

# **State of Alaska FY2006 Governor's Operating Budget**

**Department of Administration**

**Department of Administration**

**Mission**

The mission of the Department of Administration is to provide consistent and efficient support services to state agencies so that they may better serve Alaskans.

**Core Services**

The Department of Administration (DOA) is the most diverse department in state government. DOA provides statewide leadership and policy direction in the areas of finance and accounting, payroll, information technology, human resources, labor relations, all areas of procurement, facility leasing and management, risk management, and employee and retiree benefits programs for state and local governments.

DOA provides direct public services through the Division of Motor Vehicles, Public Defender Agency, Office of Public Advocacy, and the Office of Administrative Hearings.

DOA also oversees administrative functions of four independent boards and commissions which are the Alaska Public Broadcasting Commission, the Alaska Public Offices Commission, and the Alaska Oil and Gas Conservation Commission as well as the Violent Crimes Compensation Board.

End Results	Strategies to Achieve Results
<p><b>A: Increased administrative efficiency through cost effective provision of core services.</b></p> <p><u>Target #1:</u> 100% of payroll transactions are processed without penalty pay caused by central processing problems.  <u>Measure #1:</u> Percentage of payroll expenditure processed without penalty pay caused by central processing problems.</p> <p><u>Target #2:</u> Consolidate and streamline administrative functions within the Department of Administration.  <u>Measure #2:</u> The number of administrative functions consolidated during FY2005.</p>	<p><b>A1: Provide cost saving opportunities for state agencies.</b></p> <p><u>Target #1:</u> Provide enterprise cost saving tools.  <u>Measure #1:</u> The number of enterprise cost saving tools implemented.</p> <p><b>A2: Successfully complete implementation of the human resource consolidation in the Department of Administration.</b></p> <p><u>Target #1:</u> Establish client service standards for each major program area in the Division of Personnel in FY2005.  <u>Measure #1:</u> The number of major program areas for which client service standards have been established.</p> <p><u>Target #2:</u> Major program area service standards met 90% of time.  <u>Measure #2:</u> Percentage of time services standards are met.</p>
End Results	Strategies to Achieve Results
<p><b>B: Improved customer satisfaction.</b></p> <p><u>Target #1:</u> 80% Satisfaction with administrative support provided by the Department of Administration.  <u>Measure #1:</u> Percentage of targeted agencies rating administrative support services provided by the Department</p>	<p><b>B1: Adopt standards for response times for DOA administrative support services.</b></p> <p><u>Target #1:</u> Establish client service standards for each core service division in the Department of Administration.  <u>Measure #1:</u> The number of core service divisions for</p>

of Administration as satisfactory or above.	which service standards have been established. <b>Target #2:</b> Core service response standards met 90% of time. <b>Measure #2:</b> Percentage of responses meeting standards.
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**FY2006 Resources Allocated to Achieve Results**

FY2006 Department Budget: \$225,418,600	<b>Personnel:</b>	
	Full time	955
	Part time	32
	<b>Total</b>	<b>987</b>

**Performance Measure Detail**

**A: Result - Increased administrative efficiency through cost effective provision of core services.**

- Target #1:** 100% of payroll transactions are processed without penalty pay caused by central processing problems.
- Measure #1:** Percentage of payroll expenditure processed without penalty pay caused by central processing problems.

**Analysis of results and challenges:** .

07/01/03–12/31/03: 100% of payroll transactions processed without penalty pay caused by central payroll processing problems.  
 01/01/04–03/31/04: 100% of payroll transactions processed without penalty pay caused by central payroll processing problems.  
 03/31/04–06/30/04: 100% of payroll transactions processed without penalty pay caused by central payroll processing problems.  
 07/1/04-09/30/04: 100% of payroll transactions processed without penalty pay caused by central payroll processing problems.

**Target #2:** Consolidate and streamline administrative functions within the Department of Administration.

**Measure #2:** The number of administrative functions consolidated during FY2005.

**Analysis of results and challenges:** .

The accounting unit of the ETS Division (8 positions) was transferred to, and consolidated with, the Division of Administrative Services (DAS) in November of 2004. The accounting function of the Division of Risk Management was also transferred to DAS.

**A1: Strategy - Provide cost saving opportunities for state agencies.**

- Target #1:** Provide enterprise cost saving tools.
- Measure #1:** The number of enterprise cost saving tools implemented.

**Analysis of results and challenges:** .

07/01/03–06/30/04: IT Plan (equipment standards), Central Mail consolidation, and adherence to space standards occurred during FY2004.  
 07/01/04-09/30/04: Allocation of the Leases budget has occurred. The State Travel office and an analysis of state procurements in accordance with HB313 are scheduled to occur during FY2005.

## A2: Strategy - Successfully complete implementation of the human resource consolidation in the Department of Administration.

**Target #1:** Establish client service standards for each major program area in the Division of Personnel in FY2005.

**Measure #1:** The number of major program areas for which client service standards have been established.

**Analysis of results and challenges:** .

07/01/04–06/30/04: Measurement will occur during FY2005.

07/01/04-09/30/04: Client service standards have been establish for all 7 major program areas.

**Target #2:** Major program area service standards met 90% of time.

**Measure #2:** Percentage of time services standards are met.

**Analysis of results and challenges:** .

07/01/04–06/30/05: Measurement will occur in FY2006 as a measure of FY2005.

## B: Result - Improved customer satisfaction.

**Target #1:** 80% Satisfaction with administrative support provided by the Department of Administration.

**Measure #1:** Percentage of targeted agencies rating administrative support services provided by the Department of Administration as satisfactory or above.

**Analysis of results and challenges:** .

07/01/03–06/30/04: Survey to be conducted in FY2005.

07/01/04-09/30/04: Survey to be conducted in FY2005.

## B1: Strategy - Adopt standards for response times for DOA administrative support services.

**Target #1:** Establish client service standards for each core service division in the Department of Administration.

**Measure #1:** The number of core service divisions for which service standards have been established.

**Analysis of results and challenges:** .

07/01/04–06/30/05: Measurement will occur in FY2006.

**Target #2:** Core service response standards met 90% of time.

**Measure #2:** Percentage of responses meeting standards.

**Analysis of results and challenges:** .

07/01/03–06/30/04: Measurement to occur in FY2006.

07/01/04-06/30/05: Measurement to occur in FY2006.

## Key Department Challenges

The Department of Administration will face many challenges in FY2006 including:

Division of Personnel: Effective October 16, 2003, all agency human resource staff and activities were integrated into the Division of Personnel. The Division was reorganized and charged with meeting four objectives:

- 1) standardizing human resource policy and practice within the Executive Branch;
- 2) implementing enterprise technology systems and tools to improve service delivery;
- 3) increasing operational efficiency; and
- 4) reducing administrative costs.

Good progress has been made toward these objectives. The challenge for FY2006 will be to build on the successes of

the past year and continue to improve our delivery of human resources services.

**Enterprise Technology Services (ETS):** In November of 2003, the Department of Administration rolled out the state's new Information Technology Plan. As the IT Plan continues to undergo necessary changes in the face of a rapidly changing technology environment ETS will continue to ensure that the state's IT needs are met in the most effective way possible.

**Motor Vehicles:** Electronic tools and partnerships are key to DMV customer service improvements. We are working hard to develop additional process automation, including interfaces with other state and federal systems. We are also working hard to develop more partnerships with the private sector as we believe partner growth will be the key now and in future fiscal years. Through a measured approach in development, training, and adequate oversight of new partners we can ensure protection of property and enhance highway safety while maintaining public accountability.

**Office of Administrative Hearings:** The Office of Administrative Hearings (OAH) will be fully operational in FY2006, having assumed the hearing functions of the former Office of Tax Appeals and of hearing officers previously located in the Departments of Revenue and Commerce, Community and Economic Development. Hearings will involve a wide range of state agencies and programs, including child support enforcement, permanent fund dividends, alcoholic beverage licenses, banking and financial institutions, occupational licensing, insurance, and state procurement. The office will also seek to expand its services in FY2006 to other agencies that conduct administrative hearings but are not statutorily required to use the OAH.

**Public Defender and Public Advocate:** The U.S. Supreme Court in *Blakely v. Washington* held that presumptive sentencing schemes like Alaska's violate a defendant's constitutional right to jury trial. This presents two challenges. The first, to cope with the increased workload and caseload caused by hundreds of inquiries, new appointments of counsel on old cases, and increased jury trial in current cases. The second challenge is to work with the Department of Law in designing and drafting a statutory response that will protect public safety, promote efficient and cost-effective fact-finding, and yet satisfy the constitutional requirements.

## **Significant Changes in Results to be Delivered in FY2006**

The Department of Administration has initiated changes in the way the state manages its human resources and information technology, and is currently initiating changes in the management of state travel. We are striving to improve efficiency in all areas of state government and will continue to work to that end.

## **Major Department Accomplishments in 2004**

- Established an enterprise human resource function, integrating all agency human resource staff into the Division of Personnel.
- Successfully implemented the digital driver license system.
- Successfully initiated the statewide Information Technology Planning Process.
- Achieved the Governor's objective of negotiating long-term successor agreements with most major collective bargaining units.

## **Prioritization of Agency Programs**

*(Statutory Reference AS 37.07.050(a)(13))*

Priority:

- 1- Core Services to State Agencies
  - Personnel

- Labor Relations
- General Services
- Finance
- Enterprise Technology Services
- Retirement and Benefits
- Risk Management
- Administrative Services
- Office of the Commissioner

2- Services to the Public:

- Public Defender Agency
- Office of Public Advocacy
- Alaska Oil and Gas Conservation Commission
- Division of Motor Vehicles
- Retirement and Benefits
- Violent Crimes Compensation Board
- Alaska Public Offices Commission
- Office of Administrative Hearings

**Contact Information**

**Commissioner:** Ray Matiashowski  
**Phone:** (907) 465-2200  
**Fax:** (907) 465-2135  
 raymond\_matiashowski  
**E-mail:** @admin.state.ak.us

**Administrative**

**Services Director:** Eric Swanson  
**Phone:** (907) 465-5655  
**Fax:** (907) 465-2194  
**E-mail:** eric\_swanson@admin.state.ak.us

**Department Budget Summary by RDU**

*All dollars shown in thousands*

	FY2004 Actuals				FY2005 Management Plan				FY2006 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
<b>Formula Expenditures</b>												
Special Systems	1,297.2	0.0	0.0	1,297.2	1,568.9	0.0	0.0	1,568.9	1,568.9	0.0	0.0	1,568.9
<b>Non-Formula Expenditures</b>												
Centralized Admin. Services	8,820.0	267.4	35,821.4	44,908.8	10,720.8	618.6	44,629.3	55,968.7	11,150.7	764.6	49,585.6	61,500.9
Leases	20,634.9	0.0	16,210.9	36,845.8	5,274.8	0.0	35,709.7	40,984.5	5,276.0	0.0	39,040.1	44,316.1
State Owned Facilities	926.8	0.0	6,328.3	7,255.1	927.8	0.0	6,693.9	7,621.7	1,059.2	0.0	7,382.1	8,441.3
Admin State Facilities Rent	417.9	0.0	0.0	417.9	368.4	0.0	0.0	368.4	368.4	0.0	0.0	368.4
Enterprise Technology Services	0.0	0.0	26,894.0	26,894.0	0.0	0.0	34,517.0	34,517.0	3,656.6	0.0	31,369.6	35,026.2
Information Services Fund	0.0	0.0	2.1	2.1	0.0	0.0	55.0	55.0	0.0	0.0	55.0	55.0
Public Communications Services	4,057.0	0.0	460.0	4,517.0	4,460.7	0.0	1,223.7	5,684.4	4,160.7	0.0	1,223.7	5,384.4
AIRRES Grant	76.0	0.0	0.0	76.0	76.0	0.0	0.0	76.0	76.0	0.0	0.0	76.0
Risk Management	0.0	0.0	24,472.4	24,472.4	0.0	0.0	24,865.6	24,865.6	0.0	0.0	24,882.0	24,882.0
AK Oil & Gas Conservation Comm	0.0	119.9	3,236.1	3,356.0	0.0	126.0	4,010.3	4,136.3	0.0	202.7	4,156.8	4,359.5
Legal & Advocacy Services	24,524.1	43.7	1,035.9	25,603.7	24,970.0	52.1	552.5	25,574.6	26,180.0	52.1	709.7	26,941.8
Violent Crimes Comp Board	0.0	364.7	1,176.3	1,541.0	226.7	409.5	875.2	1,511.4	381.7	409.6	728.3	1,519.6
Alaska Public Offices Comm	380.4	0.0	261.1	641.5	665.5	0.0	0.0	665.5	674.1	0.0	0.0	674.1
Division of Motor Vehicles	3,423.4	0.0	7,156.4	10,579.8	0.0	0.0	9,674.7	9,674.7	0.0	0.0	10,241.7	10,241.7
General Srvcs Facilities Maint.	0.0	0.0	30.4	30.4	0.0	0.0	39.7	39.7	0.0	0.0	39.7	39.7
ITG Facilities Maintenance	0.0	0.0	23.0	23.0	0.0	0.0	23.0	23.0	0.0	0.0	23.0	23.0
<b>Totals</b>	<b>64,557.7</b>	<b>795.7</b>	<b>123,108.3</b>	<b>188,461.7</b>	<b>49,259.6</b>	<b>1,206.2</b>	<b>162,869.6</b>	<b>213,335.4</b>	<b>54,552.3</b>	<b>1,429.0</b>	<b>169,437.3</b>	<b>225,418.6</b>

### Funding Source Summary

*All dollars in thousands*

Funding Sources	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
1002 Federal Receipts	528.3	587.6	664.4
1004 General Fund Receipts	62,234.7	46,999.2	52,200.0
1005 General Fund/Program Receipts	779.9	712.8	772.8
1007 Inter-Agency Receipts	56,405.1	80,036.1	87,950.3
1017 Benefits Systems Receipts	14,455.8	17,434.6	17,527.0
1023 FICA Administration Fund Account	145.5	151.7	159.4
1029 Public Employees Retirement System Fund	5,207.7	5,717.7	5,894.7
1033 Surplus Property Revolving Fund	267.4	490.3	503.5
1034 Teachers Retirement System Fund	2,195.8	2,288.4	2,360.8
1037 General Fund / Mental Health	1,543.1	1,547.6	1,579.5
1042 Judicial Retirement System	28.0	29.1	29.6
1045 National Guard & Naval Militia Retirement System	86.1	104.4	107.5
1050 Permanent Fund Dividend Fund	2.7	52.4	106.7
1061 Capital Improvement Project Receipts	186.9	573.2	615.4
1081 Information Services Fund	26,650.1	34,517.0	31,369.6
1092 Mental Health Trust Authority Authorized Receipts	77.4	77.4	118.7
1108 Statutory Designated Program Receipts	840.7	1,398.2	1,497.8
1133 CSSD Administrative Cost Reimbursement		128.3	261.1
1147 Public Building Fund	5,301.5	5,974.1	6,612.0
1156 Receipt Supported Services	7,115.3	9,629.8	10,202.7
1162 Alaska Oil & Gas Conservation Commission Rcpts	3,236.1	4,010.3	4,156.8
1171 PF Dividend Appropriations in lieu of Dividends to Criminals	1,173.6	875.2	728.3
<b>Totals</b>	<b>188,461.7</b>	<b>213,335.4</b>	<b>225,418.6</b>

### Position Summary

Funding Sources	FY2005 Management Plan	FY2006 Governor
Permanent Full Time	967	955
Permanent Part Time	29	32
Non Permanent	45	31
<b>Totals</b>	<b>1,041</b>	<b>1,018</b>

### FY2006 Capital Budget Request

Project Title	General Funds	Federal Funds	Other Funds	Total Funds
Statewide Administrative System Replacement Phase 1 - Human Resources and Payroll	0	0	20,000,000	20,000,000
System Security	0	0	2,900,000	2,900,000
Public Building Facilities Projects	0	0	9,902,000	9,902,000
Telecommunications Projects	0	0	5,641,000	5,641,000
Maintenance Projects for Facilities Outside the Public Building Fund	0	0	3,098,000	3,098,000
Data Center and Equipment Upgrades	0	0	3,297,000	3,297,000
License Plates, Tabs, and Manuals	0	0	385,000	385,000
Enterprise IT Projects	0	0	3,706,000	3,706,000
State of Alaska Telecommunication System (SATS) Projects	0	0	1,615,000	1,615,000
DMV Take-a-Number System	0	0	100,000	100,000
AOGCC Leasehold Improvements	0	0	75,000	75,000
<b>Department Total</b>	<b>0</b>	<b>0</b>	<b>50,719,000</b>	<b>50,719,000</b>

*This is an appropriation level summary only. For allocations and the full project details see the capital budget.*

## Summary of Department Budget Changes by RDU

From FY2005 Management Plan to FY2006 Governor

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2005 Management Plan</b>	<b>49,259.6</b>	<b>1,206.2</b>	<b>162,869.6</b>	<b>213,335.4</b>
<b>Adjustments which will continue current level of service:</b>				
-Centralized Admin. Services	273.3	17.2	771.2	1,061.7
-Leases	0.0	0.0	26.9	26.9
-State Owned Facilities	1.4	0.0	63.4	64.8
-Enterprise Technology Services	3,656.6	0.0	-3,175.0	481.6
-Risk Management	0.0	0.0	14.0	14.0
-AK Oil & Gas Conservation Comm	0.0	2.7	53.7	56.4
-Legal & Advocacy Services	275.0	0.0	9.0	284.0
-Violent Crimes Comp Board	154.8	0.0	-146.9	7.9
-Alaska Public Offices Comm	7.9	0.0	0.0	7.9
-Division of Motor Vehicles	0.0	0.0	308.3	308.3
<b>Proposed budget decreases:</b>				
-Centralized Admin. Services	-92.9	0.0	-21.0	-113.9
-Leases	0.0	0.0	-75.9	-75.9
-Public Communications Services	-300.0	0.0	0.0	-300.0
<b>Proposed budget increases:</b>				
-Centralized Admin. Services	249.5	128.8	4,206.1	4,584.4
-Leases	1.2	0.0	3,379.4	3,380.6
-State Owned Facilities	130.0	0.0	624.8	754.8
-Enterprise Technology Services	0.0	0.0	27.6	27.6
-Risk Management	0.0	0.0	2.4	2.4
-AK Oil & Gas Conservation Comm	0.0	74.0	92.8	166.8
-Legal & Advocacy Services	935.0	0.0	148.2	1,083.2
-Violent Crimes Comp Board	0.2	0.1	0.0	0.3
-Alaska Public Offices Comm	0.7	0.0	0.0	0.7
-Division of Motor Vehicles	0.0	0.0	258.7	258.7
<b>FY2006 Governor</b>	<b>54,552.3</b>	<b>1,429.0</b>	<b>169,437.3</b>	<b>225,418.6</b>