

State of Alaska
FY2004 Governor's Operating Budget

Department of Transportation/Public Facilities
Statewide Administrative Services
Component Budget Summary

Component: Statewide Administrative Services

Contact: Nancy J. Slagle, Director, Administrative Services
Tel: (907) 465-3911 Fax: (907) 465-3124 E-mail: Nancy_Slagle@dot.state.ak.us

Component Mission

To support the department's operations with quality administration and information technology.

Component Services Provided

This component provides centralized services in the areas of personnel and payroll, internal equal employment reporting for federal programs, budget, finance, cost allocation plans, collection of federal and other revenue, and development of policies and procedures. It also provides the oversight of the Information Systems Section, the Headquarters State Equipment Fleet Offices and the Highway Working Capital Fund.

The program staff acts as liaison between DOT&PF and the Department of Administration for financial, personnel, payroll, and information technology directives, and the Office of Management and Budget and the Legislature relating to budget issues.

Component Goals and Strategies

Provide administrative support that results in the most efficient delivery of department services to the public.

- Balance changes that reduce cost against the risks of errors and the ultimate impact on the public.
- Through an indirect cost allocation plan, maximize cost reimbursements from federal programs and allows calculation of total costs of providing various services.
- Collect federal reimbursements as soon as possible.
- Develop policies and procedures that assist in the implementation of state and federal laws and regulations.
- Secure funding for an apprentice program to assure continued delivery of services to the travelling public.
- Implement findings by the Project Close-out Task Force.
- Establish a task force to identify needed modifications to the department's billing system.
- Continue collecting federal reimbursements as soon as possible.

Key Component Issues for FY2003 – 2004

The division will continue to analyze services it provides in an effort to find the most efficient and effective methods of service delivery. Areas currently under review, or in initial stages of implementation include: improved financial monitoring of capital projects, electronic timesheets, FHWA's newly revised financial system (FMIS 4.0) and FHWA's new payment system—Rapid Approval and State Payment System (RASPS), and a performance measurement status reporting system.

At least 20% of the department's Labor, Trades and Crafts work force is eligible for retirement in the next three years with retirements occurring daily. The department is greatly concerned with its ability to replace these individuals who provide essential services to assure the safety of the travelling public.

Major Component Accomplishments in 2002

- Received no audit findings from the Office of the Inspector General upon completion of their review of department accounting for the AIP funded through FAA.
- Received no audit findings from Legislative Audit upon completion of their annual review of department accounting.
- Assisted regional project control offices with the closure of 90% of all FAA grants over four years old.
- Established a task force that identified and implemented recommendations to improve the closing capital improvement projects.

- Trained department employees on the new rules governing indirect costs under the fully implemented and approved OMB Circular A-87 compliance plan.
- Successfully defended the department in 11 out of 13 grievance arbitrations.
- Received FHWA approval of Internal Annual Assurances/Affirmative Action Plan with no findings.
- Incorporated the FHWA new Financial Management Information System as part of daily operations.

Statutory and Regulatory Authority

AS 44.42.010-900 State Government
AS 02 Aeronautics
AS 19 Highways and Ferries
AS 35 Public Building, Works and Improvements

Statewide Administrative Services
Component Financial Summary

All dollars in thousands

	FY2002 Actuals	FY2003 Authorized	FY2004 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,530.7	1,634.8	1,548.2
72000 Travel	28.8	19.0	19.0
73000 Contractual	102.9	101.7	97.7
74000 Supplies	38.3	19.6	5.3
75000 Equipment	20.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,720.7	1,775.1	1,670.2
Funding Sources:			
1004 General Fund Receipts	1,088.5	1,105.7	488.0
1026 Highway Working Capital Fund	94.7	97.5	98.2
1027 International Airport Revenue Fund	87.5	91.4	92.3
1061 Capital Improvement Project Receipts	347.9	378.4	888.5
1076 Marine Highway System Fund	102.1	102.1	103.2
Funding Totals	1,720.7	1,775.1	1,670.2

Statewide Administrative Services

Proposed Changes in Levels of Service for FY2004

Funding for the Department Safety Officer position is eliminated. The DOT&PF spends approximately \$2 million in workers compensation claims per year. This will eliminate the potential to reduce the overall workers compensation costs and the centralization of management over the claims. The Capital Improvements Project Section will eliminate an accounting position. Duties of this position will be absorbed by existing staff. The production phase for final review and closure of all federally funded projects will be delayed by approximately 35%.

The computer replacement schedule is extended from a 3-year replacement to a 5-year replacement schedule. This will result in a gradual slow-down of computer production related work, i.e. vendor payments, payroll data entry, financial management tracking, etc.

Summary of Component Budget Changes

From FY2003 Authorized to FY2004 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2003 Authorized	1,105.7	0.0	669.4	1,775.1
Adjustments which will continue current level of service:				
-Transfer \$507.5 GF to Northern Region Highways and Aviation for maintenance	-507.5	0.0	0.0	-507.5
-Annualize FY2003 COLA increase for General Government, Confidential and Supervisory Bargaining Units	0.0	0.0	4.9	4.9
-\$75 per Month Health Insurance Increase for Non-covered Staff	0.4	0.0	0.4	0.8
Proposed budget decreases:				
-Eliminate Dept Safety Officer & CIP Accounting position and extend computer replacement schedule	-110.6	0.0	0.0	-110.6
Proposed budget increases:				
-Add \$507.5 ICAP to maintain current administrative support and service levels in department	0.0	0.0	507.5	507.5
FY2004 Governor	488.0	0.0	1,182.2	1,670.2

Statewide Administrative Services

Personal Services Information

	Authorized Positions		Personal Services Costs	
	<u>FY2003</u> <u>Authorized</u>	<u>FY2004</u> <u>Governor</u>		
Full-time	25	23	Annual Salaries	1,185,753
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	435,612
			<i>Less 4.51% Vacancy Factor</i>	(73,165)
			Lump Sum Premium Pay	0
Totals	25	23	Total Personal Services	1,548,200

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant II	0	0	2	0	2
Accountant III	0	0	2	0	2
Accountant IV	0	0	2	0	2
Accounting Tech II	0	0	1	0	1
Accounting Tech III	0	0	3	0	3
Administrative Clerk II	0	0	1	0	1
Administrative Clerk III	0	0	2	0	2
Division Director	0	0	1	0	1
Human Resource Specialist I	0	0	1	0	1
Human Resource Technician II	0	0	1	0	1
Human Resources Mgr III	0	0	1	0	1
Labor Rel Specialist II	0	0	1	0	1
Personnel Officer I	0	0	1	0	1
Personnel Officer II	0	0	1	0	1
Personnel Specialist I	0	0	1	0	1
Program Budget Analyst IV	0	0	2	0	2
Totals	0	0	23	0	23