

# **State of Alaska FY2005 Governor's Operating Budget**

**Department of Administration**

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**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 Tax Appeals.

DOA also oversees administrative functions of three independent commissions which are the Alaska Public Broadcasting Commission, the Alaska Public Offices Commission, and the Alaska Oil and Gas Conservation Commission.

End Results	Strategies to Achieve Results
<p><b>(1) Reduce the cost of administrative support.</b></p> <p><u>Target:</u> Reduce administrative costs for the State of Alaska in FY2005.  <u>Measure:</u> Reduction in administrative costs in FY2005.</p> <p><u>Target:</u> Consolidate administrative functions in DOA in FY2005.  <u>Measure:</u> Percentage of Administrative functions consolidated in DOA in FY 2005.</p> <p><b>(2) Improve Customer Satisfaction.</b></p> <p><u>Target:</u> 80% Satisfaction in Administrative support provided by the Department of Administration.  <u>Measure:</u> Percentage of targeted employees rating administrative support services provided by the Department of Administration as satisfactory or above.</p>	<p><b>(1) Consolidate human resource functions in DOA.</b></p> <p><u>Target:</u> Reduction in human resource management costs in FY 2005.  <u>Measure:</u> Percentage reduction in HR costs in 2005.</p> <p><u>Target:</u> Consolidate human resource function in DOA by Dec. 31, 2003.  <u>Measure:</u> Completion of HR Integration on December 31, 2003.</p> <p><b>(2) Consolidate DOA administrative functions.</b></p> <p><u>Target:</u> Begin consolidation of administrative functions by May 30, 2004.  <u>Measure:</u> Percentage of administrative functions for which consolidation has begun on May 30, 2004.</p> <p><u>Target:</u> Reduction in projected cost of administrative functions in FY2005.  <u>Measure:</u> Percentage reduction in DOA administrative functions costs in FY 2005.</p> <p><b>(3) Adopt standards for response times for HR services.</b></p> <p><u>Target:</u> Response standards met 90% of time.  <u>Measure:</u> Percentage of responses meeting time standards.</p>

End Results	Strategies to Achieve Results
	<p><b>(4) Train employees on state HR standards.</b></p> <p><u>Target:</u> 90% satisfaction with services rendered.  <u>Measure:</u> Percentage of targeted employees rating HR services as satisfactory or above.</p>

FY2005 Resources Allocated to Achieve Results		
<p><b>FY2005 Department Budget: \$209,749,200</b></p>	<b>Personnel:</b>	
	Full time	933
	Part time	31
	<b>Total</b>	<b>964</b>

**Performance Measure Detail**

**(1) Result: Reduce the cost of administrative support.**

**Target:** Reduce administrative costs for the State of Alaska in FY2005.  
**Measure:** Reduction in administrative costs in FY2005.

**Target:** Consolidate administrative functions in DOA in FY2005.  
**Measure:** Percentage of Administrative functions consolidated in DOA in FY 2005.

**(2) Result: Improve Customer Satisfaction.**

**Target:** 80% Satisfaction in Administrative support provided by the Department of Administration.  
**Measure:** Percentage of targeted employees rating administrative support services provided by the Department of Administration as satisfactory or above.

**(1) Strategy: Consolidate human resource functions in DOA.**

**Target:** Reduction in human resource management costs in FY 2005.  
**Measure:** Percentage reduction in HR costs in 2005.

**Target:** Consolidate human resource function in DOA by Dec. 31, 2003.  
**Measure:** Completion of HR Integration on December 31, 2003.

**(2) Strategy: Consolidate DOA administrative functions.**

**Target:** Begin consolidation of administrative functions by May 30, 2004.  
**Measure:** Percentage of administrative functions for which consolidation has begun on May 30, 2004.

**Target:** Reduction in projected cost of administrative functions in FY2005.

**Measure:** Percentage reduction in DOA administrative functions costs in FY 2005.

### **(3) Strategy: Adopt standards for response times for HR services.**

**Target:** Response standards met 90% of time.

**Measure:** Percentage of responses meeting time standards.

### **(4) Strategy: Train employees on state HR standards.**

**Target:** 90% satisfaction with services rendered.

**Measure:** Percentage of targeted employees rating HR services as satisfactory or above.

## **Key Department Challenges**

The Department of Administration will face many challenges in FY2005 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. Efforts begun in FY2004 must be completed in order to meet all the objectives on schedule in FY2005.

Successful implementation of these initiatives will be a high priority for the department in FY2005.

Enterprise Technology Services: In November, 2003 the Department of Administration rolled out the state's new Information Technology Plan. Successful implementation of the plan, which will take place over the next two years, will be an ongoing priority for the department.

Motor Vehicles: The Division of Motor Vehicles (DMV) will finish developing a digital driver licensing system to replace the antiquated system currently in place. This will improve data storage and will provide faster response time to law enforcement inquiries.

## **Significant Changes in Results to be Delivered in FY2005**

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

## **Major Department Accomplishments in 2003**

- Established an enterprise human resource function, integrating all agency human resource staff into the Division of Personnel.
- Successfully negotiated the termination of the comprehensive Telecommunications Partnering Agreement (TPA) with Alaska Communications Systems (ACS).
- Successfully initiated the statewide Information Technology Plan.

## Prioritization of Agency Programs

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

1. Public Defender
2. Office of Public Advocacy
3. Retirement and Benefits
4. Alaska Oil and Gas Conservation Commission
5. Division of Finance
6. Division of Personnel
7. Division of Motor Vehicles
8. Division of Risk Management
9. Division of General Services
10. Enterprise Technology Services
11. Violent Crimes Compensation Board
12. Alaska Public Offices Commission
13. Office of Tax Appeals
14. Division of Administrative Services
15. Office of the Commissioner

### Contact Information

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**Department Budget Summary by RDU**

*All dollars shown in thousands*

	FY2003 Actuals				FY2004 Authorized				FY2005 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	1,080.3	0.0	0.0	1,080.3	1,568.9	0.0	0.0	1,568.9	1,568.9	0.0	0.0	1,568.9
Longevity Bonus	47,542.8	0.0	0.0	47,542.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Non-Formula Expenditures</b>												
Commissioner's Office	105.3	0.0	452.5	557.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Centralized Admin. Services	9,764.9	248.1	27,806.2	37,819.2	9,499.9	479.2	32,031.9	42,011.0	7,663.7	489.1	44,707.9	52,860.7
Leases	25,849.7	0.0	14,560.3	40,410.0	25,899.4	0.0	16,101.0	42,000.4	24,909.0	0.0	16,259.7	41,168.7
Facilities	1,028.3	0.0	5,913.4	6,941.7	927.5	0.0	6,628.4	7,555.9	927.5	0.0	6,686.3	7,613.8
DMV Leases-Dowling/Benson	1,044.9	0.0	0.0	1,044.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DMV Leases-Fairbanks Street	64.4	0.0	0.0	64.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DMV Leases-Downtown Core Area	28.4	0.0	0.0	28.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DMV Leases-Eagle River Office	26.6	0.0	0.0	26.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Admin State Facilities Rent	464.3	0.0	0.0	464.3	417.9	0.0	0.0	417.9	358.5	0.0	0.0	358.5
Enterprise Technology Services	0.0	0.0	18,865.0	18,865.0	0.0	0.0	34,099.5	34,099.5	0.0	0.0	34,496.7	34,496.7
Information Services Fund	325.0	0.0	0.0	325.0	0.0	0.0	55.0	55.0	0.0	0.0	55.0	55.0
Public Communications Services	4,437.2	0.0	423.6	4,860.8	4,460.7	0.0	1,223.7	5,684.4	4,460.7	0.0	1,223.7	5,684.4
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	24,350.2	24,350.2	0.0	0.0	24,483.9	24,483.9	0.0	0.0	24,505.5	24,505.5
Alaska Longevity Programs	23,669.7	0.0	13,393.9	37,063.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Senior Services	11,278.3	8,431.1	3,550.0	23,259.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AK Oil & Gas Conservation Comm	0.0	119.3	3,580.9	3,700.2	0.0	119.9	4,112.9	4,232.8	0.0	125.6	3,981.5	4,107.1
Legal & Advocacy Services	24,136.8	50.0	1,310.3	25,497.1	24,010.8	52.1	1,252.8	25,315.7	24,820.8	52.1	550.8	25,423.7
Violent Crimes Comp Board	0.0	0.0	0.0	0.0	0.0	408.7	1,178.4	1,587.1	150.0	409.5	875.2	1,434.7

**Department Budget Summary by RDU**

*All dollars shown in thousands*

	<b>FY2003 Actuals</b>				<b>FY2004 Authorized</b>				<b>FY2005 Governor</b>			
	<b>General Funds</b>	<b>Federal Funds</b>	<b>Other Funds</b>	<b>Total Funds</b>	<b>General Funds</b>	<b>Federal Funds</b>	<b>Other Funds</b>	<b>Total Funds</b>	<b>General Funds</b>	<b>Federal Funds</b>	<b>Other Funds</b>	<b>Total Funds</b>
Alaska Public Offices Comm	751.1	0.0	0.0	751.1	400.0	0.0	0.0	400.0	661.6	0.0	0.0	661.6
Division of Motor Vehicles	3,792.1	0.0	7,385.3	11,177.4	3,429.7	0.0	6,181.8	9,611.5	3,326.8	0.0	6,344.4	9,671.2
General Svcs	0.0	0.0	47.2	47.2	0.0	0.0	39.7	39.7	0.0	0.0	39.7	39.7
Facilities Maint.	0.0	0.0	0.0	0.0	0.0	0.0	23.0	23.0	0.0	0.0	23.0	23.0
ITG Facilities Maintenance	0.0	0.0	0.0	0.0	0.0	0.0	23.0	23.0	0.0	0.0	23.0	23.0
<b>Totals</b>	<b>155,466.1</b>	<b>8,848.5</b>	<b>121,638.8</b>	<b>285,953.4</b>	<b>70,690.8</b>	<b>1,059.9</b>	<b>127,412.0</b>	<b>199,162.7</b>	<b>68,923.5</b>	<b>1,076.3</b>	<b>139,749.4</b>	<b>209,749.2</b>

### Funding Source Summary

*All dollars in thousands*

Funding Sources	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
1002 Federal Receipts	8,600.4	580.7	587.2
1003 General Fund Match	1,291.4		
1004 General Fund Receipts	138,664.9	68,481.6	66,669.4
1005 General Fund/Program Receipts	791.7	666.1	711.0
1007 Inter-Agency Receipts	49,592.3	48,276.0	60,098.7
1017 Benefits Systems Receipts	13,931.7	17,481.9	17,522.2
1023 FICA Administration Fund Account	143.0	145.5	151.5
1029 Public Employees Retirement Fund	5,352.5	5,757.3	5,838.8
1033 Surplus Property Revolving Fund	248.1	479.2	489.1
1034 Teachers Retirement System Fund	2,220.6	2,284.5	2,334.9
1037 General Fund / Mental Health	14,718.1	1,543.1	1,543.1
1042 Judicial Retirement System	23.8	28.8	29.1
1045 National Guard Retirement System	86.0	102.1	104.3
1050 Permanent Fund Dividend Fund		2.7	
1061 Capital Improvement Project Receipts	266.9	394.3	571.6
1081 Information Service Fund	18,566.3	34,099.5	34,496.7
1092 Mental Health Trust Authority Authorized Receipts	2,051.7	77.4	77.4
1108 Statutory Designated Program Receipts	460.7	1,391.2	1,391.2
1147 Public Building Fund	5,212.9	5,937.1	5,969.8
1156 Receipt Supported Services	20,149.5	6,145.1	6,306.5
1162 Alaska Oil & Gas Conservation Commission Rcpts	3,580.9	4,112.9	3,981.5
1171 PF Dividend Appropriations in lieu of Dividends to Criminals		1,175.7	875.2
<b>Totals</b>	<b>285,953.4</b>	<b>199,162.7</b>	<b>209,749.2</b>

### Position Summary

Funding Sources	FY2004 Authorized	FY2005 Governor
Permanent Full Time	767	933
Permanent Part Time	29	31
Non Permanent	44	34
<b>Totals</b>	<b>840</b>	<b>998</b>

### FY2005 Capital Budget Request

Project Title	General Funds	Federal Funds	Other Funds	Total Funds
Labor Contract Negotiations and Arbitration Costs	0	0	500,000	500,000
License Plates, Tabs, and Manuals	0	0	385,000	385,000
Maintenance Projects for Facilities Outside the Public Building Fund	250,000	0	0	250,000
Juneau Subport Remediation Survey	0	0	30,000	30,000
Alaska Land Mobile Radio	0	0	400,000	400,000
Enterprise Technology Services Equipment Replacement Fund	0	0	1,814,000	1,814,000
Public Building Facilities Projects	0	0	3,000,000	3,000,000
Central Mail Service Equipment	0	0	550,000	550,000
<b>Department Total</b>	<b>250,000</b>	<b>0</b>	<b>6,679,000</b>	<b>6,929,000</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 FY2004 Authorized to FY2005 Governor

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2004 Authorized</b>	<b>70,690.8</b>	<b>1,059.9</b>	<b>127,412.0</b>	<b>199,162.7</b>
<b>Adjustments which will continue current level of service:</b>				
-Centralized Admin. Services	-1,290.4	9.9	735.6	-544.9
-Leases	-1,000.0	0.0	16.3	-983.7
-Facilities	0.0	0.0	55.5	55.5
-Admin State Facilities Rent	-59.4	0.0	0.0	-59.4
-Enterprise Technology Services	0.0	0.0	397.2	397.2
-Risk Management	0.0	0.0	21.6	21.6
-AK Oil & Gas Conservation Comm	0.0	5.7	113.7	119.4
-Legal & Advocacy Services	0.0	0.0	21.3	21.3
-Violent Crimes Comp Board	0.0	0.8	8.0	8.8
-Alaska Public Offices Comm	261.6	0.0	0.0	261.6
-Division of Motor Vehicles	-2.9	0.0	162.6	159.7
<b>Proposed budget decreases:</b>				
-Centralized Admin. Services	-545.8	0.0	-83.7	-629.5
-Facilities	0.0	0.0	-74.1	-74.1
-AK Oil & Gas Conservation Comm	0.0	0.0	-245.1	-245.1
-Legal & Advocacy Services	0.0	0.0	-723.3	-723.3
-Violent Crimes Comp Board	0.0	0.0	-311.2	-311.2
-Division of Motor Vehicles	-100.0	0.0	0.0	-100.0
<b>Proposed budget increases:</b>				
-Centralized Admin. Services	0.0	0.0	12,024.1	12,024.1
-Leases	9.6	0.0	142.4	152.0
-Facilities	0.0	0.0	76.5	76.5
-Legal & Advocacy Services	810.0	0.0	0.0	810.0
-Violent Crimes Comp Board	150.0	0.0	0.0	150.0
<b>FY2005 Governor</b>	<b>68,923.5</b>	<b>1,076.3</b>	<b>139,749.4</b>	<b>209,749.2</b>