
Funding will be used for repair and replacement of essential components of the Satellite Interconnection Project (SIP). The SIP provides news, weather, government, and educational information to all Alaskans. It also serves as backbone of the emergency alert system, providing an essential component of contingency planning and communications for rural communities.

- **Land Mobile Radio Migration** **\$615.0 GF**
 This project covers state infrastructure costs of converting state two-way radio systems to allow interoperability of two-way radio resources at the federal, state, and local levels so that response to life threatening situations can be quick and efficient.
- **Criminal Justice Integration Project Analysis** **\$200.0 GF**
 Funding will be used for an analysis of the criminal justice data processing integration project. Current status of individual projects funded in prior years will be reviewed in light of overall system objectives and a strategy will be developed to complete the integrated criminal justice system.
- **ISF Equipment Replacement** **\$3,500.0 ISF**
 Through the depreciation component of chargeback, approximately \$3,500.0 will be collected in FY2000 for the purpose of replacing worn-out and/or outmoded equipment. Authorization is requested to expend those funds on necessary equipment replacement during FY2000.

Department of Administration

FY2000 Operating Budget Comparison

General Fund Only



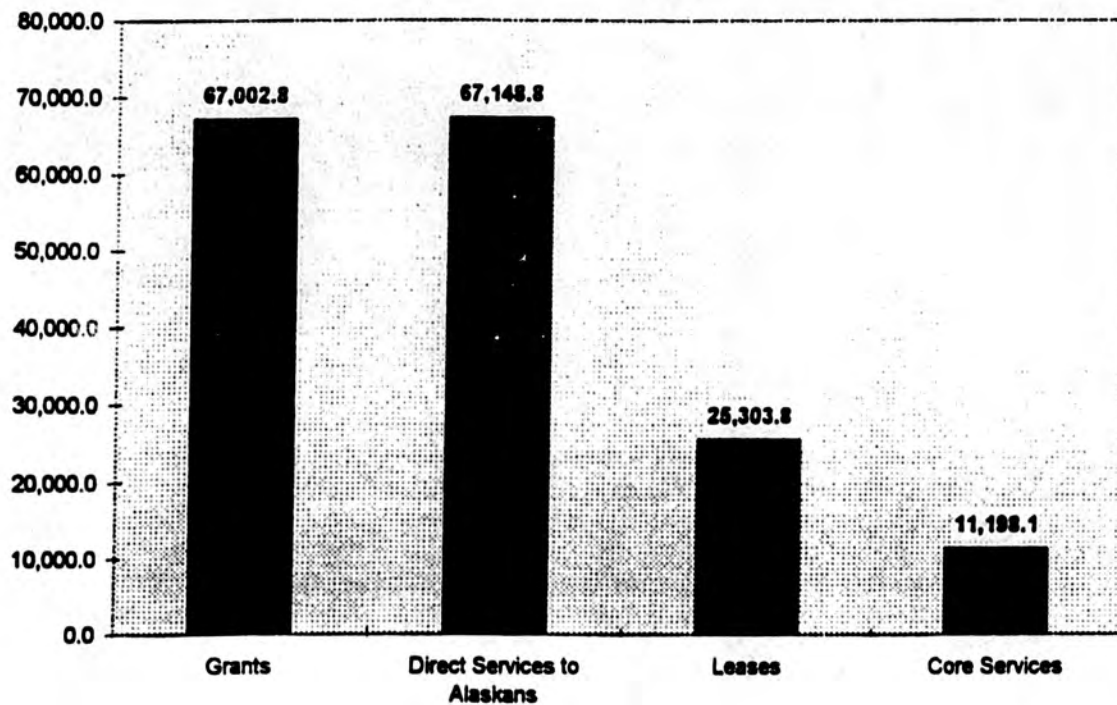
All Other Executive Branch Agencies	\$1,780,424.5
Department of Administration	\$ 170,653.5
Total Executive Branch Operating Budget	\$1,951,078.0

Department of Administration

FY2000 Operating Budget by Service Category

General Fund Only

Total \$170,653.5



Grants

Public Broadcasting
Longevity Bonus
Senior Services

Direct Services to Alaskans

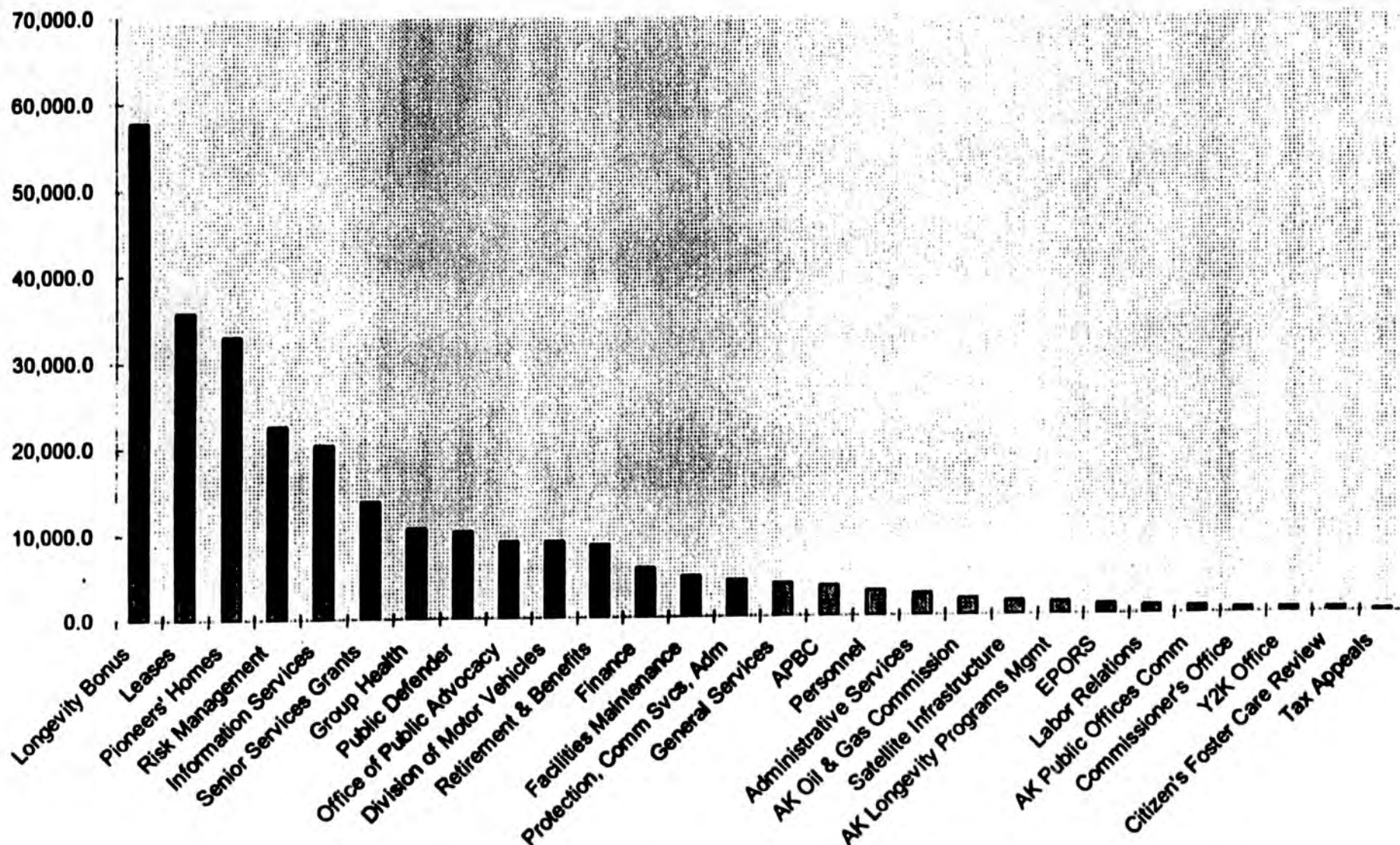
Tax Appeals
EPORS
Public Broadcasting Commission
Satellite Infrastructure
Pioneers' Homes
Alaska Longevity Programs Mgmt.
Protection, Community Services,
and Admin.
Home Health Services
Citizen's Foster Care Review
Panel
Office of Public Advocacy
Public Defender Agency
AOGCC
APOC
Motor Vehicles

Leases

Core Services

Office of the Commissioner
Administrative Services
Finance
Personnel
Labor Relations
General Services

Department of Administration **FY2000 Operating Budget Comparison by Program--All Funds** **(Millions)**



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Office of the Commissioner

Robert Poe, Jr., Commissioner
bob_poe@admin.state.ak.us

Telephone: (907) 465-2200
Fax: (907) 465-2135

Mission

Provide management oversight and policy direction to departmental programs, and to interface with the judicial, legislative, and executive branches of government to assure the effective, efficient, and economical delivery of public services to Alaskans.

Funding Summary

Office of the Commissioner Component

	<u>FY1999 Authorized</u>	<u>FY2000 Governor's Request</u>
Gen Fund	373.0	373.5
I/A Rcpts	168.5	168.5
Invst Loss	0.5	0.0
Total Funds	542.0	542.0
PFT Positions	5.0	5.0
PPT Positions	2.0	1.0

Staff Changes

Office of the Commissioner (-1 PPT)

One student intern position is being deleted.

Primary Services Provided

- Provide policy direction and leadership for departmental programs.
- Provide inter/intraagency coordination as necessary.
- Facilitate Better Business Practices throughout state government.

Customers

- Departmental programs
- State agencies
- The Governor
- The public
- The Legislature

Accomplishments

See division Accomplishments.

Key Issues/Initiatives

See division Key Issues/Initiatives.



Division of Administrative Services

Sharon Barton, Director
sharon_barton@admin.state.ak.us

Telephone: (907) 465-5655
Fax: (907) 465-2135

Mission

Facilitate delivery of all DOA programs by providing efficient and cost-effective business management support; effectively administer state municipal grants programs; and aggressively support improvements in business practices throughout the department and state government.

Funding Summary

Administrative Services Component

	FY1999 Authorized	FY2000 Governor's Request
Gen Fund	599.0	600.6
I/A Rcpts	913.7	963.7
Invst Loss	1.6	0.0
Total Funds	1,514.3	1,564.3
PFT Positions	23.0	25.0
PPT Positions	0.0	0.0

DOA Information Technology Support Component

	FY1999 Authorized	FY2000 Governor's Request
I/A Rcpts	0.0	988.6
Total Funds	0.0	988.6
PFT Positions	0.0	13.0
PPT Positions	0.0	0.0

Significant Budget Changes

Administrative Services: \$50.0 I/A. This increment will fund increased costs for personal services, information technology support, and department-wide staff training.

DOA Information Technology Support: \$988.6 I/A. The Information Technology Support budget component is new in FY2000. The IT Support Section was created by consolidating staff and associated budget for departmental IT

support. No new funds are requested. (See Appendix 4, page 98, for details.)

Staff Changes

Administrative Services (+ 2 PFT)

One PFT position is transferred to DOA-IT and three PFT positions are added, funded by Interagency Receipts.

DOA-IT (+ 13 PFT)

Ten PFT positions are transferred from various divisions and three new PFT positions are added. All positions are funded through Interagency Receipts.

Primary Services Provided

- Establish departmental business management policies and procedures and provide training for all DOA administrative staff.
- Develop the DOA annual budget; act as the department liaison with the Office of Management and Budget and the Legislature regarding budget matters.
- Provide procurement, accounting, personnel, and payroll support to divisions.
- Oversee department business management practices to assure compliance with state and federal rules.
- Provide comprehensive 7x24 centralized desktop support which includes maintenance of the department Local Area Network (LAN), analysis of software and hardware product enhancements, and liaison with the Information Technology Group and the TAC.
- Administer the Municipal and Capital Matching Grants programs for incorporated municipalities.

Customers

- DOA program managers and employees
- Private sector vendors
- Office of Management and Budget
- The Legislature
- Incorporated municipalities and organized boroughs (Municipal and Capital Matching Grants)

Accomplishments

Administrative Services

- Sponsored Administrative Services' second DOA Administrative Workshop, a

three-day event in both Anchorage and Juneau, providing a broad spectrum of administrative and technical training for the DOA Administrative Support Team and department managers.

- Provided intensive support to the Division of Motor Vehicles as it integrated into the department and as it launched organizational and business process changes.

DOA-IT

- Established logical departmental network and migrated approximately half the divisions onto the new network.
- Established department standards for computer hardware and software.
- Migrated the department to standard email.
- Established remote dial-up services for some users.

Key Issues/Initiatives

- A statewide crisis is developing from the increasing difficulty in recruiting qualified accounting staff at all levels above the Accounting Technician I level. Positions are left vacant for too long while recruitment periods are extended in the hope of attracting additional candidates. The result is degradation in the state's accounting integrity, late payments to vendors, and burn out of incumbent staff having to cover more than one desk over long periods of time, followed by long training periods required by minimally qualified new employees. Redesign of the classification and pay structure for these positions is needed.

NOTES



Alaska Longevity Programs

James Kohn, Director
james_kohn@admin.state.ak.us

Telephone: (907) 465-2159
Fax: (907) 465-4108

Mission

Provide cash payments to Alaskan seniors as authorized by the Alaska Longevity Bonus program and provide assisted living support for Pioneers' Home residents.

Funding Summary

Pioneers' Homes Component

	FY1999 Authorized	FY2000 Governor's Request
Gen Fund	13,965.0	10,528.7
GF/Prgm	9,873.7	9,873.7
I/A Rcpts	66.2	134.0
GF/MH	6,552.2	10,032.9
Invst Loss	44.4	0.0
MHTAAR	0.2	0.2
Pioneers' Home Receipts	0.0	2,364.0
Total Funds	30,501.7	32,933.5
PFT Positions	486.0	550.0
PPT Positions	79.0	78.0

Pioneers' Homes Facilities Maintenance Component

	FY1999 Authorized	FY2000 Governor's Request
I/A Rcpts	0.0	2,125.0
Total Funds	0.0	2,125.0
PFT Positions	0.0	0.0
PPT Positions	0.0	0.0

Longevity Bonus Grants Component

	FY1999 Authorized	FY2000 Governor's Request
Gen Fund	63,499.4	57,702.1
Total Funds	63,499.4	57,702.1
PFT Positions	0.0	0.0
PPT Positions	0.0	0.0

Alaska Longevity Programs Management Component

	<u>FY1999 Authorized</u>	<u>FY2000 Governor's Request</u>
Gen Fund	981.1	983.0
I/A Rcpts	322.1	322.1
GF/MH	64.3	64.3
Invst Loss	1.9	0.0
CIP Rcpts	53.0	53.0
Total Funds	1,422.4	1,422.4
PFT Positions	15.0	14.0
PPT Positions	0.0	0.0

Significant Budget Changes

Longevity Bonus: (\$5,797.3 GF). Decrement reflects cost reduction due to program phase out. (See Appendix 6, page 102, for details.)

Pioneers' Homes: \$2,364.2 PH Receipts. Authority for Pioneers' Home Receipts is proposed in a pending Governor's bill. The FY2000 revenue forecast exceeds the FY1999 program receipt authorization level by \$2.36 million. This increment proposes to use the additional collections to provide badly needed direct care staff. Also, authorization for \$3,480 is transferred from GF to GF/MH. This fund source change recognizes the Pioneers' Homes' involvement with and service to a mental health trust client group (ADRD residents).

Facilities Maintenance. A new component is included in the department budget to segregate the facility maintenance budget for the Pioneers' Homes. (See Appendix 7, page 103, for details.)

Staff Changes

Pioneers' Homes (+ 64 PFT, -1 PPT)

One PPT position was changed to PFT to meet workload demand at the Ketchikan Pioneers' Home. This change actually occurred in FY1997 but was never properly recorded in the budget. Sixty-three PFT nurse aide positions are added to meet the increased demand for direct care support in all the Homes. Funding for these positions is Pioneers' Home receipts.

ALP Management (-1 PFT)

One PFT position is transferred to DOA-IT.

Primary Services Provided

- Long-term assisted living care for up to 600 Alaskan seniors providing special capacities for individuals with Alzheimer's Disease and Related Disorders (ADRD).
- Cash bonus program for Alaskan seniors.

Customers

- Alaskan seniors receiving the longevity bonus and their families
- Pioneers' Home residents and their families
- Alaskan seniors on the Pioneers' Homes' waiting list and their families
- Representatives of Alaskan seniors, including the Legislature and the Governor
- Communities in which Pioneers' Homes are located (Anchorage, Fairbanks, Juneau, Ketchikan, Palmer, and Sitka)
- Senior organizations
- Senior service provider agencies

Accomplishments

- Established and fully implemented the centralized revenue unit that is responsible for billing Pioneers' Homes residents, receiving and posting payments and processing all payment assistance applications. Prior to the establishment of the revenue unit, these functions were performed separately at each of the six Pioneers' Homes.
- Consolidated the majority of administrative functions previously performed separately at each of the six Homes into two offices, allowing the Pioneers' Homes to reclassify administrative positions into much needed direct-care positions.
- Continued to pursue other strategies for cost containment including centralization, computerization and standardization. Group purchasing, division-wide facilities management, and the in-house pharmacy all provide immediate cost savings while other programs, such as reducing employee injury and therefore workers' compensation costs, will provide savings over time.
- Established the Pioneers' Home pharmacy which resulted in:
 - a cost savings for Pioneers' Home residents. The Pioneers' Home pharmacy provides medications without additional markup or dispensing fees;
 - on-staff pharmacists who have a background and interest in the specialty area of geriatrics and who are dedicated specifically to serving Pioneers' Homes residents; and
 - improved efficiencies and safety controls. Prior to the implementation of the

Pioneers' Home pharmacy, a number of pharmacy sources supplied medications to residents. The difference in the ordering, packaging, labeling, storing, and administration of medications resulted in inefficiencies and potential safety problems.

National Awards:

Anchorage Pioneers' Home: 1998 American Society on Aging Award--Best Practices in Human Resource Management. The Anchorage Pioneers' Home transitioned from a skilled nursing facility into an assisted living facility focusing on the care of those with Alzheimer's Disease and Related Disorders (ADRD). Increased needs of this population, coupled with budget cuts, created a demand for radically increased efficiency. Through the use of cross-functional care teams, the facility was able to improve the quality of care, reduce sick leave usage by over 40 percent, and dramatically reduce employee injury costs.

Juneau Pioneers' Home: August 1998 Eden Alternative Home of the Month. This award is given by the creators of the Eden Alternative. Each month a long-term care facility which best exemplifies commitment to the Eden philosophy, is featured in the Eden Alternative discussion. (See Appendix 2, page 96, for details.)

State Awards:

The 18th Annual Governor's Safety and Health Conference. Out of all public and private organizations in Alaska, two awards were won by the Palmer Pioneers' Home:

1. Governor's Safety Award of Excellence: Given to a company or corporation that has made significant improvement in its overall safety and health program.
2. Special Recognition Award: Given in recognition for developing projects which have had a lasting, positive affect on safety and health.

Key Issues/Initiatives

- The Pioneers' Home system must continue to strive to maintain affordability, defined as the ability of the residents and the state to jointly fund the program.
- Based upon a recent staffing study, the Pioneers' Homes need additional nurse aides to meet the direct-care staffing needs of the residents. Over 190 Pioneers' Home beds were converted from "residential" (coordinated services) to other levels of care within the last ten years. As Alaskans age, this trend will continue and has resulted in a dramatic increase in the amount of direct-care staff assistance required by residents. The Governor's

budget includes a request for 63 additional nurse aide positions which amounts to approximately three aides per Home per shift.

- The heating system in the Fairbanks Pioneers' Home is in urgent need of replacement; funding must be sought to avoid an outright emergency.
- Provide ongoing training opportunities to the staff of all six Pioneers' Homes to enable each home to be registered as an Eden Alternative facility by June 30, 2000. The Eden Alternative concept and approach for care provide a comprehensive prescription for change in the long-term care giving environment. (See Appendix 2, page 96, for a list of the ten principles; see also the Eden Alternative website at 222.edenalt.com.)

NOTES



Alaska Oil and Gas Conservation Commission

Robert Christenson, Chair
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Mission

Ensure minimum waste of Alaska's oil and gas resources by regulating all subsurface activity directly relating to oil and gas exploration and production; maximize ultimate recovery and protect correlative rights; ensure that the design and integrity of wells, well control procedures and equipment, underground injection programs, and management of reservoirs comply with state oil and gas statutes and regulations.

Funding Summary

Alaska Oil and Gas Conservation Commission (AOGCC) Component

	FY1999 <u>Authorized</u>	FY2000 <u>Governor's Request</u>
Fed Rcpts	100.2	100.2
Gen Fund	1,556.2	1,790.0
Invst Loss	2.3	0.0
Total Funds	1,658.7	1,890.2
PFT Positions	19.0	19.0
PPT Positions	0.0	0.0

AOGCC Facilities Maintenance Component

	FY1999 <u>Authorized</u>	FY2000 <u>Governor's Request</u>
I/A Rcpts	0.0	49.3
Total Funds	0.0	49.3
PFT Positions	0.0	0.0
PPT Positions	0.0	0.0

Significant Budget Changes

Alaska Oil and Gas Conservation Commission: \$238.6 GF. Additional funding is requested for inspector overtime and program underfunding. A new fee structure will be sought this session to fully fund the Commission. (See Appendix 10, page 106, for details.)

Facilities Maintenance. A new component is created in the budget to show a facility maintenance budget for the AOGCC facility. (See Appendix 7, page 103, for details.)

Primary Services Provided

- Review, approve, and inspect all oil and gas well operations.
- Approve and monitor plans for oil pool development and plans for enhanced oil recovery.
- Determine pool rules and impose conservation orders.
- Manage Alaska's Underground Injection Control (UIC) program and the annular waste disposal program.
- Collect and maintain all oil and gas drilling and production records.

Customers

- Alaskans
- Oil and gas companies
- Alaska Department of Natural Resources
- Alaska Department of Revenue
- Alaska Department of Environmental Conservation
- U.S. Environmental Protection Agency
- U.S. Department of the Interior, Minerals Management Service, and Bureau of Land Management
- U.S. Department of Energy
- Trade organizations

Accomplishments

- Approved rules for development for four new reservoirs with a combined recoverable of hundreds of millions of barrels.
- Issued 25 percent more drilling permits from FY1998 to FY1999 leading to expanded exploration and development throughout Alaska.
- Initiated first phase of reservoir modeling program for independent assessment of Alaska oil and gas resources.

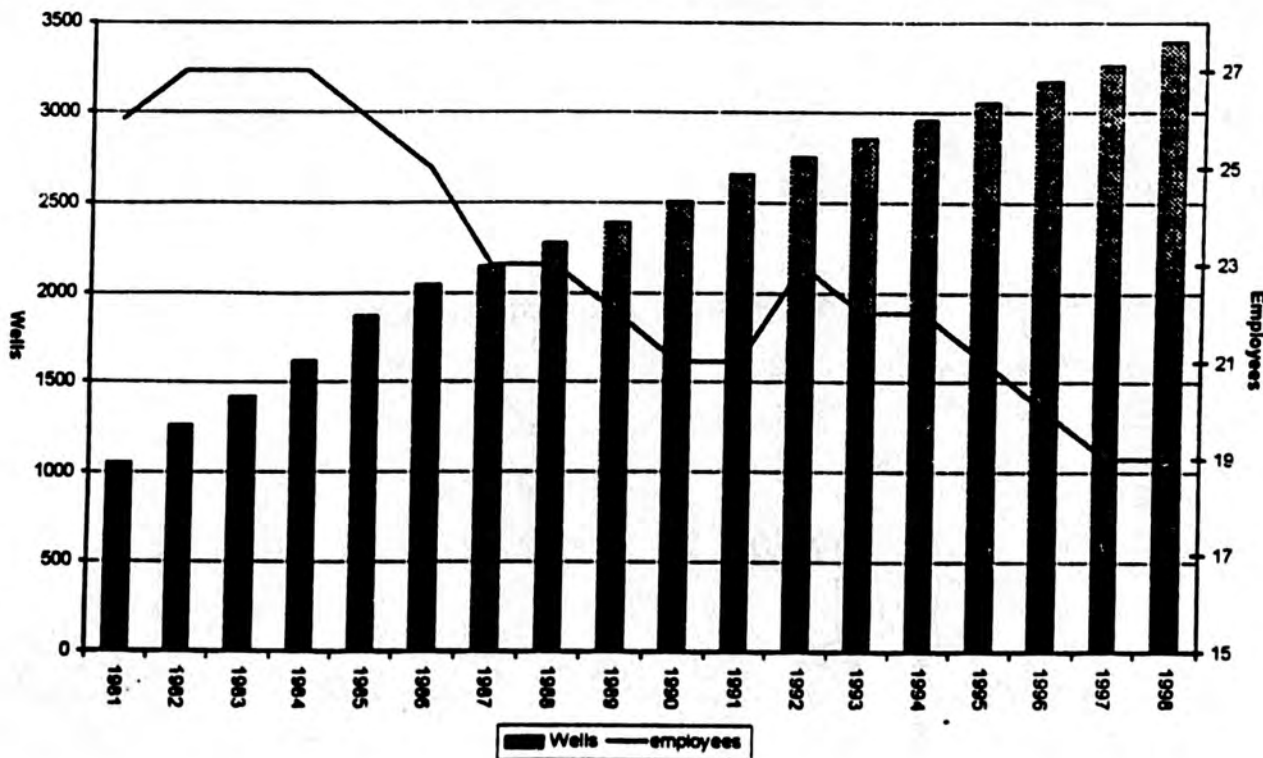
Key Issues/Initiatives

- The AOGCC lacks staffing and funding to meet its current workload. The Commission is underfunded for current staffing needs by approximately \$238.6 in FY1999. The General Fund increment of \$238.6 will address these specific obligations in FY2000. Because the number of active wells has grown in excess of 80 percent and the number of reservoirs by 70 percent since the mid-1980s, the AOGCC needs an annual budget of about \$2.5 million to address its critical functions. In light of declining General Fund revenues, the AOGCC is

seeking statutory authority to annually calculate and impose a regulatory cost charge on each active well sufficient to fund the AOGCC each fiscal year.

- The Department of Law has advised that field inspection staff is overtime eligible under federal law and that there is a significant overtime liability for which the commission will need additional funding. At current staffing levels, the overtime obligation cannot significantly be reduced without risking delay to drilling operations.

Alaska Oil and Gas Conservation Commission
Number of Active Wells v. Employees



NOTES



Alaska Public Offices Commission

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Mission

Promote fairness and openness in elections, minimize the effect of undisclosed influences on public decision-making, and encourage participation in the process of representative democracy so the public may have confidence in the election process and in their elected and appointed officials.

Funding Summary

Alaska Public Offices Commission Component

	FY1999 <u>Authorized</u>	FY2000 <u>Governor's Request</u>
Gen Fund	727.9	729.2
GF/Prgm	53.8	53.8
Invst Loss	1.3	0.0
Total Funds	783.0	783.0
PFT Positions	11.0	11.0
PPT Positions	1.0	1.0

Primary Services Provided

- Inform the electorate by providing disclosed information.
- Ensure that disclosed information is accurate and complete.
- Facilitate citizen participation in government.
- Investigate and adjudicate complaints of reporting and conduct violations.

Customers

- Individual members of the public
- Public and private interest groups
- Elected and appointed officials
- Political action committees, political parties, and large contributors
- Lobbyists and employers of lobbyists
- News media
- Other state and federal agencies

Accomplishments

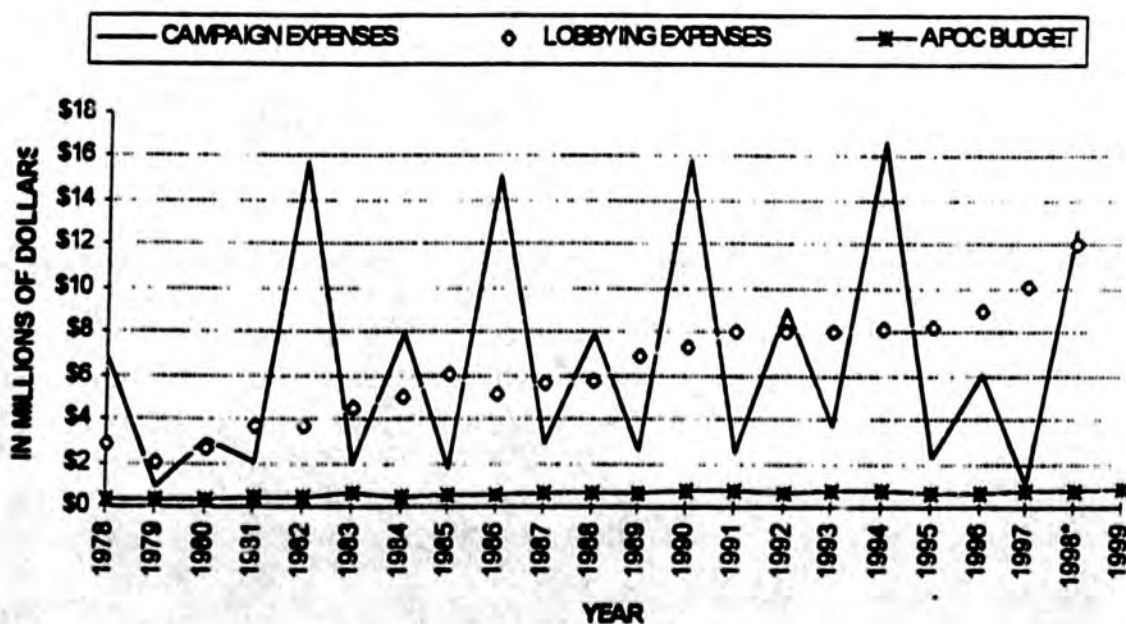
- Successfully tested electronic filing software for filing campaign disclosure reports in the 1998 Anchorage Municipal and State of Alaska elections.
- Replaced antiquated administrative and disclosure database for campaign finance with much improved Y2K compliant, relational database.
- The new database enabled publishing of Candidate and Group Summary within five days of candidate and group report filing; the publication required months during past elections.
- APOC has had 6,556 visitors to its web page in the first ten months of 1998. Most filing forms are available for downloading. Changes in statutes, advisory opinions, and recent court decisions have been made available on-line almost immediately after decisions have been made.
- Computers with resident data and Internet access have been made available to the public in the Anchorage and Juneau offices.
- The campaign finance reform law was implemented for the first time in a state election. Three lawsuits, several court decisions, and the new law raised many questions during the election.
- Fifteen training seminars were held around the state at different times during the election cycle in Anchorage, Juneau, Fairbanks, Kenai, Barrow, and the Mat-Su Borough.
- Campaign disclosure forms and manuals were streamlined and revised to reflect the new statute.
- Twelve advisory opinions were issued by the Commission. Six of twelve pending complaints were resolved by the Commission.

Key Issues/Initiatives

- During the last legislative session, the Legislature made significant changes to the filing requirements associated with personal financial disclosure by legislators and state and municipal public officials. Additional information such as close economic associations is required to be reported. The list of who must report has expanded. The date of filing annual reports which has been April 15 since the law's inception, has changed to March 15. In addition to updating the computer tracking system, new manuals and forms must be drafted and a significant educational effort put forth to educate filers about these changes to ensure that filers do not make inadvertent errors.

- The Alaska Supreme Court's decision on the ACLU lawsuit challenging the constitutionality of the campaign disclosure law is still pending and will likely alter at least some provisions of that law. In addition, APOC anticipates that legislators may propose changes to the law now that they have conducted campaigns under its provisions. The commission will work with legislators to develop constructive changes.
- Under any scenario, the campaign finance reform law requires regulations. The commission lacks the staff to support the process of promulgating new regulations. Funds are needed to support a regulations specialist and to pay costs associated with the necessary legal process for promulgating regulations.
- With the success of electronic filing by candidate and group testers in the 1998 election, the commission is committed to encouraging all municipal filers to file campaign disclosure reports electronically in upcoming municipal elections in 1999.
- The Alaska Public Offices Commission workload is directly related to the amount of spending by lobbyists and campaigns. Greater activity by lobbyists and campaigns increases the number of public inquiries, request for reports and the number of reports filed. As the chart below shows, state election years show a significant increase in spending while the APOC budget remains constant.

**APOC'S BUDGET COMPARED TO CAMPAIGN AND LOBBYING
EXPENDITURES 1978-1998**



* 1998 Figures are approximate.

NOTES



Division of Motor Vehicles

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Mission

Provide protection of life and property through the efficient administration of the motor vehicle laws.

Funding Summary

Motor Vehicles Component

	<u>FY1999 Authorized</u>	<u>FY2000 Governor's Request</u>
Fed Rcpts	77.1	77.1
Gen Fund	3,372.1	3,343.4
GF/Prgm	5,284.5	5,324.3
I/A Rcpts	142.7	142.7
Invst Loss	11.1	0.0
Total Funds	8,887.5	8,887.5
PFT Positions	148.0	147.0
PPT Positions	12.0	12.0

Significant Budget Changes

The four DMV components (Field Services, Driver Services, Administration, and Financial Responsibility Act Enforcement) are consolidated into one component for FY2000 called Motor Vehicles.

Staff Changes

Motor Vehicles (-1 PFT)

One PFT position is transferred to DOA-IT.

Primary Services Provided

- Provide title, registration, and driver license services through public service offices in major populated areas and through email, Interactive Voice Response (IVR), and on-line options statewide.
- Maintain vehicle and driver records.
- Collect and disburse, when required, state and local government taxes and fees.
- Revoke or suspend driver licenses as directed by the court.
- Provide enforcement mechanism for related programs such as emission inspections, odometer recording, and IRS heavy vehicle tax.

Customers

- Owners and drivers of vehicles in the state
- Persons requiring an ID card
- Businesses that own or operate vehicles or who employ commercial drivers
- Businesses engaged in buying or selling vehicles
- Insurance companies who base rates on individual driving records
- Law enforcement agencies who rely on driver and vehicle records
- Individuals with handicaps or disabilities who need permits for special parking privileges
- All local, state, and federal government agencies that need personal identification information

Accomplishments

- Authorized and trained commercial driving schools, school districts, school bus contractors, tour companies, and trucking companies to administer the road test for drivers getting noncommercial and commercial driver licenses in Anchorage, Fairbanks, Matanuska Valley, Soldotna, Anchor Point, Ketchikan, and elsewhere.
- Emission inspection stations have been authorized to accept registration renewals since March of 1995. We are continuing to expand this effort to more vendors.
- New car dealers are authorized to issue titles, registrations, and license plates to their customers when they take delivery of the new car.
- Snow machine dealers may issue snow machine registrations, decals, and tabs at the time of snow machine purchase.
- The Anchorage, Fairbanks, and Palmer offices have established "express service" lines for customers with simple transactions such as registration or driver license renewals that can be completed quickly.
- Registration renewal drop boxes have been installed in many office locations allowing customers who do not wish to either wait in line or mail their renewal forms to drop the forms off at their nearest DMV office.
- Opened a midtown field office in an Anchorage building with an existing state lease that was not being utilized. The new office will be managed on a "Team Concept" and has self-service terminals and phones for registration renewal services as well as providing the normal DMV services. This concept will be the standard DMV office of the future.
- The DMV field office in Juneau is located nine miles from the downtown area where the majority of the workforce is during normal working hours. A vacant

space in the State Office Building was used to set up an "express service" DMV office. This office does the most routine DMV transactions with the exception of driver road tests.

- Developed an Interactive Voice Response system that will allow customers to renew vehicle registrations using a touch tone phone and a credit card. The system has a toll free number and is available 24 hours a day, seven days a week. In addition, registration renewals, as well as personalized/vanity plates, can be ordered via the Internet through the DMV web page at:
<http://www.state.ak.us/local/akpages/ADMIN/dmv/dmvhome.htm>
- Established mechanisms to allow payment of all DMV fees by credit card. The system uses the state's new credit card contracts and accepts both MasterCard and Visa. We expect to expand this acceptance to American Express and Discover Card in the next 12 months.
- The use of self-service terminals will be expanded in DMV field locations statewide. These allow the public to perform some of the more simple DMV transactions. This results in decreasing the number of individuals who must stand in line for service.

Initiatives

- Fully implement restructuring for improved service delivery.
- Finalize digital photo and document capture and retention systems.
- Continue to increase the number of DMV business partners.
- Improve office service by opening a new office in the Mat-Su district as well as encourage commission agent participation in new areas of the state such as Kotzebue.

NOTES



Office of Public Advocacy

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Mission

Protect the rights of vulnerable Alaskans by providing excellent, cost-effective legal and guardian representation to abused and neglected children, incapacitated adults, and others.

Funding Summary

Office of Public Advocacy Component

	FY1999 Authorized	FY2000 Governor's Request
Fed Rcpts	32.0	32.0
Gen Fund	7,337.5	7,260.3
GF/Prgm	95.1	95.1
I/A Rcpts	54.9	239.0
GF/MH	611.7	1,176.5
Invst Loss	3.5	0.0
MHTAAR	6.8	6.8
Tobac Setl	0.0	135.8
Total Funds	8,141.5	8,945.5
PFT Positions	38.0	46.0
PPT Positions	4.0	4.0

Significant Budget Changes

Office of Public Advocacy: \$563.0 GF; \$135.8 Tobacco Settlement. These increments and increases address underfunding and Child Protection Legal Services cost increases. Also, authorization for \$564.8 is transferred from GF to GF/MH to recognize OPA's involvement with and service to a mental health trust client group.

Staff Changes

Office of Public Advocacy (+8 PFT)

Of the eight additional PFT positions, four were created in FY1999 and are funded by Interagency Receipts as part of the Adoption Backlog and Smart Start funding from the Department of Health and Social Services; two new positions are added for Child Protection Legal Services funded by the Tobacco Settlement; and one position was converted during FY1998 from a PPT to PFT to address increased caseload in the Public Guardian section. The increased cost of the

position was paid with funds transferred from contractual services. In addition, one new PFT position was added to provide systems administration for the public guardian software program that manages guardian funds for over 500 Alaskans. This position was also funded with a transfer from contractual services.

Primary Services Provided

- Legal and guardian representation to some 11,590 clients throughout the state when appointed by the courts.

Customers

- Abused and neglected children involved in legal proceedings
- Incapacitated adults who need assistance in protecting their social, financial, and medical interests
- Indigent criminal defendants when the Public Defender Agency has a conflict of interest

Accomplishments

- Played a leadership role in advocating early and effective intervention in child abuse cases in coordination with executive branch agencies before and during the 1998 legislative session.
- Played an active role in developing the new child abuse law.
- Office of Public Advocacy's guardians ad litem effectively met the challenge of new incoming child protection cases with few additional resources.
- Provided timely, cost effective, and quality representation in more than 10,000 cases involving individual Alaskan children and adults.

Initiatives

Meeting the needs of Alaska's abused children:

- Statewide caseloads grew by 42 percent last year and the new child abuse law has created strict timelines. Both factors will significantly increase demands on OPA's guardians ad litem.
- OPA will work to ensure effective and consistent implementation of the new law through additional statewide training of guardians ad litem, especially strategy sessions on advocating adherence to the time deadlines.
- OPA will enhance staff guardian ad litem representation of abused and neglected children through implementation of a new team approach and other section initiatives in Anchorage.

Enhancing the quality of public guardian services:

- **Improve the efficiency of financial services to public guardian clients by implementing improvements in the CompuTrust computer system and maximizing its use by all guardian staff.**
- **Develop agency plans to implement the ideas for improvement contained in the McDowell Group report.**

NOTES



Office of Tax Appeals

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Mission

Provide impartial, timely, and cost-effective hearing of tax appeals and other administrative appeals brought by Alaskan businesses and individuals.

Funding Summary

Tax Appeals Component

	<u>FY1999 Authorized</u>	<u>FY2000 Governor's Request</u>
Gen Fund	231.7	214.0
Invst Loss	0.2	0.0
Total Funds	231.9	214.0
PFT Positions	2.0	2.0
PPT Positions	1.0	1.0

Significant Budget Changes

Transferred 47.9 GF to Leases Component.

Primary Services Provided

- Hear and decide all taxpayer appeals from informal conference decisions of the Department of Revenue.
- Hear appeals to the Commissioner of the Department of Administration in procurement, longevity bonus, and personnel matters.
- Hear any administrative appeals referred by other departments.
- Make final decisions readily accessible to the public.

Customers

- Taxpayers
- Businesses and agencies involved in procurement
- Citizens or state agencies that want an impartial, professional, and expeditious hearing of an administrative dispute before the dispute goes to court

Accomplishments

- Issued timely decisions, or achieved settlements, in pending tax and procurement appeals.

- No appeals by taxpayers to Superior Court.
- Published tax and procurement decisions on the Internet for easier public access.



Information Technology Group Public Communications Services

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Mission

Provide an essential piece of the state's information infrastructure by efficient use of Alaska's satellite-based public communications system ensuring the delivery of educational, childrens' programs, news, and information material and emergency warnings throughout the state.

Funding Summary

Public Broadcasting Commission Component

	FY1999 <u>Authorized</u>	FY2000 <u>Governor's Request</u>
Gen Fund	56.9	57.0
Invst Loss	0.1	0.0
Total Funds	57.0	57.0
PFT Positions	1.0	1.0
PPT Positions	0.0	0.0

Public Broadcasting Radio Component

	FY1999 <u>Authorized</u>	FY2000 <u>Governor's Request</u>
Gen Fund	2,613.9	2,613.9
Total Funds	2,613.9	2,613.9
PFT Positions	0.0	0.0
PPT Positions	0.0	0.0

Public Broadcasting Television Component

	FY1999 <u>Authorized</u>	FY2000 <u>Governor's Request</u>
Gen Fund	845.2	845.2
Total Funds	845.2	845.2
PFT Positions	0.0	0.0
PPT Positions	0.0	0.0

Satellite Infrastructure Component (formerly Alaska Rural Communications Services Component)

	<u>FY1999 Authorized</u>	<u>FY2000 Governor's Request</u>
Gen Fund	1,104.3	1,104.3
I/A Rcpts	100.0	100.0
Stat Desig	373.7	373.7
Total Funds	1,578.0	1,578.0
PFT Positions	0.0	0.0
PPT Positions	0.0	0.0

Significant Budget Changes

Satellite Infrastructure (formerly Alaska Rural Communication System).
Component name change.

Primary Services Provided

- Provide a broadly available, easily accessible telecommunications service for all Alaska, delivering public, educational, and other programming to close and remote areas of the state.
- Integrate the satellite distribution of channels and programming services, including those from Alaska Rural Communication Service (ARCS), public broadcasting, the University of Alaska, state agencies, schools, local communities, citizens, and other public telecommunications services.
- Allocate appropriated funds to public telecommunications entities to ensure the delivery of vital educational, news and information, and emergency services to all Alaskans in the most efficient and cost-effective manner.

Customers

- People of Alaska
- Alaska's educators
- Alaska's children
- Communities and municipalities
- Government
- Corporations for public broadcasting
- Other national public broadcasting agencies and organizations

Accomplishments

- The Alaska Public Broadcasting Commission provides leadership in system development and management necessary to foster the production and delivery of public telecommunications broadcast services. The system continues to