

State of Alaska
FY2003 Governor's Operating Budget

Department of Labor and Workforce Development
Administrative Services
Budget Request Unit Budget Summary

Administrative Services Budget Request Unit

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BRU Mission

The mission of the Division of Administrative Services is to provide support services to departmental programs.

BRU Services Provided

The Management Services component provides budget planning, monitoring and reporting; federal, state and unemployment insurance trust fund accounting; publication functions; human resource management; and procurement, mail and office space management to departmental programs.

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.

The Data Processing component provides long-range planning, project management, mainframe and desktop programming, database and security administration and network services installations and support.

BRU Goals and Strategies

1) Identify administrative support needs of the department and the tasks required to meet those needs, with input from program managers and program support staff.

- Use the information gained to develop or change the department's administrative policies and procedures for more efficient and effective administrative support.

2) Maximize the accuracy of data produced by the Labor Market Information component.

- Meet or exceed all quality standards set by the US Bureau of Labor Statistics (BLS).

3) Maximize the availability of data produced.

- Increase amount of historical data available on the Internet.

- Provide labor market information products and services to the state and local Workforce Investment Boards.

4) Improve data processing staff effectiveness

- Continue replacement of retiring DP staff with trainees drawn from experienced program staff instead of making extended recruitment efforts for trained DP staff.

5) Improve data processing system security

- Ensure compliance with the federal Health Insurance Portability & Accountability Act (HIPAA) of 1996.

Key BRU Issues for FY2002 – 2003

The division will have to accommodate the complex and time intensive reporting requirements of the new federal Workforce Investment Act grants.

Federal funding from the Bureau of Labor Statistics for basic labor market information is not anticipated to increase. The complexity and resulting workload of these statistical programs has grown significantly in recent years.

Recruitment and retention of data processing staff continues as a critical problem. Projects will continue as prioritized

but overall available staff and their level of training and experience will limit progress.

Major BRU Accomplishments in 2001

The reporting backlog was eliminated and the department was brought into compliance with all federal reporting time frames.

The division prepared and submitted reports for the final closeout of all federal Job Training Partnership Act grants, awaiting federal review.

The Labor Market Information component developed and implemented an interactive data inquiry system on the Internet to enable public access to the most current 2000 Census information available.

The division continued training of in-house program staff to replace retiring DP staff. Half the original class completed their training and now performs at the journey level. A new class has been hired and started training.

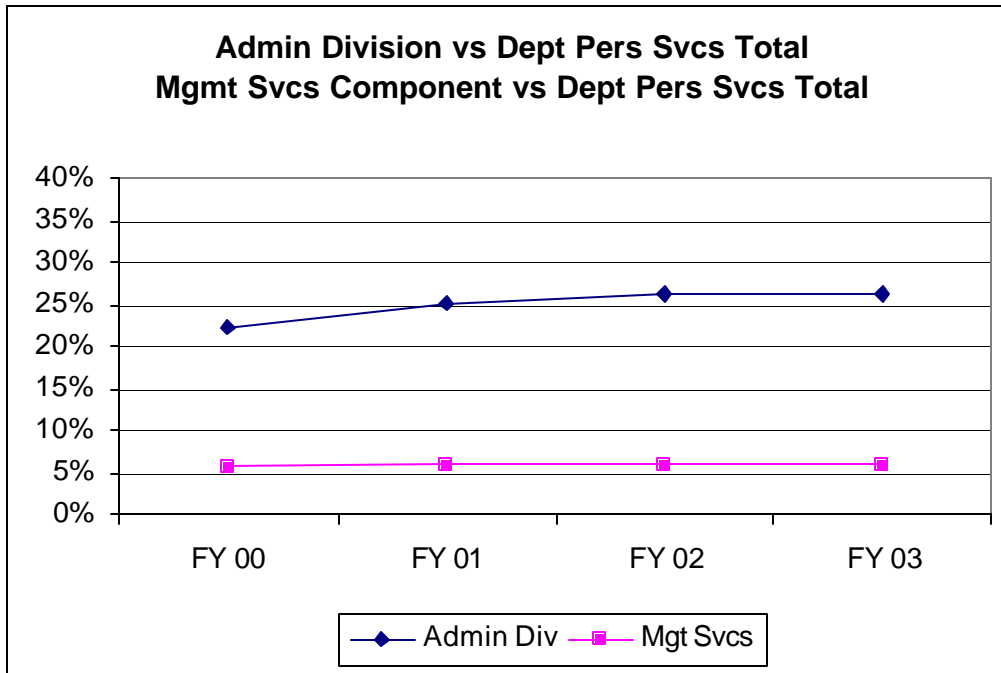
The division completed the systems analysis phases of a project to deliver a new Unemployment Insurance Tax system. Continuing work will complete the project in the next one and a half years.

Key Performance Measures for FY2003

Measure:

The cost of the division compared to personnel costs for the department.
 Sec 89(b)(1) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:



This measure, as stated in HB 250, compares the total cost of the Administrative Services Division to the total personal services cost for the department. Both the measure, as stated in HB 250, and a comparison of the total costs of the Management Services component to department personal services are shown in the above graph. The target is to maintain the current percentage while exploring ways to reduce costs in the future.

Benchmark Comparisons:

The department has not yet identified a state or federal entity of comparable size and composition for which comparative data is available.

Background and Strategies:

The department wants to work with the legislature to revise this measure to compare only the Management Services component total budget to the total personal services cost of the department. The Management Services component is one of 4 budget components that make up the division. The department wants to exclude the Labor Market Information (LMI), Data Processing (DP) and DOL State Facilities components from the comparison. The LMI component is a research agency funded primarily by federal and interagency funds that produces various information products but does not act as administrative support to the department. A portion of the DP component does support the department as a whole but the majority of activity is in direct support of federal employment programs. The DOL State Facilities funds are essentially a pass through for general fund program rent payments. The inclusion of these three components distorts the intended comparison of departmental support costs.

Measure:

The number of late penalties incurred for payroll or vendor payments.
Sec 89(b)(2) Ch 90 SLA 2001(HB 250)

Alaska's Target & Progress:

Our goal is to reduce the number of warrants in FY02 with late fees to 67 (.2% of total warrants issued). The 67 warrants is based on an assumption that we will issue 33,400 warrants in FY02. This is the same number of warrants that were issued in FY01. Our penalty rate was .3% (101) of the warrants issued in FY01. This .1% proposed improvement in the rate is a 33% reduction from FY01 to FY02. For FY03 the target will be to further reduce the number of late payments to 53, this would be an additional 20% reduction to a rate of .15%

Additionally, our dollar amount goal is to reduce the amount paid for vendor late fees by \$350.00 for a total cost of \$700.00 for FY02. The total amount paid in FY01 was \$1,063.00. This goal is a 33% reduction in cost. For FY03 our target is \$560.00, this would be a 20% reduction to the FY02 amount.

Note: In FY01 there was only one payroll penalty of \$400.00 incurred. As this was an isolated incident, payroll penalties were not taken into account when setting goals.

Benchmark Comparisons:

The department has not yet identified a state or federal entity of comparable size and composition for which comparative data is available.

Background and Strategies:

There appears to be a systemic problem in receiving billings and processing payments for one vendor. Of the above totals, 43 of the 101 late payments in FY01 and 13 of the 34 to date late payments in FY02 were to this single vendor. Our plan is to eliminate this problem by priority processing of this vendor and possibly changing the billing address so statements come directly to the department's fiscal office.

Administrative Services
BRU Financial Summary by Component

All dollars in thousands

	FY2001 Actuals				FY2002 Authorized				FY2003 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
<u>Formula Expenditures</u>												
None.												
<u>Non-Formula Expenditures</u>												
DOL State Facilities Rent	259.7	0.0	0.0	259.7	277.1	0.0	0.0	277.1	246.5	0.0	0.0	246.5
Data Processing Management Services	103.1	3,632.0	1,905.3	5,640.4	113.0	4,048.0	1,976.1	6,137.1	114.7	4,288.6	2,049.1	6,452.4
Labor Market Information	401.8	1,901.9	484.8	2,788.5	405.7	2,336.8	267.4	3,009.9	417.1	2,226.9	440.9	3,084.9
Totals	1,293.5	6,712.7	3,764.0	11,770.2	1,315.5	7,674.1	3,849.1	12,838.7	1,308.2	8,428.0	4,075.9	13,812.1

Administrative Services

Proposed Changes in Levels of Service for FY2003

No change to services is anticipated.

Administrative Services

Summary of BRU Budget Changes by Component

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	1,315.5	7,674.1	3,849.1	12,838.7
Adjustments which will continue current level of service:				
-DOL State Facilities Rent	-4.0	0.0	0.0	-4.0
-Data Processing	1.7	52.6	28.7	83.0
-Management Services	11.4	-109.9	173.5	75.0
-Labor Market Information	10.2	623.2	26.2	659.6
Proposed budget decreases:				
-DOL State Facilities Rent	-26.6	0.0	0.0	-26.6
-Labor Market Information	0.0	0.0	-45.9	-45.9
Proposed budget increases:				
-Data Processing	0.0	188.0	44.3	232.3
FY2003 Governor	1,308.2	8,428.0	4,075.9	13,812.1