

State of Alaska FY2009 Governor's Operating Budget

**Department of Administration
Office of the Commissioner
Component Budget Summary**

Component: Office of the Commissioner

Contribution to Department's Mission

Manage divisions to ensure policy objectives and department goals are met.

Core Services

- Policy direction
- Liaison with the Governor's Office and the Legislature
 - Coordination among divisions
 - Final administrative decisions on statewide procurement appeals
 - Chief advocate for staff and programs
 - Establish departmental policies
 - Supervise division managers

FY2009 Resources Allocated to Achieve Results

FY2009 Component Budget: \$870,300	Personnel:	
	Full time	7
	Part time	0
	Total	7

Key Component Challenges

The Department of Administration will face many challenges including:

Division of Finance:

- Adequate staffing – The Division of Finance is comprised primarily of information technology and accounting professionals. Attracting and retaining these individuals has been challenging for years. However the imminent retirement of senior staff members, combined with the difficulty in recruiting new employees make this a crucial challenge to the division.
- Aging technology – Statewide accounting, payroll, and human resources systems are built with technology that is no longer taught in most colleges. With age, they are becoming more difficult to maintain. The initial effort to procure a replacement for the statewide payroll system failed due to inadequate budget and higher than expected bids. The state is now faced with decisions as to how to proceed with the necessary replacement efforts, and securing adequate funding to implement these decisions. The division is implementing new reporting functionality for data from these existing legacy systems. This new “data warehouse” will provide for conversion of legacy data into a reporting database which will greatly simplify subsequent replacement efforts for these legacy systems.
- Expanding electronic payments – The 23rd Legislature passed HB 494 in 2004 which required the state to move payments to electronic methods. Regulations are now in place. The division is implementing new infrastructure to allow vendors to research their payment information over the web by June 2008. This is part of the Governor's efforts to increase public access to government.
- Continued improvement of training and documentation – The systems and policies for which we are responsible change constantly and new users are added every day. Keeping the training sessions and documentation current requires substantial effort.

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 services to state agencies. These partnerships must provide infrastructure and support that is cost effective and able to quickly respond to changing technology and market conditions. One example of these types of partnerships will result in the execution of a core services contract to provide management and technical assistance with telephony, network monitoring and management, and video and audio conferencing.

Commitment to the "enterprise" methodology will drive future projects for ETS. Projects such as Voice Over Internet Protocol (VoIP) phones and the deployment of an enterprise calendaring and email system have enabled the state to build the infrastructure to capitalize on these new technologies by adding enterprise tools that will help state employees more efficiently carry out their responsibilities. In 2008, we anticipate deployment of the infrastructure and tools necessary for an enterprise solution of identity management using Microsoft's Active Directory.

In FY2008 a statewide IT plan will be developed.

Division of Personnel:

In an effort to improve on the coordination of services, efforts are underway to consolidate the functional areas of payroll, recruitment and management services (includes employee/labor relations) into service centers. During FY2009 the division will continue to work toward improving services in these functional areas and streamlining processes to ensure that all personnel and pay practices are consistent with statute, regulation and labor contracts across the 14 operating agencies of the Executive Branch.

In the functional area of classification, the division plans to embark on one large enterprise-wide classification study each fiscal year in addition to several studies of a smaller scope. Currently, the accounting study is underway. During FY2009, the division will embark on a study of the administrative clerk and/or the information technology job classifications.

Additionally, in an effort to improve both recruitment and retention, focus will be given to expanding the cadre of supervisory courses offered, engaging agencies in workforce planning, an increased presence at job/career fairs and minority outreach, and reviewing and revising our recruitment practices.

Division of Motor Vehicles:

Electronic tools and partnerships are key to DMV customer service improvements. We are developing additional process automation, including interfaces with other state and federal systems, and converting DMV's mainframe database to a web-based application. We are also striving 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.

DMV is in the process of relocating its Anchorage Midtown office to another location. The bid process, buildout, and move will all consume significant time and energy. This move is designed to better serve the Anchorage area as well as meet the expansion needs of ETS.

Upcoming federal identification compliance issues may be a key challenge for DMV for the next two years.

In January 2008, DMV will begin issuing a new standard plate commemorating the 50th anniversary of statehood.

As part of DMV's emphasis on placing as many employees as possible on the counters, we are changing the mail-out renewal process from being 100% manual, to a manual/electronic hybrid.

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) some of the workload and caseload increases have historically been funded through supplemental appropriations. The PD is in the process of deploying 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 FY2009

The Commissioner's Office of the Department of Administration continues to drive improvements in the way the state manages its human resources and information technology as well as initiating changes in the management of state travel. The department is working to improve efficiency in all areas of state government, thereby contraining the growth of government, and will continue to work to that end.

Under Administrative Order No. 237 (AO No. 237), the DOA Commissioner is charged with seeking and collating input to improve the State's posture as an employer. The Executive Working Group under AO No. 237 seeks to accomplish more effective recruiting and make recommendations to Governor Palin on retaining professional staff.

Major Component Accomplishments in 2007

Agencies within the Department of Administration have made numerous accomplishments over the course of 2007. Several of the major ones include:

Division of Retirement and Benefits

- Developed, implemented and trained employers to use a new web-based software reporting package for payroll and membership data.
- Developed and implemented a program to focus employees on the importance of savings in conjunction with National Retirement Savings Week.
- Implemented same-sex partner employee and retiree benefits.
- Re-programmed the Combined Retirement System (CRS) to accommodate legislative changes, including all of the processes for Health Reimbursement Accounts and Defined Benefit Unfunded Liability.
- Digitized CRS reports which cut our report/print jobs by 30%.

Division of Finance

Completed the first comprehensive record retention schedule for the division. This retention schedule replaces several piecemeal schedules and covers all statewide electronic and paper records maintained by the division.

Updated the 2003 business case for replacing statewide administrative systems. This business case frames the executive decisions necessary to move ahead with this substantial retooling of state administrative infrastructure.

Updated all certifying and appointing authorities pursuant to the gubernatorial transition. Enhanced security measures for granting and maintaining these authorities in anticipation of this effort.

Substantial development of ALDER, state's first enterprise data warehouse. By FY 2009, ALDER will provide current information on the state's financial and human resources in an intuitive reporting environment. This initiative has the potential to fundamentally change how the state's business is managed.

Division of Personnel

In addition to many classification studies of a smaller scope, conducted and implemented an enterprise-wide study of the technical and professional level administrative generalist positions which encompassed 8 job classes and 437 positions.

Version Two of TrainAlaska, the enterprise-wide training registration system was implemented.

Enhancements were made to Workplace Alaska, the enterprise-wide on-line recruitment system. These enhancements were focused on increasing the size of applicant pools.

Our job fair presence was improved upon by updating our display booth and literature.

Continued to populate the Personnel Section of the Alaska Administrative Manual.

Enterprise Technology Services

- Completed phases I and II of the Telephone Replacement Project. Phase III is currently in progress and when

completed (est. 12.31.2008) the state will be able to retire the failing legacy PBX system.

- Deployed an enterprise email and calendaring system migrating all executive branch employees to Microsoft Exchange. Began phase II of this project which will deploy an enterprise-wide identity management solution.
- Began the process of moving the Alaska Land Mobile Radio Project to operations and finish final built out of sites.
- New Interactive Voice Recognition (IVR) environments have been set up in Juneau and Anchorage to replace failing technologies. ETS continues to work with agencies to convert to these new environments.
- Continued to enhance the IT governance for the State.
- Additional security measures were and continue to be deployed to ensure the integrity of the State's network.
- Continuing to complete the Network Security Initiative projects that address issues identified in the US CERT report on network security deficiencies in the State of Alaska Wide Area Network. All network routers have been upgraded. The DMZ environments have been built in Juneau and Anchorage with plans to move all public facing servers behind these secure environments. A survey by department was completed that is being used to develop a plan to incorporate the State's servers into the DMZ environments.
- Upgraded the State's mainframe operating software to current standards.
- Improved network bandwidth by converting to metro Ethernet in Anchorage and began a similar initiative in Juneau.

Statutory and Regulatory Authority

See component pages.

Contact Information

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**Office of the Commissioner
Component Financial Summary**

All dollars shown in thousands

	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	664.8	769.5	774.5
72000 Travel	60.9	8.5	8.5
73000 Services	67.1	71.1	71.1
74000 Commodities	16.5	16.2	16.2
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	809.3	865.3	870.3
Funding Sources:			
1004 General Fund Receipts	290.2	289.4	294.4
1007 Inter-Agency Receipts	519.1	575.9	575.9
Funding Totals	809.3	865.3	870.3

Estimated Revenue Collections

Description	Master Revenue Account	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Unrestricted Revenues				
Unrestricted Fund	68515	13.9	0.0	0.0
Unrestricted Total		13.9	0.0	0.0
Restricted Revenues				
Interagency Receipts	51015	519.1	575.9	575.9
Restricted Total		519.1	575.9	575.9
Total Estimated Revenues		533.0	575.9	575.9

**Summary of Component Budget Changes
From FY2008 Management Plan to FY2009 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Management Plan	289.4	0.0	575.9	865.3
Adjustments which will continue current level of service:				
-Correct Unrealizable Fund Sources for Salary Adjustments: Exempt	0.8	0.0	-0.8	0.0
-Correct Unrealizable Fund Sources for Salary Adjustments: GGU	3.8	0.0	-3.8	0.0
-FY 09 Health Insurance Increases for Exempt Employees	0.4	0.0	0.8	1.2
-FY 09 Bargaining Unit Contract Terms: General Government Unit	0.0	0.0	3.8	3.8
FY2009 Governor	294.4	0.0	575.9	870.3

**Office of the Commissioner
Personal Services Information**

Authorized Positions		Personal Services Costs		
<u>FY2008</u>				
<u>Management</u>		<u>FY2009</u>		
<u>Plan</u>		<u>Governor</u>		
Full-time	7	7	Annual Salaries	536,812
Part-time	0	0	COLA	4,015
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	250,942
			<i>Less 2.18% Vacancy Factor</i>	(17,269)
			Lump Sum Premium Pay	0
Totals	7	7	Total Personal Services	774,500

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	0	0	1	0	1
Commissioner	0	0	1	0	1
Dep Commissioner	1	0	1	0	2
Exec Secretary III	0	0	1	0	1
Spec Asst To The Comm I	1	0	1	0	2
Totals	2	0	5	0	7