

**State of Alaska
FY2004 Governor's Operating Budget**

**Department of Transportation/Public Facilities
Regional Administrative Services
Component Budget Summary**

Component: Regional Administrative Services

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Component Mission

The mission of this component is to support the department's operations with quality administration in the areas of finance, personnel and payroll.

Component Services Provided

This component funds the day to day operational support for the department in 85 locations throughout the state. It provides support in payroll, personnel, accounts payable, and revenue collection. Functions include, but are not limited to, calculation and payment of payroll, leave accrual and usage tracking and verification, processing of personnel action items, calculation and payment of travel costs, payment of utility, contractor and general vendor invoices, auditing of AMHS sales reports, preparation of the annual AMHS financial report, and processing encumbrances and payments against reimbursable service agreements (RSAs).

Component Goals and Strategies

Provide administrative support that results in the most efficient delivery of department services to the public

- Function as department advocate in performing several major classification studies.
- Audit ferry terminal sales reports and collect credit card generated revenues.
- Pay vendor and contractor billings promptly.
- Provide accounting information to department managers to assist them in efficient program operations.
- Work with federal counterparts to incorporate improvements allowing faster collections of federal reimbursements.
- Balance changes that reduce cost against the risks of errors.
- Participate as department representative on negotiating team for all expiring collective bargaining agreements, including fast vehicle ferry contract negotiations.
- Work with regional and headquarters managers to reduce lawsuits and grievances by resolving at lowest level possible.
- Develop new strategies to recruit and retain employees to replace the large percentage of current workforce eligible to retire.

Key Component Issues for FY2003 – 2004

The Division will continue to analyze services it provides in an effort to find the most efficient and effective methods of service delivery. Areas currently under review, or in initial stages of implementation include: streamlining of timesheet processing; find more effective methods of recruitment and retention; improve financial monitoring of capital projects; and continue implementation of electronic payments to contractors and vendors.

Assistance to division managers continues to be difficult when facing an aging workforce and lack of qualified replacements, increasing federal construction programs, increased reliance on contracted services, continually changing technology, and changing administrative rules for federal indirect cost participation.

Major Component Accomplishments in 2002

- Maintained invoice processing days below the state average throughout the year.
- Implemented efficiencies into the department's indirect cost allocation plan.
- Successfully tested electronic payments to small contractors and other scheduled payments.
- Prepared materials and conducted accounting related training for employees.

- Established a Task Force that identified and implemented recommendations to improve closing capital improvement projects.
- Received no audit findings from the Office of the Inspector General upon completion of their review of department accounting for the AIP funded through FAA.
- Received no audit findings from Legislative Audit upon completion of their review of department accounting.
- Conducted 390 recruitment efforts, of which 343 resulted in a successful hire. Processed 184 classification actions.
- Functioned as department advocate in major classification studies.
- Responded to 173 grievances and “notice of pay” problems.
- Functioned as department advocate in 13 grievance arbitrations, winning 11.

Statutory and Regulatory Authority

AS 44.42.010-900 State Government

AS 02 Aeronautics

AS 19 Highways and Ferries

AS 35 Public Building, Works and Improvements

Regional Administrative Services
Component Financial Summary

All dollars in thousands

	FY2002 Actuals	FY2003 Authorized	FY2004 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	3,302.1	3,381.6	3,287.3
72000 Travel	5.0	5.8	5.8
73000 Contractual	127.7	144.0	144.0
74000 Supplies	100.8	71.9	61.9
75000 Equipment	2.7	0.0	0.0
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	3,538.3	3,603.3	3,499.0
Funding Sources:			
1004 General Fund Receipts	1,442.6	1,382.8	752.6
1005 General Fund/Program Receipts	90.0	0.0	0.0
1026 Highway Working Capital Fund	296.7	306.2	313.2
1027 International Airport Revenue Fund	539.2	554.4	568.4
1061 Capital Improvement Project Receipts	279.7	288.7	835.9
1076 Marine Highway System Fund	890.1	916.2	937.2
1156 Receipt Supported Services	0.0	155.0	91.7
Funding Totals	3,538.3	3,603.3	3,499.0

Regional Administrative Services

Proposed Changes in Levels of Service for FY2004

Reducing an accounting position will result in a slow down in payments of invoices to vendors by approximately 3 days. There will be an estimated 50% reduction in revenue collection activity. These revenues are collected from accidents to guardrails and light poles that are then used by the Highways and Aviation sections to repair the damages. The conversion of a Personnel Specialist position from PFT to PPT will reduce the timeliness and integrity of the administration of the federally mandated drug testing program for CDL holders.

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	1,382.8	0.0	2,220.5	3,603.3
Adjustments which will continue current level of service:				
-Transfer \$507.6 GF to Central & Southeast Region Highways & Aviation and Facilities for maintenance	-507.6	0.0	0.0	-507.6
-Funding source change to add \$33.8 in ICAP	-33.8	0.0	33.8	0.0
-Annualize FY2003 COLA increase for General Government, Confidential and Supervisory Bargaining Units	0.0	0.0	23.5	23.5
Proposed budget decreases:				
-Eliminate Accounting position and change time status of PFT Personnel Specialist to PPT	-88.8	0.0	-65.0	-153.8
Proposed budget increases:				
-Add \$507.6 ICAP to maintain current administrative support and service levels in department	0.0	0.0	507.6	507.6
-CEA Job Classification Study Personnel Staff Upgrades	0.0	0.0	26.0	26.0
FY2004 Governor	752.6	0.0	2,746.4	3,499.0

Regional Administrative Services

Personal Services Information

	Authorized Positions		Personal Services Costs	
	<u>FY2003</u> <u>Authorized</u>	<u>FY2004</u> <u>Governor</u>		
Full-time	65	63	Annual Salaries	2,454,980
Part-time	0	1	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	1,019,035
			<i>Less 5.37% Vacancy Factor</i>	(186,715)
			Lump Sum Premium Pay	0
Totals	65	64	Total Personal Services	3,287,300

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant II	0	1	0	0	1
Accountant V	0	0	1	0	1
Accounting Clerk I	1	0	3	0	4
Accounting Clerk II	3	3	3	0	9
Accounting Spvr I	2	0	1	0	3
Accounting Spvr II	1	0	1	0	2
Accounting Tech I	6	2	4	0	12
Accounting Tech II	4	2	3	0	9
Accounting Tech III	0	1	0	0	1
Administrative Clerk I	0	0	1	0	1
Administrative Clerk II	0	0	1	0	1
Administrative Clerk III	1	1	1	0	3
Human Resource Specialist I	1	1	0	0	2
Human Resource Technician II	1	2	5	0	8
Human Resource Technician III	1	1	1	0	3
Personnel Asst II	0	0	1	0	1
Personnel Officer II	1	1	0	0	2
Personnel Specialist I	0	0	1	0	1
Totals	22	15	27	0	64