

**State of Alaska**  
**FY2003 Governor's Operating Budget**

**Department of Community & Economic Development**  
**Executive Administration**  
**Budget Request Unit Budget Summary**

## Executive Administration Budget Request Unit

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### BRU Mission

1. to effectively manage the department and to serve as a liaison between the department and private, governmental, and other institutions and agencies; and
2. to provide support services to departmental programs.

### BRU Services Provided

The Commissioner's Office provides leadership, sets department priorities and policy, and is the Governor's direct liaison to the department.

The Division of Administrative Services 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 the areas of financial services, data processing, procurement and supply, and human resources.

### BRU Goals and Strategies

See components.

### Key BRU Issues for FY2002 – 2003

See components.

### Major BRU Accomplishments in 2001

See components.

### Key Performance Measures for FY2003

#### Measure:

The percentage of divisions that meet assigned performance measures.  
Sec 22(b)(1) Ch 90 SLA 2001(HB 250)

#### Alaska's Target & Progress:

There are 7 divisions and 6 agencies within DCED. In HB 250, the mission and measures bill for FY02, DCED has 58 measures. Of this amount, 9 are new from FY01, 28 are revised, and 2 FY01 measures were deleted. Generally, the divisions accomplished their measures in FY01 and are on track to accomplish the FY02 measures.

The target is for 100% of divisions and agencies to meet the target in each measure.

#### Benchmark Comparisons:

Not applicable.

#### Background and Strategies:

Measures need to include targets so it will be apparent whether the measure has been accomplished. Many of the previous measures simply required reporting data.

**Measure:**

The reduction in per unit cost in the departmental divisions.  
Sec 22(b)(2) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

The department has made no progress on this measure because the purpose of the measure is not clear. Every DCED division/agency is expected to be managed productively and efficiently, looking for ways to reduce expenditures. However, there are numerous ways to measure per unit cost that very well differ between division and agency, based on its function. However, the per unit cost is likely not to be a significant indicator of the effectiveness of the division/agency, even if some defined per unit cost is reduced. The budgets of the divisions/agencies are set by the Legislature and budget increases or decreases ultimately affect whether this measure is met or not.

**Benchmark Comparisons:**

Not applicable.

**Background and Strategies:**

This measure was added to the Commissioner's Office by the Legislature in FY01 and again in FY02. The measure is unique to the DCED Commissioner's Office as the measure is not in any other department commissioner's office sections in HB 250, the mission and measures bill. The department recommends that this measure be deleted as it is unclear.

**Measure:**

The average time taken to respond to complaints and questions that have been elevated to the commissioner's office.  
Sec 22(b)(3) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

This measure was added by the Legislature in FY02. Baseline data is being collected in FY02. The target is expected to be 10 working days to respond to written complaints that are elevated to the commissioner's office.

**Benchmark Comparisons:**

Not applicable.

**Background and Strategies:**

A tracking system is established to log in all commissioner's office correspondence, including complaints. The tracking system records the date received, to whom the response was assigned, and when the response was sent.

**Measure:**

The number of late penalties for payroll or vendor payments.  
Sec 23(b)(1) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

There was \$1.0 in interest and penalties paid in FY01. To date in FY02 is no penalties or interest has been paid. \$1.2 in penalties was paid by ASMI on their travel account in FY00.

The target is to have no late penalties or interest charges.

**Benchmark Comparisons:**

Not applicable.

**Background and Strategies:**

The strategy is to pay employees and vendors promptly and accurately to avoid late penalties.

**Measure:**

The number of audit exceptions.  
Sec 23(b)(2) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

There were three audit exceptions in FY00. Two were related to the FY97 Bristol Bay fishing disaster established under the Department of Community and Regional Affairs. The third audit exception has been rectified. The FY01 single audit is not completed yet.

There was one audit exception in FY99.

The FY03 target is to have no audit exceptions.

**Benchmark Comparisons:**

Not applicable.

**Background and Strategies:**

The strategy is to manage the department's finances efficiently and effectively to avoid audit exceptions.

**Measure:**

The number of procurement protests.  
Sec 23(b)(3) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

In FY01 there was one new procurement protest regarding a professional services contract awarded by the Alaska Industrial Development and Export Authority. AIDEA's decision is currently being appealed to DOA.

In FY00 there were 4 protests and of the 4, 2 were denied with denial upheld, 1 to appeal with a settlement and 1 appeal granted in part.

The FY03 target is to have no defensible procurement protests.

**Benchmark Comparisons:**

Not applicable.

**Background and Strategies:**

The strategy is to ensure compliance with procurement statutes/regulations/guidelines to limit procurement protests.

**Measure:**

The number of union employees in the department who file grievances compared to other departments.  
Sec 23(b)(4) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

There were no grievances filed in DCED in FY01 and none have been filed to date in FY02. DCED was the only department in the first quarter of FY02 to have no grievances filed or pending. No data is currently available on the number of grievances filed in other departments in FY01.

In FY00, 8 grievances were filed in DCED, ranking DCED with 2 other departments having the lowest number of grievances filed.

The target is to have fewer grievances than any other department.

**Benchmark Comparisons:**

Not applicable.

**Background and Strategies:**

The strategy is to provide exceptional human resources services to department employees and managers to effectively eliminate grievances filed by union employees in the department.

**Measure:**

The number of grievances advanced to and sustained in arbitration.  
Sec 23(b)(5) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

There were no grievances advanced to and sustained in arbitration in FY01 and FY00. None have occurred to date in FY02.

The target is to have no grievances sustained.

**Benchmark Comparisons:**

Not applicable.

**Background and Strategies:**

The strategy is to provide exceptional human resources services to department employees and managers to effectively eliminate grievances by union employees in the department advanced to and sustained in arbitration.

**Measure:**

The number of contested classification actions.  
Sec 23(b)(6) Ch 90 SLA 2001(HB 250)

**Alaska's Target & Progress:**

There were no contested classification actions in FY01 and FY00 and none have occurred to date in FY02.

The target is to have no contested classification actions that are sustained.

**Benchmark Comparisons:**

Not applicable.

**Background and Strategies:**

The strategy is to provide exceptional human resources services to department employees and managers to effectively eliminate contested classification actions.

**Executive Administration  
BRU Financial Summary by Component**

*All dollars in thousands*

	FY2001 Actuals				FY2002 Authorized				FY2003 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>												
None.												
<b>Non-Formula Expenditures</b>												
Commissioner's Office	253.4	0.0	462.4	715.8	262.5	0.0	414.3	676.8	144.8	0.0	431.1	575.9
Administrative Services	1,265.3	0.0	846.6	2,111.9	1,269.6	0.0	1,042.9	2,312.5	1,311.3	0.0	1,071.4	2,382.7
International Trade	1,008.1	235.0	937.9	2,181.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Totals</b>	<b>2,526.8</b>	<b>235.0</b>	<b>2,246.9</b>	<b>5,008.7</b>	<b>1,532.1</b>	<b>0.0</b>	<b>1,457.2</b>	<b>2,989.3</b>	<b>1,456.1</b>	<b>0.0</b>	<b>1,502.5</b>	<b>2,958.6</b>

**Executive Administration**

**Proposed Changes in Levels of Service for FY2003**

When the Department of Community and Regional Affairs (DCRA) merged with the Department of Commerce and Economic Development, DCRA brought with it a grant to Alaska Legal Services for low-income client services. This was in the Commissioner's Office in DCRA and transferred to the new department in the same component. Since the grants section in the Division of Community and Business Development is administering this grant, the authorization is being transferred to the Community and Business Development Component.

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**Summary of BRU Budget Changes by Component**

**From FY2002 Authorized to FY2003 Governor**

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	1,532.1	0.0	1,457.2	2,989.3
<b>Adjustments which will continue current level of service:</b>				
-Commissioner's Office	-117.7	0.0	16.8	-100.9
-Administrative Services	41.7	0.0	28.5	70.2
<b>FY2003 Governor</b>	<b>1,456.1</b>	<b>0.0</b>	<b>1,502.5</b>	<b>2,958.6</b>