

**State of Alaska
FY2009 Governor's Operating Budget**

**Department of Commerce, Community, and 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 Result	Strategies to Achieve End Result
<p>A: Ensure compliance to all accounting principles.</p> <p><u>Target #1:</u> Zero audit findings. <u>Measure #1:</u> Number of audit findings.</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>A1: Actively manage the financial activities of each agency.</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 Result	Strategies to Achieve End Result
<p>B: Provide effective and efficient procurement-related services.</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>B1: Provide procurement-related training.</p> <p><u>Target #1:</u> 100% of employees performing procurement-related services receive required procurement training. <u>Measure #1:</u> Percentage of employees performing procurement-related services that receive required procurement training.</p>
End Result	Strategies to Achieve End Result
<p>C: Provide efficient and secure information technology services for the Department.</p> <p><u>Target #1:</u> Zero security breaches. <u>Measure #1:</u> Number of security breaches</p> <p><u>Target #2:</u> Zero software programs with major deficiencies. <u>Measure #2:</u> Number of software programs with major deficiencies.</p> <p><u>Target #3:</u> 70% percent of IT projects completed on time. <u>Measure #3:</u> Percentage of IT projects completed on time.</p>	<p>C1: Provide technical training to information technology staff.</p> <p><u>Target #1:</u> 100% of information technology staff complete at least one course per year. <u>Measure #1:</u> Percentage of information technology staff that complete at least one course per year.</p>

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

FY2009 Resources Allocated to Achieve Results

FY2009 Component Budget: \$4,420,800

Personnel:	
Full time	46
Part time	0
Total	46

Performance Measure Detail

A: Result - Ensure compliance to all accounting principles.

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

Number of Audit Recommendations

Year	YTD
FY 2003	3
FY 2004	0
FY 2005	1
FY 2006	1

Analysis of results and challenges: In 2006, DCCED had one finding related to two shortfalls in the operating budget related to revenue. This has been corrected

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

Year	YTD
FY 2003	0
FY 2004	0
FY 2005	0
FY 2006	0

Analysis of results and challenges: To be in compliance with audit and federal guidelines, the finance Section has strictly followed A-87 and A-122 and State rules and regulations on federal programs to eliminate audit or financial findings. This has assisted on a zero return of federal dollars.

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

Year	YTD
FY 2005	12
FY 2006	12
FY 2007	12

Analysis of results and challenges: The fiscal has prepared financial projections to assist divisions and agencies to control their budget. This process has eliminated shortfalls in their budget. Due to this reason, the department did not request any budget increases for FY06 and FY07

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

Year	YTD
FY 2003	0
FY 2004	0
FY 2005	0
FY 2006	0
FY 2007	0

Analysis of results and challenges: Due to the complete analysis of each contracts, zero procurement protests elevated to the appeal level handled by the the Department of Administration

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

Year	YTD
FY 2003	0
FY 2004	0
FY 2005	0
FY 2006	0
FY 2007	0

Analysis of results and challenges: Because the procuremnt staff were able to eliminate contract problems at an early stage, the department did not have any appeals from the contractors.

B1: Strategy - Provide procurement-related training.

Target #1: 100% of employees performing procurement-related services receive required procurement training.

Measure #1: Percentage of employees performing procurement-related services that receive required procurement training.

Percentage of employees receive training

Year	YTD
FY 2004	50%
FY 2005	100%
FY 2006	100%
FY 2007	100%

Analysis of results and challenges: The knowledge attained by the staff through the procurement training assisted them to follow rules set up by the Department of Administration which leads to no procurement violations.

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

Target #1: Zero security breaches.

Measure #1: Number of security breaches

Year	YTD
2003	0
2004	0
2005	0
2006	0
2007	0

Analysis of results and challenges: The department's anti-virus software is continually upgraded to maintain security

Target #2: Zero software programs with major deficiencies.

Measure #2: Number of software programs with major deficiencies.

Analysis of results and challenges: The in-house programs are constantly maintained to avoid deficiencies.

Target #3: 70% percent of IT projects completed on time.

Measure #3: Percentage of IT projects completed on time.

Number of projects completed

Year	#of Projects	Proj.Completed	Percentage
2007	40	28	70%

Analysis of results and challenges: Some of the projects are long range projects that need over a fiscal year to complete.

C1: Strategy - Provide technical training to information technology staff.

Target #1: 100% of information technology staff complete at least one course per year.
Measure #1: Percentage of information technology staff that complete at least one course per year.

Percentage of information technology staff that complete at least one course per year

Year	YTD
FY 2004	0%
FY 2005	17%
FY 2006	50%
FY 2007	40%

Analysis of results and challenges: The Information Technology staff needs to stay current with the latest changes in technology.

Key Component Challenges

Rewriting the software programs for professional and business licensing that may require professional help that can be difficult to obtain. Imaging project for Insurance requires manpower that delays other projects.

Significant Changes in Results to be Delivered in FY2009

No significant changes.

Major Component Accomplishments in 2007

Continued improvement in the Department’s information technology security profile. Staff responds 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. The Stellent imaging program has been installed for all staff in the Division of Insurance. This has enabled the Division of Insurance to have a paperless filing system which saves time with the ease of retrieving or transferring information between staff.

Continue to provide financial services without increase in staff.

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

	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	3,189.7	3,435.3	3,988.7
72000 Travel	58.0	17.5	17.5
73000 Services	631.3	598.3	384.8
74000 Commodities	97.6	28.1	28.1
75000 Capital Outlay	2.8	1.7	1.7
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	3,979.4	4,080.9	4,420.8
Funding Sources:			
1004 General Fund Receipts	1,005.3	1,149.2	1,280.0
1007 Inter-Agency Receipts	2,974.1	2,931.7	3,140.8
Funding Totals	3,979.4	4,080.9	4,420.8

Estimated Revenue Collections

Description	Master Revenue Account	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Unrestricted Revenues				
Unrestricted Fund	68515	48.6	48.6	48.6
Unrestricted Total		48.6	48.6	48.6
Restricted Revenues				
Interagency Receipts	51015	2,974.1	2,931.7	3,140.8
Restricted Total		2,974.1	2,931.7	3,140.8
Total Estimated Revenues		3,022.7	2,980.3	3,189.4

**Summary of Component Budget Changes
From FY2008 Management Plan to FY2009 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Management Plan	1,149.2	0.0	2,931.7	4,080.9
Adjustments which will continue current level of service:				
-ETS Chargeback Redistribution	11.5	0.0	0.0	11.5
-FY 09 Health Insurance Increases for Exempt Employees	0.1	0.0	0.1	0.2
-FY 09 Bargaining Unit Contract Terms: General Government Unit	44.2	0.0	116.3	160.5
Proposed budget increases:				
-Core Service Increases Paid to Department of Administration	75.0	0.0	0.0	75.0
-Information Technology Program Coordinator Position (PCN 08?003)	0.0	0.0	92.7	92.7
FY2009 Governor	1,280.0	0.0	3,140.8	4,420.8

**Administrative Services
Personal Services Information**

Authorized Positions		Personal Services Costs		
<u>FY2008</u>				
<u>Management</u>		<u>FY2009</u>		
<u>Plan</u>		<u>Governor</u>		
Full-time	46	46	Annual Salaries	2,651,730
Part-time	0	0	COLA	172,771
Nonpermanent	0	2	Premium Pay	0
			Annual Benefits	1,418,561
			<i>Less 5.99% Vacancy Factor</i>	(254,362)
			Lump Sum Premium Pay	0
Totals	46	48	Total Personal Services	3,988,700

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	0	0	3	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 Officer II	1	0	0	0	1
Analyst/Programmer I	0	0	1	0	1
Analyst/Programmer III	0	0	4	0	4
Analyst/Programmer IV	1	0	8	0	9
Analyst/Programmer V	0	0	3	0	3
Budget Analyst IV	0	0	1	0	1
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 Spec II	1	0	1	0	2
Micro/Network Tech II	1	0	1	0	2
Procurement Spec I	0	0	1	0	1
Procurement Spec II	0	0	1	0	1
Procurement Spec IV	0	0	1	0	1
Prog Coordinator	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
Totals	5	0	42	1	48