

State of Alaska FY2004 Governor's Operating Budget

Department of Community & Economic Development Administrative Services Component Budget Summary

Component: Administrative Services

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Component Mission

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

Component Services Provided

Facilitates and ensures the delivery of the services provided by the Department of Community and Economic Development by giving efficient and cost effective business management support in four areas:

Financial Services provides the full spectrum of revenue and expenditure fund, appropriation, and cost/project accounting in accordance with governmental budgeting and accounting principles and federal cost accounting principles. This includes preparing operating and capital budget requests; establishing and maintaining accounting systems; committing the funds for and payment of out-going grants to grantees, contractors, vendors, and travelers; billing for and recording of revenue from the federal government, other governmental units, and the general public; and overall providing financial projections using both accrual and cash accounting principles to ensure that Legislative appropriations are neither over-spent or under-collected.

Procurement and Supply provides mailroom services, property control, solicitation and purchase of equipment and supplies, solicitation and administration of professional and non-professional services contracts, and management of physical office space throughout Alaska. These services are provided in accordance with the Uniform Commercial Code, basic contracting principles, the State Procurement Code (AS 36.30) and State Procurement Regulations (2 AAC 12).

Information Technology maintains and installs the department's computer systems, network, databases, and webpages; provides database and e-commerce development services; and trains users in software and hardware capabilities.

Human Resources provides a full range of services to the department which includes ensuring compliance with all federal and state employment laws and regulations as well as collective bargaining agreements, recruitment, classification services including individual position allocation and job classification studies, employee/management relations, leave/benefits administration, payroll services, and assists the department's managers in developing a high-quality work force.

Component Goals and Strategies

Manage the department's finances efficiently and effectively:

- Ensure that every agency within DCED can make informed budgetary and financial decisions.
- Ensure compliance with governmental accounting principles, federal grant accounting principles and specific State of Alaska accounting requirements.
- Ensure Legislative appropriations are maximized and appropriations are neither under-collected nor over-spent.
- Ensure accurate financial information and reports are available for the Legislature, Department of Administration, other state agencies, federal government, and management within DCED.
- Ensure timely and accurate billing of federal agencies, other governmental units, and general public to ensure sufficient cash flow is maintained within the General Fund and other statutorily created funds.
- Pay grantees, contractors, vendors, and employee travel reimbursements accurately and promptly.

Manage the department's procurement and property efficiently and effectively:

- Ensure adherence to established procurement principles such as Uniform Commercial Code, basic contract law, the State Procurement Code (AS 36.30), State Procurement Regulations (2 AAC 12) and the Alaska Administrative Manual (Sections 81 and 82).
- Ensure that office space, services, goods, equipment, and supplies are procured and managed in a fashion consistent with all State and Federal requirements and meet the needs of DCED agencies.
- Ensure the security of property and equipment.

- Ensure the timely and safe distribution of mail.

Provide information technology services efficiently and effectively:

- Provide an environment that makes department data easily accessible to local area, wide area and Internet users.
- Provide effective security on department data so that the data is never in any danger of being compromised.
- Create a suite of applications for each division that will allow employees to do their jobs as quickly and efficiently as possible.
- Respond to requests for programming in as timely a manner as possible.
- Meet with key division personnel on a periodic basis to assess their future and present needs and to establish timelines for completing their requests.
- Maintain and tune all applications so they are efficient and bug free.
- Develop, upgrade and support internet applications that will allow the public to access information maintained by the department.
- Develop, upgrade and support e-commerce applications that will allow licensees in all divisions to update or make initial licensure from the web.
- Provide quick and effective help to department employees for resolution of computer-related problems.
- Maintain a trouble-free network of computers, routers, printers, scanners and other devices that make up the entire network.

Provide exceptional human resources services to department employees and managers.

- Assist managers and supervisors with recruitment strategies that are cost-effective yet produce quality candidates for consideration.
- Assist managers and supervisors to work with troubled employees to correct performance or other workplace issues.
- Take corrective action through progressive and constructive discipline up to and including dismissal.
- Retain quality employees through appropriate classification, effective development, recognition and reward systems.

Key Component Issues for FY2003 – 2004

The Department has continued to encounter the recruitment/retention difficulties faced by all state agencies. Recruitment for positions requiring specialized technical expertise (Analyst Programmers, Utility Engineers, Insurance Financial Examiners, etc.) is becoming more and more difficult due to lack of qualified in-state candidates coupled with non-competitive state salaries within those fields nationwide. State employee salaries and benefits generally are no longer as competitive as is necessary to attract quality candidates for many state positions. A contributing factor is the out-dated state classification system. Many job class specifications are 20 or more years old with restrictive minimum qualifications that do not produce sufficient applicant pools. A further contributing factor is the "graying" of the workforce, a nationwide phenomenon where the "baby boomer" generation of workers is reaching retirement age. Younger replacement workers are not only far fewer in numbers; they do not share the prior generations' notion of staying with the same employer for years. Even if quality replacement workers are found, the state currently does not have the tools/capability to provide retention incentives. In particular, retaining staff in the division's Information Technology (IT) group is, and is likely to remain, a problem. A great deal of effort is spent recruiting, hiring, and training IT staff only to have staff depart for jobs outside of state government.

In FY02, the department implemented an update of its administrative cost allocation plan (ACAP) that identified the costs of services provided by the Commissioner's Office and the Division of Administrative Services to operating divisions, special funds, and independent agencies. The department first implemented the ACAP in FY00 to decrease the reliance on general funds for its centralized executive and support functions, allocating the cost for those services to the agencies and industries supported. To reflect changes in department operations since implementation of the last update, the ACAP has been updated based on FY02 actual expenditures. As a result of the update, allocated costs for services provided by the Commissioner's Office and the Division of Administrative Services for some divisions and agencies have increased while others have decreased.

The division is continuously seeking out and implementing ways to reduce the cost of its services as well as the cost of departmental administrative overhead in general. Numerous processes and procedures have already been streamlined to minimize the amount of time and effort it takes to get things done (both within and outside the division), while maintaining appropriate accountability controls.

Major Component Accomplishments in 2002

The Human Resource Office focused on successful employee/management relations, effectively defusing situations by

providing advice and counseling to supervisors/managers as well as serving as a sounding board for employees. As a result, no grievances or complaints were filed within the department during FY02. Incremental progress was made in the area of classification with the completion of a study on the Communications Common Carrier Specialists classification which expanded the class from one to four levels and the establishment of the job classification RCA Process Coordinator. Additionally, significant work was completed on a study involving Occupational Licensing Examiners, Executive Secretaries to the boards of Nursing, Medical, Real Estate, and Architects, Engineers and Land Surveyors; and the creation of the job classification Chief, Occupational Licensing. An additional position was added to the Human Resources Office that increased the timeliness of individual classification actions.

The Information Technology Group worked with:

- The Division of Community and Business Development to improve the Alaska Photo Library website. This site provides high quality, royalty-free images of Alaska for promotional and educational uses. Images with a quality suitable for website design and use can be downloaded and used in real-time, high quality images for use in printed materials are available via request with 24 hours. Other state departments are now also using the site to store and distribute images to the public.
- The Division of Occupational Licensing to:
 - Improve online access to the data files from Business and Occupational Licenses systems. The public and other state agencies can now, for no fee, download large data files. In the past these requests for information had to be distributed on CD at a cost to the requestor. These improvements provide faster access to data that is more current with a cost saving to both the department and public;
 - Develop an online license renewal system for Registered Nurses. Members of this profession are required to be licensed in the State of Alaska; this license can now be renewed online.
 - Make extensive changes to the Business License system because of law changes regarding the endorsement for locations that sell tobacco. The process for printing licenses was also revised and aging equipment, forms and processes were replaced with more modern systems that are faster, easier to support and produce a better quality license.
- The Division of Banking, Securities and Corporations staff to:
 - Develop a fax back or email back system for Corporations biannual reports. This system allows corporations to request biannual report filing documents online and receive the necessary documents either via fax, email or postal mail. The new system saved 90% of the staff time required for fulfilling these requests.
 - Procure a new system for the administration of securities within the state of Alaska. The new system allows for electronic filing and payment of fees for 50% of the new securities filings in the state.
 - Develop a new system to support the processing of corporate filings. The new system, when completed this year, will use an imaging system to improve the workflow within the office and allow future public access to corporate documents over the Internet.
- The Division of Insurance to complete the systems necessary to send and receive data from the National Association of Insurance Commissioners (NAIC). The NAIC coordinates information transfers and develops standards and model legislation for states and the insurance industry. The completion of this project allows for the transfer of licensing and complaints information to and from the State of Alaska and the NAIC.

The IT staff developed, improved and implemented a variety of changes to internal systems to improve the accuracy, reliability and efficiency of the systems used within the department.

The division completed a multiyear effort to consolidate all DCED divisions in Anchorage into the state-owned Atwood Building. The final four divisions with a total of 65 Anchorage employees moved into the building in the summer of 2002. At present, 119 employees occupy a portion of 5 floors. The Regulatory Commission of Alaska, Alaska Aerospace Development Corporation, Alaska Industrial Development and Export Authority, Alaska Science and Technology Foundation, and the Alaska Railroad Corporation remain in separate Anchorage locations.

Statutory and Regulatory Authority

AS 44.33.010-020 Administrative Services

Administrative Services
Component Financial Summary

All dollars in thousands

	FY2002 Actuals	FY2003 Authorized	FY2004 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,961.5	2,183.3	2,234.4
72000 Travel	13.7	12.6	17.5
73000 Contractual	141.6	110.4	110.4
74000 Supplies	25.0	28.1	28.1
75000 Equipment	36.3	1.7	1.7
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	2,178.1	2,336.1	2,392.1
Funding Sources:			
1004 General Fund Receipts	1,269.6	1,017.6	1,018.0
1007 Inter-Agency Receipts	908.5	1,318.5	1,374.1
Funding Totals	2,178.1	2,336.1	2,392.1

Administrative Services
Proposed Changes in Levels of Service for FY2004

No service changes.

Summary of Component Budget Changes
From FY2003 Authorized to FY2004 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2003 Authorized	1,017.6	0.0	1,318.5	2,336.1
Adjustments which will continue current level of service:				
-Annualize FY2003 COLA Increase for General Government, Confidential and Supervisory Bargaining Units	0.0	0.0	8.5	8.5
-\$75 per Month Health Insurance Increase for Non-covered Staff	0.4	0.0	0.5	0.9
Proposed budget increases:				
-Cost Allocation Plan Update	0.0	0.0	46.6	46.6
FY2004 Governor	1,018.0	0.0	1,374.1	2,392.1

Administrative Services
Personal Services Information

	Authorized Positions		Personal Services Costs	
	<u>FY2003</u> <u>Authorized</u>	<u>FY2004</u> <u>Governor</u>		
Full-time	37	37	Annual Salaries	1,729,283
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	618,749
			<i>Less 4.84% Vacancy Factor</i>	(113,632)
			Lump Sum Premium Pay	0
Totals	37	37	Total Personal Services	2,234,400

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant III	0	0	3	0	3
Accountant IV	0	0	1	0	1
Accountant V	0	0	1	0	1
Accounting Clerk II	0	0	1	0	1
Accounting Tech I	1	0	2	0	3
Accounting Tech II	0	0	1	0	1
Accounting Tech III	0	0	2	0	2
Administrative Assistant	0	0	1	0	1
Administrative Clerk II	1	0	0	0	1
Administrative Clerk III	0	0	1	0	1
Analyst/Programmer IV	0	0	1	0	1
Data Processing Mgr III	0	0	1	0	1
Division Director	0	0	1	0	1
Human Resources Mgr II	0	0	1	0	1
Micro/Network Spec I	1	0	1	0	2
Micro/Network Tech II	2	0	1	0	3
Personnel Asst I	0	0	2	0	2
Personnel Officer I	1	0	0	0	1
Personnel Specialist I	0	0	2	0	2
Procurement Spec II	0	0	2	0	2
Procurement Spec IV	0	0	1	0	1
Publications Spec I	0	0	1	0	1
Publications Spec II	0	0	1	0	1
Supply Technician I	0	0	1	0	1
Supply Technician II	0	0	1	0	1
Systems Programmer III	0	0	1	0	1
Totals	6	0	31	0	37