

State of Alaska FY2002 Governor's Operating Budget

Department of Community & Economic Development
Administrative Services
Component

Component: Administrative Services

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Component Mission

To provide management services and centralized administrative support to the divisions and agencies in the department.

Component Services Provided

Facilitates and ensures the delivery of the services provided by the Department of Community and Economic Development by giving efficient and cost effective business management support in four areas:

Fiscal and Supply provides centralized financial and property management to the department, including timely and accurate payment of vendor billings, processing of employee travel payments, ensuring that professional services contracts are entered into expeditiously and in accordance with the state procurement code, assisting divisions in monitoring expenditures to ensure that appropriations are not overspent, purchasing department supplies and equipment, maintaining departmental property, providing mailroom services, and offering training in the state's financial, travel and procurement systems.

Budget assists the department's divisions and agencies in developing operating and capital budget requests, preparing and presenting agency budget overviews to the Office of Management and Budget and the Legislature, and monitoring appropriations throughout the year.

Data Processing maintains and installs the department's computer systems, network, databases, and webpages; provides database and e-commerce development services; and trains users in software and hardware capabilities.

Human Resources provides a full range of services to the department which includes ensuring compliance with all federal and state employment laws and regulations as well as collective bargaining agreements, recruitment, employee/management relations, leave/benefits administration, payroll services, and assists the department's managers in developing a high quality work force.

Component Goals and Strategies

Manage the department's finances and property efficiently and effectively:

- Ensure appropriations are not overspent.
- Ensure compliance with procurement statutes/regulations.
- Pay vendors promptly and accurately.
- Maintain efficient State cash flow.
- Reimburse employee travel accurately and timely.
- Maintain accurate property control inventory.
- Distribute mail timely.

Develop and manage the department budgets in an accurate, uniform and timely manner.

- Ensure that the Commissioner's Office can make informed decisions on the budget.
- Maintain budgetary control throughout the fiscal year.

Provide Data Processing services efficiently and effectively:

- Provide an environment that makes department data easily accessible to local area, wide area and Internet users.
- Provide effective security on department data so that the data is never in any danger of being compromised.
- Create a suite of applications for each division that will allow employees to do their jobs as quickly and efficiently as possible.
- Respond to requests for programming in as timely a manner possible.

- Meet with key division personnel on a periodic basis to assess their future and present needs and to establish timelines for completing their requests.
- Maintain and tune all applications so they are efficient and bug free.
- Develop internet applications that will allow the public to access information maintained by the department.
- Develop e-commerce applications that will allow licensees in all divisions to update or make initial licensure from the web.
- Provide quick and effective help to department employees for resolution of computer related problems.
- Maintain a trouble free network of computers, routers, printers, scanners and other devices that make up the entire network.

Provide exceptional human resources services to department employees and managers.

- Assist managers and supervisors with recruitment strategies that are cost effective yet produce quality candidates for consideration.
- Assist managers and supervisors to work with troubled employees to correct performance or other workplace issues. Terminate nonproductive employees through appropriate and humane procedures when the costs are likely to exceed the returns.
- Retain productive employees through appropriate classification, effective development, recognition and reward systems.
- Develop a "shared vision" among agency managers and employees.

Key Component Issues for FY2001 – 2002

The Department is increasingly encountering the recruitment/retention difficulties faced by all state agencies. Recruitment for positions requiring specialized technical expertise (computer programmers, utility engineering and tariff analysis, etc.) is becoming more and more difficult due to lack of qualified in-state candidates coupled with non-competitive salaries within those fields nationwide. State employee salaries and benefits generally are no longer as competitive as is necessary to attract quality candidates for many state positions. A contributing factor is the "graying" of the workforce, a nationwide phenomenon wherein the "baby boomer" generation of workers is reaching retirement age en mass. Younger replacement workers are not only far fewer in numbers, they do not share the prior generations' notion of staying with the same employer for years. Even if quality replacement workers are found, the state currently does not have the tools/ability to provide retention incentives. In particular, retaining staff in the division's Data Processing group is, and is likely to remain, a problem. A great deal of effort is spent recruiting, hiring, and training DP staff only to have staff depart for jobs outside of state government.

The division has updated the department's cost allocation plan, through which costs are charged to departmental divisions and agencies for services provided by the division and the Commissioner's Office. In addition, an indirect rate plan is being prepared and will be submitted to the federal government for approval. The purpose of the plan is to establish the department's indirect rate so that administrative overhead can be charged to the federal grants awarded to the department.

The division is continuously seeking out and implementing ways to reduce the cost of its services as well as the cost of departmental administrative overhead in general. Numerous processes and procedures have already been streamlined to minimize the amount of time and effort it takes to get things done (both within and outside the division), while maintaining appropriate accountability controls.

Major Component Accomplishments for FY2000

The merging and consolidation of Department functions continued with the creation of the Division of Community and Business Development by combining the former Divisions of Municipal and Regional Assistance and Tourism and the domestic development functions from the Division of Trade and Development. Staff from the 3 sources were successfully combined and no layoffs or adverse personnel actions resulted.

The Data Processing Group developed and implemented the online business license application and renewal service for the Division of Occupational Licensing. New business licenses as well as renewals are issued instantaneously with payment via credit card.

The department made it through the Y2K roll over with minimal errors and issues. No client related services suffered any interruptions due to the Y2K roll over.

Statutory and Regulatory Authority

AS 44.33.010-020 Administrative Services

Key Performance Measures for FY2002

Measure: The number of late penalties for payroll or vendor payments.

(Added by Legislature in FY2001 version.)

Current Status:

\$1.2 in penalties was paid by ASMI on their travel account in FY00. FY01 so far is 0.

Benchmark:

Not known.

Measure: The number of audit exceptions.

(Added by Legislature in FY2001 version.)

Current Status:

One audit exception in FY99. FY00 & FY01 audits not completed yet.

Benchmark:

Not known.

Measure: The number of procurement protests.

(Added by Legislature in FY2001 version.)

Current Status:

In FY00 there were 4 protests and of the 4, 2 were denied with denial upheld, 1 to appeal with a settlement and 1 is being pursued judicially.

Benchmark:

Not known.

Measure: The number of union employees in the department who file grievances compared to other departments.

(Added by Legislature in FY2001 version.)

Current Status:

In FY00, 8 grievances were filed in DCED, ranking DCED with 2 other departments having the lowest number of grievances filed. None have been filed to date with DCED in FY01.

Benchmark:

Not known.

Measure: The number of grievances advanced to and sustained in arbitration.

(Added by Legislature in FY2001 version.)

Current Status:

There were no grievances advanced to and sustained in arbitration in FY00 and none have occurred to date in FY01.

Benchmark:
Not known.

Measure: The number of contested classification actions.
(Added by Legislature in FY2001 version.)

Current Status:
There were no contested classification actions in FY00 and none have occurred to date in FY01.

Benchmark:
Not known.

Status of FY2001 Performance Measures

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
<ul style="list-style-type: none"> • The number of late penalties for payroll or vendor payments. • The number of audit exceptions. • The number of procurement protests. • The number of union employees in the department who file grievances compared to other departments. • The number of grievances advanced to and sustained in arbitration. • The number of contested classification actions. 		X			
		X			
		X			
			X		
			X		
			X		

Administrative Services
Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,778.4	2,081.1	2,054.8
72000 Travel	32.5	19.5	17.5
73000 Contractual	254.9	323.2	210.4
74000 Supplies	47.2	30.1	28.1
75000 Equipment	118.2	1.7	1.7
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	2,231.2	2,455.6	2,312.5
Funding Sources:			
1004 General Fund Receipts	1,500.9	1,265.3	1,269.6
1007 Inter-Agency Receipts	730.3	1,110.2	1,042.9
1061 Capital Improvement Project Receipts	0.0	80.1	0.0
Funding Totals	2,231.2	2,455.6	2,312.5

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Interagency Receipts	51015	730.5	1,110.2	1,110.2	1,042.9	1,042.9
Capital Improvement Project Receipts	51200	0.0	80.1	80.1	0.0	0.0
Restricted Total		730.5	1,190.3	1,190.3	1,042.9	1,042.9
Total Estimated Revenues		730.5	1,190.3	1,190.3	1,042.9	1,042.9

Administrative Services**Proposed Changes in Levels of Service for FY2002**

None.

**Summary of Component Budget Changes
From FY2001 Authorized to FY2002 Governor**

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	1,265.3	0.0	1,190.3	2,455.6
Adjustments which will continue current level of service:				
-Year 2 Labor Costs - Net Change from Fy 2001	4.3	0.0	7.7	12.0
Proposed budget decreases:				
-Reduce CIP receipts	0.0	0.0	-80.1	-80.1
-Interagency Receipts Reduction	0.0	0.0	-75.0	-75.0
FY2002 Governor	1,269.6	0.0	1,042.9	2,312.5

Administrative Services**Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	39	37	Annual Salaries	1,598,725
Part-time	1	0	COLA	25,306
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	561,918
			<i>Less 6.00% Vacancy Factor</i>	<i>(131,157)</i>
			Lump Sum Premium Pay	0
Totals	40	37	Total Personal Services	2,054,792

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant III	0	0	2	0	2
Accountant V	0	0	1	0	1
Accounting Clerk II	0	0	2	0	2
Accounting Tech I	1	0	2	0	3
Accounting Tech II	0	0	3	0	3
Accounting Tech III	0	0	1	0	1
Administrative Clerk II	1	0	0	0	1
Administrative Clerk III	0	0	1	0	1
Analyst/Programmer IV	0	0	1	0	1
Analyst/Programmer V	0	0	1	0	1
Data Communicatns Spec I	1	0	0	0	1
Data Processing Mgr I	0	0	1	0	1
Division Director	0	0	1	0	1
Human Resources Mgr II	0	0	1	0	1
Mail Clerk Carrier II	0	0	2	0	2
Micro/Network Tech II	2	0	2	0	4
Personnel Asst I	0	0	2	0	2
Personnel Specialist I	1	0	1	0	2
Procurement Spec II	0	0	2	0	2
Procurement Spec III	0	0	1	0	1
Program Budget Analyst III	0	0	1	0	1
Publications Spec II	0	0	2	0	2
Supply Technician II	0	0	1	0	1
Totals	6	0	31	0	37