State of Alaska
FY2002 Governor's Operating Budget
Performance Measures

Department of Environmental Conservation

Department of Environmental Conservation

Key Performance Measures for FY2002

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

Current Status:
All divisions are tracking performance measures.

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

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

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

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

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

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

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

- Request incremental funding for programs lacking sufficient funds;
- Assess risk of permitted facilities through inspection, monitoring, and/or reports;
- Prioritize facility inspections according to risk;
- Create and maintain a valid inventory or database of permitted facilities, using a department-wide facility identification database;
- Create and maintain automated reporting tools for permitted facilities;
- Use data from permittees to determine compliance; and
- Use third party inspections to determine compliance.

Measure: The number of critical violations in inspected public or private facilities that significantly affect the health or safety of the public.
(Added by Legislature in FY2001 version.)

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

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

Background and Strategies:
To meet this goal we will employ the following strategies:

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

Status of FY2001 Performance Measures

	Achieved	*On track*	*Too soon to tell*	*Not likely to achieve*	*Needs modification*
● Provide basic water and sewerage service to an average of 500 households in rural communities each year.		X			
● Reduce carbon monoxide pollution in Anchorage to meet health standards by end of 2003.		X			
● Percentage decrease in critical violations at inspected food establishments.		X			
● Percentage increase in the number of higher risk facilities inspected.		X			

Office of the Commissioner

Key Performance Measures for FY2002

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

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

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

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

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

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

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

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

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

Status of FY2001 Performance Measures

	Achieved	*On track*	*Too soon to tell*	*Not likely to achieve*	*Needs modification*
● The percentage of divisions that meet assigned performance measures.		X			
● The percentage of permittees in compliance with state law or regulation.					X
● The number of critical violations in inspected public or private facilities that significantly affect the health or safety of the public.					X
● The average time taken to adjudicate a decision in permit disputes.					X

Administrative Services

Key Performance Measures for FY2002

Measure: The percentage of employee complaints and grievances filed and resolved at the departmental level as compared to all other departments.
(Added by Legislature in FY2001 version.)

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

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

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

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

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

Measure: The percentage of employee grievances overturned by hearing officers as compared to all other departments.
(Added by Legislature in FY2001 version.)

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

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

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

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

Measure: The percentage of indirect costs collected for the commissioner and the administrative services division and for shared overhead costs.
(Added by Legislature in FY2001 version.)

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

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

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

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

Measure: The percentage of penalties for total payroll or vendor payments per year.
(Added by Legislature in FY2001 version.)

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

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

Background and Strategies:
Payroll:

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

Vendors:

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

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

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

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

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

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

Status of FY2001 Performance Measures

	Achieved	*On track*	*Too soon to tell*	*Not likely to achieve*	*Needs modification*
• The percentage of employee complaints and grievances filed and resolved at the departmental level as compared to all other departments.		X			
• The percentage of employee grievances overturned by hearing officers as compared to all other departments.		X			
• The percentage of indirect costs collected for the commissioner and the administrative services division and for shared overhead costs.		X			
• The percentage of penalties for total payroll or vendor payments per year.		X			
• The number of audit exceptions resolved.		X			

Environmental Health

Key Performance Measures for FY2002

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

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

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

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

Background and Strategies:
During the 2000 Legislative session, legislation was passed (HB 361) that changed what services DEC could include in its fee calculations for some programs. The net effect of this legislation will be to reduce the fees paid certain industries for their permits, approvals and other services. The solid waste program was included in HB 361, and as shown in the attached spreadsheet, the overall percentage of fees was reduced from 44.4% to 38.6%. The ratio of general funds and program receipts is now approximately 60%/40%.

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

Measure: The number of "boil water" notices issued, the population affected, and the duration for the year.
(Added by Legislature in FY2002 version.)

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

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

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

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

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

Measure: The percentage of sanitary surveys that result in significant compliance violations.
(Added by Legislature in FY2002 version.)

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

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

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

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

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

Measure: The percentage of landfills with a permit or an alternative to a permit.
(Added by Legislature in FY2002 version.)

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

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

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

In order to increase the percentage of landfills with a permit and an alternative to a permit, we will
- develop general permits for landfills that serve small camps and villages (Class 3 landfills);
- significantly streamline permitting process in-house through developing standard permit formats and language and reducing the detail in the permit document, relying instead on the language of the regulation and the permit application; and
- develop permits-by-rule.

Measure: The percentage of landfills with an inspection score of 80 or higher.
(Added by Legislature in FY2002 version.)

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

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

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

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

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

Measure: The number of critical violations affecting food safety.
(Added by Legislature in FY2002 version.)

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

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

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

Background and Strategies:
Critical violations occur when an operator is not in compliance with state food rules in a manner that can result in a foodborne illness. They include such things as serving shellfish from unapproved areas, not separating raw foods from cooked foods, and employees that do not wash their hands after using the restroom. Because foodborne illness

is notoriously underreported, often passed off as the "stomach flu" (which doesn't exist), we use critical violations as a means to measure the likelihood of a foodborne illness occurring.

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

Measure: The percentage of facilities inspected according to risk-based inspection frequency protocol.
(Added by Legislature in FY2002 version.)

Current Status:
Because of significant budget cuts to this program, no operations are inspected as often as called for in the risk-based inspection frequency protocol.

By the end of the third quarter of 2000, 36% of all food operations had been inspected at least once; 67% of the inspections were performed at higher risk level operations. 45% of all higher risk food operations have been inspected at least once.

During this same time, 7% of all public facilities were inspected at least once, and 91% of the inspections were performed at higher risk facilities. 24% of all higher risk public facilities have been inspected at least once. Only 27% of all public facilities are ranked as higher risk facilities.

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

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

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

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

Status of FY2001 Performance Measures

	Achieved	*On track*	*Too soon to tell*	*Not likely to achieve*	*Needs modification*

	Achieved	*On track*	*Too soon to tell*	*Not likely to achieve*	*Needs modification*
● The amount of state investment per facility or unit.			X		
● The number of "boil water" notices issued, the population affected, and the duration for the year.			X		
● The percentage of sanitary surveys that result in significant compliance violations.			X		
● The percentage of landfills with a permit or an alternative to a permit.			X		
● The percentage of landfills with an inspection score of 80 or higher.			X		
● The number of critical violations affecting food safety.			X		
● The percentage of facilities inspected according to risk-based inspection frequency protocol.			X		

Statewide Public Services

Key Performance Measures for FY2002

Measure: The percentage change in compliance.
(Added by Legislature in FY2001 version.)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Measure: The percentage of completed environmental assessments in communities.
(Added by Legislature in FY2001 version.)

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

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

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

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

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

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

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

Status of FY2001 Performance Measures

	Achieved	*On track*	*Too soon to tell*	*Not likely to achieve*	*Needs modification*
● The percentage change in compliance.		X			
● The costs for environmental compliance per facility					X
● The average cost per contact for assistance.				X	
● The percentage of contacts that result in compliance.					X
● The percentage of completed environmental assessments in communities.		X			
● The percentage of department contacts that result in a favorable experience.					X

Air and Water Quality

Key Performance Measures for FY2002

Measure: The cost per permit issued
(Added by Legislature in FY2001 version.)

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

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

Benchmark:
Determine and reduce the cost per permit issued.

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

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

Measure: Whether the carbon monoxide levels in Fairbanks and Anchorage meet health standards.
(Added by Legislature in FY2001 version.)

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

Benchmark:
Attainment of the national ambient air quality standards.

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

Measure: The average time taken from receipt of a permit application to approval.
(Added by Legislature in FY2001 version.)

Current Status:
Air Quality: The average time is 278 days.

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

Benchmark:
Decrease in time from receipt to approval per permit type.

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

In accomplishing the benchmark, we will:
- Adopt regulations to make permits more uniform.
- Implement key recommendations from the Air Permits Benchmarking study.

Water Quality: In accomplishing the benchmark, we will:
- Re-design our permitting system to fast-track lower risk activities.
- Examine possible interagency regulatory time clocks for streamlining opportunities.

Measure: The average time taken from receipt of a permittee complaint to resolution of the complaint.
(Added by Legislature in FY2001 version.)

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

Benchmark:
Decrease in time from receipt of permittee complaint to resolution.

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

Measure: The percentage of facilities inspected according to risk-based inspection frequency.
(Added by Legislature in FY2001 version.)

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

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

Benchmark:
Increase the percentage of higher risk facilities inspected.

Background and Strategies:
Air Quality: Some of the factors that make up risk based targeting are:
- Size of facility
- When the facility was last inspected
- Actual quantity of emissions
- Actual hazardous air pollutant emission
- Compliance history

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

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

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

(Not yet addressed by Legislature.)

Current Status:

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

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

Benchmark:

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

Background and Strategies:

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

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

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

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

(Not yet addressed by Legislature.)

Current Status:

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

Benchmark:

Implementation by 100% of forest operators.

Background and Strategies:

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

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

(Not yet addressed by Legislature.)

Current Status:

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

Benchmark:

Percent increase of construction operations inspected using best management practices.

Background and Strategies:

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

Measure: Number of water bodies with confirmed pollution that have been restored.
(Not yet addressed by Legislature.)

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

Benchmark:
Decrease number of impaired water bodies with confirmed pollution.

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

Status of FY2001 Performance Measures

	Achieved	*On track*	*Too soon to tell*	*Not likely to achieve*	*Needs modification*
● The cost per permit issued.			X		
● Whether the carbon monoxide levels in Fairbanks and Anchorage meet health standards.			X		
● The average time taken from receipt of a permit application to approval.			X		
● The average time taken from receipt of a permittee complaint to resolution of the complaint.			X		
● The percentage of facilities inspected according to risk-based inspection frequency.			X		
● The number of activities covered by fast-track general permits as compared to the total number of permits.			X		
● Percentage of timber operations inspected using best management practices.			X		
● Percentage of construction operations inspected using best management practices.			X		
● Number of water bodies with confirmed pollution that have been restored.			X		

Contaminated Sites Program

Key Performance Measures for FY2002

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

Current Status:
49 contaminated site cleanups were completed in FY 2000.

Benchmark:
Increase the number of contaminated sites cleaned up.

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

Measure: The time it takes the division from receiving a report of a spill to the determination of "no further action".
(Added by Legislature in FY2001 version.)

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

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

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

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

Rather than take an aggressive enforcement approach when the risk does not warrant it, DEC is focusing its efforts on creating a regulatory climate that assists responsible persons in speeding up the cleanup process. The Division

promulgated cleanup regulations in 1999 which are reducing transaction costs for the development of cleanup plans and has implemented an expanded Voluntary Cleanup Program to speed up the cleanup of low to medium priority sites. DEC is also increasing its emphasis on working with parties to take quick action to mitigate risk, and employ risk based cleanup standards, accompanied by institutional controls to facilitate cleanups proportional to risk and appropriate for the intended land use. Risks based approaches decrease the need for long term cleanups and facilitate redevelopment of contaminated property. A pre-remedial unit has also been developed to provide for better record keeping, and more efficient follow-up to shorten the time from the reporting of a spill to action leading to the final closeout of a spill.

Measure: The average environmental hazard per contaminated site.
(Added by Legislature in FY2001 version.)

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

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

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

Measure: The number of underground storage tank owners issued "no further action" letters during the year.
(Added by Legislature in FY2001 version.)

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

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

Background and Strategies:
Through Legislation and rule making, the state adopted the federal regulatory program for Underground Storage Tanks and added financial assistance and tank worker/inspector elements. The goals are to clean up existing petroleum spills and prevent new spills from happening. Approximately 44 percent of over 2100 UST petroleum spills have been cleaned up and made available for economic reuse. The program has increased its annual rate of "No Further Actions" from 80 to over 100 by ensuring that each site is assigned to a designated staff person and then working the sites in order of highest hazard ranking. Sites of low rank can be expedited by processing through the Voluntary CleanUp Program.

Status of FY2001 Performance Measures

	Achieved	*On track*	*Too soon to tell*	*Not likely to achieve*	*Needs modification*
● Number of contaminated sites that have been cleaned up		X			
● The time it takes the division from receiving a report of a spill to the determination of "no further action".		X			

	Achieved	*On track*	*Too soon to tell*	*Not likely to achieve*	*Needs modification*
● The average environmental hazard per contaminated site.		X			
● The number of underground storage tank owners issued "no further action" letters during the year.		X			

Prevention and Emergency Response

Key Performance Measures for FY2002

Measure: The number of oil spills greater than one gallon per year compared to the number of spills requiring a response.
(Added by Legislature in FY2001 version.)

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

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

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

Measure: The number of hazardous substance spills and the number of hazardous substance spills requiring response.
(Added by Legislature in FY2001 version.)

Current Status:
402 hazardous substance releases occurred in FY 2000.

Benchmark:
Reduce the amount of oil spilled through targeted prevention efforts.

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

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

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

Benchmark:
Reduce the amount of oil spilled through targeted prevention efforts.

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

Status of FY2001 Performance Measures

	Achieved	*On track*	*Too soon to tell*	*Not likely to achieve*	*Needs modification*
● The number of oil spills greater than one gallon per year compared to the number of spills requiring a response.		X			
● The number of hazardous substance spills and the number of hazardous substance spills requiring response.		X			
● Amount of oil spilled (gallons)		X			

Response Fund Administration

Key Performance Measures for FY2002

Measure: The state cleanup costs per spill per year and the state cleanup costs per contaminated site per year.
(Added by Legislature in FY2001 version.)

Current Status:
Cleanup costs are reported in the Biennial Response Fund Report.

Benchmark:
Average state cleanup costs per spill and contaminated site.

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

Status of FY2001 Performance Measures

	Achieved	*On track*	*Too soon to tell*	*Not likely to achieve*	*Needs modification*
● The state cleanup costs per spill per year and the state cleanup costs per contaminated site per year.		X			

Facility Construction and Operations

Key Performance Measures for FY2002

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

Current Status:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Measure: The cost per household served.
(Added by Legislature in FY2001 version.)

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

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

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

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

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

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

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

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

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

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

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

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

- to secure federal grant funds for rural sanitation projects;
- to make grants to rural communities with capacity to operate and maintain sanitation utilities for design and construction of water and sewer systems; and
- to work directly with rural communities to plan and construct water and sewer systems that can be operated and maintained locally.

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

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

- Historical Data

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

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

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

The primary strategies for managing system useful lives are:

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

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

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

- Historical Data

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

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

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

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

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

Status of FY2001 Performance Measures

	Achieved	*On track*	*Too soon to tell*	*Not likely to achieve*	*Needs modification*
● Division operating costs as a percentage of project funding.		X			
● Project funding per division engineer.		X			
● The cost per household served.			X		
● Percentage of rural households with access to running water and sewer.			X		
● Age of sanitation projects at time of replacement or major renovation.			X		