

State of Alaska FY2004 Governor's Operating Budget

Department of Military and Veterans Affairs

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Department Mission

The Department of Military and Veterans Affairs provides relevant and ready military forces that are fully prepared to mobilize and accomplish military missions, provide homeland defense, and respond to emergency requirements in the state or around the world. The remaining divisions of the Department are responsible to provide emergency services, training for at-risk juveniles, coordination of veterans assistance and programs, and support to other state and federal agencies in suppressing the use of illegal drugs. (Differs from Section 99, CH 124, SLA 2002)

Department Goals and Strategies

1. To reduce the vulnerability of people and communities of the State of Alaska from the loss of life, injury, and damage to property resulting from disaster or terrorist attacks.

Formalize the State's Homeland Security Advisory (threat level) System (HSAS).

Centralize intelligence/information and dissemination.

Conduct statewide critical infrastructure vulnerability assessments.

Conduct statewide crisis and consequence management planning, training and exercises.

2. Provide a National Guard force that fulfills state and federal military missions, and continues to educate leaders and help build communities.

Increase the current capability and structure of the Army and Air National Guard by continuing acquisition of new missions of space surveillance and security at Clear Air Station; a role in the Alaska North American Aerospace Defense Command (NORAD) operations center; missile defense; and domestic preparedness against weapons of mass destruction.

Improve recruitment, retention, and education levels through a partnership with the University of Alaska and full use of military education tools and distance learning capabilities.

Continue to manage project issues between the Alaska National Guard, the Space and Missile Defense Command, Boeing Corporation, Congress, the federal government, and the State of Alaska.

Facilitate the maximum use of Alaska's unique combination of strategic location, responsive institutions, and highly skilled and motivated work force to support our Armed Forces as they develop and deploy the technologically advanced systems required to defend our Nation against emerging 21st Century threats.

Continue expansion of our presence in rural Alaska to increase Native Alaskans' opportunities to learn marketable skills and strengthen leadership abilities. Utilize former Guardsmen as elders to educate community leaders on the benefits of having the National Guard as a part of the community.

Build new and maintain existing facilities and reduce the deferred maintenance backlog each year in order to support the state and federal missions of the Alaska National Guard.

3. Ensure that the emergency management system in Alaska serves the public in a timely and cost-effective manner.

Continue to provide communities with a mechanism to assist one another through coordination with the State Emergency Coordination Center.

Expand the State of Alaska Emergency Management System (AEMS) that defines the organizational structures for and among state, borough, and community offices for response to emergency and disaster incidents; and coordinates the management of these response resources.

Maintain capability to convene and deploy interagency incident management teams to manage all types of hazards.

Maintain a comprehensive recovery program to acquire and manage all necessary state and federal resources for disasters.

Continue to expand and update the Division of Emergency Services (DES) community profile database to be available statewide as a resource database structure.

Continue developing a standard multi-agency/multi-incident logistics system to track all requests for resources.

Continue to place emphasis on state programs designed to prevent or mitigate potential emergencies or disasters.

4. Help Alaska's youth gain an education and learn self-discipline.

Encourage "at risk" youth to complete high school and establish career goals through attendance at the Alaska Military Youth Academy

Encourage students in the 4th through 6th grade to increase their learning potential in science, mathematics and technology.

5. Advocate for veterans' benefits to recognize the sacrifices and achievements of Alaska's veterans and their families.

Develop solutions that will help meet the long-term care needs of Alaska's veterans, including providing more housing for senior veterans in the Pioneers' & Veterans' Homes.

Provide an interface and advocacy for veterans and veterans' organizations to identify and resolve problems related to veterans' affairs.

Follow-up with Veterans Administration to continue efforts on behalf of veterans to receive just compensation afforded them while in the Pioneers' & Veterans' Home.

Monitor the outreach and assistance services provided by the Veterans Service Organizations.

Expand efforts for veterans in Alaska's rural communities.

Allow use of Army Guard armories statewide as places for veterans to access veterans' program information.

Key Department Issues for FY2003 – 2004

Homeland Security:

The key issue for FY2004 is to fund and maintain a viable Division of Homeland Security that is fully capable of accomplishing its mission. The world situation is such that terrorist activity will certainly increase. At a time when the federal government is embarking on the biggest change in years by establishing a Department of Homeland Security, it is extremely important that Alaska has an entity that focuses on homeland security issues and works closely with the new federal department. Additionally, this Division will provide the threat analysis, planning functions, intelligence sharing, and exercise development that is currently not provided for within the State. In this regard, the resources for a separate Division of Homeland Security should remain one of the State's highest priorities.

The need to plan for anticipated federal funding associated with terrorism related issues is key to eliminating delays in funding for local community homeland security programs. This is a difficult task as the federal and state budgets do not follow the same timelines. This is further compounded by the lack of a current authorized federal budget and the current national political climate causing disagreement on the structure and function of our federal funding partners.

National Guard Facilities:

The deferred maintenance, replacement and renewal list continues to grow for Guard facilities. The deferred maintenance backlog of Air Guard facilities increased over 16% from \$10.8 million to \$12.6 million. The Army Guard backlog is \$21.2 million, a decrease of \$600.0 or 3%. The increase is a direct reflection of under funding and continued degradation of our older facilities. With the continual lack of funds being placed in this area, we are unlikely to reach our goal of a 5% reduction yearly.

Further complicating the issue, is the length of time it takes to obtain federal approval for replacement of facilities. Because of the shrinking national military budget for new facilities, it is difficult to replace facilities before they become extremely expensive to maintain.

Military Youth Academy Facility:

In order to more efficiently house the existing students and to increase the number of students admitted to the Alaska Military Youth Academy, the department is discussing plans for a facility that would reduce the staff to student ratio needed at night. If the Academy could plan for a facility that would house students in the most efficient manner, more funds would be available to increase enrollment.

Current Youth Academy facilities need extensive renovation and remodeling including insulation and siding, new heating and air ventilation systems, a secure meeting place for mentors and a refurbished dining hall.

Renovations at Camp Carroll would also upgrade all the facilities to a condition that will present a professional, orderly, and functional atmosphere for the young adults, parents and guardians, mentors, and visiting dignitaries. Presently, the dining facility is our primary focus needing attention. It requires exterior insulation and siding, new heating and air ventilation system, and upgrade of the lighting systems. The renovation actions will significantly improve energy conservation and efficiency in using the dining facility for feeding, as a classroom, a study hall, a testing center, then in-processing center, and the meeting area for students and the public.

Emergency Services:

The need to combine 24-hour operations centers in the Anchorage area into one multi-agency State Emergency Coordination Center (SECC) that coordinates all state response requests and activities is a high priority. This multi-agency SECC would provide a focal point for statewide emergency contacts and improve the overall efficiency of state government.

The Division continues to respond to floods and storms in interior and coastal Alaska. The recurring nature of floods and storms highlights the serious and complex issue of relocation that faces a growing number of Alaskan communities that have threatening erosion problems. Relocation would change their very way of life and also cost hundreds of millions of dollars. Currently no state or federal source of funding exists for this monumental task. The State should develop a policy on relocation of communities threatened by erosion.

Major funding for the Local Emergency Planning Committees (LEPC) is primarily based upon 3% of the balance of the Oil and Hazardous Substance Release Prevention and Response Fund (aka 470 funds). The fund manager has indicated that there will be a reduction in the level of 470 funds for FY 2004. Money in the fund must only be used to plan or respond to an oil or hazardous chemical release. The State Emergency Response Commission (SERC) and LEPCs are all hazard tasked (i.e. earthquake, tsunami, terrorism, etc.). LEPCs are responsible for all-hazards planning and response. To date, little money has been available specifically for all-hazards planning.

Air National Guard:

Transfer of the 611th Air Defense Battle Control Center is under way. The transition is programmed to take four years and is proceeding on track. At the time of transition, America's air defense sectors will be completely managed by the Air

National Guard. This mission is still planned to encompass personnel only. All facilities and maintenance will be the responsibility of the US Air Force. This arrangement provides real growth for the Alaska Air National Guard with no associated expense for the State of Alaska budget.

Integration of the Clear Air Force Station Ballistic Missile Early Warning System is expected to begin in October of 2003. At the completion of the transition, Alaska will join only four other states that have Space Missions performed by the Air National Guard. As with the 611th, the ANG will be responsible only for personnel. The U.S. Air Force will perform all facility maintenance and operations. This arrangement provides real growth for the Alaska Air National Guard with no associated expense for the State of Alaska budget.

These two programs will bring nearly 250 permanent jobs to Alaska residents and, in the case of Clear, could provide a significant economic boost to nearby communities.

Army National Guard:

The Alaska Army National Guard's federally funded Civil Support Team (CST) consists of 22 full-time Army and Air Guard personnel. Equipment allocations have been received with the exception of two critical vehicles manufactured especially for CSTs. Delivery was expected in 2002. The Army National Guard must continue training the CST in preparation for a chemical, biological, radiological, nuclear or high yield explosive threat. The CST is located within the Anchorage National Guard Readiness Center but is fully air transportable via C-130.

Department of the Army plans are being implemented to increase the combat effectiveness of the 207th Infantry Group (Scout). The 3rd Battalion 172nd Infantry (Mountain) will be converted into two Scout battalions and missioned to the 207th Infantry Group (Scout) to perform its wartime mission in Alaska. The projected date for the addition of the New England Scout units is October 2003. The addition of the new battalions will increase the infantry availability to Alaska by 40%.

The 3rd Battalion 172nd Infantry (Mountain) is stationed in the states of Vermont, New Hampshire, Maine and Rhode Island. The 172nd Infantry unit history is honored with participation in the major mountain battles of the Italian campaign during World War II. The New England Scout Battalions will carry on that proud heritage they have earned serving America and bring their valued mountaineering skills in support of Alaska.

Space and Missile Defense:

Proactive management will be required during the next two years to fully engage Alaska resources in the support of the missile defense infrastructure and system architecture being developed here. Major projects include: the completion of a new Environmental Impact Statement for the multi-site Pacific Region Ballistic Missile Defense Test Bed; integration of the Kodiak Launch Complex into the testing program; inclusion of new sea based, airborne, and other land based programs into an integrated multi-layered missile defense system; completion of construction at Fort Greely and Shemya; and initiation of construction and test activities at Kodiak.

A recruiting effort to initially focus on military police begins in federal fiscal year 2003. Fifty-two new Army National Guard positions will be hired to provide missile site security. The total new federally paid positions over the next two years will exceed 300. These positions are the first of many new positions to come to the state as a result of development of a missile defense system.

Military Youth Academy:

Students: The most pressing issue for the Alaska Military Youth Academy is the inability to adequately address the growing number of at-risk youths that are ready to attend the Academy. There are several reasons for this, including lack of a facility and resources.

This fall, 252 young men and women applied to enter the Youth Academy for the October 2002 class. Of those youth that applied, the Academy was only capable of registering 169. For the April 2002 spring/summer class, the Academy will have over 200 applications to enter the program; however, only 170 young men and women will be able to register. The remaining applicants will be turned away. The program does not have the facilities to handle all the youth that desire to enter the program. Unfortunately, this is a vulnerable period in their lives as a young adult and the Academy could

have been their best chance, if not their last chance, to turn their life around and be a successful and responsible member of society.

Educational Benefits:

Continued support of educational opportunities for Guard and Naval Militia members is critical in order to meet recruitment and retention goals. The Guard has mandatory educational requirements to enter and advance. Furthermore, as the Guard missions become more technical, educational opportunities will allow Guard members to obtain the training they need to compete for jobs that are being considered for Alaska (space and missile defense, space surveillance).

Veterans Services:

Alaska is the only state without a veterans' home. Last year legislation changed the name of the Alaska Pioneers' Homes to the Alaska Pioneers' and Veterans' Homes in an attempt to provide innovative options to the federal government in funding care for veterans in Alaska. In addition, a study was funded to gather information on the long-term care needs of veterans. Both of these issues will continue to be discussed until solutions can be found to provide the care needed for Alaskan veterans.

Major Department Accomplishments in 2002

Homeland Security:

The September 11th terrorism event resulted in activation of the State Emergency Coordination Center and augmentation by state and federal agencies. At the request of New York officials, DES sent our Recovery Section Manager to New York City to work on the World Trade Center response. The Alaska Type 1 Incident Management Team was activated and deployed to the World Trade Center to assist in recovery operations. The Alaska Disaster Medical Assistance Team was also deployed to New York City to assist with health care needs associated with the World Trade Center operation.

Since September 11, 2001, local first responders and the State of Alaska have responded to 148 suspected incidents of bioterrorism-terrorism (i.e. possible anthrax contamination). All tested samples were determined to be negative for anthrax spores. Each of these events were tracked and monitored by the DES State Emergency Coordination Center.

The Alaska Air National Guard was fully engaged in support of Operations Noble Eagle and Enduring Freedom following the September 11 terrorist attacks. The 168th Air Refueling Wing began a year-long mobilization of over one-third of its total force. 168th members established deployed operations in Hawaii, Guam, and Oman. The 176th Wing mobilized search and rescue members for deployment to the Middle East. Security Forces personnel from both Wings continue to be deployed to Middle East locations. At home, Air National Guard members participated in statewide airport security details.

Following terrorist attacks on September 11, 2001 the Governor ordered the Alaska National Guard to duty at 19 airports around the state. The Army and Air National Guard staffed passenger screening points with uniformed, armed Guardsmen and women to ensure traveler confidence in the screening process and to oversee the screening points. The mission length was initially established at 179 days.

In June 2002, the Office of Homeland Security was created and two DES employees were re-assigned to assist the newly created Deputy Commissioner.

Search and Rescue:

The Air Guard 210th Rescue Squadron and the Rescue Coordination Center participated in 448 rescue missions resulting in 192 lives saved.

The 210th Rescue Squadron continued international rescue diplomacy with Russia and Canada in the Arctic SAREX operation. The yearly joint exercise continues to build understanding and teamwork between these countries.

From October 2001 until September 2002 the Army National Guard flew 33 MEDEVACS and 9 Search and Rescues in Alaska. Additionally, the 1-207th responded to 12 other emergency missions to include the Crooked Creek/Aniak

flooding, the McGrath Fire and the Skwentna fire.

The 207th Aviation Battalion, Army National Guard is at the forefront of the U.S. Army's Combat Search and Rescue (CSAR) program. Members of the unit are developing training methods and operational procedures to fulfill this critical mission niche. As a result of acquiring specialized equipment for some of its UH-60L Blackhawk helicopters and CSAR unique training for its aircrews and some ground troops, Alaska's citizens are benefiting from significantly enhanced in-state search and rescue capabilities.

Space and Missile Defense:

Major changes this year in the program formerly called National Missile Defense have created both immediate and substantial benefits as well as significant new opportunities for Alaska. The new Pacific Region Ballistic Missile Defense Test Bed program has added a new Alaska site, Kodiak, and the construction schedule at Fort Greely and Shemya has been accelerated to achieve a completion deadline of September, 2004.

Initial clearing and site preparation work on the missile field at Fort Greely was completed ahead of schedule and on budget.

Thirty-five Alaskan owned and operated businesses are currently subcontracted in various capacities to support Test Bed construction projects. The current combined value of these subcontracts exceeds \$53 million and more awards are scheduled in the near future.

A Memorandum of Agreement between the State of Alaska, Department of Community and Economic Development and the Ground-Based Midcourse Defense/Joint Program Office has been signed. Under the agreement the State will administer \$18,300,000 of federal Community Impact funds. The funds will provide assistance in meeting the needs of local communities for increased municipal or community services or facilities resulting from construction, installation, or operation of the Missile Defense Test Bed Facilities.

Major defense and construction contractors and subcontractors, including Boeing, Bechtel and Fluor are establishing offices in Alaska to facilitate their operations here. Those contractors are hiring Alaskans to fill key positions.

Regimental Elders:

The Regimental Elder Command Sergeants Major contributed to these 207th Infantry Group (Scout) achievements: Assigned state strength increased from 1,697 to over 1,850; drill attendance improved over 5%; unit retention improved over 5%; no-value pay reduced to lowest level in 3 years and highest recruiting year for past 9 years, except for 1997; continual improvement for past 5 quarters.

Facilities Management:

The new Anchorage Combined Support and Maintenance Shop / Mobilization and Training Equipment Site was completed during March 2002. The 72,032 sq.ft. maintenance facility provides 22 work bays, allied trade shops, storage areas and administrative work area.

Federal and state funding was obtained by DMVA for a Joint Use Facility with the University of Alaska in the community of Juneau. This has been one of the Department's highest priorities and will allow community, Guard and Mental Health Trust plans to proceed.

Construction was completed on five Federal Scout Armories located in Klawock, Napaskiak, Tuntutuliak, Eek, and Petersburg. Beneficial occupancy was provided during SFY 02. The new facilities provide a higher state of readiness to respond to local and national emergencies and mission requirements. Operating costs are reduced as the new readiness centers are more energy efficient and require less maintenance.

The Contracting branch and Maintenance and Operations personnel completed the following: safety projects \$775,000; improvement projects \$619,000; energy projects \$602,700.

The Maintenance and Operations personnel also completed preventative maintenance on various armories located throughout the state plus reduced the deferred maintenance, replacement and renewal log by \$600,000 (3%).

The Environmental staff completed cultural and historical surveys at 17 armory sites; removed fuel contaminated soil at 6 sites, treated fuel contaminated soils to DEC guidance levels at 2 sites; designed secondary containment at 5 sites; compiled 64 Emergency Planning and Community Right to know Act (EPCRA) Tier II reports; and performed 13 Environmental Baseline Surveys.

Alaska Military Youth Academy (AMYA):

As of September 30, 2002, 1,284 students have graduated from the Military Youth Academy since its inception. These young adults are now productive members of their communities. These graduates represent a substantial cost avoidance and reduction in juvenile and adult crimes, rehabilitation, correction, welfare and entitlement costs.

The Alaska Military Youth Academy graduated 100 cadets from Class 2001-1, 96 from Class 2001-2, and 94 from Class 2002-1.

For the second consecutive year, the United Service Organizations (USO) honored the AMYA as part of its annual "Volunteer Services to Education" awards program in a ceremony in the US Senate Building. This award honored the Academy for its outstanding technical and work related training programs for cadets. These programs include skill development through the Academy's technical training center; a Microsoft certified academic training center; on-site carpentry and culinary arts training; and a broad range of for credit work experience and placement programs.

STARBASE Alaska was established under the Alaska Military Youth Academy in the late spring of 2002. The response from Alaska schools, specifically the schools in the Anchorage School District (ASD) has been outstanding.

STARBASE provides enrichment to Alaskan students beyond the reach of standard school classrooms. Students are immersed in hands-on activities that reveal exciting aspects of math, science, technology, and problem solving. Students discover interesting and enjoyable ways to learn about technical applications within an aerospace environment, and are exposed to vocational applications in math, science and technology. Their STARBASE experience is rounded out with visits to Army (Fort Richardson) sites to see real world applications of the skills and knowledge they have learned in the classroom.

Emergency Management:

During SFY 02 DES representatives responded on-site to the Kake landslide, Nenana flooding, flooding along the Kuskokwim River, the Vinasale and West Fork of the Chena wildfires and Dyea flooding. Two multi-agency Incident Management Teams were deployed for the Interior Flooding 02 Disaster and managed the response efforts from Fairbanks and in the hub cities of McGrath and Bethel along the Kuskokwim River for the communities in that region and from Dillingham for Southwest Alaska. This event was declared a federal disaster (DR-1423-AK) in late June 2002. Public assistance and individual assistance for that disaster is ongoing.

At this point in SFY 03, DES representatives have visited communities dealing with the Hubbard Glacier threat in Yakutat, Little Diomedea gabion project and Barrow, Kotzebue and Shishmaref concerning the Northwest Alaska Fall Sea Storm 02.

The Division of Emergency Services hosted an Emergency Management Symposium in Anchorage from April 15 to 19, 2002. The theme was Earthquake and Tsunami Preparedness. In all, we had 233 individuals from around the state register to attend the conference. 53 communities and boroughs sent representatives, as did seven state departments and nine federal agencies. The quarterly State Emergency Response Commission meeting occurred on April 18th and the following morning, the Division of Emergency Services held its annual Spring River Watch meeting.

DES's continued use of the "Quake Cottage" earthquake simulator proves to be an outstanding mitigation tool reaching all audience levels from large communities to remote citizens threatened by earthquakes. We took the Quake Cottage to several activities including the April Emergency Management Symposium, Alaska State Fair and several schools. The "Quake Cottage" activities, combined with our conference booths have accounted for the bulk of our public contact through requests for presentations at schools, health fairs, day care centers, community centers, professional offices, oil companies, businesses and military bases throughout the state. Supporting these diverse outreach activities provides mitigation and preparedness information opportunities to a wide spectrum of people. We pass along our messages through conversations, distribution of pamphlets, booklets, brochures and viewing of disaster videos. We also receive and respond to inquiries for earthquake preparedness information and presentations from the DES website.

The NOAA and State of Alaska sponsored Tsunami Inundation Mapping project on Kodiak Island is nearing completion. The mapping coverage was expanded to five at-risk communities to include the City of Kodiak, the US Coast Guard Station, Women's Bay, Chiniak and Ouzinkie. We are coordinating with the local officials to help tailor the inundation maps with information vital to their needs. These maps will assist the communities to prepare for and mitigate against potential tsunamis. The Alaska Division of Geological and Geophysical Survey will produce the final maps for planning and distribution by the local government and emergency management. The Homer and Seldovia mapping project will begin following the completion of the City of Kodiak's inundation mapping project.

The State's Tsunami Sign Project, funded by NOAA, continues throughout Alaska's coastal communities and has become a vital aspect of a new program sponsored by the National Weather Service (NWS). NWS, in cooperation with ADES, has developed the Tsunami Ready Program to improve the safety and well being of our coastal communities' populations. The program requires communities to have redundant communications capability combined with extensive preparedness measures. Seward completed all requirements to become the State's first Tsunami Ready Community in late October 2001. A ceremony acknowledging that Seward is the first Tsunami Ready community in Alaska was held in Seward on January 18th. Representatives from Senator Stevens Office, National Weather Service, West Coast/Alaska Tsunami Warning Center, Division of Emergency Services and local officials were in attendance.

The Gulf Storm Disaster Fast-Track Hazard Mitigation Grant Program projects for Cordova and Valdez was designed to relocate homes out of avalanche zones and is progressing well. Cordova's relocation is complete with all homes in the Red Zone relocated. Phase IV (conversion into a park for perpetuity) is in the planning stage. Valdez was selected as the 2001 Project Impact Community focusing on moving homes out of the Avalanche Blue Zone Hazard Area. The community has matched Project Impact funds sufficiently to move all interested homes out of the Blue Zone well away from avalanche danger.

The first statewide hazard mitigation plan written by the State of Alaska was signed by the Governor and approved by FEMA Region X. We were able to make great headway on our State Hazard Mitigation Plan using interns from Texas A & M University. Their progress was so successful we extended the contract for six months to manage coordination with lead agencies having direct input to the plan.

DES participated in two meetings with the Kenai Chamber of Commerce discussing earthquake preparedness and WMD events. DES was heavily involved with the Alaska Municipal League meeting in November and gave several presentations to the members. A tour of the SECC was given to several Mayors at the conclusion of the meeting.

Counter Drug Activities:

The National Guard Counterdrug Support Program (CDSP) assisted in 127 operations during 2002. These operations resulted in the seizure of 6,936 cannabis plants; 950 pounds of processed cannabis; 147 pounds of cocaine; 5 pounds of methamphetamine; 5 pounds of opium; 119 weapons; 1,180 liters of illegal alcohol; \$880,000 in currency and 258 arrests. The total value of drugs removed from the marketplace as a result of these operations was \$27,313,057. Additionally, CDSP assisted in the training of 575 law enforcement officers and reached 6,782 people through support of 31 community based organizations in drug awareness programs.

Educational Benefits for the National Guard and Naval Militia:

Since its inception in the fall of 2000 the National Guard has had access to the University credit waiver program and more than 900 Guard members have attended the University of Alaska statewide (130 in FY 2001, 510 in FY 2002, 278 FY 2003 first semester). Army and Air National Guard members and most recently members of the Naval Militia are actively pursuing education opportunities. With the availability of tuition waivers, more members in the rural areas are able to take advantage of this benefit. In FY 2002, five students from Bethel, one from Ninilchik, one from Nulato, one from Hooper Bay and one member from Nome enrolled in the program. In addition, 167 Guard and Naval Militia members received state tuition reimbursement funds (70 in FY 2000, 62 in FY 2001 and 35 in FY 2002). This program reimburses members for classes successfully completed at institutions in Alaska other than the University of Alaska system.

The failure rate has dropped dramatically from a 26% failure rate in the first year of funding to less than 5% as of summer 2002 semester. Procedures were implemented to require repayment in full for unsuccessful completion of classes making these funds available for other participants.

Veterans' Services:

DMVA provided \$560.0 to Veterans Service Officers in Alaska. This money is used to advocate for individual veterans' federal benefits. During this past year, \$27.0 million was obtained for veterans or approximately \$48 in return for every dollar spent on this program.

Established the Alaska Veterans Advisory Council in statute to insure the continuation of this advisory body.

Established the Alaska Veterans' Memorial Endowment Fund to provide for the maintenance and construction of memorials and monuments to veterans and the military.

Helped pass legislation that changed the name of the Alaska Pioneers' Home to the Alaska Pioneers' and Veterans' Home.

Helped pass legislation that renamed the Knik River Bridge the James Bondsteel Memorial Bridge

Administrative Services:

The Department of Military and Veterans Affairs collected and accounted for over \$27.2 million in receipts, of which \$26.3 was federal funds.

Administrative staff processed nearly 18,000 payments within an average of 27 days thereby maximizing general fund interest earned while avoiding any interest costs on late payments

Governor's Key Department-wide Performance Measures for FY2004

Measure:

Division of Emergency Services - Whether the division closed out disasters within an average of 18 months.
Sec 100(b)(2) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

We have not accomplished all of our goals for this measure. In FY 2002, six state disasters were closed and four more state disasters should close by the end of FY 2003. We were unable to close two federally declared disasters, the Millers Reach Fire and the 1995 South Central Flood, last year as planned due to staff resources being redirected that resulted in inadequate resources required to complete that work. We are now in the final closeout phase for both of these federal disasters. Work is progressing on the federally declared Central Gulf Coast Storm Disaster and closeout is expected by the end of FY 2003. We have three other older state disasters and one federal disaster that continue to require further work to meet audit and reporting requirements. If current funding levels are maintained and no further state or federal disasters are declared, we expect to close all open pre-2001 disasters by the end of FY 2004.

Benchmark Comparisons:

There is no current benchmark for closing state disasters. We believe the 18-month performance measure is unrealistic. FEMA has instituted a guideline of 48 months for closeout of federal disaster projects that may provide for a more reasonable measure. However we will continue to work to meet our current performance measure of 18-months to closeout.

Background and Strategies:

Each disaster will have a different time frame for closeout depending on the size of the disaster and the number of people and communities impacted. The overall objective is to close disasters as soon as possible so the impacted parties will recover quickly and any remaining funds will be returned to the federal government or to the Disaster Relief Fund.

Measure:**Air Guard & Army Guard - The percentage reduction in accrued deferred maintenance projects.**

Sec 104(b)(1) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

FY 2002 total Air Guard deferred maintenance is \$12.6 million, an increase of over 16% from FY 2001. The deferred maintenance backlog for Army Guard is \$21.2 million as of September 2002, a decrease of \$600,000 or 3% from FY 2001. With available resources, it is unlikely DMVA will achieve our goal of 5% reduction in the total DMVA deferred maintenance backlog of \$33.8 million.

Benchmark Comparisons:

Warranty and manufacturers' guides to replace, repair, maintain and renew building components.

Background and Strategies:**Air Guard:**

The Air Guard Facility Maintenance Division's deferred maintenance program amounts to \$12.6 million. The combined effects of aging buildings and insufficient repair resources have caused this amount to increase yearly. There are three projects on our current deferred maintenance list that total \$4.3 million. None of these projects can be completed, because sufficient state match does not exist. A one-time appropriation for large (in excess of \$600,000) projects would result in an immediate and dramatic reduction in the size of the deferred maintenance amount.

At Eielson Air Force Base in Fairbanks, 16 of the 18 structures have been built since 1990. The average age of these facilities is 6.8 years. The remaining two structures are 1950's vintage; one of which was remodeled in 1998 and the other has had very little modification. The average facility age at Kulis Air Guard Base in Anchorage, in contrast, is 19 years. This 12-year difference is reflected in the share of deferred maintenance at each base. 94% of ANG deferred maintenance is at Kulis.

Army Guard:

With the completion of various on-going construction projects, upgrades and new Federal Scout Armories, the deferred maintenance backlog of Army Guard Facilities is currently \$21.2 million for FY02.

The average age of the Alaska Army Guard buildings is 31.5 years. Scheduled replacement deals with the life expectancy of a part or building. For example, roofs - life expectancy 20 years, boiler - life expectancy 25 years, carpets - life expectancy 7 years. These items require preventative maintenance to reach a specific life expectancy.

With regard to buildings, NGB regulations will not allow funding of a project which exceeds 50% of the building's replacement value.

The Air and Army Guard's strategies for meeting our goal:

Performing preventative maintenance in accordance with manufacturers' recommendations. By doing this, DMVA is able to extend the life expectancy of various buildings, components and machinery. Preventative maintenance reduces the possibility of costly emergency repairs or replacements.

Scheduled renewal items are those that assist the building in meeting current requirements, whether for increased personnel, updating to current standards or complying with new codes. Examples include providing more electrical outlets for current computer needs, energy upgrades, and modifications for code compliance, i.e., ADA and fuel tank upgrades, GFI circuit breakers, and upgrading building insulation.

Review the Project Inventory and Evaluation Report (PIER) and address the most damaging projects on the maintenance, renewal or replacement list. With the Alaska terrain and weather, the most costly of the maintenance projects are usually foundations, roofs and insulation. With the age of the buildings, more of these items need attention each year.

At the time it becomes more expensive to replace or renew facility components, the facility is removed from the PIER

and placed on the major construction list for replacement of the total facility.

Measure:

Alaska Military Youth Academy - Percentage of cadets who receive their high school diplomas or equivalencies by completion of Phase III.

Sec 105(b)(1) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

Out of the 100 graduates from Class 01-1, 83.0% received their GED. Class 00-2 had 78% of its graduates receive a GED.

Benchmark Comparisons:

Nationwide average is 64.0% as reported in the National Guard Youth Challenge Program Annual report, 2001.

Background and Strategies:

The primary focus of the educational portion of the Academy is to achieve educational excellence by utilizing a focused curriculum in writing skills, social studies, science, literature and arts, and mathematics. This is accomplished by using our certified military instructors, our partnership with the state certified teachers of the Alyeska Central School, and the use of our computer based learning programs.

Measure:

Veterans' Affairs - The change in the estimated monetary value of benefits obtained.

Sec 106(b)(4) Ch 124 SLA 2002(HB 515)

Alaska's Target & Progress:

Although the recovery of veterans' benefits has continually increased over the 17 years of the program's existence, there was a \$2.0 million downturn in 2002.

Benchmark Comparisons:

There is no benchmark for this measure.

Background and Strategies:

Reporting of this statistic provides important information in determining whether the state is receiving a fair return for the money allocated to this service. Each year the contractor provides information to DMVA on the total amount of benefits provided to Alaska veterans through the Veterans Service Officers (VSOs).

DMVA provided \$560.0 to VSOs in the state. This money is used to advocate for individual veterans' federal benefits. During this past year, \$27.0 million was obtained for veterans, or approximately \$48 in return for every dollar spent on this program.

Department Budget Summary by BRU

All dollars in thousands

	FY2002 Actuals				FY2003 Authorized				FY2004 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
Formula Expenditures												
Alaska National Guard Benefits	879.8	0.0	0.0	879.8	1,322.5	0.0	0.0	1,322.5	1,322.5	0.0	0.0	1,322.5
Non-Formula Expenditures												
Commissioner's Office	0.0	0.0	0.0	0.0	1,044.2	387.8	289.1	1,721.1	0.0	0.0	0.0	0.0
Homeland Security & Emerg Svcs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,751.7	2,170.5	1,382.2	5,304.4
Disaster Planning & Control	806.9	1,353.8	1,442.8	3,603.5	794.3	2,930.5	1,728.4	5,453.2	0.0	0.0	0.0	0.0
Local Emergency Planning Commit	19.8	0.0	473.4	493.2	69.8	0.0	423.4	493.2	69.8	0.0	339.2	409.0
Alaska National Guard	6,478.7	13,698.4	2,259.8	22,436.9	3,983.9	15,850.1	4,487.0	24,321.0	4,701.0	16,684.4	5,286.0	26,671.4
Alaska National Guard Benefits	16.5	0.0	0.0	16.5	278.5	0.0	0.0	278.5	278.5	0.0	0.0	278.5
Veterans' Affairs	623.7	0.0	0.0	623.7	646.0	0.0	6.3	652.3	646.0	0.0	12.5	658.5
Totals	8,825.4	15,052.2	4,176.0	28,053.6	8,139.2	19,168.4	6,934.2	34,241.8	8,769.5	18,854.9	7,019.9	34,644.3

Funding Source Summary

All dollars in thousands

Funding Sources	FY2002 Actuals	FY2003 Authorized	FY2004 Governor
1002 Federal Receipts	15,052.2	19,168.4	18,854.9
1003 General Fund Match	3,664.4	2,336.5	2,263.8
1004 General Fund Receipts	5,140.3	5,774.3	6,477.3
1005 General Fund/Program Receipts	20.7	28.4	28.4
1007 Inter-Agency Receipts	2,559.0	4,897.8	5,113.8
1053 Investment Loss Trust Fund	50.0		
1055 Inter-agency/Oil & Hazardous Waste	913.5	922.8	832.8
1061 Capital Improvement Project Receipts	13.9	139.8	141.0
1108 Statutory Designated Program Receipts	639.6	967.5	919.8
1181 Alaska Veterans' Memorial Endowment Fund		6.3	12.5
Totals	28,053.6	34,241.8	34,644.3

Position Summary

Funding Sources	FY2003 Authorized	FY2004 Governor
Permanent Full Time	258	264
Permanent Part Time	3	6
Non Permanent	1	1
Totals	262	271

FY2004 Capital Budget Request

Project Title	General Funds	Federal Funds	Other Funds	Total Funds
Army Guard Facilities Deferred Maintenance	400,000	310,000	0	710,000
Air Guard Facility Deferred Maintenance	150,000	0	0	150,000
Facilities Spill Prevention Control and Countermeasures	16,300	108,800	0	125,100
Federal Scout Readiness Centers Energy Projects	4,600	148,700	0	153,300
Federal Scout Readiness Centers Construction	0	1,700,000	0	1,700,000
Department Total	570,900	2,267,500	0	2,838,400

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

Overview of Departmental Budget Changes

The new Division of Homeland Security is created with this budget request. The new division and the Division of Emergency Services are merged into one budget component to realize efficiency through sharing of support staff, supplies, etc. \$400.0 GF and \$330.1 Interagency receipts are added.

The State Emergency Coordination Center (SECC) is reduced to a daytime operation, with an answering point and standby staff for the off duty hours, and results in a \$(55.0) savings in GF.

The Oil & Hazardous Spill Response Fund provides funding to support Local Emergency Planning Committees (LEPCs) in planning for hazardous materials spill responses and "Community Right to Know" activities, and for them to provide support to local jurisdictions in developing all hazard response plans and activities to prepare their population for all hazard events. This funding is being reduced to the amount available from the fund, and results in a \$(84.2) reduction to the funding provided to the LEPCs.

DMVA and the Dept of Natural Resources (DNR) have had a shared services agreement in place, by which they shared the cost and services of the Administrative Services Director, and other staff, space and equipment. Clerical support and other administrative support, such as budget development and presentation, space, and equipment, have been provided by DNR, at no cost to DMVA. Because of growth in programs and workload, it is no longer feasible to share staff. Funding is being requested to provide for 12 months of funding for the Administrative Services Director; to add an accounting position; and to allow DMVA to secure space of their own. The staff in the division are funded by a cost allocation plan, with the exception of the Director who must be paid with general funds. None of the non-personal services costs are covered by the cost allocation plan and are paid with general funds. \$105.0 GF and \$55.7 Interagency receipts are added to the Commissioner's Office.

The Chief Information Officer position and one support position in the Office of the Commissioner are being eliminated and result in a reduction of \$(91.7) of Interagency receipts.

The federal missile defense director position and its funding that did not materialize are being eliminated, resulting in a \$(203.8) reduction to federal receipts to the National Guard Military Headquarters (NGHQ).

The state missile defense coordinator position is eliminated due to the unallocated budget cut during FY 2003. The GF funding was reduced in FY 2003, but the position was not eliminated from the NGHQ until this budget request.

The Army Guard Facility Maintenance Division (FMD) has not been able to receive all the federal funding available due to not having enough federal authority in the state budget. Additional federal receipt authority will allow the division to receive funding that is available from the National Guard for maintenance and repair projects. \$200.0 of federal receipts are added.

Additional federal funding from the National Guard Bureau is available for two Security Guard I positions and one part time Administrative Clerk II in the Security and Environmental sections of FMD. These are existing positions which had previously been held vacant due to lack of funding. \$97.0 of federal funding is added.

Additional federal funding is available to FMD for travel for the Environmental program as required for Cultural Resources branch and executive board attendance. \$32.0 of federal receipts are added.

Janitorial service and deferred maintenance projects are being reduced in all State armories, resulting in a GF reduction of \$(170.6) to the Army Guard Facility Maintenance Component.

An airport joint use agreement between the Dept of Transportation and Public Facilities (DOT&PF), the federal government, and the State of Alaska was entered into in July, 2001 and outlines the specific services and uses of the Ted Stevens Anchorage International Airport, in relation to the Alaska Air National Guard. The agreement specifies how the costs are allocated and results in the Alaska Air National Guard paying an airport joint use fee to DOT&PF. The fourth and final year of the phase-in is added for \$42.2 GF Match and \$126.5 of federal receipts.

New Air National Guard (ANG) facilities and maintenance are scheduled to come online during FY2004 based on the 10 year Capital Improvement Plan (CIP). All of these facilities fall under the National Guard Facility Operations and Maintenance Agreement (FOMA) which provides 75% from federal funding, with a 25% state match required. \$43.8 of

GF Match and \$131.6 of federal receipts are added to ANG.

There will be a general "belt tightening" in Air National Guard facilities to realize a savings of \$(150.0) of GF Match.

As a result of SB345, the Department of Education and Early Development (DEED) allocates funding for the AMYA program based on the school formula and the determination of the number of residential and nonresidential students enrolled on October 1 of the prior year (calendar year 2002 for fiscal year 2004 budget). The formula does result in an increase to the AMYA budget for FY 2004 of \$569.4 in Interagency receipts from the DEED.

A math instructor to teach and tutor math, and an admissions officer located in the Fairbanks/North Star Borough are being added to the AMYA Component.

Additional federal funds have been requested of the National Guard Bureau (NGB) for the Starbase program. If authorized, the additional funding would allow one of the existing positions, which has been held vacant due to lack of funding, to be filled. \$35.0 of federal receipts are added to the Starbase Component.

A small amount of funding (\$6.2) from the newly created Veterans' Memorial Endowment Fund is being added to the Veterans' Services Component.

Summary of Department Budget Changes by BRU

From FY2003 Authorized to FY2004 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2003 Authorized	8,139.2	19,168.4	6,934.2	34,241.8
Adjustments which will continue current level of service:				
-Homeland Security & Emerg Svcs	696.7	2,170.5	1,732.2	4,599.4
-Disaster Planning & Control	-794.3	-2,930.5	-1,719.3	-5,444.1
-Alaska National Guard	-175.7	68.3	28.2	-79.2
Proposed budget decreases:				
-Homeland Security & Emerg Svcs	-55.0	0.0	0.0	-55.0
-Disaster Planning & Control	0.0	0.0	-9.1	-9.1
-Local Emergency Planning Commit	0.0	0.0	-84.2	-84.2
-Alaska National Guard	-342.4	-243.9	-143.4	-729.7
Proposed budget increases:				
-Homeland Security & Emerg Svcs	1,110.0	0.0	-350.0	760.0
-Alaska National Guard	191.0	622.1	625.1	1,438.2
-Veterans' Affairs	0.0	0.0	6.2	6.2
FY2004 Governor	8,769.5	18,854.9	7,019.9	34,644.3