

# **State of Alaska FY2008 Governor's Operating Budget**

## **Department of Law Administrative Services Component Budget Summary**

**Component: Administrative Services****Contribution to Department's Mission**

Administrative Services provides budgeting, accounting, procurement, and computing services to the Department of Law. These services enable and enhance the Department in its mission to provide legal services to state agencies and prosecute crime.

**Core Services**

Financial management and forecasting - Regular review, monitoring, and reporting of expenditures and revenues with additional emphasis on forecasting authorization balances through the end of the fiscal year.

Budgeting - Annual preparation of the operating and capital budget request for the entire department. Periodic and final annual balancing of various sources of budget authorization with expenditures and revenues. Analyze and forecast the budget results of the department's shared resources cost pool.

Fiscal and Accounting - Perform all accounting functions for the department through centralized accounts payable/receivable, review and payment of professional services contracts; and federal grant reporting. Complete annual fiscal year closeout involving reconciliation of expenditures and revenues and ensure all fiscal year obligations are encumbered or satisfied before the end of the reappropriation period. Receipt all monies collected for obligations owed to the state that are assigned to the Civil Division Collections and Support section. Receipt all monies collected for victim restitution and make payments to victims.

Procurement - Manage the procurement process for outside legal counsel and expert contracts. Provide property control and centralized supply and equipment purchasing.

Cost Allocation - Calculate and revise the federally approved cost allocation plans.

Timekeeping - Calculate the department's attorney and paraprofessional timekeeping rate structure; manage the Civil Division's full-time attorney and paraprofessional time reporting and case management system; generate client billings; and respond to routine inquiries regarding individual matter, client, or project time and charges.

Information Services - Provide computer hardware and software support to each of over 500 computer end-users located in Anchorage, Juneau, Fairbanks, Palmer, Kenai, Bethel, Ketchikan, Kodiak, Nome, Barrow, Dillingham, Kotzebue and Sitka. This support includes: network support, application maintenance and support, and hardware and software installation. In addition the Section provides individual help desk assistance as necessary and presents occasional formal training. Other services provided by the section include web development, technical liaison on projects involving other public agencies, special projects, and service on statewide technical committees that establish the foundations for state government digital communication.

Mail Services – Provide central mail pickup and delivery services for Juneau offices of the department as well as centralized mail services for certain legal and library supplies for the entire agency. Provide off-site security screening and inspection of all incoming mail and parcels in accordance with guidelines established by the Alaska Department of Administration.

### FY2008 Resources Allocated to Achieve Results

<b>FY2008 Component Budget: \$2,238,100</b>	<b>Personnel:</b>	
	Full time	18
	Part time	0
	<b>Total</b>	<b>18</b>

## Key Component Challenges

Increasing the quality and value of services with a diminishing budget and staff while coping with rapid changes in technology, increasing administrative demands for budget savings, and reorganization of the way the state provides some of its administrative efforts are key challenges for this budget component.

The need for technological advancement continues to linger around the margins of most efficiency problems we face. We have embarked on a new technology project that will replace the existing timekeeping and billing system and provide case management tools that have previously been either lacking or inconsistently managed. Over the next two years, document management will also be added as well as replacement of the existing collections data bases by a single data base with additional capacity to add new collections items. The Collections unit of the Civil Division is responsible for collecting money owed to the state general fund. It has long been hampered by its existing data base that is at capacity and has no capability to receive collection information by the court system, where obligations for the public to pay fines, cost of incarceration and cost of appointed counsel originate. The Information Services section has created additional data bases to add capacity, but information must be manually entered into the individual data bases and into the accounting system, which creates a significant duplication of effort and drain on resources.

In the past ten years, the department of Law has grown by 100 positions, mostly in the Anchorage offices while computer network support positions have been at a status quo level of nine positions statewide during that entire time. Another position is needed at this juncture due not only to the growing employee base, but to major changes in technology that the Department faces as it changes its timekeeping, billing and case management system, and the State begins the process of transition to a Microsoft environment from the current patchwork of approaches the state takes to operating its Local Area Networks (LANS) and Wide Area Networks (WANS).

Recruitment and retention of qualified applicants for the fiscal effort continues to be a challenge. Particularly in Juneau, the availability of an applicant pool that meets minimum qualifications for accounting technician and accounting clerk positions is lacking. We believe one of the causes is the inequity of the geographic pay differential, which considers Juneau a "base-pay" location while studies indicate it is one of the most expensive places to live in the state. The University of Alaska's Institute of Social and Economic Research conducted a study of teacher pay in various Alaskan cities and towns and concluded that the geographic differential needs to be adjusted. The science exists, but the political will is another matter.

## Significant Changes in Results to be Delivered in FY2008

### Timekeeping:

The current technology upgrade project has as one of its areas of primary focus, the replacement of the timekeeping and billing system to one that is more user friendly and performs better across our network.

### Information Services:

We may be exploring migrating our network environment and e mail to Microsoft in accordance with new statewide information technology standards. This migration will require additional resources temporarily and we will need to explore ways to run parallel networks and reduce disruption to users.

We may find more uses for wireless technology.

We will manage the statewide project for the implementation of new technology related to timekeeping, billing, case management, the collections database and document management.

**Fiscal:**

We look forward to seeing what changes new timekeeping and billing technology will have on that function in the fiscal section.

If the new Collections Database can be interfaced with accounting software, that will greatly improve the current burden of administering the collection and disbursement of victim restitution.

**Major Component Accomplishments in 2006**

**Leasing and Office Space Improvements**

Worked with Division of General Services to undertake formal Request for Proposal (RFP) solicitation for new office space in Kotzebue and Dillingham.

Completed an emergency procurement and installation of a new phone system for the Kenai District Attorney's office after their aging system experienced a catastrophic failure.

Initiated the procurement of badly needed office space for the Anchorage Civil Division and formally transferred assignment to the Department of Law the lease space housing the analysis and technical support unit of the Regulatory Affairs and Public Advocacy Section.

Worked with Alaska Correctional Industries to secure new panel and system furniture for the Civil Division offices in Juneau and initiated a significant remodeling project on the fifth and sixth floors of the Dimond Courthouse.

**Contracting and Procurement**

Completed formal RFP solicitations for bond counsel services on behalf of both the Alaska Housing Finance Corporation and the Alaska Student Loan Corporation. Procured Investment counsel services as well as securities fraud monitoring services on behalf of the Alaska Permanent Fund Corporation. Secured the services of various outside legal counsel and experts to advise and assist with ongoing gas line negotiations, the Ketchikan Gravina Island Access Project, the Knik Arm Bridge and Toll Authority, the education funding dispute in Moore v. State, and analysis of potential claims against the state's actuary, Mercer, Inc.

Assisted our consumer protection unit in negotiating contracts to pursue the state's claims against Merck related to their distribution of the Drug, Vioxx, as well as off-label drug marketing claims against Eli Lilly, Janssen Pharmaceuticals and Astra Zeneca.

**Information Technology**

Completed office productivity suite upgrade from Microsoft Office 97 to Microsoft Office 2003.

Implemented PDF writer tool across department.

Implemented Cisco Security Agent department wide.

Technology refresh: Replaced one-half of all Department computers, in preparation for new practice management solution; replaced one-quarter of network printers; replaced one-fifth of network switches.

Installed Blackberry Enterprise Server for GroupWise, and distributed eight Blackberry devices to management.

Implemented Microsoft Terminal Services for CRIMES and transitioned several remote District Attorneys Offices to a shared server.

Senior network support staff attended training in Microsoft directory services, server administration and email support, in

preparation for adoption of State standard technologies, and in Cisco networking equipment administration, ensuring the Information Technology (IT) section maintains the skill-set necessary for administration of Department of Law networks.

**Fiscal**

Successfully closed out FY2006 appropriations, including the restriction and deferral of restricted revenue and the balancing of restricted revenue with expenditures for individual client Reimbursable Services Agreements (RSAs).

Transitioned the travel desk to the new State Travel Office with all the accompanying procedural changes.

Established quarterly meetings to review contracts and ensure that encumbrances are established for all contract balances.

**Statutory and Regulatory Authority**

AS 44.23.020

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### Administrative Services Component Financial Summary

*All dollars shown in thousands*

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	1,006.9	1,350.7	1,541.0
72000 Travel	9.3	7.3	7.3
73000 Services	477.5	600.0	655.6
74000 Commodities	75.1	29.8	29.8
75000 Capital Outlay	0.0	4.4	4.4
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>1,568.8</b>	<b>1,992.2</b>	<b>2,238.1</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	0.0	110.7	122.4
1004 General Fund Receipts	768.9	923.1	1,149.1
1005 General Fund/Program Receipts	58.6	61.7	69.9
1007 Inter-Agency Receipts	741.3	896.7	896.7
<b>Funding Totals</b>	<b>1,568.8</b>	<b>1,992.2</b>	<b>2,238.1</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
<b>Unrestricted Revenues</b>				
None.		0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>				
Federal Receipts	51010	0.0	110.7	122.4
Interagency Receipts	51015	741.3	896.7	896.7
General Fund Program Receipts	51060	58.6	61.7	69.9
<b>Restricted Total</b>		<b>799.9</b>	<b>1,069.1</b>	<b>1,089.0</b>
<b>Total Estimated Revenues</b>		<b>799.9</b>	<b>1,069.1</b>	<b>1,089.0</b>

**Summary of Component Budget Changes  
From FY2007 Management Plan to FY2008 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2007 Management Plan</b>	<b>984.8</b>	<b>110.7</b>	<b>896.7</b>	<b>1,992.2</b>
<b>Adjustments which will continue current level of service:</b>				
-FY 08 Health Insurance Increases for Exempt Employees	0.2	0.0	0.0	0.2
-Fund Source Adjustment for Retirement Systems Increases	116.6	0.0	-116.6	0.0
<b>Proposed budget increases:</b>				
-Anchorage Parking	6.0	0.0	0.0	6.0
-Retirement and Non-covered Employee Health Insurance Increases for Division of Personnel	49.6	0.0	0.0	49.6
-FY 08 Retirement Systems Rate Increases	61.8	11.7	116.6	190.1
<b>FY2008 Governor</b>	<b>1,219.0</b>	<b>122.4</b>	<b>896.7</b>	<b>2,238.1</b>

**Administrative Services  
Personal Services Information**

Authorized Positions		Personal Services Costs		
<u>FY2007</u>				
<u>Management</u>		<u>FY2008</u>		
<u>Plan</u>		<u>Governor</u>		
			Annual Salaries	898,881
Full-time	18	18	Premium Pay	3,386
Part-time	0	0	Annual Benefits	652,951
Nonpermanent	0	0	<i>Less 0.91% Vacancy Factor</i>	(14,218)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>18</b>	<b>18</b>	<b>Total Personal Services</b>	<b>1,541,000</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant II	0	0	1	0	1
Accountant IV	0	0	1	0	1
Accounting Clerk I	0	0	1	0	1
Accounting Tech I	0	0	1	0	1
Administrative Assistant	0	0	1	0	1
Administrative Svcs Mgr II	0	0	1	0	1
Division Director	0	0	1	0	1
Grants Administrator IV	0	0	1	0	1
Mail Svcs Courier	0	0	1	0	1
Micro/Network Spec I	1	0	2	0	3
Micro/Network Spec II	1	0	0	0	1
Micro/Network Tech I	2	0	0	0	2
Micro/Network Tech II	0	0	1	0	1
Program Budget Analyst IV	1	0	0	0	1
Supply Technician II	0	0	1	0	1
<b>Totals</b>	<b>5</b>	<b>0</b>	<b>13</b>	<b>0</b>	<b>18</b>