

# **State of Alaska FY2020 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 spokesperson 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 2018**

- Successfully planned and prepared an upgrade for State of Alaska charge card processing in the Integrated Resource Information System (IRIS). This was an early implementation of a portion of the larger IRIS upgrade project and required significant planning and work from staff in multiple sections, training material was developed, and numerous training sessions were conducted in order.

**Key RDU Challenges**

**Integrated Resource Information System (IRIS) Upgrade** – Upgrade to the newest version of IRIS, described as the largest release in over a decade, is scheduled for FY2019. This release offers enhanced functionality but will require significant strategic planning work, along with testing, training, and documentation, to ensure a successful implementation.

**Labor Contract Negotiations** – Achieve the Administration's objective of long-term successor agreements that meet the economic and managerial objectives for remaining units. Finalize contracts with Marine Engineers Beneficial Association (MEBA), Inlandboatmen's Union (IBU), Masters, Mates and Pilots (MMP), Alaska Correctional Officers Association (ACOA), and Teachers Education Association of Mt. Edgecumbe (TEAME) in time for submission to the 2019 Alaska State Legislature. Initiate negotiation of successor agreements with Alaska State Employees Association - General Government Unit (GGU), Alaska Public Employees Association - Confidential Employee Association (CEA), Alaska Vocational Technical Center Teacher's Unit (AVTECTA) in time for submission to the 2019 Alaska State Legislature.

**Significant Changes in Results to be Delivered in FY2020**

**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) Upgrade** - The Enterprise Resource Planning (ERP) administrative system, known as IRIS, with integrated procurement, financial, payroll and human resource components is contractually required to be upgraded in FY2019, an effort that will continue into FY2020 and into FY2021. An upgrade is essential to ensure the IRIS system continues to function effectively, to utilize new features that improve productivity, to resolve known issues and defects in the software, and to ensure the version continues to be supported.

**Negotiations** - The State expects to reach agreement with eight bargaining units for a July 1, 2019, implementation date: Inland Boatmen's Union (IBU), Masters Mates and Pilots (MMP), Marine Engineer's Beneficial Association (MEBA), Teachers Education Association of Mt. Edgecumbe (TEAME), Alaska State Employees Association - General Government Unit (GGU), Alaska Public Employees Association - Confidential Employees Association (CEA), Alaska Vocational Technical Center Teacher's Unit (AVTECTA), and Alaska Correctional Officers Association (ACOA).

<b>Contact Information</b>
<p><b>Contact:</b> Cheryl Lowenstein, Division Director, Administrative Services <b>Phone:</b> (907) 465-5655 <b>E-mail:</b> <a href="mailto:cheryl.lowenstein@alaska.gov">cheryl.lowenstein@alaska.gov</a></p>

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

*All dollars shown in thousands*

	FY2018 Actuals				FY2019 Management Plan				FY2020 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
<b>Formula Expenditures</b> None.												
<b>Non-Formula Expenditures</b>												
Administrative Hearings	183.9	2,122.0	0.0	2,305.9	185.8	2,529.8	0.0	2,715.6	261.1	2,542.0	0.0	2,803.1
DOA Leases	1,011.9	0.0	0.0	1,011.9	1,026.4	0.0	0.0	1,026.4	1,026.4	0.0	0.0	1,026.4
Office of the Commissioner	153.4	849.0	0.0	1,002.4	1.6	961.4	0.0	963.0	0.0	961.4	0.0	961.4
Administrative Services	614.2	1,315.1	0.0	1,929.3	597.2	1,835.8	0.0	2,433.0	637.6	1,879.6	0.0	2,517.2
Finance	7,373.3	3,865.7	0.0	11,239.0	6,690.2	4,243.3	0.0	10,933.5	7,005.8	4,266.2	0.0	11,272.0
E-Travel	0.0	1,701.6	0.0	1,701.6	0.0	2,332.9	0.0	2,332.9	0.0	2,338.1	0.0	2,338.1
Personnel	321.4	11,757.9	0.0	12,079.3	321.4	11,782.7	0.0	12,104.1	340.0	12,378.9	0.0	12,718.9
Labor Relations	1,202.6	0.0	0.0	1,202.6	1,731.1	0.0	0.0	1,731.1	1,330.7	0.0	0.0	1,330.7
Centralized HR	112.2	0.0	0.0	112.2	112.2	0.0	0.0	112.2	112.2	0.0	0.0	112.2
Retirement and Benefits	346.2	17,531.7	0.0	17,877.9	1,746.0	18,157.3	0.0	19,903.3	746.0	19,098.2	0.0	19,844.2
Health Plans Administration	0.0	23,418.8	0.0	23,418.8	0.0	28,074.8	0.0	28,074.8	0.0	35,125.1	0.0	35,125.1
Labor Agreements	36.4	0.0	0.0	36.4	37.5	0.0	0.0	37.5	37.5	0.0	0.0	37.5
Misc Items												
<b>Totals</b>	<b>11,355.5</b>	<b>62,561.8</b>	<b>0.0</b>	<b>73,917.3</b>	<b>12,449.4</b>	<b>69,918.0</b>	<b>0.0</b>	<b>82,367.4</b>	<b>11,497.3</b>	<b>78,589.5</b>	<b>0.0</b>	<b>90,086.8</b>

**Centralized Administrative Services**  
**Summary of RDU Budget Changes by Component**  
**From FY2019 Management Plan to FY2020 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>
<b>FY2019 Management Plan</b>	<b>10,151.3</b>	<b>2,298.1</b>	<b>69,918.0</b>	<b>0.0</b>	<b>82,367.4</b>
<b>Adjustments which get you to start of year:</b>					
-Retirement and Benefits	500.0	0.0	0.0	0.0	500.0
<b>One-time items:</b>					
-Finance	-55.0	0.0	0.0	0.0	-55.0
-Labor Relations	-450.8	0.0	0.0	0.0	-450.8
-Retirement and Benefits	-669.0	-1,000.0	0.0	0.0	-1,669.0
<b>Adjustments which continue current level of service:</b>					
-Administrative Hearings	0.3	0.0	12.2	0.0	12.5
-Administrative Services	13.3	0.0	43.8	0.0	57.1
-Finance	229.4	16.2	22.9	0.0	268.5
-E-Travel	0.0	0.0	5.2	0.0	5.2
-Personnel	18.6	0.0	596.2	0.0	614.8
-Labor Relations	50.4	0.0	0.0	0.0	50.4
-Retirement and Benefits	169.0	0.0	313.1	0.0	482.1
<b>Proposed budget increases:</b>					
-Administrative Hearings	0.0	75.0	0.0	0.0	75.0
-Administrative Services	27.1	0.0	0.0	0.0	27.1
-Finance	0.0	125.0	0.0	0.0	125.0
-Retirement and Benefits	0.0	0.0	627.8	0.0	627.8
-Health Plans Administration	0.0	0.0	7,050.3	0.0	7,050.3
<b>Proposed budget decreases:</b>					
-Office of the Commissioner	-1.6	0.0	0.0	0.0	-1.6
<b>FY2020 Governor</b>	<b>9,983.0</b>	<b>1,514.3</b>	<b>78,589.5</b>	<b>0.0</b>	<b>90,086.8</b>