

State of Alaska FY2005 Governor's Operating Budget

**Office of the Governor
Office of Management and Budget
RDU/Component Budget Summary**

Contents

RDU/Component: Office of Management and Budget	3
<i>End Results</i>	3
<i>Strategies to Achieve Results</i>	3
Component Financial Summary	6
Summary of Component Budget Changes	7
Personal Services Information	8

RDU/Component: Office of Management and Budget

(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)

Contribution to Department's Mission

To improve the effectiveness and efficiency of state government by providing budgetary, policy development, management and auditing services to the Governor and state agencies.

Core Services

- Prepare, secure its approval, and implement the Governor's Budget.
- Guide agencies for continuous improvement of services.
- Coordinate Single Audits for grantees.

End Results	Strategies to Achieve Results
<p>(1) Achieve long-term fiscal stability in the State of Alaska</p> <p><u>Target:</u> Balance recurring expenditures with recurring revenue within a five year period <u>Measure:</u> Annual percentage of recurring expenditures paid for by recurring revenues</p> <p>(2) Departments show improvement toward performance targets</p> <p><u>Target:</u> 90% of departmental performance targets are showing annual progress <u>Measure:</u> Percent of departmental performance targets that have shown annual progress</p>	<p>(1) Reduce spending from previous fiscal year</p> <p><u>Target:</u> No greater than a \$400 million draw from the constitutional budget reserve in FY2005 <u>Measure:</u> Amount drawn from the CBR in FY2005</p> <p>(2) Assist in enactment of new sustainable revenue</p> <p><u>Target:</u> \$100 million in new revenue in FY2005 <u>Measure:</u> Amount of increased revenue achieved in FY2005</p> <p>(3) Improve the agencies' capacity to link activities to end results</p> <p><u>Target:</u> 98% of all agencies and divisions will have strategic frameworks that establish a link between desired results and the activities necessary to produce them <u>Measure:</u> Percent of agencies and divisions with strategic frameworks that report the linkage between desired results and enabling activities</p> <p><u>Target:</u> 98% of agencies and divisions will have performance measures that indicate whether results and strategies are being advanced <u>Measure:</u> Percent of agencies and divisions with performance measures that report whether results and strategies are being advanced</p>

Major Activities to Advance Strategies

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Strategic planning work sessions • Produce performance management plans • Continued performance management training and coaching • Identify, prioritize and fund traditional responsibilities | <ul style="list-style-type: none"> • Collaborate with departments • Research and analyze new service improvement ideas • Public outreach • Identify priority programs and projects set out by the Governor |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Major Activities to Advance Strategies

- Develop and propose appropriate legislation
- Implement budget software enhancements

FY2005 Resources Allocated to Achieve Results

FY2005 Component Budget: \$1,990,200	Personnel:	
	Full time	22
	Part time	0
	Total	22

Performance Measure Detail

(1) Result: Achieve long-term fiscal stability in the State of Alaska

Target: Balance recurring expenditures with recurring revenue within a five year period
Measure: Annual percentage of recurring expenditures paid for by recurring revenues

(2) Result: Departments show improvement toward performance targets

Target: 90% of departmental performance targets are showing annual progress
Measure: Percent of departmental performance targets that have shown annual progress

(1) Strategy: Reduce spending from previous fiscal year

Target: No greater than a \$400 million draw from the constitutional budget reserve in FY2005
Measure: Amount drawn from the CBR in FY2005

(2) Strategy: Assist in enactment of new sustainable revenue

Target: \$100 million in new revenue in FY2005
Measure: Amount of increased revenue achieved in FY2005

(3) Strategy: Improve the agencies' capacity to link activities to end results

Target: 98% of all agencies and divisions will have strategic frameworks that establish a link between desired results and the activities necessary to produce them
Measure: Percent of agencies and divisions with strategic frameworks that report the linkage between desired results and enabling activities

Target: 98% of agencies and divisions will have performance measures that indicate whether results and strategies are being advanced
Measure: Percent of agencies and divisions with performance measures that report whether results and strategies are being advanced

Key Component Challenges

- Regardless of the price of oil, the state needs a long-range fiscal plan that balances the budget while maintaining stability for the Alaska economy and reliable services for Alaskans.
- The growing backlogs of school construction and deferred maintenance for schools and state facilities must be addressed with a plan that provides long-term financing.
- Further work is needed to implement more effective results-based budgeting and decision making.
- The Alaska Public Building Fund program should be expanded to include additional state facilities. The program incorporates the cost of facility maintenance and operations into agencies' operating budgets and brings in non-general fund dollars where appropriate. Additional funds will still be needed to fix the deferred maintenance backlog.

Significant Changes in Results to be Delivered in FY2005

Investing for Results – OMB has made significant progress in advancing the state along its journey to becoming a performance-based managing and budgeting government. In preparation for fiscal year 2005, all agencies have, with Missions & Measures as a foundation, created performance management plans that communicate specific end results to be delivered, enabling strategies, performance targets with attendant measures, and logically connected programmatic activities. These “road maps” will be used by OMB to guide future funding recommendations and by agency management as a tool to assist in making enlightened, forward-looking management decisions.

Major Component Accomplishments in 2003

- Coordinated the development and implementation of inter-agency budget proposals to address child protection, quality education, homeland security, oil safety and development, and the effects of alcohol abuse.
- Made further improvements to increase the versatility of the statewide Alaska Budget System used by executive branch departments to prepare their budgets.
- Notified recipients of state and federal financial assistance of audit requirements before the due date and worked with granting agencies to resolve audit findings within the required timeframe.

Statutory and Regulatory Authority

AS 37.07, AS 37.06, AS 44.19.145

Contact Information

Contact: Cheryl Frasca, Director
Phone: (907) 465-4660
Fax: (907) 465-3008
E-mail: Cheryl_Frascal@gov.state.ak.us

**Office of Management and Budget
Component Financial Summary**

All dollars shown in thousands

	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,492.7	1,747.6	1,858.2
72000 Travel	9.8	7.0	7.0
73000 Contractual	92.9	111.0	111.0
74000 Supplies	6.6	9.0	9.0
75000 Equipment	7.5	5.0	5.0
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	1,609.5	1,879.6	1,990.2
Funding Sources:			
1004 General Fund Receipts	1,552.4	1,879.6	1,990.2
1007 Inter-Agency Receipts	57.1	0.0	0.0
Funding Totals	1,609.5	1,879.6	1,990.2

**Summary of Component Budget Changes
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>
FY2004 Authorized	1,879.6	0.0	0.0	1,879.6
Adjustments which will continue current level of service:				
-Changes to Retirement and Other Personal Services Rates	110.6	0.0	0.0	110.6
FY2005 Governor	1,990.2	0.0	0.0	1,990.2

**Office of Management and Budget
Personal Services Information**

Authorized Positions		Personal Services Costs		
	FY2004 Authorized	FY2005 Governor		
Full-time	23	22	Annual Salaries	1,417,819
Part-time	0	0	Premium Pay	613
Nonpermanent	0	0	Annual Benefits	533,556
			<i>Less 4.80% Vacancy Factor</i>	(93,788)
			Lump Sum Premium Pay	0
Totals	23	22	Total Personal Services	1,858,200

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Admin Support Technician	0	0	2	0	2
Analyst Programmer III/IV	0	0	1	0	1
Analyst/Programmer V	0	0	1	0	1
Chief Analyst	0	0	1	0	1
Chief Budget Analyst	0	0	1	0	1
Director of OMB	0	0	1	0	1
Executive Secretary II	0	0	1	0	1
Internal Auditor	0	0	1	0	1
Internal Auditor III	0	0	2	0	2
Internal Auditor IV	1	0	0	0	1
Management Analyst	1	0	0	0	1
Program Budget Analyst III	0	0	1	0	1
Program Budget Analyst IV	0	0	1	0	1
Program Budget Analyst V	0	0	6	0	6
Senior Economist	0	0	1	0	1
Totals	2	0	20	0	22