

# **State of Alaska FY2003 Governor's Operating Budget**

**Office of the Governor**

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**Department Mission**

Ensure that state government is responsive to the needs of the citizens of Alaska, and that compelling needs within the state are recognized and addressed appropriately by providing support to the Governor and Lieutenant Governor in the policy issues and management of the Executive Branch of state government.

**Department Goals and Strategies**

The overall goals and strategies of the Knowles/Ulmer administration are outlined in the Governor's Priorities section of the Executive Budget Summary.

This departmental summary focuses on the agencies which are administratively located in the Governor's Office. Each agency's goals are listed below. For strategies to implement these goals, see the agency's detail budget.

**ALASKA STATE COMMISSION FOR HUMAN RIGHTS**

Enforce the Human Rights Law to prevent and eliminate discrimination through impartial investigation of complaints,

- conciliation, administrative hearings, public education, and community outreach.

**TRIBAL AFFAIRS**

Improve communication and cooperation between tribal and state governments.

- Improve public understanding of, and appreciation for, the importance of tribal-state relations.
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**OFFICE OF EQUAL EMPLOYMENT OPPORTUNITY**

Ensure executive branch compliance with federal and state laws relating to equal employment opportunity and affirmative action.

- Increase awareness of fair employment practices in the executive branch of Alaska state government by reaching out to key constituencies, including minority and women's groups, community organizations and state agencies.

**OFFICE OF MANAGEMENT AND BUDGET**

Work toward a long-term plan to balance the budget.

- Improve public understanding of the state budget.
- Continue to make the state budget process more effective and efficient.
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**DIVISION OF GOVERNMENTAL COORDINATION**

Streamline and coordinate permit reviews for development projects.

- Upgrade community-based coastal planning and development programs with Coastal Policy Council (CPC) oversight.
- Provide liaison to federal land and resource agencies to ensure that state interests are protected in federal decision making under the Coastal Management Program, the Alaska National Interest Lands Conservation Act, National Forest management, federal oil and gas development, and other federal programs.
- Improve technical expertise to address emerging coastal issues.
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**DIVISION OF ELECTIONS**

Increase the efficiency, security, and convenience of the electoral process.

- Improve accuracy of the voter registration list.
- Plan and prepare for the 2002 Primary and General elections.
- Encourage higher voter participation.
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**Key Department Issues for FY2002 – 2003**

**ALASKA STATE COMMISSION FOR HUMAN RIGHTS**

- During fiscal year 2001, over 4000 Alaskans contacted the agency to inquire about their rights and responsibilities.
- In recent years an increased demand for services and corresponding rise in complaint inventory caused delays in processing cases. In response the Commission revised its procedures and regulations, and with the assistance of the Governor and Legislature, secured additional resources. These efforts resulted in the elimination of the agency's backlog. The Commission continues to direct its resources to reducing the time to complete investigations and present cases at public hearing.
  - The public's demand for information on preventing and eliminating discrimination is on the rise. Business and community groups seek assistance from the agency to better educate those they work with as well as those they serve. The Commission plans to seek the resources needed to meet this demand.

#### TRIBAL AFFAIRS

- Successful tribal-state relations will require strong efforts by all branches of government and will lead to improved services and benefits for all Alaskans.
- It will be essential to increase educational opportunities for all state employees regarding cross-cultural matters, tribal governments, and mechanisms for improving communication and cooperation between tribal and state governments. This will help improve tribal-state relations, and assist individual departments in developing policies and practices that fully implement the spirit and letter of the Millennium Agreement.

#### OFFICE OF EQUAL EMPLOYMENT OPPORTUNITY

- Select software and complete statewide Affirmative Action Plan.
- Complete software repairs on the Equal Employment Opportunity Reporting System (EEORS).
  - Devise guidelines to assist departments in preparing their Affirmative Action Plans.
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#### OFFICE OF MANAGEMENT AND BUDGET

- Regardless of the price of oil, the state needs a long-range fiscal plan which balances the budget while maintaining stability for the Alaska economy and reliable services for Alaskans.
- The growing backlogs of school construction and deferred maintenance for schools and state facilities must be addressed with a plan that provides long-term financing.
  - Performance measures need to be integrated with trend indicator data available in departments to facilitate results-based budgeting.
  - Improved security measures, public health capacity, and emergency communications will require significant public investments to ensure that Alaska is well-prepared for threatened or actual terrorism incidents.

#### DIVISION OF GOVERNMENTAL COORDINATION

- Congress appropriated \$150M for Coastal Impact Assistance to oil producing states. Alaska's portion is \$12.2M (by law, 35% will be distributed directly to boroughs and coastal resource service areas). DGC will propose language in the FY2002 supplemental bill to convert the entire appropriation from an operating budget item to a capital project.
- Project consistency review regulations were promulgated in 1984 and, with minor exceptions, have remained substantially unchanged since that time. Although forward thinking for their time, they could not anticipate the array of project review issues that have emerged over the past 17 years. Revisions are under development that will address a number of issues detailed in the component summary.
  - Like the current consistency review regulations, over half of the more than 30 coastal district plans are outdated. These coastal plans do not provide districts with adequate tools for managing the coastal issues of today. District program regulations, which govern plan development and approval, were revised and streamlined in early FY2000. In FY2002 federal dollars were provided to eight districts for update of their coastal district plans. In FY2003 another eight will be funded for update.
  - Criteria used during consistency reviews to evaluate projects proposed within Alaska's coastal zone were promulgated in 1978. Project applicants and state resource agencies have asked the Coastal Policy Council to review and propose amendments to these criteria addressing air, land, and water quality, and geophysical hazards. As state agencies and coastal districts have increased demand and application of Geographic Information Systems (GIS), DGC is using federal dollars to develop GIS protocols and improve DGC's database, web site, and GIS capabilities.
  - DGC has participated in the Alaska Clean Water Actions (ACWA) partnership with the state resource agencies to unite public and private efforts to protect and restore Alaska's water resources and aquatic habitat.

#### DIVISION OF ELECTIONS

- The division is faced with the ongoing difficulty of managing and maintaining our voter registration system (VREMS).
- To ensure that the 16-year-old system will be able to handle the 2001 reapportionment of voters, the processing of initiative petition signatures, increasing voter registration demands and election preparations, the division has

contracted out the task of programming and maintaining VREMS. The division will research available election management software this fiscal year to determine feasibility of replacing the 16-year-old system.

- The recruitment of election workers becomes more difficult each year. During the primary and general elections, an estimated 2,500 workers will be hired. The level of compensation, the need to take time off work to be trained and to serve, and the nature of the tasks make voters less willing to serve. When election workers cannot be found, the division must close the polling place and provide an absentee voting official in the community. The division is seeking legislative approval to give election workers a \$2.00 per hour raise, the first in 20 years.
- The number of absentee and questioned ballots continues to increase dramatically. In order to manage the increase, the division received statutory authority to change the schedule for counting ballots, increased the number of public members on the review boards, and revised procedures to make the process more efficient. The division requests funding to increase the number of temporary employees and election workers to process these ballots.
- The division will be verifying signatures on potentially 6 initiative petitions for possible placement on the 2002 general ballot.

## **Major Department Accomplishments in 2001**

### **ALASKA STATE COMMISSION FOR HUMAN RIGHTS:**

The Commission continues to reduce the time required to process a complaint of discrimination.

- Eighty-five percent of those who take advantage of the Commission's mediation program settle. Those who participate without reaching resolution still evaluate the program positively.
- Conducted a fair housing education and outreach program across Alaska with the funds from the U. S. Department of Housing and Urban Development (HUD).

### **TRIBAL AFFAIRS**

Helped negotiate the Millennium Agreement signed in April by the governor and more than 70 tribes, which provides a framework for establishing government to government relationships between the state and the federally-recognized tribes in Alaska.

- Coordinated initial phases of implementation of the Millennium Agreement throughout the executive branch and with the signatory tribes.

### **OFFICE OF EQUAL EMPLOYMENT OPPORTUNITY**

Improved quality of quarterly workforce reports by working with departments to correct job code problems with

- EEORS data; began process of software repairs on EEORS; selected contractor to prepare statistical analysis for statewide Affirmative Action Plan.
- Maintained outreach to employees and community groups through many events around the state. Through collaboration with federal and local agencies, our office increased the number and quality of our presentations.

### **OFFICE OF MANAGEMENT AND BUDGET:**

Improved and reorganized the use of performance measures in department budgets and key indicators in major interdepartmental program areas.

- Helped organize the Governor's Terrorism Disaster Policy Cabinet to assess the security needs of state government and the people of Alaska, following the terrorist events of September 11.
- Helped coordinate the response of the Governor's Disaster Policy Cabinet to the salmon fisheries economic disaster in western Alaska in the summer of 2001.
- Developed a legislative proposal to eliminate a large portion of the deferred maintenance backlog for state facilities using certificates of participation.
- Worked with the legislative Fiscal Policy Caucus on efforts to increase public understanding of the need for a long-range fiscal plan for Alaska, including the development of fiscal and economic information for the series of town meetings held across Alaska in 2001.
- Helped develop initiatives and budget proposals for the Governor in the areas of alcohol treatment, oil and gas protection, and services for children.
- Improved public information on the cost of legislation by implementing electronic fiscal notes and making them available over the Internet on the Legislature's bill status system.
- Made substantial improvements to the computerized Alaska Budget System, both in functionality and user documentation.
- Notified recipients of all state financial assistance about audit requirements before the due date and worked with granting agencies to resolve audit findings within the required timeframe.

**DIVISION OF GOVERNMENTAL COORDINATION:**

Coordinated approximately 372 multi-permit coastal project reviews in FY2001.

- Secured \$2,520,000 in federal funds for FY2002 coastal management
- Provided assistance to eight coastal communities working on updating their coastal district plans.
- Provided state response to all Outer Continental Shelf Lands Act and Alaska National Interest Lands Conservation Act Conservation System Unit activities.
- Continued to upgrade Internet access to the Alaska Coastal Management Program and permitting review information. Digitized coastal district boundaries and have made the data and metadata available online.
- Continued work with the Alaska Coastal Management Program Working Group and the Department of Law to develop draft 6 AAC 50 regulations to present to the resource agencies and coastal districts for further refinement before presentation to the Coastal Policy Council.
- Completed the revision to the ACMP Enhancement Grants Program Assessment and Strategy, which outlines projects to accomplish improvements to the ACMP and enables the ACMP to receive about \$2,500,000 in federal non-match dollars during FY02-06.
- Completed *Guidebook 6. Implementation. Putting a District Coastal Management Program to Work*. This sixth guidebook in a series of six provides step-by-step guidance to coastal district on topics ranging from how to set up and manage your coastal management office to how to effectively comment on project reviews.
- Submitted Alaska's Coastal Clean Water Plan, pursuant to Sec. 6217 of the Coastal Zone Management Act, to NOAA and EPA for federal approval.

**DIVISION OF ELECTIONS**

The division successfully conducted two large consolidation elections in 2001: the Ketchikan consolidation in July and the Fairbanks consolidation in August. Both elections were conducted by mail.

- The mainframe based voter registration and election management system (VREMS) was tested, thoroughly reviewed, and updated to prepare for reapportionment duties.
- The division successfully conducted and certified 19 REAA elections, four CRSA elections, and four special elections.
- GIS mapping software was purchased and tested for use in working with the Redistricting Board's files.
- The division conducted the third annual list maintenance effort since passage of the National Voter Registration Act in 1995. List maintenance allows the division to remove voters from our master active registration list. As a result of the effort, over 33,000 voters were moved to inactive status.

## **Governor's Key Department-wide Performance Measures for FY2003**

**Measure:**

Performance measures in departments' budgets are integrated with trend data available from departments to facilitate the development of performance measures in the future, and the assessment of whether performance has achieved the target levels.

**Alaska's Target & Progress:**

The Governor's Executive Budget Summary (EBS) for FY1997 included a few key performance measures for each department. One of the FY97 measures was for OMB to design and implement a new statewide budget system. Performance measures are now an integral part of the budget system. Three years ago, the legislature began working on missions and performance measures with departments. At the same time, the executive branch was expanding its use of performance measures as well as targeting their use to program areas where tracking progress, or the lack of it, is vital. To help bring focus to the goals and objectives of the Governor and the legislature, the reporting of performance measures in the Alaska budget system was simplified. The most significant Governor's performance measures are now presented at the department level in budget submissions, all legislative performance measures are presented at the budget request unit level. Performance measures are not repeated at the component level.

**Benchmark Comparisons:**

Other states vary in the number of key performance measures they track. Several that started with hundreds of measures eventually reduced the number to focus on the most important areas. The State of Alaska has gone through this process as well, and is also simplifying and reorganizing its use of performance measures. The purpose is so

measures of special concern to lawmakers, the public, and agencies can be easily identified and tracked, as well as linked to broader indicators of change in selected program areas.

**Background and Strategies:**

In FY 2003, the use of performance measures will be taken a step farther, to link the assessment of performance as proposed in the budget to the use of trend indicator data which will help evaluate the degree to which progress has been accomplished. One aspect of this will be integration with the Department of Community and Economic Development's outstanding new online Alaska Economic Information System (currently in prototype development). With these new tools, trend indicator information will be much more easily available to the public and agencies.

Other states have learned that the process develops best when the executive and legislative branches work together to identify areas needing measures, agree on data needs and constraints, set targets for improvement that are aggressive but achievable, and adjust targets if necessary to meet the funding levels which are ultimately appropriated. The Knowles/Ulmer Administration is committed to working with the legislature to continue establishing viable performance measures and using the results to help evaluate budget needs and program effectiveness.

**Measure:**

DGC will bring affected local coastal districts and state and federal agencies together within 50 days to resolve issues for coastal projects requiring multi-agency permits.

**Alaska's Target & Progress:**

In FY2001, the average project review time for completed project reviews was 48 days, which is less than the required 50 days under regulation 6 AAC 50.

**Background and Strategies:**

A coordinated consistency review involves a review of multiple permits and the bringing together of a number of stakeholders to resolve any conflicts and issues. As the coordinator of this process, the Division identifies any systemic bottlenecks and seeks long term solutions that will improve the total time to complete a consistency review.

## Department Budget Summary by BRU

*All dollars in thousands*

Formula <u>Expenditures</u>	FY2001 Actuals				FY2002 Authorized				FY2003 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
None.												
<u>Non-Formula Expenditures</u>												
Commissions/ Special Offices	1,330.8	162.2	0.0	1,493.0	1,338.4	188.7	0.0	1,527.1	1,514.2	128.7	0.0	1,642.9
Executive Operations	8,685.6	101.3	97.5	8,884.4	10,086.0	110.0	0.0	10,196.0	9,504.9	0.0	14.6	9,519.5
Gov State Facilities Rent	429.5	0.0	0.0	429.5	416.0	0.0	0.0	416.0	453.9	0.0	0.0	453.9
Office of Management & Budget	1,521.7	0.0	230.1	1,751.8	1,761.5	0.0	0.0	1,761.5	1,649.0	0.0	0.0	1,649.0
Governmental Coordination	1,429.4	2,592.4	43.0	4,064.8	1,480.9	3,213.9	0.0	4,694.8	1,588.5	3,474.9	450.1	5,513.5
Elections	3,932.3	0.0	0.0	3,932.3	3,213.8	0.0	0.0	3,213.8	4,662.0	0.0	0.0	4,662.0
Office of International Trade	387.4	0.0	300.0	687.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Totals</b>	<b>17,716.7</b>	<b>2,855.9</b>	<b>670.6</b>	<b>21,243.2</b>	<b>18,296.6</b>	<b>3,512.6</b>	<b>0.0</b>	<b>21,809.2</b>	<b>19,372.5</b>	<b>3,603.6</b>	<b>464.7</b>	<b>23,440.8</b>

### Funding Source Summary

*All dollars in thousands*

<b>Funding Sources</b>	<b>FY2001 Actuals</b>	<b>FY2002 Authorized</b>	<b>FY2003 Governor</b>
1002 Federal Receipts	2,855.9	3,512.6	3,603.6
1003 General Fund Match	1,270.3	1,304.0	1,328.2
1004 General Fund Receipts	16,428.6	16,987.7	18,039.4
1005 General Fund/Program Receipts	17.8	4.9	4.9
1007 Inter-Agency Receipts	107.8		14.6
1053 Investment Loss Trust Fund	237.0		
1061 Capital Improvement Project Receipts			450.1
1108 Statutory Designated Program Receipts	25.8		
1115 International Trade and Business Endowment Income	300.0		
<b>Totals</b>	<b>21,243.2</b>	<b>21,809.2</b>	<b>23,440.8</b>

### Position Summary

<b>Funding Sources</b>	<b>FY2002 Authorized</b>	<b>FY2003 Governor</b>
Permanent Full Time	175	186
Permanent Part Time	3	2
Non Permanent	37	55
<b>Totals</b>	<b>215</b>	<b>243</b>



**FY2003 Capital Budget Request**

<b>Project Title</b>	<b>General Funds</b>	<b>Federal Funds</b>	<b>Other Funds</b>	<b>Total Funds</b>
AccuVote System - Payment 5 of 6	387,789	0	0	387,789
Expansion of AccuVote Elections System	298,600	0	0	298,600
Pacific Coastal Salmon Recovery Fund/Pacific Salmon Treaty	0	28,500,000	0	28,500,000
<b>Department Total</b>	<b>686,389</b>	<b>28,500,000</b>	<b>0</b>	<b>29,186,389</b>

*This is an appropriation level summary only. For allocations and the full project details see the capital budget.*

## **Overview of Departmental Budget Changes**

Establish the Tribal Affairs component to provide the resources to implement the Millennium Agreement.

## Summary of Department Budget Changes by BRU

### From FY2002 Authorized to FY2003 Governor

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>18,296.6</b>	<b>3,512.6</b>	<b>0.0</b>	<b>21,809.2</b>
<b>Adjustments which will continue current level of service:</b>				
-Commissions/Special Offices	26.9	1.7	0.0	28.6
-Executive Operations	-1,321.1	-110.0	0.0	-1,431.1
-Gov State Facilities Rent	9.4	0.0	0.0	9.4
-Office of Management & Budget	-112.5	0.0	0.0	-112.5
-Governmental Coordination	28.2	-89.0	104.2	43.4
-Elections	-1,108.5	0.0	0.0	-1,108.5
<b>Proposed budget decreases:</b>				
-Commissions/Special Offices	0.0	-61.7	0.0	-61.7
<b>Proposed budget increases:</b>				
-Commissions/Special Offices	148.9	0.0	0.0	148.9
-Executive Operations	740.0	0.0	14.6	754.6
-Gov State Facilities Rent	28.5	0.0	0.0	28.5
-Governmental Coordination	79.4	350.0	345.9	775.3
-Elections	2,556.7	0.0	0.0	2,556.7
<b>FY2003 Governor</b>	<b>19,372.5</b>	<b>3,603.6</b>	<b>464.7</b>	<b>23,440.8</b>