State of Alaska
FY2007 Governor's Operating Budget

Department of Labor and Workforce Development
Administrative Services
Results Delivery Unit Budget Summary

Administrative Services Results Delivery Unit

Contribution to Department's Mission

The component contributes to the department's mission by providing support services to department programs.

Core Services

The Management Services component provides financial support services; unemployment insurance trust fund accounting; procurement, budget planning, monitoring and reporting; and office space management to department programs.

The Human Resources component consolidates and accounts for the costs of human resource and personnel services provided to this department by the Department of Administration.

The Leasing component consolidates and accounts for the costs of all space leases for the department.

The Data Processing component provides mainframe and desktop programming, database and security administration and network services installations and support.

The Labor Market Information component collects, analyses and publishes information on employment, unemployment, wage rates, occupational injuries, population estimates and forecasts, and other economic and demographic information, and will act as the official liaison with the federal Census Bureau for all Census 2010 projects.

End Results	Strategies to Achieve Results
A: Maximize customer satisfaction with Labor Market Information services Target #1: 90% of survey respondents rate Labor Market Information (LMI) services as 3 or better on a scale of 1 to 5. Measure #1: Percent of customers rating LMI services as 3 or better.	**A1: Publish all required reports on time.** Target #1: Meet or exceed all Bureau of Labor Statistics (BLS) program deliverable deadlines. Measure #1: Percentage of BLS deliverable deadlines met. Target #2: Meet or exceed all state required report deadlines. Measure #2: Percent of state reporting deadlines met. **A2: Maximize the accuracy of information produced.** Target #1: Meet or exceed the data quality standard set by BLS for the Current Employment Statistics program. Measure #1: Percent of Current Employment Statistics benchmark revision. Target #2: Meet or exceed an 85% response rate on the Quarterly Census of Employment and Wages annual refiling survey. Measure #2: Response rate on the Quarterly Census of Employment and Wages annual refiling survey.
End Results	**Strategies to Achieve Results**
B: Improve customer satisfaction with Data	**B1: Deliver data processing systems and services on**

Processing services. Target #1: 90% of survey respondents rate Data Processing services as 3 or better on a scale of 1 to 5. Measure #1: Percent of customers rating Data Processing services 3 or better.	**schedule and within budget.** Target #1: All data processing projects produced on schedule. Measure #1: Percent of projects produced on schedule. Target #2: All data processing projects produced within budget. Measure #2: Percent of data processing projects produced within budget. Target #3: All production jobs completed successfully. Measure #3: Percentage of production jobs that complete successfully

Major Activities to Advance Strategies

- Bill for Services.
- Maintain accurate addresses.
- Bill federal agencies promptly.
- Submit grant applications timely.
- Research available grant programs.
- Properly account for revenue received.
- Submit department budget accurately and timely.
- Develop and present briefing documents.
- Establish relationships with key legislators and staff.
- Testify at legislative hearings.
- Respond to legislative requests for information.
- Pay bills not involving discounts within 30 days.
- Pay vendors offering discounts within the discount period.
- Monitor bills to avoid duplicate payments.
- Review internal operations and cross-departmental operations.
- Manage all projects by trained project managers using formal and standardized methodology.
- Enhance project management skills with a refresher course.
- Project managers' skills will be enhanced by use in more smaller projects.
- Publish reports.
- Respond to information requests.
- Data collection and surveys.
- Analyze data.

FY2007 Resources Allocated to Achieve Results

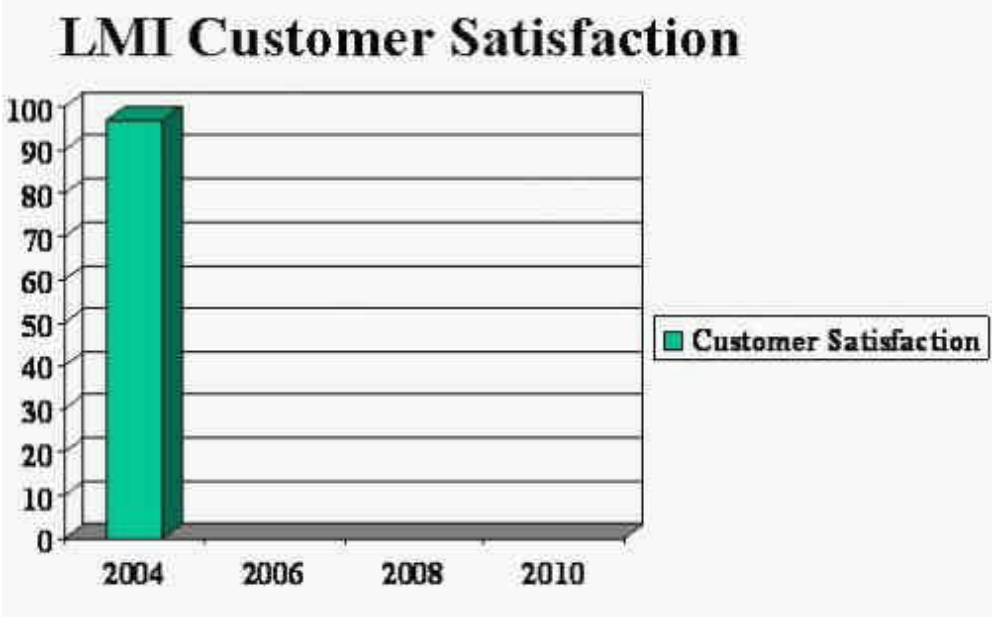
FY2007 Results Delivery Unit Budget: $18,167,400

Personnel:	
Full time	117
Part time	4
Total	121

Performance Measure Detail

A: Result - Maximize customer satisfaction with Labor Market Information services

Target #1: 90% of survey respondents rate Labor Market Information (LMI) services as 3 or better on a scale of 1 to 5.
Measure #1: Percent of customers rating LMI services as 3 or better.



Analysis of results and challenges: R&A conducted its first biennial customer satisfaction survey in 2004. The survey had four main objectives: to determine customer awareness of products and services, to measure customer general satisfaction with the R&A information, to measure satisfaction with specific R&A products, and to solicit customer feedback with an eye toward better meeting customer needs. The survey targeted existing subscribers to R&A products, Alaska businesses, and online visitors to WORKFORCE INFO.

Customer Satisfaction Survey Results indicate that an average of 97% of our customers were either neutral, satisfied or very satisfied. Full results were published in the November 2004 Alaska Economic Trends and can be viewed online at: http://www.labor.state.ak.us/trends/nov04.pdf

A follow-up survey will be conducted during fiscal year 2006.

A1: Strategy - Publish all required reports on time.

Target #1: Meet or exceed all Bureau of Labor Statistics (BLS) program deliverable deadlines.
Measure #1: Percentage of BLS deliverable deadlines met.

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2003				100%
2004	98.1%	100%	100%	100%
2005	100%	100%	100%	

Analysis of results and challenges: The BLS grant in many cases specifies delivery dates. Recording submittal dates of BLS deliverables began October 1, 2003.

All 2005 BLS program deliverables were met for quarters 1 through 3.

Target #2: Meet or exceed all state required report deadlines.
Measure #2: Percent of state reporting deadlines met.

State Statutory Reports Submitted on Time

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2004				100%
2005	100%	100%	100%	

Analysis of results and challenges: With the exception of statutorily specified reports, most state funded projects do not have specified delivery dates.

Recording of delivery dates of required reports began October 1, 2003. During 2005, all statutorily-required reports were completed on time during quarters 1 through 3.

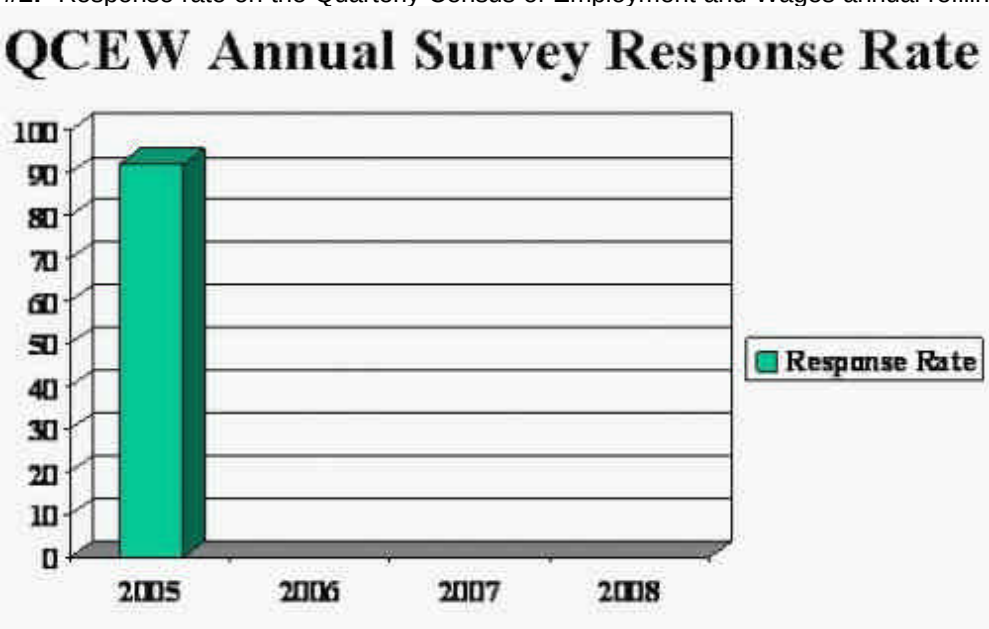
A2: Strategy - Maximize the accuracy of information produced.

Target #1: Meet or exceed the data quality standard set by BLS for the Current Employment Statistics program.
Measure #1: Percent of Current Employment Statistics benchmark revision.

Year	Prelim Est	Bnchmrk Rev	YTD Total
1999	277,809	277,817	00.0%
2000	281,944	283,884	00.7%
2001	288,929	289,329	00.1%
2002	293,216	295,754	00.9%
2003	299,517	299,616	00.0%
2004	303,316	303,963	00.2%

Analysis of results and challenges: The Bureau of Labor Statistics' standard for relative error for an employment estimate of between 250,000 and 500,000 is 2.0%. The five year average annual average benchmark revision for 2000 to 2004 was 0.4%.

Target #2: Meet or exceed an 85% response rate on the Quarterly Census of Employment and Wages annual refiling survey.
Measure #2: Response rate on the Quarterly Census of Employment and Wages annual refiling survey.



Analysis of results and challenges: R&A achieved a 92% response rate on the 2005 Quarterly Census of Employment and Wages annual employer refiling survey.

B: Result - Improve customer satisfaction with Data Processing services.

Target #1: 90% of survey respondents rate Data Processing services as 3 or better on a scale of 1 to 5.
Measure #1: Percent of customers rating Data Processing services 3 or better.

Analysis of results and challenges: A survey of Data Processing customers will be conducted during the 4th quarter of FY06 which will establish a baseline for comparison in future years.

B1: Strategy - Deliver data processing systems and services on schedule and within budget.

Target #1: All data processing projects produced on schedule.
Measure #1: Percent of projects produced on schedule.

% Project Schedule - Work Completed

Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
FY 2005	83%	86%	71%	86%	81.5%
FY 2006	75%	0 0%	0 0%	0 0%	0 0%

Analysis of results and challenges: A log of projects is kept which records the project start date, expected completion date and the project budget. Each quarter until the project is completed the project work completed and budget cost-to-date percentages are entered. This measure is based on the number of projects on schedule as compared to the total number of projects, including completed and suspended projects.

A project is considered on schedule if its percentage complete is consistent with the initial projected completion date or the modified projected completion date due to the board acceptance of a change to the project scope.

Projects that become suspended (work ceases due to lack of resources or funding) are considered on schedule if they were on schedule when work was suspended. When the project resumes, the initial schedule will be revised to reflect a new expected completion date.

The project schedule table depicts a decrease in the percent of projects which are on schedule. This decrease is due to two projects which are falling behind. One project is dependent upon contractors who miscalculated the amount of work that is required for the project. The other project experienced a delayed start due to staff schedules and higher departmental priorities. During the upcoming quarter the project schedules will be reviewed to determine how to get the projects back on track.

Target #2: All data processing projects produced within budget.
Measure #2: Percent of data processing projects produced within budget.

% Project Budget Status

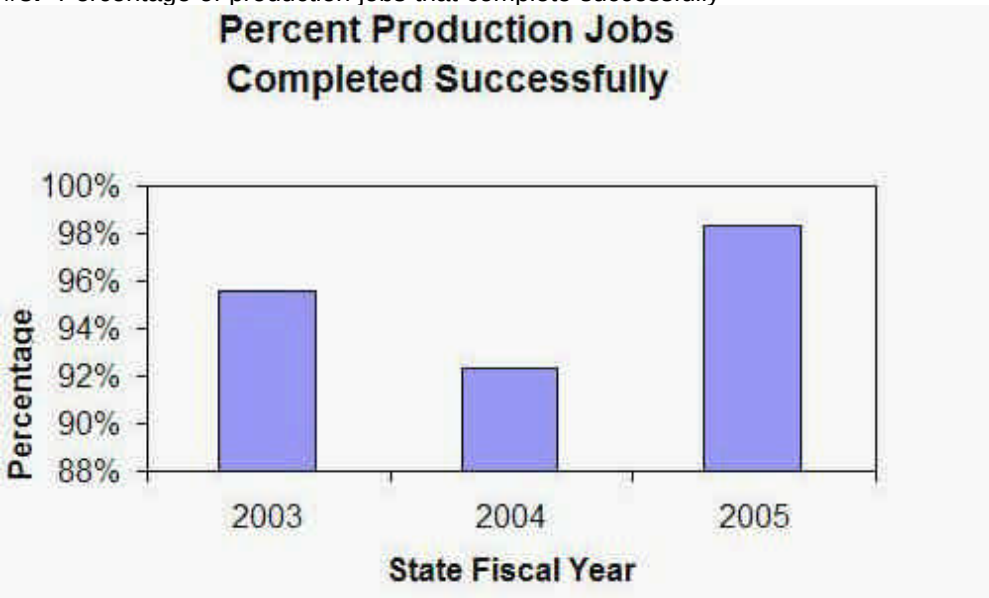
Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
FY 2005	100%	86%	86%	100%	93%
FY 2006	100%	0 0%	0 0%	0 0%	0 0%

Analysis of results and challenges: A log of projects is kept which records the project start date, expected completion date and the project budget. Each quarter until the project is completed the project work completed and budget cost-to-date percentages are entered. This measure is based on the number of projects on schedule as compared to the total number of projects, including completed and suspended projects.

A project is considered within budget if the project cost to date is consistent with the initial projected budget or the modified budget due to the board acceptance of a change to the project scope.

Projects which become suspended (work ceases due lack of resources or funding) are considered within budget if they were within budget when suspended.

Target #3: All production jobs completed successfully.
Measure #3: Percentage of production jobs that complete successfully



Production Job Success Rate

Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
FY 2003	0	0	96.5%	94.7%	95.6%
FY 2004	92.3%	91.7%	89.4%	96.1%	92.3%
FY 2005	97.2%	98.1%	98.1%	98.7%	98.0%
FY 2006	98.3%	0 0%	0 0%	0 0%	98.3%

Analysis of results and challenges: The table shows an improvement in performance after the implementation of the Employment Services Tax Redesign project (ESTeR) in January 2004 (3rd Qtr FY2004). This positive trend continues with a slight decrease from the previous quarter but an overall increase over the prior year. The increase in performance is due to a number of factors; the major reason is directly related to the increased stability of the Tax system as fewer new programs were introduced into the production environment and to a lesser extent due to a more experienced work force.

An automated log of production jobs records each production job submitted and includes a completion code indicative of the job's success. Programs have been prepared to access the database and report quarterly the number of jobs submitted and the percentage that succeeded.

Key RDU Challenges

Management Services will continue to revise the department's Indirect Cost Allocation Plan and other allocation methods to minimize complexity while complying with all state and federal accounting requirements.

The department will address net declines in federal funding in the face of increased operating costs, including personal services benefit cost increases and enterprise productivity rate increases.

The ability to recruit and retain senior Analyst/Programmers remains an ongoing challenge and we need to develop new ways to recruit and retain staff. To assist in overcoming the current challenge, we are requesting two intern positions at the high school or college level.

Statewide Enterprise Information Technology (IT) planning resulted in new standards. Fully aligning the Department's IT efforts to these standards will take several years as the department's substantial infrastructure on the IBM MVS/CICS/DB2 mainframe is not part of the new IT standard. Underway is an evaluation to determine cost and customer effective solutions for DOLWD's technology platforms for the future.

Security requirements such as the Health Insurance Portability & Accountability Act of 1996 (HIPPA) are becoming stricter and threats to security are becoming more frequent and sophisticated. Increased demand for public access and wireless systems also forces more attention in this area and the required effort is increasing very rapidly. DOLWD will develop an operational security plan for the Unemployment Insurance (UI) system that will conform with the National Institute of Standards and Technology guidelines and will ensure that technical security controls are implemented to safeguard data, ensure data integrity and assure the availability of UI information.

Federal funding from the US Bureau of Labor Statistics and the US Department of Education is expected to be lower in fiscal year 2007. The amount of the reduction is not known at this time. It will be difficult to maintain a consistent level of services given volatile federal funding levels combined with increased labor costs.

Significant Changes in Results to be Delivered in FY2007

A new Accounting Technician is being requested to accommodate workload and to increase the timeliness of cost allocations.

Progress continues to align our systems with state IT standards. One major non standard item is several core applications which reside on the Mainframe. We have engaged a contractor, specializing in DOLWD processes, to provide cost benefit analysis, risk analysis, impact on business processes, and skill set requirements for a number of possible technology directions. The DOLWD migration strategy will be governed by the speed at which we can develop cost effective solutions to replace those mainframe applications that are not currently compatible with State standards.

Reduce web production errors and reduce testing time through use of an automated regression testing tool. The department has implemented several web applications and will continue to increase the functionality of options available to the public.

Recruit two intern positions at the high school or college level to aid in overcoming the current challenge that the State has experienced in recruiting senior level Analyst Programmers.

The Labor Market Information component will use the requested $105.0 of General Funds to expand the collection of resident hire and apprentice data on publicly-funded construction projects. This will maximize the accuracy of information produced and ensure that the agency has the ability to meet the reporting requirements in support of the Apprenticeship Utilization Administrative Order 226.

Project resident hire monitoring will be an invaluable tool to determine where resident's skills don't match project requirements and will help target training investment.

Major RDU Accomplishments in 2005

Processed payments in a timely and efficient manner.

Complied with all federal reporting requirements and deadlines.

Reduced the time between making an expenditure and drawing down the funds from the federal government.

Completed several critical maintenance issues on the Unemployment Insurance tax system in accounting, reconciliation, annual rates, federal reporting and printing. The Tax system was on heightened maintenance for much of FY05.

Reduced mainframe costs by eliminating or modifying costly jobs and purged unneeded data from the mainframe database.

Trained analyst/programming staff in .Net technology; began applying training through departmental web projects.

Continued work on the Tax Online Web System.

Started several major projects such as the Alaska Labor Exchange system, Benefits Audit Report tracking system, Benefits Initial Claim Filing system, Database Consolidation project and the Interactive Voice Response Upgrade project.

Completed the short-term industry forecast for 2005-2006.

Provided labor market information to policymakers and line staff through presentations and workshops.

Met all federal and state cooperative agreement deliverables.

Contact Information

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Administrative Services
RDU Financial Summary by Component

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												
None.												
Non-Formula Expenditures												
Management Services	63.0	1,682.0	684.5	2,429.5	69.1	2,270.3	628.5	2,967.9	72.5	2,175.4	757.3	3,005.2
Human Resources	73.3	0.0	0.0	73.3	204.8	0.0	605.1	809.9	244.7	0.0	605.1	849.8
Leasing	2,969.7	0.0	0.0	2,969.7	2,969.7	0.0	0.0	2,969.7	3,143.9	0.0	0.0	3,143.9
Data Processing	0.0	3,494.9	1,941.0	5,435.9	126.5	4,466.3	1,669.2	6,262.0	126.5	4,604.0	1,758.7	6,489.2
Labor Market Information	379.5	1,349.5	1,290.3	3,019.3	602.6	2,085.9	1,552.1	4,240.6	867.1	2,085.9	1,726.3	4,679.3
Totals	**3,485.5**	**6,526.4**	**3,915.8**	**13,927.7**	**3,972.7**	**8,822.5**	**4,454.9**	**17,250.1**	**4,454.7**	**8,865.3**	**4,847.4**	**18,167.4**

Administrative Services
Summary of RDU Budget Changes by Component
From FY2006 Management Plan to FY2007 Governor

All dollars shown in thousands

	General Funds	Federal Funds	Other Funds	Total Funds
FY2006 Management Plan	**3,972.7**	**8,822.5**	**4,454.9**	**17,250.1**
Adjustments which will continue current level of service:				
-Management Services	3.2	-152.4	109.0	-40.2
-Human Resources	39.9	0.0	0.0	39.9
-Data Processing	0.0	129.9	84.4	214.3
-Labor Market Information	150.4	0.0	174.0	324.4
Proposed budget increases:				
-Management Services	0.2	57.5	19.8	77.5
-Leasing	174.2	0.0	0.0	174.2
-Data Processing	0.0	7.8	5.1	12.9
-Labor Market Information	114.1	0.0	0.2	114.3
FY2007 Governor	**4,454.7**	**8,865.3**	**4,847.4**	**18,167.4**