State of Alaska
FY2010 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.
- Chief Information Officer for the State of Alaska

FY2010 Resources Allocated to Achieve Results		
	Personnel:	
FY2010 Component Budget: $935,900	Full time	7
	Part time	0
	Total	7

Key Component Challenges

The Department of Administration will face many challenges including:

Division of Finance:
- Aging technology – Statewide accounting, payroll, and human resources systems are built with technology that is no longer taught in most colleges. When compared to current technology, these systems require more training for users and are 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 subsequent attempt to procure a time and attendance solution also failed due to no responsive bidders. The state is now proceeding with an alternative procurement process for the time and attendance solution. We will use the lessons learned to increase the likelihood of success for the next step in the system replacement process – procuring replacements for AKSAS and AKPAY. We anticipate this to be the largest and most complex procurement of information technology and related services in the state's history.

- Development of ALDER – The **AL**aska **D**ata **E**nterprise **R**eporting System is the first strategic step toward replacing AKSAS and AKPAY. Data is being converted to the ALDER data warehouse for continued reporting access once these legacy systems are decommissioned, which greatly simplifies the future replacement process. As an added bonus, the information is available in a secure, instantaneous reporting environment to support business decisions in ways unprecedented within the State of Alaska. The technical challenges of converting this data have been substantial, and the project has taken longer than anticipated. Financial reporting conversion was completed in October 2008, and payroll and human resource data is scheduled to take another year.

- Employee Records Review – The Division of Finance is responsible for approximately 193,000 payroll files for current and former employees. These files are full of confidential paper documents that must be retained for 75 years. The division has initiated a multi-year project to review each file for misfiled documents, apply a bar-coded

folder label, and rebuild the index system to ensure reliable retrieval. This is a prerequisite to a long-term goal of scanning these documents for electronic retrieval by the future payroll system.

- 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 have always been and remain the primary focus of ETS' core services, priorities and staffing.

The most significant IT issues in support of agencies' mission-critical programs and services are:

- Successful deployment of security initiatives
- Network bandwidth upgrades (where possible) and management across the State WAN
- Enterprise planning for data centers, application development & support, and staffing
- Recruitment and retention of qualified staff

ETS continues to carefully manage the public-private partnerships that provide IT infrastructure and support that is cost effective yet able to quickly respond to changing technologies and market conditions. One such partnership has resulted in the execution of a beneficial core services contract to provide management and technical assistance with telephony, network monitoring and management, as well as video and audio conferencing.

Commitment to a centralized "enterprise" for core services has driven projects for ETS. Projects such as Voice Over Internet Protocol (VoIP) telephony and the Exchange calendaring/email system are examples. Both projects have expanded the state's infrastructure. This, in turn, makes it possible to leverage these new technologies by adding enterprise tools that significantly enhance state employees' efforts in more efficiently carrying out their responsibilities. In FY2010, ETS anticipates completing deployment of the additional infrastructure and tools necessary for an enterprise solution of identity management using Microsoft's Active Directory.

Division of Personnel:
In an effort to improve on the coordination of services, the division recently underwent a restructure to consolidate the functional areas of payroll, recruitment and management services (includes employee/labor relations) into service centers. During FY2010 the division will continue to work toward improving services in these functional areas, developing best practices, 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. The division will also be undergoing a review conducted by an outside contractor for evaluation and comparison of our integrated organization structure versus a decentralized structure.

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 administrative clerk study is underway. The division is developing guidelines in regard to defining the need for a true classification study as opposed to requesting a study solely to address salaries as salaries will be addressed through a comprehensive market salary survey to be completed in 2009.

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

Finally, the division will seek further efficiencies in delivery of human resource services to all state agencies.

Division of Motor Vehicles:
Electronic tools and partnerships are key to DMV customer service improvements. The DMV is 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 consolidation needs of ETS.

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

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 FY2010

Under Administrative Order No. 237 (AO No. 237), the DOA Commissioner is charged with seeking and collecting 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. The working group recommendations are being steadily implemented.

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.

Major Component Accomplishments in 2008

Agencies within the Department of Administration have made numerous accomplishments over the course of 2008. Several of the major ones include:

Division of Retirement and Benefits
- Developed and implemented a three day training seminar in Juneau for participating employers around the state.
- Reorganized the Retirement Section in order to streamline processes and procedures and strengthen the focus on benefit education to employees and employers.
- Rewrote and improved the State Service Pin report which included the addition of TRS and JRS service.
- Created a COLA tracking system to help with COLA detection and enforcement.
- Implemented new functionality in CRS to record days worked for TRS members and scattered LWOP for PERS members obtained via verification of service.
- Developed and implemented a process (Backplane) to post data monthly from Great West containing investment activity and refunds to CRS so it can be kept current.
- Greatly expanded the old HRA true up process to include all flavors or defined contribution retirement contributions to ensure all are accurate and correct amount.
- Designed and implemented DRB server infrastructure for future scalability.
- Designed/implemented the RBMI (Retirement and Benefits Master Index) which is backbone for all future development in DRB. {One unique identifier per member}. DRB will use open data integration for data integration across disparate systems.

Division of Finance
Completed a workforce planning initiative to realign the division's organization chart with current and future workload and personnel requirements. This included interviewing most current employees to gain an understanding of their

work goals and timelines.

Trained 925 employees in the use of ALDER. Assisted agency staff with the conversion of their financial reports in decommissioning of the Geneva reporting system in October 2008.

Replaced the expiring contract for credit card payments with U.S Bank. Converted the statewide credit card program of over 7,700 accounts from the previous contractor to the new program, which provides improved security, more control by individual agencies, and higher rebates.

Without additional resources published the Checkbook Online website to make available to the public information about state payments. This website routinely gets 50 – 100 hits a day, and has spiked to over 2,000 when public interest in Alaska peaks. This is part of the Governor's goal to increase transparency and public access to government. Publishing this information necessitated the Department of Law's and Office of Management and Budget's first comprehensive confidentiality review of state payments, which the division is implementing within the statewide systems it operates.

Ongoing maintenance and enhancement of AKSAS and AKPAY. AKSAS users benefited from several enhancements requested by the State Finance Officer Association. Implemented new bargaining unit contract terms in AKPAY.

Worked with the Division of Personnel to process retroactive paychecks for 15,000 current and former employees.

Implemented web access for vendors to research their electronic payments in response to HB 494 which the 23rd Legislature passed in 2004 requiring the state to move payments to electronic methods. Regulations are now in place.

Received the Certificate of Excellence for Achievement in Financial Reporting from the Government Finance Officer Association. This award is the highest form of recognition in government accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. The division received its fifth consecutive annual award for the FY2007 Comprehensive Annual Financial Report.

Division of Personnel
Completed 18 classification studies encompassing 78 job classifications and 1228 positions.
Enhanced and streamlined our Student/College internship processes.

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

Expanded our applicant search capabilities by joining national job search organizations (e.g. Hot Jobs)

Improved upon our job fair presence. Attended 55% more job fairs then in the previous years..

Implemented House Bill 417 which repealed longevity steps and implemented pay increments for non-covered employees.

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

Enterprise Technology Services
- Deployed URL web filtering tool, Blue Coat, with a potential $671,000 savings in reduction of non-State web use
- Implemented 10 Meg, carrier-grade ethernet, Fairbanks to Juneau, back-bone WAN link, for redundancy
- Completed 40 Juneau metro-ethernet conversions with an average bandwidth upgrade of 5 megs (300%), no net cost change
- Completed 20 Sitka metro-ethernet conversions with an average bandwidth upgrade of 5 megs (300%), no net cost change
- Completed two Bethel metro-ethernet conversions with an average bandwidth upgrade of 10 megs (600%)
- Doubled bandwidth to Haines and Skagway
- Completed first internal SOA Strategic IT Plan in 12 years

- Completed the internal ETS Operational Transformation Plan for component restructuring to improve team strength and service delivery
- Fully organized Project Management Office with plans to fully manage all IT projects
- Successfully created an automated form and backend database for Security, Disaster Recovery and Business Continuity Plans.
- Greatly improved threat detection solutions and tools that will continue to significantly reduce false positive threat notifications.
- Successfully completed the DMZ Project audit phase.
- Successfully installed Breach Application Firewall/Proxy.
- Upgraded the State's mainframe operating software to current standards.
- Upgraded power/UPS infrastructure at Juneau Data Center
- Added roof-mount HVAC system at the Anchorage Data Center to meet the cooling demand anticipated in the next few years.

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

	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	708.3	796.0	820.1
72000 Travel	32.1	38.5	38.5
73000 Services	70.9	71.1	71.1
74000 Commodities	6.4	6.2	6.2
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	**817.7**	**911.8**	**935.9**
Funding Sources:			
1004 General Fund Receipts	318.0	331.3	355.4
1007 Inter-Agency Receipts	499.7	580.5	580.5
Funding Totals	**817.7**	**911.8**	**935.9**

Estimated Revenue Collections

Description	Master Revenue Account	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Unrestricted Revenues				
Unrestricted Fund	68515	100.0	0.0	0.0
Unrestricted Total		**100.0**	**0.0**	**0.0**
Restricted Revenues				
Interagency Receipts	51015	575.9	580.5	580.5
Restricted Total		**575.9**	**580.5**	**580.5**
Total Estimated Revenues		**675.9**	**580.5**	**580.5**

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

All dollars shown in thousands

	General Funds	Federal Funds	Other Funds	Total Funds
FY2009 Management Plan	**331.3**	**0.0**	**580.5**	**911.8**
Adjustments which will continue current level of service:				
-Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements	14.9	0.0	-14.9	0.0
-FY2010 Wage and Health Insurance Increases for Bargaining Units with Existing Agreements	9.2	0.0	14.9	24.1
FY2010 Governor	**355.4**	**0.0**	**580.5**	**935.9**

Office of the Commissioner
Personal Services Information

Authorized Positions			Personal Services Costs	
	FY2009 Management Plan	**FY2010 Governor**		
Full-time	7	7	Annual Salaries	568,390
Part-time	0	0	COLA	17,587
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	267,902
			Less 3.96% Vacancy Factor	(33,779)
			Lump Sum Premium Pay	0
Totals	**7**	**7**	**Total Personal Services**	**820,100**

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant II	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**