

State of Alaska FY2020 Governor's Operating Budget

**Department of Administration
Office of the Commissioner
Component Budget Summary**

Component: Office of the Commissioner

Contribution to Department's Mission

The mission of the Commissioner's Office is to oversee and provide policy direction for the work of the Department of Administration, which consists of four external customer service divisions (Motor Vehicles, Public Defender, Public Advocacy and Retirement and Benefits), six internal customer divisions (Administrative Services, Enterprise Technology, Finance, General Services, Personnel and Labor Relations and Risk Management), and five quasi-independent boards and commissions (Alaska Public Broadcasting, Alaska Oil and Gas Conservation Commission, Alaska Public Offices Commission, Administrative Hearings and Violent Crimes Compensation Board).

Core Services

- Supervision and set policy direction for Department divisions.

Major Component Accomplishments in 2018

- Completed negotiations of successor agreements with the Alaska Public Employees Association - Supervisory Unit (SU) and Labor, Trades and Crafts (LTC).
- 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.
- Received the Government Finance Officer Association (GFOA) certificate for the Comprehensive Annual Financial Report (CAFR). This is a prestigious award recognizing conformance with the highest standards for preparation of government financial reports. It represents a significant accomplishment given the challenges faced with the enterprise resource system conversion. The FY2017 CAFR was completed 106 days earlier than in FY2016 (224 versus 330). FY2016 was the first year of major changes to pensions accounting standards (GASB 67 and 68).
- Awarded the "Certificate of Achievement for Excellence in Financial Reporting" for both Public Employees Retirement System (PERS) and Teachers Retirement System (TRS) for the Comprehensive Annual Financial Reports (CAFRs).
- Worked with the newly established Retiree Health Plan Advisory Board to obtain their unanimous resolution for the Division to implement and enhanced Employer Group Waiver Program, or Medicare prescription drug program, effective January 1, 2019.
- Implemented various cost savings measures in the AlaskaCare active employee medical plan, including the addition of a consumer driven health plan, expanded telehealth services through Teledoc and enhanced travel benefits through SurgeryPlus.
- Continued centralization of back-office accounting functions within Shared Services of Alaska, and information technology functions within the Office of Information Technology.
- The Division of Motor Vehicles (DMV) has added more services online, including online duplicate of credentials. For FY2018 over 233,000 transactions were completed using online tools.

Key Component Challenges

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.

Retirees Health Plan – Review and implement best practices in the coverage provisions of the retirement health plans. 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.

Third Party Administrator – Successfully manage health care vendors that provide services for the following components of the employee and retiree health plans: medical claims administration and managed network, pharmacy benefit management services, dental claims administration and managed network, healthcare management and long-term care claims administration.

Shared Services of Alaska – Positions are being transferred from all departments requiring set up of workspaces, computers, and other equipment. Service level agreements, key performance indicators, and rates for services are being established with each department. Processes are being redesigned to take full advantage of the new Integrated Resource Information System (IRIS). Major initiatives planned and underway by the SSOA include Travel and Expense, Accounts Payable, and Collection of Delinquent Accounts Receivable.

Office of Information Technology – The main challenge for the OIT has been transforming an agency-centric culture into a centralized organization with a strategic enterprise approach. The primary goal of year one to centralize commodity services has been started, year two will hold some cleanup of year one services, while we shift to centralizing hardware and software governance and purchasing.

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.

Shared Services of Alaska – Processes are being redesigned to take full advantage of the new Integrated Resource Information System (IRIS). Major initiatives planned and underway by the SSOA include Travel and Expense, Accounts Payable, Procurement, and Collection of Delinquent Accounts Receivable.

Office of Information Technology – At the end of FY2019, the Office of Information Technology (OIT) will target completion of the Phase I transition with the successful migration of all commodity IT staff. Commodity IT staff already transitioned into the OIT during FY2017 and FY2018 will complete mapping to the new hierarchy under the Chief Technology Officers (CTOs) representing a new reporting structure. Additionally, baseline projects will have concluded an extensive inventory of many classes of State IT assets. By housing IT resources within the OIT, the enterprise will be able to optimize use of resources allowing the State to ensure that high priority projects are resourced effectively.

REAL ID Implementation – The Division of Motor Vehicles is on track to complete the REAL ID and file for full compliance from the Department of Homeland Security in the first quarter of 2019. The DMV is implementing a new design for all cards in November 2018 and will have the REAL ID cards available on January 2, 2019.

Statutory and Regulatory Authority

Alaska Statutes Description

44.21 Department of Administration authorities

Contact Information

Contact: Jonathan Quick, Commissioner
Phone: (907) 465-5670
E-mail: john.quick@alaska.gov

Office of the Commissioner Personal Services Information				
Authorized Positions			Personal Services Costs	
	<u>FY2019</u> <u>Management</u> <u>Plan</u>	<u>FY2020</u> <u>Governor</u>		
Full-time	5	5	Annual Salaries	477,415
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	257,013
			<i>Less 1.83% Vacancy Factor</i>	(13,428)
			Lump Sum Premium Pay	0
Totals	5	5	Total Personal Services	721,000

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant II	1	0	0	0	1
Commissioner	0	0	1	0	1
Dep Commissioner	0	0	1	0	1
Exec Secretary III	0	0	1	0	1
Spec Asst To The Comm II	0	0	1	0	1
Totals	1	0	4	0	5

Component Detail All Funds
Department of Administration

Component: Office of the Commissioner (45)
RDU: Centralized Administrative Services (13)

Non-Formula Component

	FY2018 Actuals	FY2019 Conference Committee	FY2019 Authorized	FY2019 Management Plan	FY2020 Governor	FY2019 Management Plan vs FY2020 Governor	
71000 Personal Services	643.0	707.6	707.6	707.6	721.0	13.4	1.9%
72000 Travel	23.2	34.1	34.1	34.1	34.1	0.0	0.0%
73000 Services	330.5	201.3	201.3	201.3	186.3	-15.0	-7.5%
74000 Commodities	5.7	20.0	20.0	20.0	20.0	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	1,002.4	963.0	963.0	963.0	961.4	-1.6	-0.2%
Fund Sources:							
1004 Gen Fund (UGF)	153.4	1.6	1.6	1.6	0.0	-1.6	-100.0%
1007 I/A Rcpts (Other)	849.0	961.4	961.4	961.4	961.4	0.0	0.0%
Unrestricted General (UGF)	153.4	1.6	1.6	1.6	0.0	-1.6	-100.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	849.0	961.4	961.4	961.4	961.4	0.0	0.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	6	5	5	5	5	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios with Descriptions
Department of Administration

Component: Office of the Commissioner (45)
RDU: Centralized Administrative Services (13)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2019 Conference Committee To FY2019 Authorized *****												
FY2019 Conference Committee												
	ConfCom	963.0	707.6	34.1	201.3	20.0	0.0	0.0	0.0	5	0	0
1004 Gen Fund		1.6										
1007 I/A Rcpts		961.4										
Subtotal		963.0	707.6	34.1	201.3	20.0	0.0	0.0	0.0	5	0	0
***** Changes From FY2019 Management Plan To FY2020 Governor *****												
Delete Salary Adjustment no Longer Needed for Medicaid Reform Activities												
	Dec	-1.6	-1.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-1.6										
Align Authority with Anticipated Expenditures												
	LIT	0.0	15.0	0.0	-15.0	0.0	0.0	0.0	0.0	0	0	0
Transfer services authority to pay anticipated personal services expenses. The remaining services authority is sufficient to cover anticipated expenses.												
Totals		961.4	721.0	34.1	186.3	20.0	0.0	0.0	0.0	5	0	0

Personal Services Expenditure Detail
Department of Administration

Scenario: FY2020 Governor (15610)
Component: Office of the Commissioner (45)
RDU: Centralized Administrative Services (13)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	UGF Amount
02-1001	Commissioner	FT	A	XE	Juneau	99	0	12.0		141,155	0	0	66,695	207,850	0
02-1011	Dep Commissioner	FT	A	XE	Juneau	N05	28D / E	12.0		127,182	0	0	62,399	189,581	0
02-1107	Exec Secretary III	FT	A	XE	Juneau	N05	16E / F	12.0		64,439	0	0	40,834	105,273	0
02-1147	Spec Asst To The Comm II	FT	A	XE	Juneau	N05	23D / E	12.0		99,099	0	0	52,747	151,846	0
02-9512	Administrative Assistant II	FT	A	XE	Anchorage	N00	14A	12.0		45,540	0	0	34,338	79,878	0
Total													Total Salary Costs:	477,415	
Positions													Total COLA:	0	
Full Time Positions:													Total Premium Pay:	0	
Part Time Positions:													Total Benefits:	257,013	
Non Permanent Positions:															
Positions in Component:													Total Pre-Vacancy:	734,428	
													Minus Vacancy Adjustment of 1.83%:	(13,428)	
													Total Post-Vacancy:	721,000	
													Plus Lump Sum Premium Pay:	0	
													Personal Services Line 100:	721,000	

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1007 Interagency Receipts	734,428	721,000	100.00%
Total PCN Funding:	734,428	721,000	100.00%

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column. [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

Line Item Detail (1676)
Department of Administration
Travel

Component: Office of the Commissioner (45)

Line Number	Line Name		FY2018 Actuals	FY2019 Management Plan
2000	Travel		23.2	34.1
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
2000 Travel Detail Totals			23.2	34.1
2000	In-State Employee Travel	Transportation costs for travel relating to administration, training, conventions and meetings, boards and commissions	16.8	23.1
2001	In-State Non-Employee Travel	Transportation costs for travel relating to meetings and boards for non-employees	1.5	3.0
2002	Out of State Employee Travel	Transportation costs for staff travel out of state to national organization meetings, conferences, and training	4.9	8.0

Line Item Detail (1676)
Department of Administration
Services

Component: Office of the Commissioner (45)

Line Number	Line Name		FY2018 Actuals	FY2019 Management Plan
3000	Services		330.5	201.3
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
3000 Services Detail Totals			330.5	201.3
3000	Education Services	Training, educational conferences, agency memberships, and employee tuition	4.6	4.9
3003	Information Technology	Software licensing and maintenance, training, and consulting	1.7	7.4
3004	Telecommunications	Local, long distance, and cellular telephone charges, television, data/network, telecommunication equipment, and other wireless charges from outside vendors	3.2	4.9
3005	Health Services		147.1	0.0
3008	Utilities	Electricity, heating fuel, water, sewage and disposal services	0.1	0.1
3010	Equipment/Machinery	Machinery, furniture and office equipment purchase, repairs, maintenance, rentals, and leases	0.2	0.5
3011	Other Services	E-Travel, printing and copier services	0.4	0.7
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Alaska Division of IT (3141) Enterprise Productivity Rate (EPR) computer services	4.8	11.9
3018	Inter-Agency Information Technology Telecommunications	Admin - Alaska Division of IT (3141) Enterprise Productivity Rate (EPR) telecommunications and telephone line services	12.0	11.0
3021	Inter-Agency Mail	Admin - Print Services (2333) Centralized mail services chargeback	2.4	4.0
3022	Inter-Agency Human Resources	Admin - Personnel (56) Human Resources services	3.2	4.7

Line Item Detail (1676)
Department of Administration
Services

Component: Office of the Commissioner (45)

Object Class		Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
			3000 Services Detail Totals	330.5	201.3
			chargeback		
3023	Inter-Agency Building Leases	Admin - Facilities (2429)	Rent for state-owned facilities and lease payments	83.1	33.5
3024	Inter-Agency Legal	Law - Department-wide	Legal services provided by the Department of Law	4.4	7.4
3026	Inter-Agency Insurance	Admin - Risk Management (71)	Workers compensation and liability claims reimbursement	0.2	0.2
3027	Inter-Agency Financial	Admin - Finance (59)	State payroll and accounting system chargeback	1.8	2.7
3029	Inter-Agency Education/Training	E&ED - Department-wide	Internal department cost allocation chargeback, desktop support, procurement services	0.8	1.1
3030	Inter-Agency Hearing/Mediation	Admin - Administrative Hearings (2771)	Hearing Officer services	39.7	74.0
3038	Inter-Agency Management/Consulting	Admin - Accounting (3134)	Internal department cost allocation chargeback, desktop and information technology support, accounting and procurement services	13.4	20.2
3038	Inter-Agency Management/Consulting	Admin - Alaska Division of IT (3141)	Internal department cost allocation chargeback, desktop and information technology support, accounting and procurement services	5.2	8.1
3038	Inter-Agency Management/Consulting	Admin - Purchasing (60)	Internal department cost allocation chargeback, desktop and information technology support, accounting and procurement services	2.2	4.0

Line Item Detail (1676)
Department of Administration
Commodities

Component: Office of the Commissioner (45)

Line Number	Line Name		FY2018 Actuals	FY2019 Management Plan
4000	Commodities		5.7	20.0
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
4000 Commodities Detail Totals			5.7	20.0
4000	Business	General business supplies such as office consumables, furniture, and computer equipment	5.7	20.0

Revenue Detail (1681)
Department of Administration

Component: Office of the Commissioner (45)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2018 Actuals	FY2019 Management Plan
5007 I/A Rcpts (1007 I/A Rcpts)			849.0	961.4
5301 Inter-Agency Receipts	Admin - Accounting (3134)	Support services costs allocated to Accounting	31.3	33.5
5301 Inter-Agency Receipts	Admin - Administrative Hearings (2771)	Support services costs allocated to the Office of Administrative Hearings	11.3	12.1
5301 Inter-Agency Receipts	Admin - AK Oil & Gas Conservation Comm (2010)	Support services costs allocated to the Alaska Public Oil and Gas Conservation Commission	32.3	32.3
5301 Inter-Agency Receipts	Admin - Alaska Division of IT (3141)	Support services costs allocated to Office of Information Technology	203.1	249.8
5301 Inter-Agency Receipts	Admin - Alaska Public Offices Comm (70)	Support services costs allocated to the Alaska Public Offices Commission	4.0	4.3
5301 Inter-Agency Receipts	Admin - E-Travel (2966)	Support services costs allocated to E-Travel	10.1	10.8
5301 Inter-Agency Receipts	Admin - Facilities (2429)	Support services costs allocated to Facilities	70.0	74.8
5301 Inter-Agency Receipts	Admin - Facilities Administration (2430)	Support services costs allocated to Facilities Administration	6.8	7.4
5301 Inter-Agency Receipts	Admin - Finance (59)	Support services costs allocated to the Division of Finance	48.0	51.2
5301 Inter-Agency Receipts	Admin - Labor Relations (58)	Support services costs allocated to Labor Relations	6.4	6.9
5301 Inter-Agency Receipts	Admin - Lease Administration (2304)	Support services costs allocated to Lease Administration	6.1	6.5
5301 Inter-Agency Receipts	Admin - Motor Vehicles (2348)	Support services costs allocated to the Division of Motor Vehicles	71.1	75.9
5301 Inter-Agency Receipts	Admin - Office of Public Advocacy (43)	Support services costs allocated to the Office of Public Advocacy	95.6	115.3
5301 Inter-Agency Receipts	Admin - Personnel (56)	Support services costs allocated to the Division of Personnel	50.4	53.7
5301 Inter-Agency Receipts	Admin - Print Services (2333)	Support services costs allocated to Print Services	10.8	11.5
5301 Inter-Agency Receipts	Admin - Public Defender Agency (1631)	Support services costs allocated to the Public Defender Agency	98.1	115.3

Revenue Detail (1681)
Department of Administration

Component: Office of the Commissioner (45)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2018 Actuals	FY2019 Management Plan
5301 Inter-Agency Receipts	Admin - Purchasing (60)	Support services costs allocated to the Purchasing component	8.7	9.4
5301 Inter-Agency Receipts	Admin - Retirement and Benefits (64)	Support services costs allocated to the Division of Retirement and Benefits	74.8	79.9
5301 Inter-Agency Receipts	Admin - Risk Management (71)	Support services costs allocated to Risk Management	8.2	8.7
5301 Inter-Agency Receipts	Admin - Violent Crimes Comp Board (2694)	Support services costs allocated to the Violent Crimes Compensation Board	1.9	2.1

Inter-Agency Services (1682)
Department of Administration

Component: Office of the Commissioner (45)

				FY2018 Actuals	FY2019 Management Plan
Component Totals				173.2	182.8
With Department of Administration				168.0	174.3
With Department of Law				4.4	7.4
With Department of Education and Early Development				0.8	1.1
Object Class	Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan	
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Alaska Division of IT (3141) Enterprise Productivity Rate (EPR) computer services	4.8	11.9	
3018	Inter-Agency Information Technology Telecommunications	Admin - Alaska Division of IT (3141) Enterprise Productivity Rate (EPR) telecommunications and telephone line services	12.0	11.0	
3021	Inter-Agency Mail	Admin - Print Services (2333) Centralized mail services chargeback	2.4	4.0	
3022	Inter-Agency Human Resources	Admin - Personnel (56) Human Resources services chargeback	3.2	4.7	
3023	Inter-Agency Building Leases	Admin - Facilities (2429) Rent for state-owned facilities and lease payments	83.1	33.5	
3024	Inter-Agency Legal	Law - Department-wide Legal services provided by the Department of Law	4.4	7.4	
3026	Inter-Agency Insurance	Admin - Risk Management (71) Workers compensation and liability claims reimbursement	0.2	0.2	
3027	Inter-Agency Financial	Admin - Finance (59) State payroll and accounting system chargeback	1.8	2.7	
3029	Inter-Agency Education/Training	E&ED - Department-wide Internal department cost allocation chargeback, desktop support, procurement services	0.8	1.1	
3030	Inter-Agency Hearing/Mediation	Admin - Administrative Hearings (2771) Hearing Officer services	39.7	74.0	
3038	Inter-Agency Management/Consulting	Admin - Accounting (3134) Internal department cost allocation chargeback, desktop and information technology support, accounting and procurement services	13.4	20.2	

Inter-Agency Services (1682)
Department of Administration

Component: Office of the Commissioner (45)

Object Class		Servicing Agency	Explanation	FY2018 Actuals	FY2019 Management Plan
3038	Inter-Agency Management/Consulting	Admin - Alaska Division of IT (3141)	Internal department cost allocation chargeback, desktop and information technology support, accounting and procurement services	5.2	8.1
3038	Inter-Agency Management/Consulting	Admin - Purchasing (60)	Internal department cost allocation chargeback, desktop and information technology support, accounting and procurement services	2.2	4.0