

State of Alaska FY2014 Governor's Operating Budget

Department of Administration Centralized Administrative Services Results Delivery Unit Budget Summary

Centralized Administrative Services Results Delivery Unit

Contribution to Department's Mission

No mission statement.

Core Services

- Conduct hearing and alternative dispute resolution processes to resolve administrative cases (appeals and original actions) and provide training for administrative adjudicators.
- Administer E-Travel program serving travelers within the executive branch including Medicaid beneficiaries.
- Recruitment and re-employment.
- Contract Negotiation - Negotiations for the State's 11 bargaining unit contracts and subsequent amendments to the contracts. Staff act as chief spokesmen for the State's bargaining teams and handle all associated logistics. The section is responsible for issuing contract interpretive memoranda as needed.
- Contract Administration - Labor Relations staff investigate complaints and grievances that reach the Commissioner of Administration level and represent the State's interests in resolution or adjudication of these disputes. Responsible for interpreting and applying labor agreements and ensuring consistency of application throughout State government.
- Health, dental, vision, audio, and long-term care claim processing.

Major RDU Accomplishments in 2012

- Initiated a new wellness program for the AlaskaCare Active plan.
- Renegotiated One Card rebate program to increase the refund rate to the state.
- Medicaid beneficiary travel savings of \$2,503,652 and Executive branch employee travel savings of \$1,843,515.
- Completed negotiations of successor agreements for Labor, Trades and Crafts, Local 71 (LTC) and Teachers' Education Association of Mt. Edgecombe (TEAME) agreements. Labor Relations completed negotiations with the Alaska Correctional Officers Association (ACOA); however, the parties reached impasse and interest arbitration was held on June 26-29, 2012. An award is expected in November, 2012.

Key RDU Challenges

Collective Bargaining Agreements - The department negotiates collective bargaining agreements with each of the 11 unions that represent employees in the executive branch. Each year 3 to 4 of these agreements are negotiated. The Commissioner's Office is actively involved in these negotiations. The primary challenge is to negotiate agreements that are consistent, fair and fiscally prudent.

Classification System Replacement - With funding received in FY2012, the division will procure a consultant to conduct a review of the State's current classification and pay plans, assist the division in developing a strategy to execute a simultaneous revision of these two integrated systems, and prepare a project management plan and a Request for Proposals to procure the services necessary to complete the project and implement approved changes.

Negotiations - The State expects to reach agreement with three bargaining units [Alaska State Employees Association (ASEA), Alaska Public Employees Association, Supervisory Unit (SU) and the Confidential Employees Association (CEA)] in FY2013 which will be implemented in FY2014. The State will begin negotiations for successor agreements for five bargaining unit contracts [(Inlandboatmen's Union of the Pacific (IBU), Marine Engineers Beneficial Association (MEBA), Masters, Mates and Pilots (MM&P), Public Safety Employees Association (PSEA) and the Alaska Vocational Technical Center Teachers' Association (AVTECTA)] during FY2014 with implementation in FY2015.

Retirement Systems Unfunded Liability - The PERS and TRS retirement systems are short funded in the amount of \$11 billion. The Commissioner's office continues to work with stakeholders to address this issue.

Healthcare - The State of Alaska is one of the largest, if not the largest, purchasers of healthcare services in the state. The State is currently spending more than \$2 billion/year on healthcare amongst its various populations (Medicaid, active employees, retired, workers' compensation, and corrections). The rate of annual increase of between 7 and 9 percent is not sustainable. The Commissioner's Office is working to address this issue through active management of the employee and retiree health plans.

Significant Changes in Results to be Delivered in FY2014

Active Members' Health Plan - Continue aggressive management of the AlaskaCare Employee health plan to contain costs, improve value and quality, and promote effective member health care consumerism. Implement wellness/preventive initiatives in the AlaskaCare Employee health plan to encourage and continue developing a culture of health in State of Alaska workplaces.

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Contact Information
<p>Contact: Cheryl Lowenstein, Division Director, Administrative Services Phone: (907) 465-5655 Fax: (907) 465-2194 E-mail: cheryl.lowenstein@alaska.gov</p>

**Centralized Administrative Services
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2012 Actuals				FY2013 Management Plan				FY2014 Governor			
	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds
Formula Expenditures None.												
Non-Formula Expenditures												
Purchasing	1,288.6	57.6	0.0	1,346.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administrative Hearings	514.9	987.0	0.0	1,501.9	488.8	2,367.0	0.0	2,855.8	490.3	2,373.9	0.0	2,864.2
Property Management	447.2	0.0	190.3	637.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DOA Leases	1,646.4	0.0	0.0	1,646.4	1,779.8	35.1	0.0	1,814.9	1,779.8	35.1	0.0	1,814.9
Office of the Commissioner	377.4	608.5	0.0	985.9	374.9	672.3	0.0	1,047.2	376.8	674.6	0.0	1,051.4
Central Mail	37.0	3,367.5	0.0	3,404.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administrative Services	115.5	2,340.6	0.0	2,456.1	121.1	2,745.3	0.0	2,866.4	846.5	2,745.9	0.0	3,592.4
DOA Info Tech Support	60.1	1,121.4	0.0	1,181.5	61.9	1,310.8	0.0	1,372.7	61.9	1,310.8	0.0	1,372.7
Finance	5,909.2	3,506.4	0.0	9,415.6	6,707.0	4,184.8	0.0	10,891.8	6,708.7	4,184.8	0.0	10,893.5
E-Travel	30.6	2,758.2	0.0	2,788.8	31.0	2,927.1	0.0	2,958.1	31.0	2,927.1	0.0	2,958.1
Personnel	1,843.0	14,499.8	0.0	16,342.8	2,044.4	15,387.9	0.0	17,432.3	2,044.5	15,388.2	0.0	17,432.7
Labor Relations	1,119.0	0.0	0.0	1,119.0	1,309.5	119.8	0.0	1,429.3	1,310.5	119.8	0.0	1,430.3
Centralized HR	281.7	0.0	0.0	281.7	281.7	0.0	0.0	281.7	281.7	0.0	0.0	281.7
Retirement and Benefits	131.1	14,195.6	0.0	14,326.7	94.1	15,589.7	0.0	15,683.8	94.1	16,466.6	0.0	16,560.7
Health Plans Administration	0.0	14,808.6	0.0	14,808.6	0.0	15,540.9	0.0	15,540.9	0.0	17,040.9	0.0	17,040.9
Labor Agreements	50.0	0.0	0.0	50.0	50.0	0.0	0.0	50.0	50.0	0.0	0.0	50.0
Misc Items												
Centralized ETS Services	195.0	0.0	0.0	195.0	204.3	133.9	0.0	338.2	204.3	133.9	0.0	338.2
Totals	14,046.7	58,251.2	190.3	72,488.2	13,548.5	61,014.6	0.0	74,563.1	14,280.1	63,401.6	0.0	77,681.7

**Centralized Administrative Services
Summary of RDU Budget Changes by Component
From FY2013 Management Plan to FY2014 Governor**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2013 Management Plan	13,035.4	513.1	61,014.6	0.0	74,563.1
Adjustments which will continue current level of service:					
-Administrative Hearings	1.5	0.0	6.9	0.0	8.4
-Office of the Commissioner	1.9	0.0	2.3	0.0	4.2
-Administrative Services	0.0	0.0	0.6	0.0	0.6
-Finance	1.7	0.0	0.0	0.0	1.7
-Personnel	0.1	0.0	0.3	0.0	0.4
-Labor Relations	1.0	0.0	0.0	0.0	1.0
-Retirement and Benefits	0.0	0.0	1.9	0.0	1.9
Proposed budget increases:					
-Administrative Services	725.4	0.0	0.0	0.0	725.4
-Retirement and Benefits	0.0	0.0	875.0	0.0	875.0
-Health Plans Administration	0.0	0.0	1,500.0	0.0	1,500.0
FY2014 Governor	13,767.0	513.1	63,401.6	0.0	77,681.7