

State of Alaska FY2018 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

The Centralized Administrative Services Results Delivery Unit contributes to the department's mission by providing consistent administrative, financial, budget, procurement and policy support services across the department to ensure the delivery of high-quality services that support agencies in an efficient and cost-effective manner.

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 2016

- Continued to lead the department in the implementation of the new accounting, financial, procurement, payroll and human resource management software solution Integrated Resource Information System (IRIS).
- Developed and posted department resources to assist department staff with entering and approving a number of IRIS documents.
- Health fairs were held in Juneau, Anchorage, and Fairbanks as one of the state's wellness efforts.
- Conducted a savings initiative for National Retirement Security Week.
- Implemented Oracle Transparent Data Encryptions, improving data security.
- Member Documents are now available through the myRnB portal at myDocuments.
- DRB systems were modified to support the migration of the State's Financial IRIS-Human Resources Management.
- Employer Services, a new enhanced/consolidated payroll application is implemented for employers submitting payroll and financial data to the division.
- Transfer to the Designated Roth Option in the Public Employees' Deferred Compensation Plan.
- Negotiated a contract with a new life and disability insurance provider for the Group Health and Life and Voluntary Supplemental Benefit programs at a lower fee with better services and value added programs.
- Updated all audit procedures and processes to remain compliant with U.S. Government Accountability (GAO) and Institute of Internal Auditors standards.
- Stabilization of Integrated Resource Information System (IRIS) administrative system for procurement and financial activity.
- Prepare IRIS Human Resource Management/Payroll administrative system solution for implementation.
- One Card seeks a rebate increase of ten percent annually.
- Increase employee and vendor electronic payments, which is a more secure and less expensive payment method than warrant printing, stock control, and delivery by mail.
- Completed negotiations of successor agreements with Alaska State Employees Association (ASEA), Alaska Public Employees Association Supervisory Union (APEA-SU), Confidential Employee Association (CEA), Labor Trades and Crafts (LTC), Marine Engineer's Beneficial Association (MEBA), and Teachers' Education Association of Mt. Edgecumbe.
- Responded to 275 grievances, completed 231 Letters of Agreement, negotiated 90 Letters of Resolution, and responded to 14 Pay Increment/Performance Appeals.
- Participated in two mediations and participated in five Labor Management Committees.

- Arbitration Record: In FY2016 fourteen cases were set for arbitration. Nine cases were resolved prior to arbitration: four cases were lost by the State, and one case was split. All decisions have been received for FY2016. For FY2017 we currently have twelve cases set for arbitration prior to December 31, 2016.
- Alaska Labor Relations Representation: Currently we have four cases pending with the Alaska Labor Relations Agency: two are being held in abeyance for possible resolution, and two are proceeding to hearing. Two additional cases were recently filed and will be set in FY2017.

Key RDU Challenges

Aging Technology – Replacement of the statewide payroll system and the implementation of a Human Resource Management (HRM) module is the last phase of the IRIS project; however, it will continue to be a challenge in the interim to maintain the legacy system that was built with technology prevalent in 1990.

Active Members' Health Plan - Identify best practices in vendor management towards mitigating expenses among high-cost claimants. Increase member involvement, promote the use of evidence-based medicine in plan design, and expand available decision support tools. Expand Preferred Providers Network development in key geographic areas of the state. Continue an aggressive management of the AlaskaCare Employee health plan to bend the increasing cost curve down, improve value and quality, while promoting effective member health care consumerism. Continue implementation of wellness/preventive initiatives in the AlaskaCare Employee health plan to encourage and continue developing a culture of wellness in State of Alaska workplaces.

Labor Contract Negotiations – Achieve Governor Walker's objective of long term successor agreements that meet the economic and managerial objectives for remaining units. Finalize contracts with Supervisory Union (SU) in time for submission to the 2017 Alaska State Legislature. Initiate and complete negotiation of successor agreements with Alaska Vocational Technical Center Teacher's Unit (AVTECTA), Inland-boatman's Union (IBU), Masters Mates and Pilots (MMP), Marine Engineers' Beneficial Association (MEBA), Public Safety Employees Association (PSEA), and Teacher's Education Association of Mt. Edgecumbe (TEAME) in time for submission to the 2017 Alaska State Legislature.

Significant Changes in Results to be Delivered in FY2018

Labor Contract Negotiations – Achieve objective of long term successor agreements that meet the economic and managerial objectives for remaining units. Finalize contracts with Supervisory Union (SU) in time for submission to the 2017 Alaska State Legislature. Initiate and complete negotiation of successor agreements with Alaska Vocational Technical Center Teacher's Unit (AVTECTA), Inland-boatman's Union (IBU), Masters Mates and Pilots (MMP), Marine Engineers' Beneficial Association (MEBA), Public Safety Employees Association (PSEA), and Teacher's Education Association of Mt. Edgecumbe (TEAME) in time for submission to the 2017 Alaska State Legislature.

Health Plans – Enhancing health, dental and pharmacy networks and contractual arrangement to leverage increased savings for the health and dental plans and the members. Continue aggressive management of health plans to bend the increasing cost curve down, improve value and quality, and promote effective member health care consumerism. Analyzing and implementing requirements of federal health care legislation. Continue implementing "best practices" for AlaskaCare Employee Plan members. Identifying and implementing vendor management best practices to mitigate expenses among high-cost claimants. Increasing member engagement in their health care; promoting the use of evidence-based medicine in plan design; and expanding decision-making support tools.

Integrated Resource Information System (IRIS) - An Enterprise Resource Planning (ERP) administrative system, known as IRIS, will be available with integrated procurement, financial, payroll and human resource components. Information to business question and performance metrics will be available through the ALDER data warehouse to assist in guiding management decisions towards areas of potential efficiencies in operations. The final phase of this substantial and highly complex project will be implemented in FY2017:

Phase 4 – Human Resources and Payroll: Implements the human resources and payroll management components of the application, along with employee self-service.

Health Care Customer Self-Service and Automation - The division continues moving forward simplifying and securing its information technology infrastructure, by modernizing and standardizing interfaces used to communicate with members, employers and staff. The system improvements will include: disaster recovery, continuing operation planning, process consolidation, process automation and customer self-services. Other improvements will become available through a common and secure web portal managed through the division's WebCenter Content system.

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

All dollars shown in thousands

	FY2016 Actuals				FY2017 Management Plan				FY2018 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												
Administrative Hearings	284.2	2,434.9	0.0	2,719.1	134.3	2,351.6	0.0	2,485.9	185.4	2,522.8	0.0	2,708.2
DOA Leases	1,080.7	0.0	0.0	1,080.7	1,026.4	0.0	0.0	1,026.4	1,026.4	0.0	0.0	1,026.4
Office of the Commissioner	255.9	1,527.5	0.0	1,783.4	1,008.2	763.8	0.0	1,772.0	208.8	976.9	0.0	1,185.7
Administrative Services	630.2	1,203.1	0.0	1,833.3	1,363.5	2,238.4	0.0	3,601.9	614.2	1,955.6	0.0	2,569.8
DOA Info Tech Support	0.0	1,105.6	0.0	1,105.6	0.0	1,346.9	0.0	1,346.9	0.0	0.0	0.0	0.0
Finance	6,693.7	4,371.6	0.0	11,065.3	8,067.9	6,210.8	0.0	14,278.7	6,623.3	4,156.0	0.0	10,779.3
E-Travel	0.0	2,244.8	0.0	2,244.8	0.0	2,860.8	0.0	2,860.8	0.0	2,861.8	0.0	2,861.8
Personnel	1,801.2	10,726.0	0.0	12,527.2	984.0	12,311.7	0.0	13,295.7	321.4	11,782.2	0.0	12,103.6
Labor Relations	1,502.0	0.0	0.0	1,502.0	1,819.4	0.0	0.0	1,819.4	1,280.3	0.0	0.0	1,280.3
Centralized HR	249.7	0.0	0.0	249.7	112.2	0.0	0.0	112.2	112.2	0.0	0.0	112.2
Retirement and Benefits	428.2	18,885.1	0.0	19,313.3	227.0	18,839.1	0.0	19,066.1	236.0	17,752.8	0.0	17,988.8
Health Plans Administration	0.0	20,774.1	0.0	20,774.1	0.0	24,940.9	0.0	24,940.9	0.0	24,940.9	0.0	24,940.9
Labor Agreements	27.4	0.0	0.0	27.4	50.0	0.0	0.0	50.0	50.0	0.0	0.0	50.0
Misc Items												
Totals	12,953.2	63,272.7	0.0	76,225.9	14,792.9	71,864.0	0.0	86,656.9	10,658.0	66,949.0	0.0	77,607.0

Centralized Administrative Services
Summary of RDU Budget Changes by Component
From FY2017 Management Plan to FY2018 Governor

All dollars shown in thousands

	<u>Unrestricted</u> <u>Gen (UGF)</u>	<u>Designated</u> <u>Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal</u> <u>Funds</u>	<u>Total Funds</u>
FY2017 Management Plan	12,794.8	1,998.1	71,864.0	0.0	86,656.9
One-time items:					
-Office of the Commissioner	-801.0	0.0	0.0	0.0	-801.0
-Finance	-1,555.0	0.0	0.0	0.0	-1,555.0
-Labor Relations	-557.9	0.0	0.0	0.0	-557.9
-Retirement and Benefits	-150.0	0.0	-1,650.0	0.0	-1,800.0
Adjustments which continue current level of service:					
-Administrative Hearings	1.1	0.0	171.2	0.0	172.3
-Office of the Commissioner	1.6	0.0	213.1	0.0	214.7
-Administrative Services	0.7	-750.0	-282.8	0.0	-1,032.1
-DOA Info Tech Support	0.0	0.0	-1,138.3	0.0	-1,138.3
-Finance	110.4	0.0	5.6	0.0	116.0
-E-Travel	0.0	0.0	1.0	0.0	1.0
-Personnel	0.1	0.0	270.5	0.0	270.6
-Labor Relations	18.8	0.0	0.0	0.0	18.8
-Retirement and Benefits	159.0	0.0	1,763.7	0.0	1,922.7
Proposed budget increases:					
-Administrative Hearings	0.0	50.0	0.0	0.0	50.0
Proposed budget decreases:					
-DOA Info Tech Support	0.0	0.0	-208.6	0.0	-208.6
-Finance	0.0	0.0	-2,060.4	0.0	-2,060.4
-Personnel	-662.7	0.0	-800.0	0.0	-1,462.7
-Retirement and Benefits	0.0	0.0	-1,200.0	0.0	-1,200.0
FY2018 Governor	9,359.9	1,298.1	66,949.0	0.0	77,607.0