

# **State of Alaska FY2021 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 2019**

- 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**

**IRIS Upgrade** – Upgrade IRIS to the newest version 4.0, described as the largest release in over a decade, is scheduled for FY2021. 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 agreements that meet the economic and managerial objectives for remaining units. Finalize contracts with Marine Engineers Beneficial Association (MEBA), Inlandboatman's Union (IBU), and Masters, Mates, and Pilots (MMP), in time for submission to the 2020 Alaska State Legislature. Initiate negotiation of successor agreements with Public Safety Employees Association (PSEA) and Alaska Vocational Technical Center Teacher's Unit (AVTECTA) in time for submission to the 2020 Alaska State Legislature.

**Significant Changes in Results to be Delivered in FY2021**

**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.

**IRIS Upgrade** – IRIS is contractually required to be upgraded, which is an effort that will continue into FY2020 and 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 four bargaining units for a July 1, 2020 implementation date: Masters, Mates, and Pilots (MMP), Marine Engineer's Beneficial Association (MEBA), Alaska Vocational Technical Center Teacher's Unit (AVTECTA), and the Public Safety Employees Association (PSEA).

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

*All dollars shown in thousands*

	FY2019 Actuals				FY2020 Management Plan				FY2021 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	128.4	2,191.0	0.0	2,319.4	186.1	2,530.1	0.0	2,716.2	187.8	2,533.6	0.0	2,721.4
DOA Leases	1,026.4	0.0	0.0	1,026.4	1,026.4	0.0	0.0	1,026.4	1,026.4	0.0	0.0	1,026.4
Office of the Commissioner	1.6	1,063.0	0.0	1,064.6	0.0	949.8	0.0	949.8	6.3	1,386.5	0.0	1,392.8
Administrative Services	597.2	1,554.6	0.0	2,151.8	637.6	1,879.6	0.0	2,517.2	639.8	2,274.0	0.0	2,913.8
Finance	6,554.6	4,024.1	0.0	10,578.7	7,000.4	4,247.4	0.0	11,247.8	6,921.7	4,736.6	0.0	11,658.3
E-Travel	0.0	1,410.7	0.0	1,410.7	0.0	2,338.1	0.0	2,338.1	0.0	1,550.0	0.0	1,550.0
Personnel	321.4	11,788.4	0.0	12,109.8	340.0	12,371.3	0.0	12,711.3	340.0	12,207.7	0.0	12,547.7
Labor Relations	1,122.1	0.0	0.0	1,122.1	1,725.4	0.0	0.0	1,725.4	1,327.3	0.0	0.0	1,327.3
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	1,673.4	18,375.0	0.0	20,048.4	746.0	19,470.4	0.0	20,216.4	579.6	19,688.2	0.0	20,267.8
Health Plans Administration	0.0	26,352.9	0.0	26,352.9	0.0	34,678.9	0.0	34,678.9	0.0	34,678.9	0.0	34,678.9
Labor Agreements	37.5	0.0	0.0	37.5	37.5	0.0	0.0	37.5	37.5	0.0	0.0	37.5
Misc Items												
<b>Totals</b>	<b>11,574.8</b>	<b>66,759.7</b>	<b>0.0</b>	<b>78,334.5</b>	<b>11,811.6</b>	<b>78,465.6</b>	<b>0.0</b>	<b>90,277.2</b>	<b>11,178.6</b>	<b>79,055.5</b>	<b>0.0</b>	<b>90,234.1</b>

**Centralized Administrative Services**  
**Summary of RDU Budget Changes by Component**  
**From FY2020 Management Plan to FY2021 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>FY2020 Management Plan</b>	<b>10,377.7</b>	<b>1,433.9</b>	<b>78,465.6</b>	<b>0.0</b>	<b>90,277.2</b>
<b>One-time items:</b>					
-Finance	-55.0	0.0	0.0	0.0	-55.0
-Labor Relations	-401.6	0.0	0.0	0.0	-401.6
-Retirement and Benefits	-669.0	0.0	0.0	0.0	-669.0
<b>Adjustments which continue current level of service:</b>					
-Administrative Hearings	0.0	0.0	3.5	0.0	3.5
-Office of the Commissioner	0.0	0.0	436.7	0.0	436.7
-Administrative Services	2.2	0.0	358.7	0.0	360.9
-Finance	87.4	0.0	5.8	0.0	93.2
-E-Travel	0.0	0.0	-788.1	0.0	-788.1
-Personnel	0.0	0.0	1.2	0.0	1.2
-Retirement and Benefits	502.6	0.0	98.8	0.0	601.4
<b>Proposed budget increases:</b>					
-Administrative Hearings	1.7	0.0	0.0	0.0	1.7
-Office of the Commissioner	6.3	0.0	0.0	0.0	6.3
-Administrative Services	0.0	0.0	98.7	0.0	98.7
-Finance	0.0	0.0	483.4	0.0	483.4
-Personnel	0.0	0.0	495.2	0.0	495.2
-Labor Relations	3.5	0.0	0.0	0.0	3.5
-Retirement and Benefits	0.0	0.0	300.0	0.0	300.0
<b>Proposed budget decreases:</b>					
-Administrative Services	0.0	0.0	-63.0	0.0	-63.0
-Finance	-111.1	0.0	0.0	0.0	-111.1
-Personnel	0.0	0.0	-660.0	0.0	-660.0
-Retirement and Benefits	0.0	0.0	-181.0	0.0	-181.0
<b>FY2021 Governor</b>	<b>9,744.7</b>	<b>1,433.9</b>	<b>79,055.5</b>	<b>0.0</b>	<b>90,234.1</b>