

# **State of Alaska FY2007 Governor's Operating Budget**

## **Dept of Commerce, Community, & Economic Development Administrative Services Component Budget Summary**

**Component: Administrative Services**

**Contribution to Department's Mission**

To provide management services and administrative support to all divisions and agencies.

**Core Services**

- Financial Support Services of Budget, Accounting, Monitoring, and Reporting
- Procurement and Office Space Management
- Information Technology
- Publications

End Results	Strategies to Achieve Results
<p><b>A: Ensure compliance to all accounting principles.</b></p> <p><u>Target #1:</u> Zero audit findings. <u>Measure #1:</u> Number of audit recommendations.</p> <p><u>Target #2:</u> Zero questioned costs required to be returned to federal government. <u>Measure #2:</u> Amount of questioned costs returned to federal government.</p> <p><u>Target #3:</u> Zero unanticipated supplemental requests. <u>Measure #3:</u> Number of unanticipated supplemental requests received from agencies.</p>	<p><b>A1: Actively manage the financial activities of each agency.</b></p> <p><u>Target #1:</u> Meet with program staff and analyze financial information on a continuing basis on all agencies <u>Measure #1:</u> Number of agencies</p>
End Results	Strategies to Achieve Results
<p><b>B: Provide effective and efficient procurement related services.</b></p> <p><u>Target #1:</u> Zero procurement protests. <u>Measure #1:</u> Number of procurement protests resolved by Department.</p> <p><u>Target #2:</u> Zero procurement protests elevated to the appeal level handled by the Department of Administration. <u>Measure #2:</u> Number of appeals.</p>	<p><b>B1: Provide training for Procurement, writing skill and customer service.</b></p> <p><u>Target #1:</u> provide one training per employee <u>Measure #1:</u> Number of training</p>
End Results	Strategies to Achieve Results
<p><b>C: Provide efficient and secure information technology services for the Department.</b></p> <p><u>Target #1:</u> Timely completion of projects identified in the departmental IT plan. <u>Measure #1:</u> Number of completed projects.</p> <p><u>Target #2:</u> Continuance of minimal security breaches. <u>Measure #2:</u> Number of security breaches</p>	<p><b>C1: Provide technical training to IT staff.</b></p> <p><u>Target #1:</u> Completion one course per employee per year <u>Measure #1:</u> Number of courses taken by each employee</p> <p><u>Target #2:</u> Consolidation of all IT activities in to one section <u>Measure #2:</u> completion of consolidation</p>

<p><b>Target #3:</b> Run software programs with no major deficiencies.</p> <p><b>Measure #3:</b> Percentage of results not achieved.</p>	
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**Major Activities to Advance Strategies**

- Budget Preparation and Monitoring
- Office Space Management
- Maintain Effective Security of Department Data
- Procurement
- Legislative Hearing Support and Testimony
- Develop and Support E-Commerce Applications
- Appropriation, Fund and Cost Accounting
- Maintain Computer Network

**FY2007 Resources Allocated to Achieve Results**

<p><b>FY2007 Component Budget: \$4,095,500</b></p>	<b>Personnel:</b>	
	Full time	45
	Part time	0
	<b>Total</b>	<b>45</b>

**Performance Measure Detail**

**A: Result - Ensure compliance to all accounting principles.**

**Target #1:** Zero audit findings.  
**Measure #1:** Number of audit recommendations.

**Number of Audit Recommendations**

Fiscal Year	YTD Total
FY 2003	3
FY 2004	0
FY 2005	0

**Analysis of results and challenges:** Department of Commerce, Community and Economic Development's component unit Alaska Aerospace Development Corporation had three audit recommendations in fiscal year 2003 for timely and accurately reporting with no questioned costs.

**Target #2:** Zero questioned costs required to be returned to federal government.  
**Measure #2:** Amount of questioned costs returned to federal government.

**Amount of Questioned Costs Returned to Federal Government**

Fiscal Year	YTD Total
FY 2003	0
FY 2004	0
FY 2005	0

**Target #3:** Zero unanticipated supplemental requests.  
**Measure #3:** Number of unanticipated supplemental requests received from agencies.

**Number of unanticipated supplemental requests**

Fiscal Year	YTD Total
FY 2003	0
FY 2004	0
FY 2005	0

**A1: Strategy - Actively manage the financial activities of each agency.**

**Target #1:** Meet with program staff and analyze financial information on a continuing basis on all agencies

**Measure #1:** Number of agencies

**Number of agencies**

Fiscal Year	YTD Total
FY 2005	12

**B: Result - Provide effective and efficient procurement related services.**

**Target #1:** Zero procurement protests.

**Measure #1:** Number of procurement protests resolved by Department.

**Number of procurement protests**

Fiscal Year	YTD Total
FY 2003	0
FY 2004	0
FY 2005	0

**Target #2:** Zero procurement protests elevated to the appeal level handled by the Department of Administration.

**Measure #2:** Number of appeals.

**Number of procurement appeals**

Fiscal Year	Quarter 4	YTD Total
FY 2003	0	0
FY 2004	0	0
FY 2005	0	0

**B1: Strategy - Provide training for Procurement, writing skill and customer service.**

**Target #1:** provide one training per employee

**Measure #1:** Number of training

**Number of training**

Fiscal Year	YTD Total
FY 2004	1
FY 2005	2 +100.00%

**C: Result - Provide efficient and secure information technology services for the Department.**

**Target #1:** Timely completion of projects identified in the departmental IT plan.

**Measure #1:** Number of completed projects.

**Number of completed IT projects**

Year	YTD Total
2005	0

**Target #2:** Continuance of minimal security breaches.

**Measure #2:** Number of security breaches

Year	YTD Total
2003	0
2004	0
2005	0

**Target #3:** Run software programs with no major deficiencies.

**Measure #3:** Percentage of results not achieved.

**Percentage of results not achieved**

Fiscal Year	YTD Total
FY 2003	0
FY 2004	0
FY 2005	0

**C1: Strategy - Provide technical training to IT staff.**

**Target #1:** Completion one course per employee per year

**Measure #1:** Number of courses taken by each employee

**Number of courses**

Fiscal Year	YTD Total
FY 2004	0
FY 2005	1 0%

**Target #2:** Consolidation of all IT activities in to one section

**Measure #2:** completion of consolidation

## Key Component Challenges

Statewide governance for Information Technology (IT) planning has resulted in new practices and standards. Aligning the Department's IT efforts to the new process is a two to three year project. Reorganization of IT to allow greater flexibility when assigning and prioritizing IT projects is under review. This is increasingly important with the increasing focus on e-commerce, data security, increasing use of technology, and the training of users in these systems.

Updating of the Administrative Cost Allocation Plan (ACAP). An updated allocation using fiscal year 2005 proposed expenses is necessary to reflect the organizational changes made to the department in fiscal years 2004 and 2005.

Continued delivery of necessary services while replacing two retiring IT staff that have long term knowledge of both the systems and the business requirements for those systems.

## Significant Changes in Results to be Delivered in FY2007

Implementation of the Re-Engineering of the Insurance Business Process will be underway in fiscal year 2006. This is the third year of the estimated three year process.

Implementation of a document imaging system for the Division of Insurance in 2006 and continue to develop in 2007.

Migration to current state technology standards will be completed during fiscal year 2006. Before the end of fiscal year 2006 the department should be compliant with all the enterprise standards.

Implementation of a project management methodology for system development.

Consolidation of IT staff from divisions in to Division of Administrative Service

## Major Component Accomplishments in 2005

Continued improvement in the Department's information technology security profile. Staff responded within an hour of notification of a machine infected with a virus and critical operating system patches are always installed within the state's 10-day requirement, many times within half that time.

Implemented the Web Standards as required by Administrative Order No. 208 and required changes to many of the web pages within the department.

Implementation and continued management of the financial aspect of major new federally funded programs such as the \$35 million Fisheries Revitalization Strategy, \$15.0 million Rural Broadband Internet program.

## Statutory and Regulatory Authority

AS 44.33.010-020 Administrative Services

Contact Information
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**Administrative Services  
Component Financial Summary**

*All dollars shown in thousands*

	<b>FY2005 Actuals</b>	<b>FY2006 Management Plan</b>	<b>FY2007 Governor</b>
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	1,658.6	2,148.6	3,486.9
72000 Travel	16.1	17.5	17.5
73000 Services	531.3	466.8	561.3
74000 Commodities	35.8	28.1	28.1
75000 Capital Outlay	25.4	1.7	1.7
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>2,267.2</b>	<b>2,662.7</b>	<b>4,095.5</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	761.5	1,038.3	1,113.9
1007 Inter-Agency Receipts	1,505.7	1,624.4	2,981.6
<b>Funding Totals</b>	<b>2,267.2</b>	<b>2,662.7</b>	<b>4,095.5</b>

**Estimated Revenue Collections**

<b>Description</b>	<b>Master Revenue Account</b>	<b>FY2005 Actuals</b>	<b>FY2006 Managemen t Plan</b>	<b>FY2007 Governor</b>
<b><u>Unrestricted Revenues</u></b>				
Unrestricted Fund	68515	201.9	0.0	0.0
<b>Unrestricted Total</b>		<b>201.9</b>	<b>0.0</b>	<b>0.0</b>
<b><u>Restricted Revenues</u></b>				
Interagency Receipts	51015	1,505.7	1,624.4	2,981.6
<b>Restricted Total</b>		<b>1,505.7</b>	<b>1,624.4</b>	<b>2,981.6</b>
<b>Total Estimated Revenues</b>		<b>1,707.6</b>	<b>1,624.4</b>	<b>2,981.6</b>

**Summary of Component Budget Changes  
From FY2006 Management Plan to FY2007 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2006 Management Plan</b>	<b>1,038.3</b>	<b>0.0</b>	<b>1,624.4</b>	<b>2,662.7</b>
<b>Adjustments which will continue current level of service:</b>				
-FY 07 Wage Increases for Bargaining Units and Non-Covered Employees	18.1	0.0	21.3	39.4
-FY 07 Health Insurance Cost Increases for Bargaining Units and Non-Covered Employees	2.5	0.0	2.8	5.3
-FY 07 Retirement Systems Cost Increase	34.4	0.0	40.6	75.0
-FY2007 Wage, Health Insurance, Retirement, and Risk Management Increases for Division of Personnel	18.7	0.0	0.0	18.7
<b>Proposed budget increases:</b>				
-Increase Interagency Receipts due to transfer of Information Technology Staff to Administrative Services	0.0	0.0	50.0	50.0
-Risk Management Self-Insurance Funding Increase	1.9	0.0	3.0	4.9
-Increase Interagency Receipts due to transfer of Information Technology Staff to Administrative Services	0.0	0.0	1,239.5	1,239.5
<b>FY2007 Governor</b>	<b>1,113.9</b>	<b>0.0</b>	<b>2,981.6</b>	<b>4,095.5</b>

**Administrative Services  
Personal Services Information**

Authorized Positions		Personal Services Costs		
<u>FY2006</u>				
<u>Management</u>		<u>FY2007</u>		
<u>Plan</u>		<u>Governor</u>		
Full-time	31	45	Annual Salaries	2,321,460
Part-time	0	0	COLA	62,075
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	1,251,006
			<i>Less 4.06% Vacancy Factor</i>	(147,641)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>31</b>	<b>45</b>	<b>Total Personal Services</b>	<b>3,486,900</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant III	0	0	2	0	2
Accountant IV	0	0	1	0	1
Accountant V	0	0	1	0	1
Accounting Clerk II	0	0	1	0	1
Accounting Tech I	1	0	2	0	3
Accounting Tech II	0	0	1	0	1
Accounting Tech III	0	0	3	0	3
Administrative Assistant	0	0	1	0	1
Administrative Clerk II	1	0	0	0	1
Administrative Clerk III	0	0	1	0	1
Analyst/Programmer I	0	0	1	0	1
Analyst/Programmer III	1	0	5	0	6
Analyst/Programmer IV	0	0	6	0	6
Analyst/Programmer V	0	0	2	0	2
Data Processing Mgr III	0	0	1	0	1
Division Director	0	0	1	0	1
Micro/Network Spec I	1	0	1	0	2
Micro/Network Tech II	2	0	1	0	3
Procurement Spec I	0	0	1	0	1
Procurement Spec II	0	0	1	0	1
Procurement Spec IV	0	0	1	0	1
Publications Spec I	0	0	1	0	1
Publications Spec II	0	0	0	1	1
Supply Technician I	0	0	1	0	1
Supply Technician II	0	0	1	0	1
Systems Programmer III	0	0	1	0	1
<b>Totals</b>	<b>6</b>	<b>0</b>	<b>38</b>	<b>1</b>	<b>45</b>