

# **State of Alaska FY2021 Governor's Operating Budget**

## **Department of Transportation/Public Facilities Internal Review Component Budget Summary**

**Component: Internal Review**

**Contribution to Department's Mission**

Provide professional audit assistance to department management that assures compliance with Federal Highway Administration (FHWA) and Federal Aviation Administration (FAA) requirements and to provide independent assessments of department operations.

**Core Services**

- Reviews operations and identifies control weaknesses, system improvements, compliance, and recommends improvement in the use of resources (efficiency, economy, and effectiveness).
- Audits pre-award and final (post performance) activity of firms under contract with the department to assist in establishing rates and assuring that only agreed upon rates and charges have been applied.
- Audits utility companies, concessionaires at state airports, grantees, and contractor claims involving federal aid to assure agreed upon rates were used, proper fees collected, and that contractor claims were supportable.
- Audits major operational areas of the department on a special request basis and assists in special program reviews conducted by the FHWA and the FAA.
- Assists the Division of Legislative Audit in the required Annual Single Audit of State of Alaska, which includes the Department of Transportation and Public Facilities' (DOT&PF) operations.

**Major Component Accomplishments in 2019**

- Completed 78 consultant engineering overhead rate audits, 13 utility company rate audits, 13 cost allocation plan reviews, and six special reviews to ensure rates and other charges under contracts with the department are supportable and meet federal requirements.

**Key Component Challenges**

- Increasing employee proficiency in the statewide accounting and procurement system (IRIS).

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

- Continuing to learn and use the finance, procurement, and human resource management modules in IRIS.
- Increased scheduled audits of departmental functions using a risk-based approach with management team input.

**Statutory and Regulatory Authority**

AS 44.17.010, 020, 040 (Department authority to establish organization and staffing)

AS 36.30.420 (Right to audit records)

AS 35.05.050 (Cooperation with the federal government for construction of public works)

Alaska Procurement Code and the Department Professional Services Agreement (PSA) Manual Memorandum of Agreement between Alaska DOT&PF and the Federal Highway Administration

CFR Title 23 Part 645 (Accounting standards for utility companies)

CFR Title 48 Part 31 (Contract Cost Principles) 2 CFR 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal awards)

**Contact Information**

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Internal Review Personal Services Information				
Authorized Positions			Personal Services Costs	
	<u>FY2020</u> <u>Management</u> <u>Plan</u>	<u>FY2021</u> <u>Governor</u>		
Full-time	5	5	Annual Salaries	468,010
Part-time	0	0	COLA	4,566
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	267,343
			<i>Less 1.25% Vacancy Factor</i>	(9,219)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>5</b>	<b>5</b>	<b>Total Personal Services</b>	<b>730,700</b>

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant II	1	0	0	0	1
Audit & Review Analyst II	3	0	0	0	3
Audit & Review Analyst III	1	0	0	0	1
<b>Totals</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>

**Component Detail All Funds**  
**Department of Transportation/Public Facilities**

**Component:** Internal Review (2356)  
**RDU:** Administration and Support (333)

Non-Formula Component

	FY2019 Actuals	FY2020 Conference Committee	FY2020 Authorized	FY2020 Management Plan	FY2021 Governor	FY2020 Management Plan vs FY2021 Governor	
71000 Personal Services	684.0	726.4	726.4	723.4	730.7	7.3	1.0%
72000 Travel	3.2	3.4	3.3	3.3	3.3	0.0	0.0%
73000 Services	45.4	81.9	81.9	84.9	69.9	-15.0	-17.7%
74000 Commodities	3.5	12.1	12.1	12.1	12.1	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%
<b>Totals</b>	<b>736.1</b>	<b>823.8</b>	<b>823.7</b>	<b>823.7</b>	<b>816.0</b>	<b>-7.7</b>	<b>-0.9%</b>
<b>Fund Sources:</b>							
1027 Int Airprt (Other)	80.7	108.1	108.1	108.1	108.9	0.8	0.7%
1061 CIP Rcpts (Other)	655.4	715.7	715.6	715.6	707.1	-8.5	-1.2%
<b>Unrestricted General (UGF)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Designated General (DGF)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Other Funds</b>	<b>736.1</b>	<b>823.8</b>	<b>823.7</b>	<b>823.7</b>	<b>816.0</b>	<b>-7.7</b>	<b>-0.9%</b>
<b>Federal Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Positions:</b>							
Permanent Full Time	5	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 Transportation/Public Facilities**

**Component:** Internal Review (2356)  
**RDU:** Administration and Support (333)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2020 Conference Committee To FY2020 Authorized *****												
<b>FY2020 Conference Committee</b>												
	ConfCom	823.8	726.4	3.4	81.9	12.1	0.0	0.0	0.0	5	0	0
1027 Int Airprt		108.1										
1061 CIP Rcpts		715.7										
<b>Executive Branch 50% Travel Reduction</b>												
	Veto	-0.1	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0	0	0
1061 CIP Rcpts		-0.1										
State agency travel budgets, not covered under the exemptions of public safety, health, and disaster management, were reduced 50% in the Governor's FY2020 budget. Veto action removes legislative increases to state travel. Agencies will rely on technology and management efficiencies to reduce the amount of state employee travel.												
The State's fiscal reality dictates a reduction in expenditures across all agencies.												
<b>Subtotal</b>		<b>823.7</b>	<b>726.4</b>	<b>3.3</b>	<b>81.9</b>	<b>12.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5</b>	<b>0</b>	<b>0</b>
***** Changes From FY2020 Authorized To FY2020 Management Plan *****												
<b>Align Authority with Anticipated Expenditures</b>												
	LIT	0.0	-3.0	0.0	3.0	0.0	0.0	0.0	0.0	0	0	0
Transfer authority from personal services to cover anticipated services costs. The remaining personal services authority is sufficient to cover anticipated expenditures.												
<b>Subtotal</b>		<b>823.7</b>	<b>723.4</b>	<b>3.3</b>	<b>84.9</b>	<b>12.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5</b>	<b>0</b>	<b>0</b>
***** Changes From FY2020 Management Plan To FY2021 Governor *****												
<b>FY2021 Salary and Health Insurance Increases</b>												
	SalAdj	7.3	7.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1027 Int Airprt		0.8										
1061 CIP Rcpts		6.5										
FY2021 GGU Salary Increases: \$5.3												
FY2021 increase to GGU Health Insurance from \$1530 to \$1555 per member per month: \$2.0												
<b>Transfer to Contracts and Appeals to Align Authority with Anticipated Expenditures</b>												
	Trout	-15.0	0.0	0.0	-15.0	0.0	0.0	0.0	0.0	0	0	0
1061 CIP Rcpts		-15.0										

**Change Record Detail - Multiple Scenarios with Descriptions**  
**Department of Transportation/Public Facilities**

**Component:** Internal Review (2356)

**RDU:** Administration and Support (333)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
Transfer authority from Internal Review to Contracting and Appeals to align with anticipated expenditures. The remaining Internal Review authority is sufficient due to lower contractual services audit expenditures.												
	<b>Totals</b>	<b>816.0</b>	<b>730.7</b>	<b>3.3</b>	<b>69.9</b>	<b>12.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>5</b>	<b>0</b>	<b>0</b>

**Line Item Detail (1676)**  
**Department of Transportation/Public Facilities**  
**Travel**

**Component:** Internal Review (2356)

<b>Line Number</b>	<b>Line Name</b>		<b>FY2019 Actuals</b>	<b>FY2020 Management Plan</b>	<b>FY2021 Governor</b>
2000	Travel		3.2	3.3	3.3
<b>Object Class</b>	<b>Servicing Agency</b>	<b>Explanation</b>	<b>FY2019 Actuals</b>	<b>FY2020 Management Plan</b>	<b>FY2021 Governor</b>
<b>2000 Travel Detail Totals</b>			<b>3.2</b>	<b>3.3</b>	<b>3.3</b>
2000	In-State Employee Travel	(Dept) In-state employee travel.	0.0	2.3	2.3
2002	Out of State Employee Travel	Out of state employee travel.	3.2	1.0	1.0



**Line Item Detail (1676)**  
**Department of Transportation/Public Facilities**  
**Services**

**Component:** Internal Review (2356)

Line Number	Line Name		FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
3000	Services		45.4	84.9	69.9
Object Class	Servicing Agency	Explanation	FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
<b>3000 Services Detail Totals</b>			<b>45.4</b>	<b>84.9</b>	<b>69.9</b>
3000	Education Services	Training, conferences, memberships and employee tuition.	6.1	6.4	6.1
3001	Financial Services	Print, copy, and graphics services.	0.0	0.2	0.1
3003	Information Technology	All information technology (IT) contractual costs such as software licensing, software maintenance, IT training, IT consulting, and IT equipment leases. Includes Microsoft Enterprise Agreement.	0.0	1.6	1.6
3004	Telecommunications	Long distance, internet, data, network usage and cellular phone charges.	1.1	1.5	1.4
3006	Delivery Services	Delivery services.	0.3	0.3	0.3
3008	Utilities	Water, sewer and disposal charges.	0.1	0.1	0.1
3010	Equipment/Machinery	Repairs/Maintenance of office furniture & equipment.	0.0	0.5	0.4
3011	Other Services	Security system monitoring.	0.1	0.1	0.1
3011	Other Services	Processing fees charged by the State Travel Office.	0.0	0.3	0.3
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide Computer services provided by the Department of Administration, Enterprise Technology Services, such as central server, data storage, printing, network services, open connect, and task order system.	6.5	7.8	7.8
3018	Inter-Agency Information Technology	Admin - Department-wide Telecommunications services	2.1	7.6	7.6

**Line Item Detail (1676)**  
**Department of Transportation/Public Facilities**  
**Services**

**Component:** Internal Review (2356)

Object Class	Servicing Agency	Explanation	FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
<b>3000 Services Detail Totals</b>			<b>45.4</b>	<b>84.9</b>	<b>69.9</b>
Telecommunications		provided by the Department of Administration, Enterprise Technology Services, such as basic telephone services, equipment and features, dedicated voice/data line service, statewide paging, two-way radio, and video conferencing.			
3021 Inter-Agency Mail	Admin - Department-wide	Chargeback fees for central mail services such as mailing vendor payments and payroll warrants.	0.0	1.0	1.0
3025 Inter-Agency Auditing	Admin - Department-wide	Federal Compliance Audit reimbursable services agreement.	27.1	55.2	41.0
3027 Inter-Agency Financial	Admin - Department-wide	Chargeback fees for AKPAY/IRIS/ALDER.	2.0	1.7	1.5
3037 State Equipment Fleet	Trans - State Equipment Fleet (2791)	Transportation-fleet vehicle for Anchorage office.	0.0	0.6	0.6

**Line Item Detail (1676)**  
**Department of Transportation/Public Facilities**  
**Commodities**

**Component:** Internal Review (2356)

Line Number	Line Name		FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
4000	Commodities		3.5	12.1	12.1
Object Class	Servicing Agency	Explanation	FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
<b>4000 Commodities Detail Totals</b>			<b>3.5</b>	<b>12.1</b>	<b>12.1</b>
4000	Business	General office supplies and commodities.	3.5	5.0	5.0
4002	Household/Institutional	Materials, office equipment and furnishings.	0.0	7.1	7.1

**Revenue Detail (1681)**  
**Department of Transportation/Public Facilities**

**Component:** Internal Review (2356)

Revenue Type (OMB Fund Code)				FY2020	
Revenue Source	Component	Comment	FY2019 Actuals	Management Plan	FY2021 Governor
<b>5061 CIP Rcpts (1061 CIP Rcpts)</b>			<b>655.4</b>	<b>715.6</b>	<b>707.1</b>
5351 Capital Improvement Project		Recovery of indirect costs from the capital budget via the department's Indirect Cost Allocation Plan (ICAP).	655.4	715.6	707.1
Inter-Agency					

**Inter-Agency Services (1682)**  
**Department of Transportation/Public Facilities**

**Component:** Internal Review (2356)

	FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
<b>Component Totals</b>	<b>37.7</b>	<b>73.9</b>	<b>59.5</b>
With Department of Administration	37.7	73.3	58.9
With Department of Transportation/Public Facilities	0.0	0.6	0.6

Object Class	Servicing Agency	Explanation	FY2019 Actuals	FY2020 Management Plan	FY2021 Governor
3017 Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide	Computer services provided by the Department of Administration, Enterprise Technology Services, such as central server, data storage, printing, network services, open connect, and task order system.	6.5	7.8	7.8
3018 Inter-Agency Information Technology Telecommunications	Admin - Department-wide	Telecommunications services provided by the Department of Administration, Enterprise Technology Services, such as basic telephone services, equipment and features, dedicated voice/data line service, statewide paging, two-way radio, and video conferencing.	2.1	7.6	7.6
3021 Inter-Agency Mail	Admin - Department-wide	Chargeback fees for central mail services such as mailing vendor payments and payroll warrants.	0.0	1.0	1.0
3025 Inter-Agency Auditing	Admin - Department-wide	Federal Compliance Audit reimbursable services agreement.	27.1	55.2	41.0
3027 Inter-Agency Financial	Admin - Department-wide	Chargeback fees for AKPAY/IRIS/ALDER.	2.0	1.7	1.5
3037 State Equipment Fleet	Trans - State Equipment Fleet (2791)	Transportation-fleet vehicle for Anchorage office.	0.0	0.6	0.6

**Personal Services Expenditure Detail  
Department of Transportation/Public Facilities**

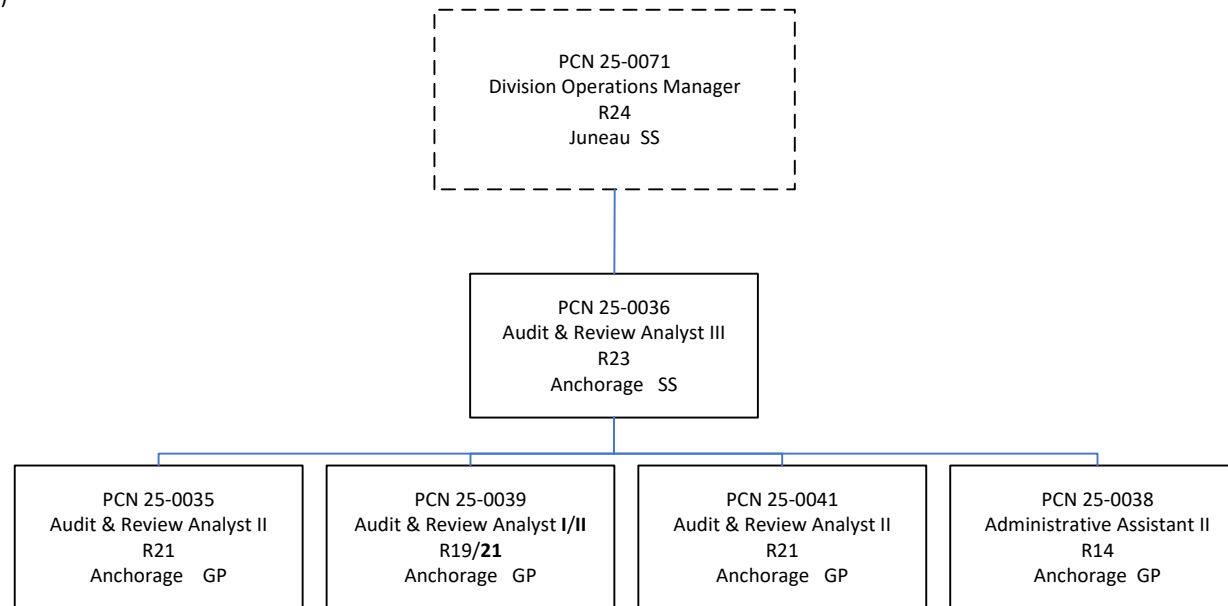
**Scenario:** FY2021 Governor (16414)  
**Component:** Internal Review (2356)  
**RDU:** Administration and Support (333)

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
25-0035	Audit & Review Analyst II	FT	A	GP	Anchorage	200	21G / J	12.0		88,571	1,214	0	51,597	141,382	0
25-0036	Audit & Review Analyst III	FT	A	SS	Anchorage	200	23P	12.0		134,891	0	0	68,794	203,685	0
25-0038	Administrative Assistant II	FT	A	GP	Anchorage	200	14A / B	12.0		45,581	625	0	35,674	81,880	0
25-0039	Audit & Review Analyst II	FT	A	GP	Anchorage	200	21L	12.0		98,220	1,346	0	55,171	154,737	0
25-0041	Audit & Review Analyst II	FT	A	GP	Anchorage	200	21L / M	12.0		100,747	1,381	0	56,107	158,235	0
<b>Total</b>													<b>Total Salary Costs:</b>	468,010	
<b>Positions</b>													<b>Total COLA:</b>	4,566	
<b>Full Time Positions:</b>													<b>Total Premium Pay:</b>	0	
<b>Part Time Positions:</b>													<b>Total Benefits:</b>	267,343	
<b>Non Permanent Positions:</b>															
<b>Positions in Component:</b>													<b>Total Pre-Vacancy:</b>	739,919	
													<b>Minus Vacancy Adjustment of 1.25%:</b>	(9,219)	
													<b>Total Post-Vacancy:</b>	730,700	
													<b>Plus Lump Sum Premium Pay:</b>	0	
													<b>Personal Services Line 100:</b>	730,700	

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1027 International Airport Revenue Fund	81,819	80,800	11.06%
1039 U/A Indirect Cost Recovery	658,100	649,900	88.94%
<b>Total PCN Funding:</b>	<b>739,919</b>	<b>730,700</b>	<b>100.00%</b>

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.

Department of Transportation & Public Facilities (25)  
RDU: Administration and Support (333)  
COMPONENT: Internal Review (2356)  
FY2021 Governor's Budget  
Position Total – 5 PFT



\*PCN 25-0071 is budgeted in the Statewide Administrative Services component.