

State of Alaska FY2010 Governor's Operating Budget

Department of Administration State Travel Office Component Budget Summary

Component: State Travel Office

Contribution to Department's Mission

The State Travel Office provides travel services for state government.

Core Services

- Administer state travel office serving travelers within the executive branch Medicaid beneficiaries, and Alaskacare beneficiaries and their dependents.
- Manage relationships with providers of travel services to ensure the state is receiving the greatest possible value for its travel expenditures.
- Report information about state travel purchases to all interested parties.

End Result	Strategies to Achieve End Result
A: Improved customer satisfaction. <u>Target #1:</u> Surveyed respondents who rated STO services as satisfactory or better. <u>Status #1:</u> FY08, 67.5% of respondents overall rated services as satisfactory or better. Satisfied customer rating averages 70.3% over the past three years.	
End Result	Strategies to Achieve End Result
B: Increased savings for state travel expenditures. <u>Target #1:</u> Annual cumulative net savings from the State Travel Office (STO) contract <u>Status #1:</u> FY08, net savings achieved of \$67,497 over FY07.	

FY2010 Resources Allocated to Achieve Results	
FY2010 Component Budget: \$2,340,700	Personnel:
	Full time 3
	Part time 0
	Total 3

Performance

A: Result - Improved customer satisfaction.

Target #1: Surveyed respondents who rated STO services as satisfactory or better.

Status #1: FY08, 67.5% of respondents overall rated services as satisfactory or better. Satisfied customer rating averages 70.3% over the past three years.

% of customer satisfaction

Fiscal Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4
FY 2008	69%	62%	69%	70%
FY 2007	78%	76%	73%	72%
FY 2006	*	*	62%	72%

Methodology: Data measured on a quarterly basis.

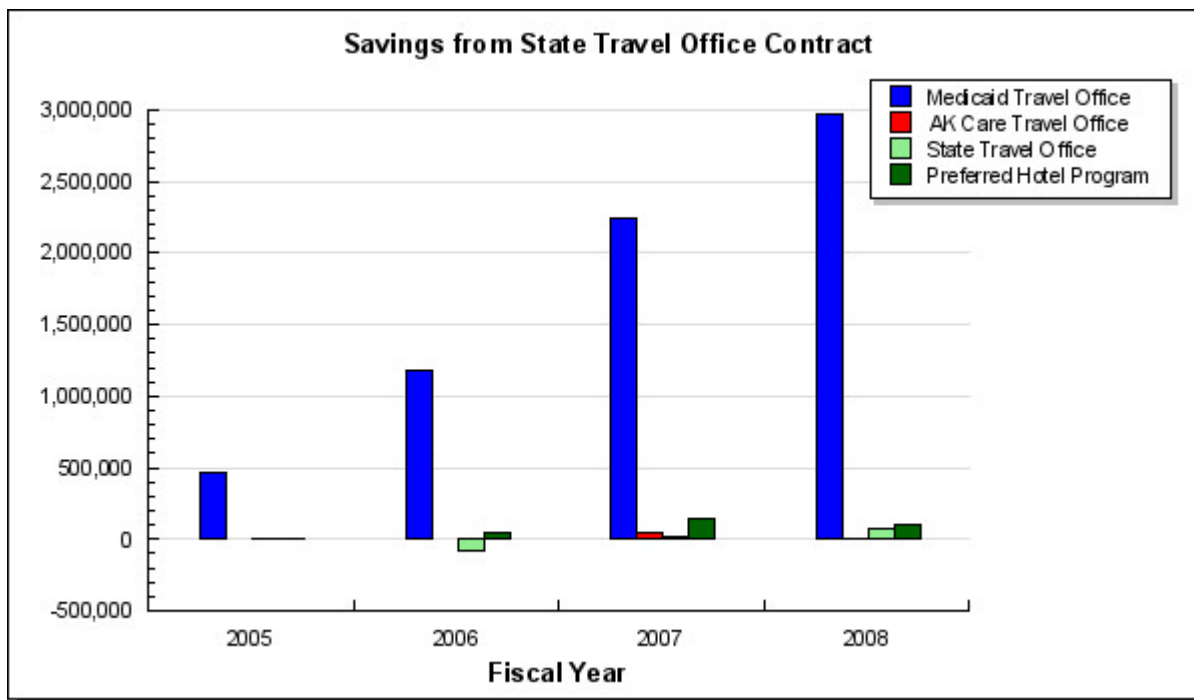
*Data unavailable during this time frame.

Analysis of results and challenges: The customer satisfaction survey has been administered quarterly beginning with the January - March 2006 quarter. It is one of the contractual performance measures that affect the fee paid to USTravel for travel arrangements made by the State Travel Office.

B: Result - Increased savings for state travel expenditures.

Target #1: Annual cumulative net savings from the State Travel Office (STO) contract

Status #1: FY08, net savings achieved of \$67,497 over FY07.



Savings from State Travel Office Contract

Fiscal Year	Medicaid Travel Office	AK Care Travel Office	State Travel Office	Preferred Hotel Program
FY 2008	2,972,841 +32.27%	10,524 -73.54%	67,497 +194.32%	99,884 -27.12%
FY 2007	2,247,501 +90.06%	39,779	22,933 -127.57%	137,061 +235.56%
FY 2006	1,182,528 +153.24%		-83,174 0%	40,845 0%
FY 2005	466,957		0	0

Analysis of results and challenges: The STO has strengthened controls and improved service to beneficiaries while saving almost \$7 million for the Medicaid program since it began operations on January 1, 2005. Similar services were extended on July 1, 2006 to active employees and retirees and their dependents covered by AlaskaCare health benefits. State agencies are served by the STO, as well as its preferred hotel program. These elements contributed \$167,381 in travel savings in FY2008 improving on the \$159,994 in savings calculated for FY2007.

Key Component Challenges

Managed travel – Better management of travel expenditures remains a goal of the Department of Administration. The state travel office was established in FY2005 within the Division of Finance to reach that goal. The initiative includes several aspects to improve efficiency and cut costs: automation of the travel request and approval process; policy development and enforcement; negotiations with key vendors for reduced prices based on volume; and the ability to report travel data. Some of these management goals may not be readily acceptable to state travelers who historically have been able to make their own arrangements. The challenge is to meet their customer service expectations while taking management control of the travel process.

Significant Changes in Results to be Delivered in FY2010

The initial five-year contract for travel services expires in FY2010. The department is currently working on the scope of the next RFP(s) for travel services. Figuring prominently will be an online booking tool that allows travelers to make their own travel arrangements in compliance with the policies of the State of Alaska.

Linking the travel arrangements to the traveler reimbursement is a continuing goal for the department. Once the travel arrangement process is functioning effectively, the effort will shift to creating a more automated and efficient traveler reimbursement process.

Major Component Accomplishments in 2008

Piloted STO online booking tool in majority of state departments. Continuing roll to remaining departments interested in this option.

Increased readership of the monthly State Travel Office newsletter based on “Test Your STO Knowledge” feature.

Travel Alerts to statewide travel contacts regarding changes in airline regulations, disruption to service due to natural disasters, and other important information state travelers need to know.

Streamlined maintenance of state traveler profile database with implementation of a “super CTS” account that acts as default for travelers without individual One Cards.

Continued travel services to Medicaid clients which began January 1, 2005. Calculated savings for FY2008 is \$2,972,841.

Continued expansion of service to executive branch agencies. Calculated savings for FY2008 is \$67,497.

Continued service to AlaskaCare beneficiaries for health care travel. Calculated savings for FY2008 is \$10,524.

Expanded hotel program to several communities within and outside of Alaska. Calculated savings over government rate for FY2008 is \$99,884.

Maintained contracts with Alaska Airlines, Northwest Airlines, and rural air carriers within Alaska, which generate most of the calculated savings.

Statutory and Regulatory Authority

AS 36.30.005 Centralization of Procurement Authority
AS 39.20.110-190 Travel Regulations.

Contact Information
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State Travel Office Component Financial Summary

All dollars shown in thousands

	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	261.7	287.2	297.3
72000 Travel	6.7	5.0	5.0
73000 Services	2,236.2	2,013.4	2,013.4
74000 Commodities	10.7	25.0	25.0
75000 Capital Outlay	5.2	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	2,520.5	2,330.6	2,340.7
Funding Sources:			
1004 General Fund Receipts	4.6	7.4	7.4
1007 Inter-Agency Receipts	2,515.9	2,323.2	2,333.3
Funding Totals	2,520.5	2,330.6	2,340.7

Estimated Revenue Collections

Description	Master Revenue Account	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Unrestricted Revenues				
Interagency Receipts	51015	4.6	0.0	0.0
Unrestricted Total		4.6	0.0	0.0
Restricted Revenues				
Interagency Receipts	51015	2,515.9	2,323.2	2,333.3
Restricted Total		2,515.9	2,323.2	2,333.3
Total Estimated Revenues		2,520.5	2,323.2	2,333.3

**Summary of Component Budget Changes
From FY2009 Management Plan to FY2010 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2009 Management Plan	7.4	0.0	2,323.2	2,330.6
Adjustments which will continue current level of service:				
-FY2010 Wage and Health Insurance Increases for Bargaining Units with Existing Agreements	0.0	0.0	10.1	10.1
FY2010 Governor	7.4	0.0	2,333.3	2,340.7

**State Travel Office
Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2009 Management Plan	FY2010 Governor		
Full-time	3	3	Annual Salaries	203,230
Part-time	0	0	COLA	8,114
Nonpermanent	1	1	Premium Pay	0
			Annual Benefits	101,070
			Less 4.84% Vacancy Factor	(15,114)
			Lump Sum Premium Pay	0
Totals	4	4	Total Personal Services	297,300

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant IV	0	0	1	0	1
College Intern II	0	0	1	0	1
State Travel Manager	0	0	1	0	1
State Travel Office Assistant	0	0	1	0	1
Totals	0	0	4	0	4