

State of Alaska FY2007 Governor's Operating Budget

Department of Administration

Department of Administration

Mission

The mission of the Department of Administration is to provide consistent and efficient support services to state agencies so that they may better serve Alaskans.

Core Services

The Department of Administration (DOA) is the most diverse department in state government. DOA provides statewide leadership and policy direction in the areas of finance and accounting, payroll, information technology, human resources, labor relations, all areas of procurement, facility leasing and management, risk management, and employee and retiree benefits programs for state and local governments.

DOA provides direct public services through the Division of Motor Vehicles, Public Defender Agency, Office of Public Advocacy, and the Office of Administrative Hearings.

DOA also oversees administrative functions of four independent boards and commissions which are the Alaska Public Broadcasting Commission, the Alaska Public Offices Commission, and the Alaska Oil and Gas Conservation Commission as well as the Violent Crimes Compensation Board.

End Results	Strategies to Achieve Results
<p>A: Provide consistent and efficient support services to state agencies so that they may better serve Alaskans.</p> <p><u>Target #1:</u> 100% of payroll transactions are processed without penalty pay caused by central processing problems.</p> <p><u>Measure #1:</u> Percentage of payroll expenditure processed without penalty pay caused by central processing problems.</p> <p><u>Target #2:</u> 100% of payments to vendors and grantees processed within one business day of certification.</p> <p><u>Measure #2:</u> Percent of payments processed within one business day of certification.</p> <p><u>Target #3:</u> Consolidate and streamline administrative functions within the Department of Administration.</p> <p><u>Measure #3:</u> The number of administrative functions consolidated during FY2006.</p>	<p>A1: Maintain a qualified workforce available to meet program needs.</p> <p><u>Target #1:</u> All recruitments attract qualified applicants that end with an appointment.</p> <p><u>Measure #1:</u> Percentage of recruitments that end with an appointment.</p> <p>A2: Provide desk top computer tools necessary to achieve end results.</p> <p><u>Target #1:</u> Provide desk top hardware replacement as detailed in department IT plans.</p> <p><u>Measure #1:</u> The % of desktop computers replaced per department IT plans.</p> <p><u>Target #2:</u> Provide desk top software replacement as required in the State's Microsoft Enterprise Agreement.</p> <p><u>Measure #2:</u> The % of desk top computers with current software tools as provided through the State's Microsoft Enterprise Agreement.</p>

FY2007 Resources Allocated to Achieve Results

FY2007 Department Budget: \$268,549,300

Personnel:

Full time	997
Part time	28
Total	1,025

Performance Measure Detail

A: Result - Provide consistent and efficient support services to state agencies so that they may better serve Alaskans.

Target #1: 100% of payroll transactions are processed without penalty pay caused by central processing problems.

Measure #1: Percentage of payroll expenditure processed without penalty pay caused by central processing problems.

% of payroll expenditures processed without penalty pay caused by central processing.

Fiscal Year	YTD Total
FY 2004	100.0%
FY 2005	100.0%

Target #2: 100% of payments to vendors and grantees processed within one business day of certification.

Measure #2: Percent of payments processed within one business day of certification.

% of payments processed within one business day of certification.

Fiscal Year	YTD Total
FY 2004	100.0%
FY 2005	100.0%

Target #3: Consolidate and streamline administrative functions within the Department of Administration.

Measure #3: The number of administrative functions consolidated during FY2006.

Consolidations

Fiscal Year	YTD Total
FY 2005	2
FY 2006	1

Analysis of results and challenges: The accounting unit of the ETS Division (8 positions) was transferred to, and consolidated with, the Division of Administrative Services (DAS) in November of 2004. The accounting function of the Division of Risk Management was also transferred to DAS in November 2004.

The Division of Personnel's budget and accounting services are being consolidated with the Division of Administrative Services' budget and accounting sections in December 2005.

A1: Strategy - Maintain a qualified workforce available to meet program needs.

Target #1: All recruitments attract qualified applicants that end with an appointment.

Measure #1: Percentage of recruitments that end with an appointment.

% of recruitments that end with an appointment.

Fiscal Year	YTD Total
FY 2005	94.3%

**Measure not available for FY 2004.*

A2: Strategy - Provide desk top computer tools necessary to achieve end results.

Target #1: Provide desk top hardware replacement as detailed in department IT plans.

Measure #1: The % of desktop computers replaced per department IT plans.

Analysis of results and challenges: Measurement to occur at the end of FY 2006.

Target #2: Provide desk top software replacement as required in the State's Microsoft Enterprise Agreement.

Measure #2: The % of desk top computers with current software tools as provided through the State's Microsoft Enterprise Agreement.

Analysis of results and challenges: Measurement to occur at the end of FY 2006. Updated desk top productivity suite software will soon be deployed to all Executive Branch agencies.

Key Department Challenges

The Department of Administration will face many challenges including:

Enterprise Technology Services (ETS):

The business needs of State agencies will continue to define ETS' core services, priorities and staffing.

ETS will continue to manage its partnerships with private enterprise to provide telecommunications services to state agencies. These partnerships must provide telecommunications infrastructure and support that is cost effective and able to quickly respond to changing technology and market conditions.

The development of an enterprise-wide IT Planning process and the resulting documentation and policy recommendations will be key components to ETS' future role. This planning process crosses all ETS components and will directly affect how ETS manages resources.

Commitment to the "enterprise" methodology will drive upcoming projects for ETS to include Voice Over Internet Protocol (VoIP) phones that will replace the legacy PBX supported phone base, a single vendor for network operating systems and email (Microsoft), and support for the ALMR project as is pertains to the State of Alaska Telecommunications System (SATS) microwave.

Division of Personnel:

Enterprise Human Resource Function: Continued efforts to streamline human resource processes and to ensure that all personnel and pay practices are consistent with statute, regulation and contract across the 14 operating agencies of the executive branch. Efforts for FY2007 will focus on technological solutions to create additional efficiencies in process and to further reduce administrative costs, and on strategic workforce planning initiatives. Efforts begun in FY2006 must be completed in order to meet all the objectives on schedule in FY2007.

Equal Employment Opportunity Program: In FY2007 the Division will work toward further reductions in employment related human rights liabilities and ensure that operating agencies are in compliance with federal reporting requirements for Affirmative Action plans and for the Title VI federal grant related civil rights obligations.

Division of Motor Vehicles:

Electronic tools and partnerships are key to DMV customer service improvements. We are working hard to develop additional process automation, including interfaces with other state and federal systems. We are also working hard to

develop more partnerships with the private sector as we believe partner growth will be the key now and in future fiscal years. Through a measured approach in development, training, and adequate oversight of new partners we can ensure protection of property and enhance highway safety while maintaining public accountability.

Office of Administrative Hearings:

The Office of Administrative Hearings (OAH) is fully operational in FY2006, having assumed the hearing functions of the former Office of Tax Appeals and of hearing officers previously located in the Departments of Revenue and Commerce, Community and Economic Development. Key challenges for the new office will be to provide adjudication services in a broad range of administrative appeals and other proceedings and to do so efficiently and cost effectively while ensuring that parties receive full and fair consideration of their cases, despite growing caseload and time commitments required by other statutory duties.

Public Defender and Public Advocate:

Due to the difficulty in accurately projecting case types and costs for upcoming budget years, Office of Public Advocacy (OPA) and Public Defender (PD) workload and caseload increases have historically been funded through supplemental appropriations. The difficulty in projecting OPA's budget needs has recently been somewhat exacerbated because a number of cost saving initiatives have been implemented and it is difficult to predict with certainty the budgetary impact. The PD is planning to deploy a new case management system that will provide management tools to better project workload and caseload increases.

The challenge for both agencies is to continue to provide necessary services while taking all steps and measures available to contain cost increases.

Significant Changes in Results to be Delivered in FY2007

The Department of Administration has made improvements in the way the state manages its human resources and information technology, and is currently initiating changes in the management of state travel. We are striving to improve efficiency in all areas of state government and will continue to work to that end.

Major Department Accomplishments in 2005

Agencies within the Department of Administration have achieved numerous accomplishments over the course of 2005. Several of the major ones include:

- Achieved the Governor's objective of negotiating long-term successor agreements with all major collective bargaining units.
- Worked with the legislature and Governor's Office to bring about reform of the Public Employees' Retirement and Teachers' Retirement Systems (PERS and TRS).
- Developed and implemented a program that automatically updates the Alaska Donor Registry when a DMV customer elects to be a potential organ donor (AS 28.13.50). Prior to implementing the program, the donor registry consisted of 50,000 individuals; the registry now contains over 250,000 names.
- Began implementation of the State Travel Office which has achieved significant savings for the Medicaid program.
- Continued to evaluate and issue approvals for a large number of sub-surface oil and gas operations in an efficient and timely manner.
- Successfully extended the Core Services Contract with GCI to support voice, data, video, and help center services for one year, now effective through June 17, 2006.
- Successfully extended the SATS Maintenance & Operations Contract with GCI to support SATS (now on time and materials), now effective through June 17, 2006.
- Successfully obtained funding for the Network Security Initiative projects that will address issues identified in the US CERT report on network security deficiencies in the State of Alaska Wide Area Network. Over \$5 million in equipment and hardware was procured and is on a scheduled deployment across Alaska within the next year.

Prioritization of Agency Programs

(Statutory Reference AS 37.07.050(a)(13))

Priority:

1- Core Services to State Agencies:

- Personnel
- Labor Relations
- General Services
- Finance
- Enterprise Technology Services
- Retirement and Benefits
- Risk Management
- Administrative Services
- Office of the Commissioner

2- Services to the Public:

- Public Defender Agency
- Office of Public Advocacy
- Alaska Oil and Gas Conservation Commission
- Division of Motor Vehicles
- Retirement and Benefits
- Violent Crimes Compensation Board
- Alaska Public Offices Commission
- Office of Administrative Hearings

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Department Budget Summary by RDU

All dollars shown in thousands

	FY2005 Actuals				FY2006 Management Plan				FY2007 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												
Special Systems	1,568.9	0.0	0.0	1,568.9	1,568.9	0.0	0.0	1,568.9	1,853.1	0.0	0.0	1,853.1
Non-Formula Expenditures												
Centralized Admin. Services	10,936.3	440.7	42,534.9	53,911.9	31,390.0	512.6	50,610.4	82,513.0	18,971.5	529.1	52,160.0	71,660.6
Leases	5,274.1	0.0	37,445.6	42,719.7	5,276.0	0.0	38,691.7	43,967.7	5,137.9	0.0	40,551.5	45,689.4
State Owned Facilities	1,011.1	0.0	6,763.7	7,774.8	1,160.7	0.0	7,549.7	8,710.4	1,352.7	0.0	8,285.1	9,637.8
Admin State Facilities Rent	368.4	0.0	0.0	368.4	368.4	0.0	0.0	368.4	552.6	0.0	70.2	622.8
Enterprise Technology Services	0.0	0.0	29,746.1	29,746.1	3,000.0	0.0	32,416.0	35,416.0	5,161.0	1,700.0	36,089.4	42,950.4
Information Services Fund	0.0	0.0	0.0	0.0	0.0	0.0	55.0	55.0	0.0	0.0	55.0	55.0
Public Communications Services	4,097.9	0.0	319.3	4,417.2	4,033.5	0.0	1,223.7	5,257.2	4,098.5	0.0	1,223.7	5,322.2
AIRRES Grant	76.0	0.0	0.0	76.0	100.0	0.0	0.0	100.0	100.0	0.0	0.0	100.0
Risk Management	2,093.7	0.0	24,866.0	26,959.7	0.0	0.0	24,909.2	24,909.2	0.0	0.0	37,867.3	37,867.3
AK Oil & Gas Conservation Comm	0.0	126.0	3,768.4	3,894.4	0.0	207.5	4,418.7	4,626.2	0.0	133.5	4,781.8	4,915.3
Legal & Advocacy Services	26,155.8	50.0	987.8	27,193.6	28,548.7	52.1	961.0	29,561.8	32,700.4	52.5	954.1	33,707.0
Violent Crimes Comp Board	228.2	409.2	870.6	1,508.0	507.2	409.6	728.3	1,645.1	466.7	409.9	782.4	1,659.0
Alaska Public Offices Comm	665.0	0.0	7.0	672.0	729.1	0.0	0.0	729.1	904.9	0.0	0.0	904.9
Division of Motor Vehicles	0.0	467.8	10,980.5	11,448.3	0.0	0.0	10,805.9	10,805.9	0.0	0.0	11,541.8	11,541.8
General Svcs Facilities Maint.	0.0	0.0	31.2	31.2	0.0	0.0	39.7	39.7	0.0	0.0	39.7	39.7
ITG Facilities Maintenance	0.0	0.0	0.0	0.0	0.0	0.0	23.0	23.0	0.0	0.0	23.0	23.0
Totals	52,475.4	1,493.7	158,321.1	212,290.2	76,682.5	1,181.8	172,432.3	250,296.6	71,299.3	2,825.0	194,425.0	268,549.3

Funding Source Summary

All dollars in thousands

Funding Sources	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
1002 Federal Receipts	1,053.0	669.2	2,295.9
1004 General Fund Receipts	50,143.6	74,047.2	68,555.5
1005 General Fund/Program Receipts	780.3	1,010.2	1,038.5
1007 Inter-Agency Receipts	85,174.3	88,878.9	105,155.6
1017 Benefits Systems Receipts	13,956.3	17,592.0	17,723.2
1023 FICA Administration Fund Account	152.9	164.9	174.2
1029 Public Employees Retirement System Fund	5,087.1	6,017.4	6,237.4
1033 Surplus Property Revolving Fund	312.4	512.6	529.1
1034 Teachers Retirement System Fund	2,070.0	2,401.3	2,499.1
1037 General Fund / Mental Health	1,551.5	1,625.1	1,705.3
1042 Judicial Retirement System	21.8	29.9	31.1
1045 National Guard & Naval Militia Retirement System	88.0	109.6	114.0
1050 Permanent Fund Dividend Fund	52.5	113.4	
1061 Capital Improvement Project Receipts	1,238.6	628.7	372.3
1081 Information Services Fund	28,622.2	32,416.0	36,089.4
1092 Mental Health Trust Authority Authorized Receipts	77.4	118.7	106.1
1108 Statutory Designated Program Receipts	714.8	1,405.2	1,405.2
1133 CSSD Administrative Cost Reimbursement	128.3		
1147 Public Building Fund	5,546.5	6,643.4	7,453.0
1156 Receipt Supported Services	10,938.7	10,765.9	11,500.2
1162 Alaska Oil & Gas Conservation Commission Rcpts	3,709.4	4,418.7	4,781.8
1171 PF Dividend Appropriations in lieu of Dividends to Criminals	870.6	728.3	782.4
Totals	212,290.2	250,296.6	268,549.3

Position Summary

Funding Sources	FY2006 Management Plan	FY2007 Governor
Permanent Full Time	978	997
Permanent Part Time	28	28
Non Permanent	34	32
Totals	1,040	1,057

FY2007 Capital Budget Request

Project Title	General Funds	Federal Funds	Other Funds	Total Funds
ETS Technology Projects	23,200,000	0	0	23,200,000
Electronic Case Management System	350,000	0	0	350,000
State of Alaska Telecommunications System (SATS) and Alaska Land Mobile Radio (ALMR) Build Out and Support Projects	7,620,000	2,500,000	0	10,120,000
Public Building Fund Facilities Projects	0	0	2,500,000	2,500,000
DMV Information Technology Projects and Equipment	0	0	850,000	850,000
Department Total	31,170,000	2,500,000	3,350,000	37,020,000

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

Summary of Department Budget Changes by RDU

From FY2006 Management Plan to FY2007 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2006 Management Plan	76,682.5	1,181.8	172,432.3	250,296.6
Adjustments which will continue current level of service:				
-Centralized Admin. Services	-18,299.2	15.5	1,029.7	-17,254.0
-Leases	42.6	0.0	0.9	43.5
-State Owned Facilities	114.5	0.0	-17.7	96.8
-Enterprise Technology Services	366.1	0.0	634.1	1,000.2
-Risk Management	0.0	0.0	49.7	49.7
-AK Oil & Gas Conservation Comm	0.0	0.0	167.3	167.3
-Legal & Advocacy Services	1,186.8	0.3	5.6	1,192.7
-Violent Crimes Comp Board	-41.1	0.3	54.1	13.3
-Alaska Public Offices Comm	35.0	0.0	0.0	35.0
-Division of Motor Vehicles	0.0	0.0	440.7	440.7
Proposed budget decreases:				
-Centralized Admin. Services	0.0	0.0	-76.2	-76.2
-Leases	-183.3	0.0	0.0	-183.3
-Public Communications Services	-60.0	0.0	0.0	-60.0
-AK Oil & Gas Conservation Comm	0.0	-74.0	0.0	-74.0
-Legal & Advocacy Services	0.0	0.0	-12.7	-12.7
Proposed budget increases:				
-Centralized Admin. Services	5,880.7	1.0	596.1	6,477.8
-Leases	2.6	0.0	1,858.9	1,861.5
-State Owned Facilities	77.5	0.0	753.1	830.6
-Admin State Facilities Rent	184.2	0.0	70.2	254.4
-Special Systems	284.2	0.0	0.0	284.2
-Enterprise Technology Services	1,794.9	1,700.0	3,039.3	6,534.2
-Public Communications Services	125.0	0.0	0.0	125.0
-Risk Management	0.0	0.0	12,908.4	12,908.4
-AK Oil & Gas Conservation Comm	0.0	0.0	195.8	195.8
-Legal & Advocacy Services	2,964.9	0.1	0.2	2,965.2
-Violent Crimes Comp Board	0.6	0.0	0.0	0.6
-Alaska Public Offices Comm	140.8	0.0	0.0	140.8
-Division of Motor Vehicles	0.0	0.0	295.2	295.2
FY2007 Governor	71,299.3	2,825.0	194,425.0	268,549.3