State of Alaska
FY2010 Governor's Operating Budget

Department of Commerce, Community, and Economic Development
Administrative Services
Component Budget Summary

Component: Administrative Services

Contribution to Department's Mission

Provide professional support services for the Department's programs.

Core Services

- Financial support services of Budget, Accounting, Monitoring and Reporting
- Procurement and Office Space Management
- Information Technology
- Publications

End Result	Strategies to Achieve End Result
A: Ensure compliance with all accounting principles. Target #1: Zero audit findings. Status #1: Target of zero audit findings was achieved. Target #2: Zero questioned costs required to be returned to federal government. Status #2: Target of zero questioned costs that were required to be returned to the federal government was achieved.	**A1: Actively manage the financial activities of each agency.** Target #1: Meet with program staff and analyze financial information on a continuing basis for all 12 agencies. Status #1: Target achieved. Fiscal staff met several times with all 12 agencies during the fiscal year.

End Result	Strategies to Achieve End Result
B: Provide effective and efficient procurement-related services. Target #1: Zero procurement protests. Status #1: Target of zero procurement protests during the fiscal year was achieved. Target #2: Zero procurement protests elevated to the appeal level handled by the Department of Administration. Status #2: Target of zero procurement protests appealed during the fiscal year was achieved.	**B1: Provide procurement-related training.** Target #1: 100% of employees performing procurement-related services receive required procurement training. Status #1: Target achieved, 100% of the personnel involved in procurement-related services have 100% of the training required for their positions.

End Result	Strategies to Achieve End Result
C: Provide efficient and secure information technology services for the Department. Target #1: Zero security breaches. Status #1: Target of having zero security breaches during this year was achieved. Target #2: 70% percent of IT projects completed on time.	**C1: Provide technical training to information technology staff.** Target #1: 100% of information technology staff completes at least one course per year. Status #1: Target of 100% not met, 42% of our information technology staff has completed at least one course this year.

Status #2: Exceeded target of 70% project completion, as 85% of projects were completed this fiscal year.	

Major Activities to Advance Strategies

- Budget Preparation and Monitoring
- Office Space Management
- Maintain Effective Security of Department Data
- Procurement

- Legislative Hearing Support and Testimony
- Develop and Support E-Commerce Applications
- Appropriation, Fund and Cost Accounting
- Maintain Computer Network

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: $4,433,900

Personnel:

Full time	46
Part time	0
Total	46

Performance

A: Result - Ensure compliance with all accounting principles.

Target #1: Zero audit findings.
Status #1: Target of zero audit findings was achieved.

Number of Audit Recommendations

Fiscal Year	YTD Total
FY 2008	0
FY 2007	1
FY 2006	1
FY 2005	1
FY 2004	0
FY 2003	3

Analysis of results and challenges: Although there were no audit findings in FY2008, the FY2007 finding related to the Bulk Fuel Bridge Loan program has been resolved.

Target #2: Zero questioned costs required to be returned to federal government.
Status #2: Target of zero questioned costs that were required to be returned to the federal government was achieved.

Amount of Questioned Costs Returned to Federal Government

Fiscal Year	YTD Total
FY 2008	0
FY 2007	0
FY 2006	0
FY 2005	0
FY 2004	0
FY 2003	0

Analysis of results and challenges: To be in compliance with audit and federal guidelines, the Finance Services section has strictly followed federal cost and administrative requirements (A-87 and A-122) and State rules and regulations on federal programs to eliminate audit or financial findings. No federal funding has been returned as a result of unallowable costs for five or more years.

A1: Strategy - Actively manage the financial activities of each agency.

Target #1: Meet with program staff and analyze financial information on a continuing basis for all 12 agencies.
Status #1: Target achieved. Fiscal staff met several times with all 12 agencies during the fiscal year.

Number of agencies

Fiscal Year	YTD Total
FY 2008	12
FY 2007	12
FY 2006	12
FY 2005	12

Analysis of results and challenges: Financial Services section has provided financial assistance, advice, and information to assist agencies in managing their budgets. This process has eliminated appropriation shortfalls in the Department's budget and has resulted in no ratifications for the Department for several years.

B: Result - Provide effective and efficient procurement-related services.

Target #1: Zero procurement protests.
Status #1: Target of zero procurement protests during the fiscal year was achieved.

Number of procurement protests

Fiscal Year	YTD Total	
FY 2008	0	-100%
FY 2007	1	0%
FY 2006	0	0%
FY 2005	0	0%
FY 2004	0	0%
FY 2003	0	

Analysis of results and challenges: Due to the complete analysis of each contract, zero procurement protests were elevated to the appeal level handled by the Department of Administration.

Target #2: Zero procurement protests elevated to the appeal level handled by the Department of Administration.
Status #2: Target of zero procurement protests appealed during the fiscal year was achieved.

Number of procurement appeals

Fiscal Year	YTD Total
FY 2008	0
	-100%
FY 2007	1
	0%
FY 2006	0
	0%
FY 2005	0
	0%
FY 2004	0
	0%
FY 2003	0

Analysis of results and challenges: Because the procurement staff was able to eliminate contract problems at an early stage, the department did not have any appeals from the contractors.

B1: Strategy - Provide procurement-related training.

Target #1: 100% of employees performing procurement-related services receive required procurement training.
Status #1: Target achieved, 100% of the personnel involved in procurement-related services have 100% of the training required for their positions.

Percentage of employees receive training

Fiscal Year	YTD Total
FY 2008	100%
FY 2007	100%
FY 2006	100%
FY 2005	100%
FY 2004	50%

Analysis of results and challenges: The training the procurement staff received was instrumental in their ability to adhere to the Department of Administration's procurement rules, and resulted in no procurement violations.

C: Result - Provide efficient and secure information technology services for the Department.

Target #1: Zero security breaches.
**Status #1:** Target of having zero security breaches during this year was achieved.

Year	YTD Total
2008	0
2007	0
2006	0
2005	0
2004	0
2003	0

Analysis of results and challenges: The Department's anti-virus software is continually upgraded to maintain

security.

Target #2: 70% percent of IT projects completed on time.
Status #2: Exceeded target of 70% project completion, as 85% of projects were completed this fiscal year.
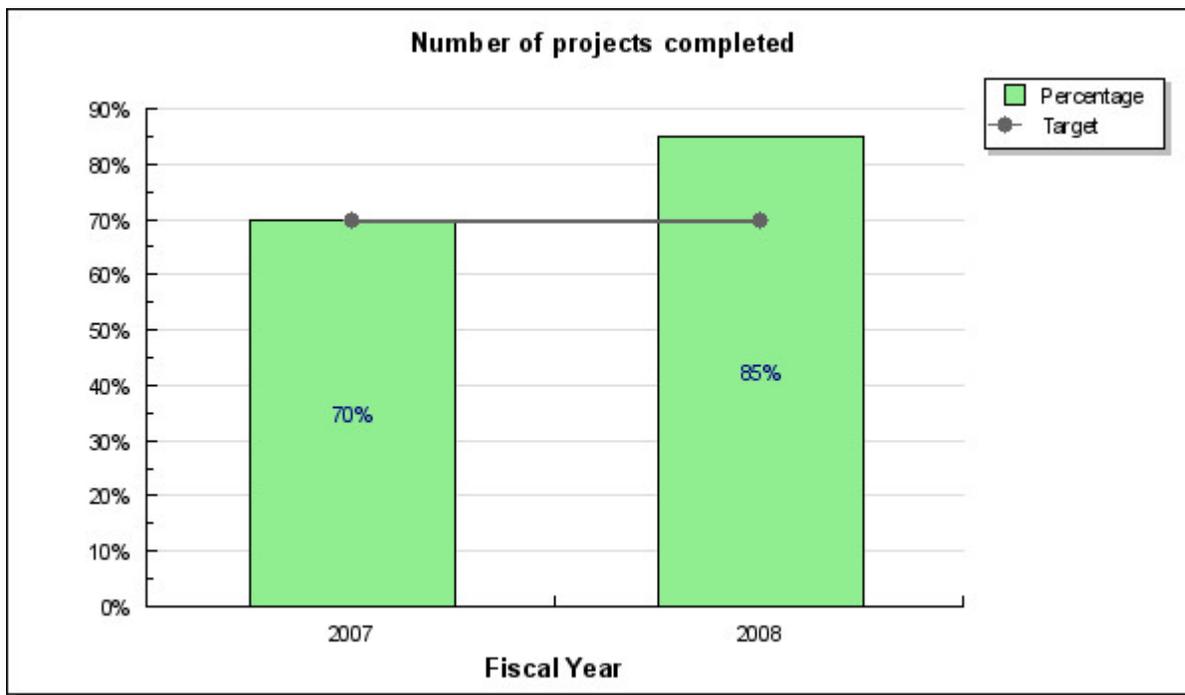
Number of projects completed

Fiscal Year	Number of Projects	Projects Completed	Percentage	Target
FY 2008	34	29	85%	70%
FY 2007	40	28	70%	70%

Analysis of results and challenges: Some of the projects are long-range and require more than one fiscal year to complete.

C1: Strategy - Provide technical training to information technology staff.

Target #1: 100% of information technology staff completes at least one course per year.
Status #1: Target of 100% not met, 42% of our information technology staff has completed at least one course this year.
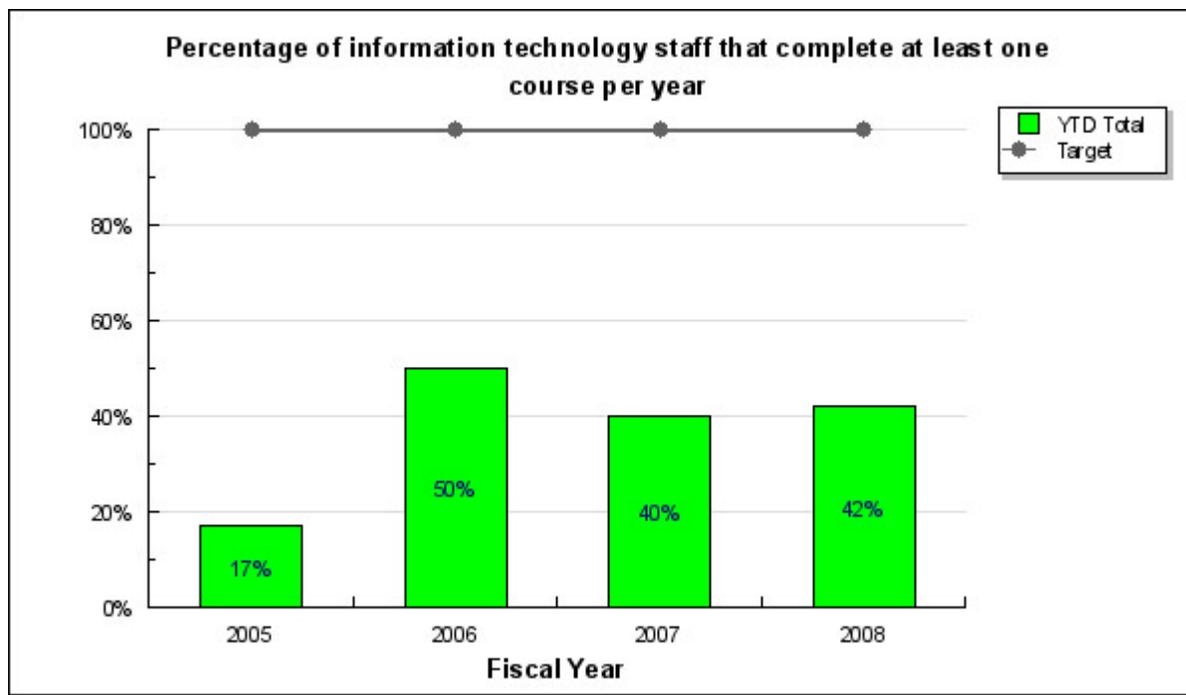
Percentage of information technology staff that complete at least one course per year

Fiscal Year	YTD Total	Target
FY 2008	42%	100%
FY 2007	40%	100%
FY 2006	50%	100%
FY 2005	17%	100%

Analysis of results and challenges: The information technology staff continues to have a high rate of turnover. This turnover significantly impacts our ability to meet the goal. Analysis of turnover rate and methods to reduce it will need further study.

Key Component Challenges

Staff turnover due to the retirement of several long-term employees has resulted in the loss of institutional knowledge in the division. The retirement of several long-term programmers and the Finance Officer, in addition to a number of vacancies, has resulted in new staff that requires training and work experience to achieve full proficiency in their positions.

The department's IT structure is currently in transition. Most departmental systems were developed over 10 years ago and no longer serve the needs of the department. Two years ago, the department identified new technology standards and began the process of uplifting the older systems. To date, six systems have been replaced and the department is on track to complete several more in FY09. The remaining systems that require replacement have been identified as FY10 capital projects.

Significant Changes in Results to be Delivered in FY2010

No significant changes.

Major Component Accomplishments in 2008

The following are a few highlights of projects that have been accomplished by the Division of Administrative Services in 2008.

Supply and Inventory. Programs were implemented to improve purchasing and property management systems allowing a smoother yearly inventory process as well as better tracking and documentation of the department's property.

CBP Portal. A custom portal was developed for the Division of Corporations, Business and Professional Licensing to integrate the division's applications into one location for ease of use.

Business Licensing. Developed a completely new .Net application to track and issue business licenses for the Division of Corporations, Business and Professional Licensing.

Tax Assessor Reporting. Implemented a new system to provide enhanced reporting capabilities to the state tax assessor's office.

Oracle Strong Passwords. Implemented new rules for password creation, retention and expiration for the department's oracle users to provide for better security.

Statutory and Regulatory Authority

AS 44.33.010-020 Administrative Services

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Administrative Services
Component Financial Summary

All dollars shown in thousands

	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	3,375.8	3,871.9	3,948.8
72000 Travel	71.4	47.5	47.5
73000 Services	318.3	342.2	350.4
74000 Commodities	60.8	61.1	61.1
75000 Capital Outlay	26.0	26.1	26.1
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	**3,852.3**	**4,348.8**	**4,433.9**
Funding Sources:			
1004 General Fund Receipts	1,020.6	1,233.7	1,258.5
1007 Inter-Agency Receipts	2,831.7	3,115.1	3,175.4
Funding Totals	**3,852.3**	**4,348.8**	**4,433.9**

Estimated Revenue Collections

Description	Master Revenue Account	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Unrestricted Revenues				
Unrestricted Fund	68515	29.1	29.0	125.0
Unrestricted Total		**29.1**	**29.0**	**125.0**
Restricted Revenues				
Interagency Receipts	51015	2,831.7	3,115.1	3,175.4
Restricted Total		**2,831.7**	**3,115.1**	**3,175.4**
Total Estimated Revenues		**2,860.8**	**3,144.1**	**3,300.4**

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	**1,233.7**	**0.0**	**3,115.1**	**4,348.8**
Adjustments which will continue current level of service:				
-FY2010 Wage and Health Insurance Increases for Bargaining Units with Existing Agreements	22.5	0.0	54.4	76.9
Proposed budget increases:				
-Core Service Increases	2.3	0.0	5.9	8.2
FY2010 Governor	**1,258.5**	**0.0**	**3,175.4**	**4,433.9**

Administrative Services
Personal Services Information

Authorized Positions			Personal Services Costs	
	FY2009 Management Plan	**FY2010 Governor**		
Full-time	46	46	Annual Salaries	2,632,766
Part-time	0	0	COLA	104,968
Nonpermanent	1	1	Premium Pay	0
			Annual Benefits	1,404,070
			Less 4.66% Vacancy Factor	(193,004)
			Lump Sum Premium Pay	0
Totals	**47**	**47**	**Total Personal Services**	**3,948,800**

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant III	0	0	2	0	2
Accountant IV	0	0	1	0	1
Accountant V	0	0	1	0	1
Accounting Tech I	0	0	3	0	3
Accounting Tech II	0	0	2	0	2
Accounting Tech III	0	0	4	0	4
Administrative Assistant II	0	0	1	0	1
Administrative Clerk II	1	0	0	0	1
Administrative Clerk III	1	0	1	0	2
Administrative Officer II	1	0	0	0	1
Analyst/Programmer I	0	0	1	0	1
Analyst/Programmer II	0	0	2	0	2
Analyst/Programmer III	0	0	1	0	1
Analyst/Programmer IV	2	0	4	0	6
Analyst/Programmer V	0	0	2	0	2
Budget Analyst IV	0	0	1	0	1
Data Processing Mgr III	0	0	1	0	1
Division Director	0	0	1	0	1
Micro/Network Spec I	1	0	1	0	2
Micro/Network Spec II	1	0	1	0	2
Micro/Network Tech II	1	0	1	0	2
Procurement Spec I	0	0	1	0	1
Procurement Spec II	0	0	1	0	1
Procurement Spec IV	0	0	1	0	1
Prog Coordinator	0	0	1	0	1
Publications Spec II	0	0	0	1	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	**8**	**0**	**38**	**1**	**47**