

ALASKA DEPARTMENT OF ADMINISTRATION DEPARTMENT OVERVIEW

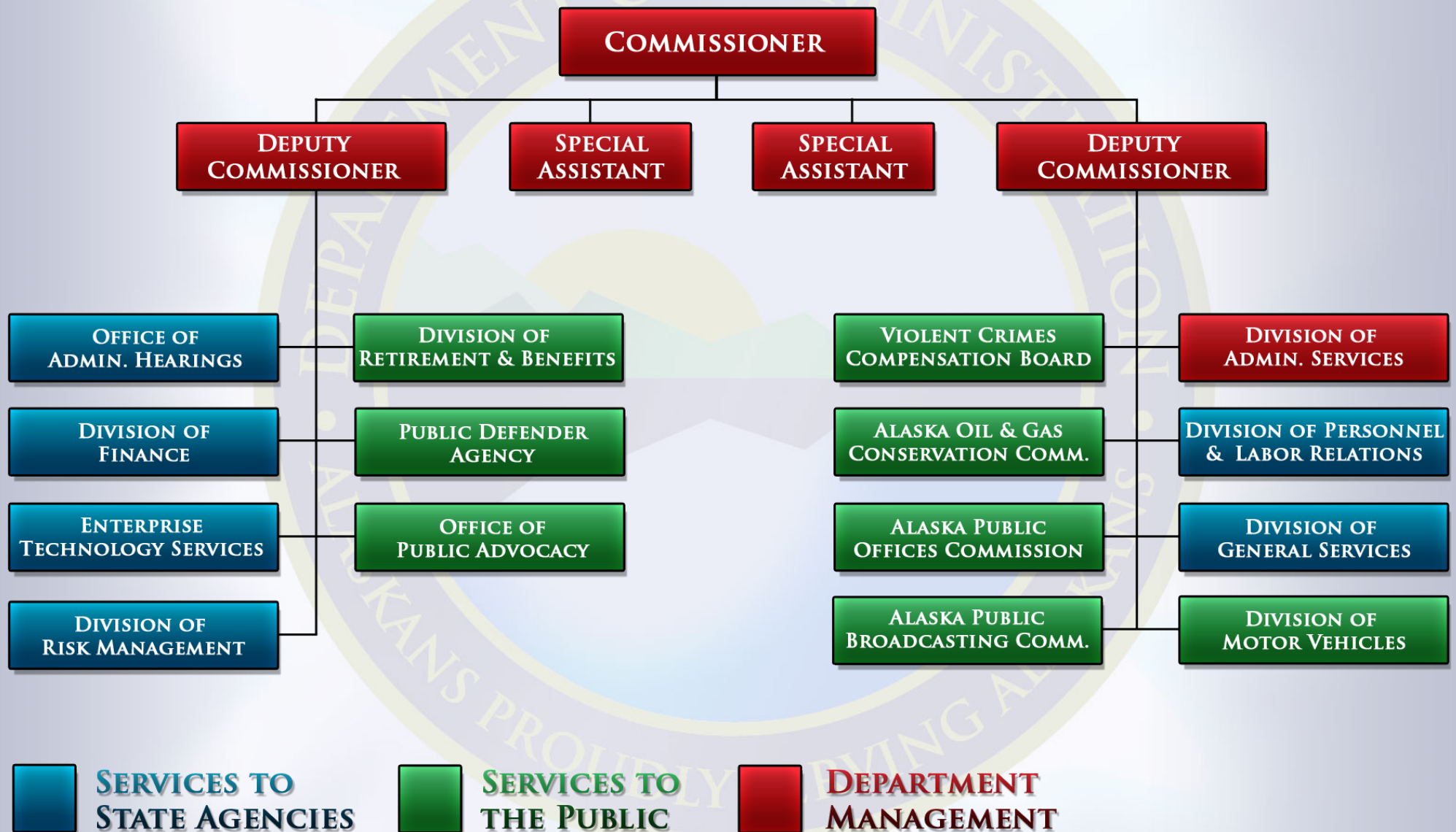


Presentation to
**House Finance
Committee**

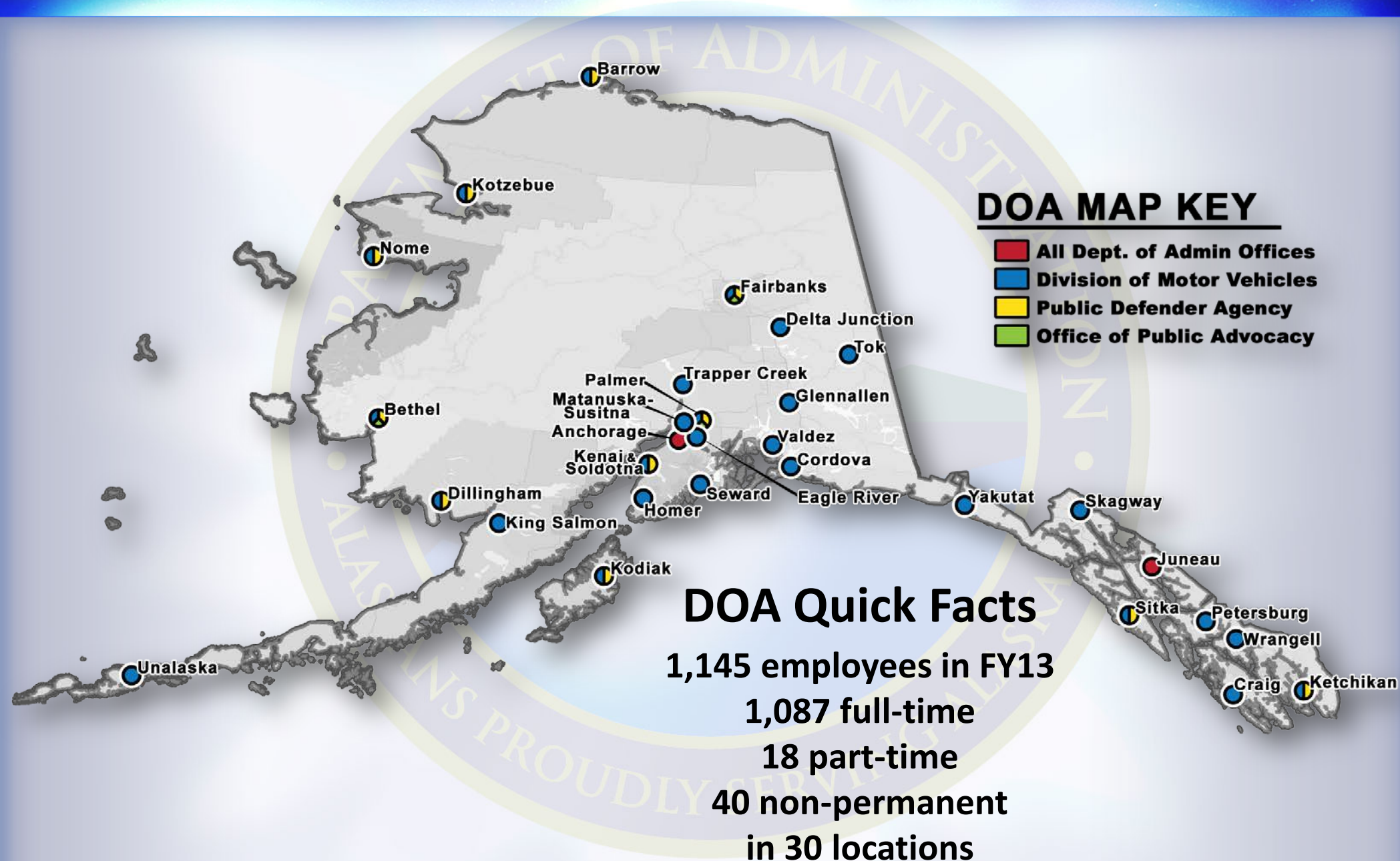
January 29, 2013

Commissioner Becky Hultberg
Director Cheri Lowenstein

ORGANIZATION CHART



SERVICE ACROSS ALASKA



STRATEGIC PLAN HIGHLIGHTS

Mission: The mission of the Department of Administration is to provide consistent and efficient support services for state agencies.

Vision: As employees of the Department of Administration, we will provide innovative, cost-effective and responsive service.

Department Goals:

Service Excellence: Provide excellent program delivery through clear communication and respectful and responsive actions.

Spending Growth Reduction: Reduce the rate of spending growth to sustainable levels.

Effective and Efficient Delivery of Services: Implement strategies to achieve operational efficiencies.

Employee Development and Support: Encourage employee growth and development by providing leadership, training and resources in an atmosphere that fosters mutual trust and respect.

Core Values:

Integrity: We will be honest, transparent, and ethical.

Service: We will provide excellent service.

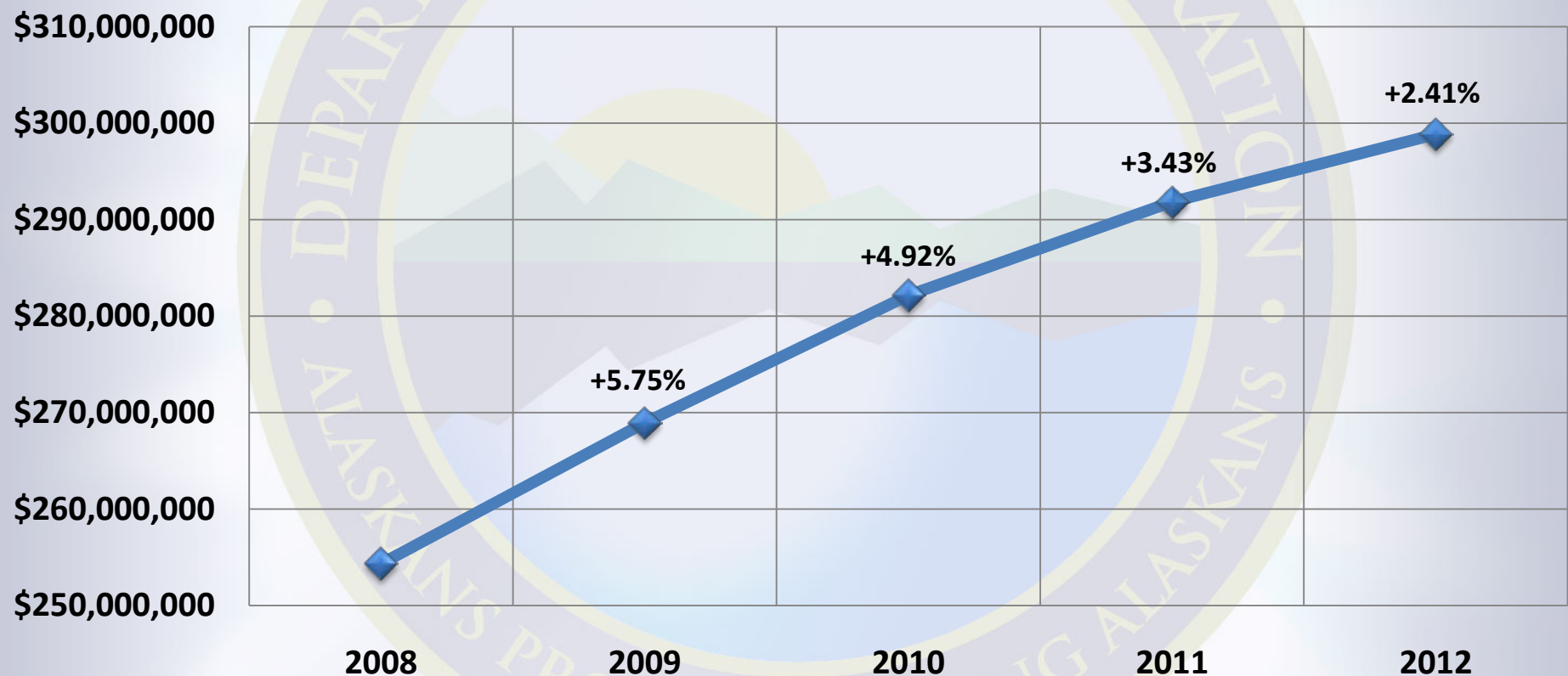
Accountability: We will take responsibility for and ownership of the services we provide.

Balance: We will honor our commitments to our work and personal lives.

DEPARTMENT LEVEL RESULTS

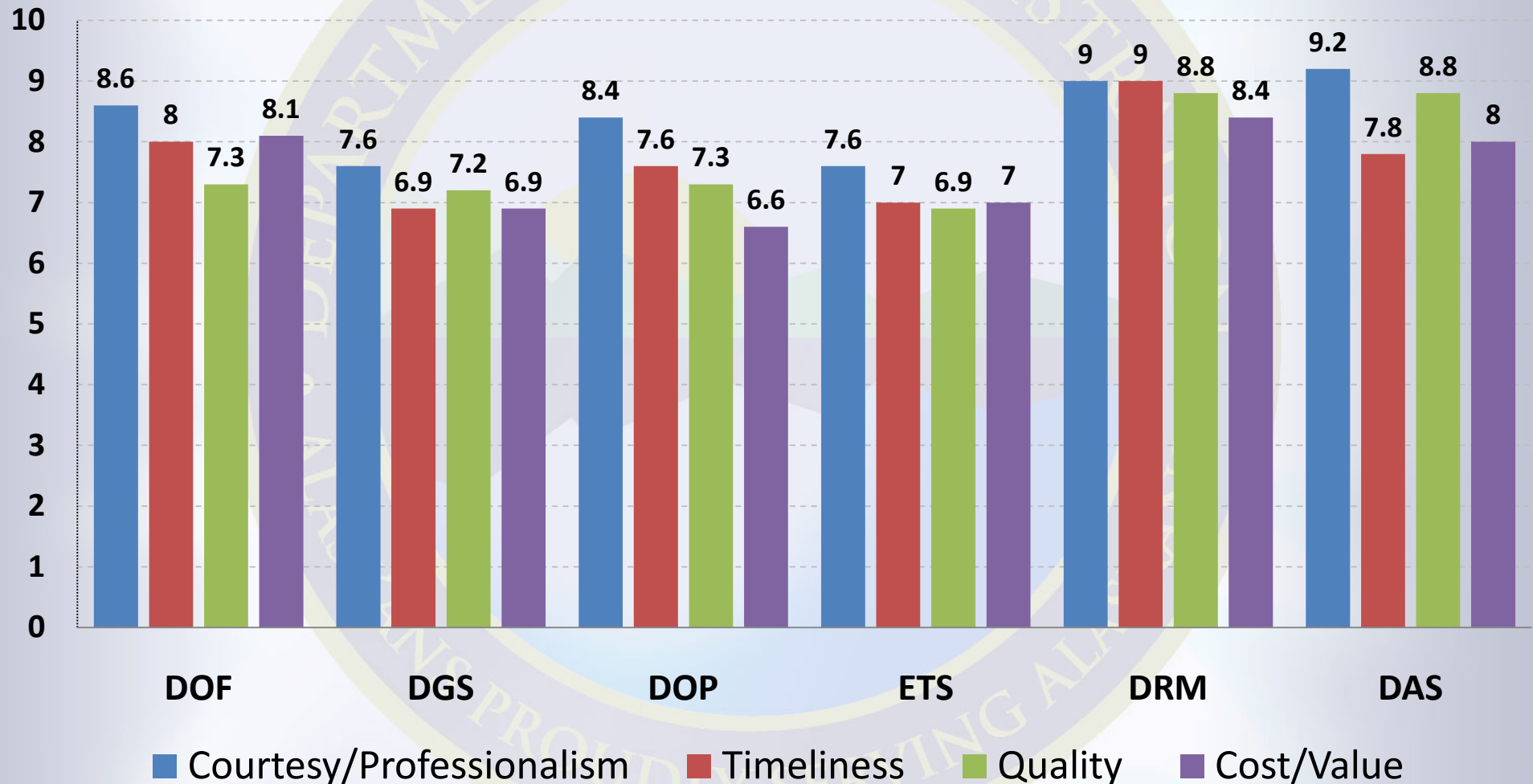
DOA Expenditures - 5 Year Trend

5 Year Average:
+4.12%



DEPARTMENT LEVEL RESULTS

Customer service survey results for “Internal Services” agencies:



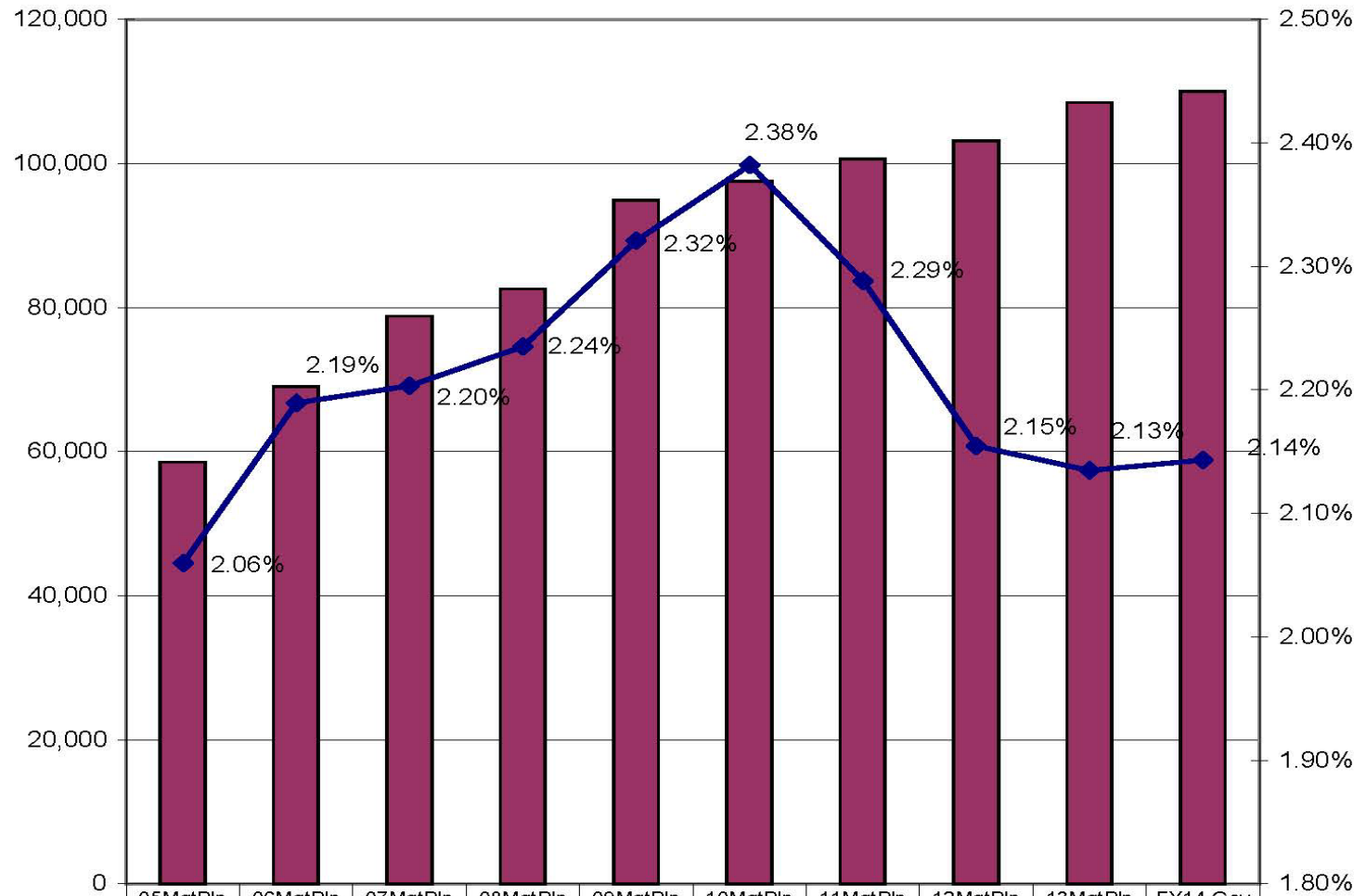
Very Unsatisfied = 0 , Very Satisfied = 10, results from a September 2012 internal survey

SHARE OF TOTAL AGENCY OPERATIONS

Department of Administration Share of Total Agency Operations
(GF Only)
(\$ Thousands)

The department's GF budget grew over \$51 million (87.9%) between FY05 and the FY14 Governor's Request—an average annual growth rate for that period of 7.3%.

The department's total FY14 GF budget request equals \$335 per resident worker.*



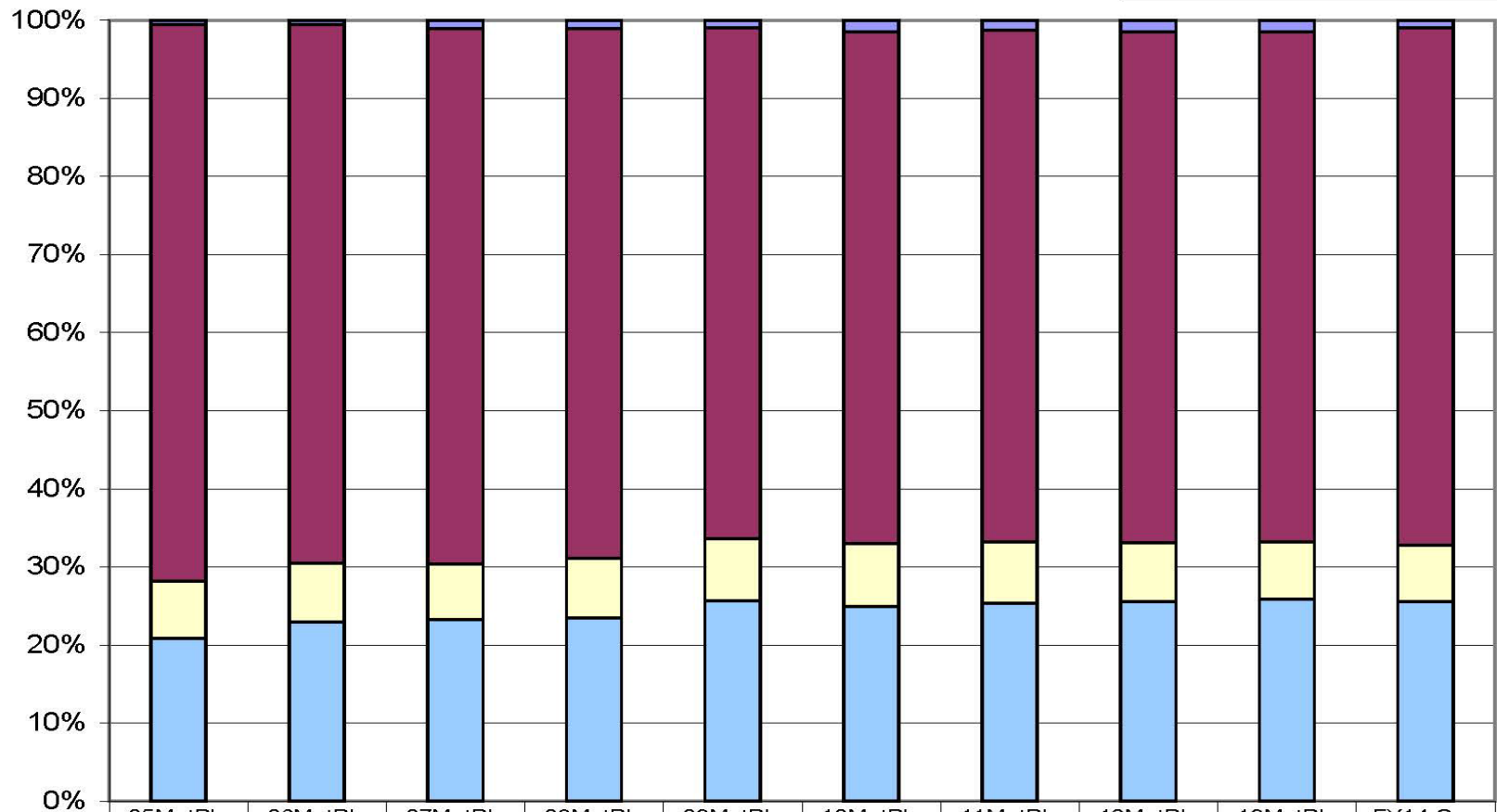
Total Agency Budget (GF Only)	58,552.6	69,006.8	78,806.3	82,612.5	94,886.1	97,516.0	100,613.2	103,179.5	108,490.3	110,046.9
% of Agency Budget to Total Agencies' budgets	2.06%	2.19%	2.20%	2.24%	2.32%	2.38%	2.29%	2.15%	2.13%	2.14%

* According to the Department of Labor, there were 328,611 resident workers in Alaska in 2010.

PERCENT OF BUDGET BY FUND GROUP

Department of Administration
Percent of the Total Department's Budget by Fund Group
(All Funds)
(\$ Thousands)

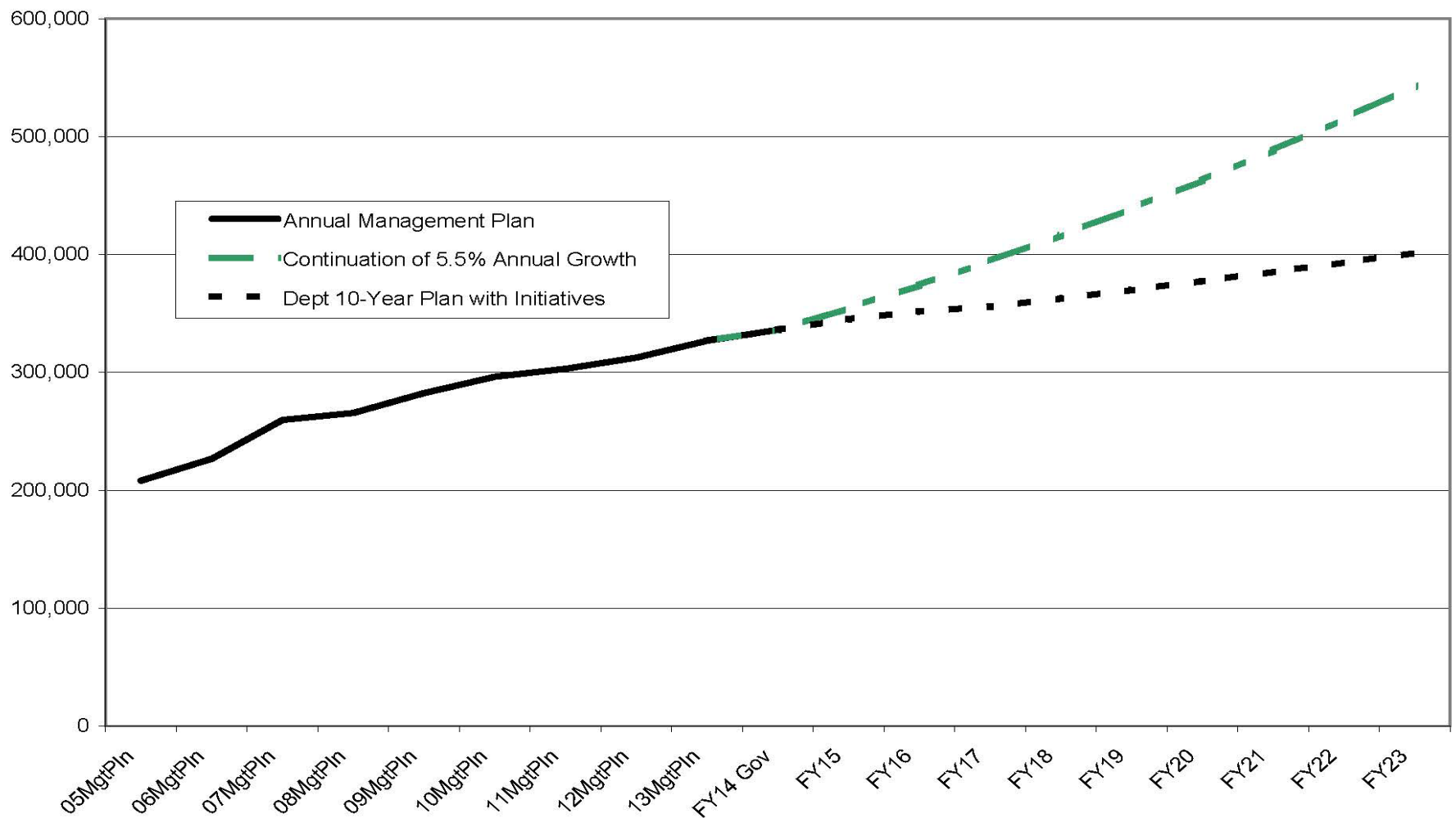
FY14 Gov Budget:
General Funds (26% UGF and 7% DGF)
 --Totaling 33%
Other Funds -- 66% (I/A Receipts
 accounts for 38% of the total agency
 budget).
Federal Receipt Authority -- 1%



	05MgtPln	06MgtPln	07MgtPln	08MgtPln	09MgtPln	10MgtPln	11MgtPln	12MgtPln	13MgtPln	FY14 Gov
■ Federal Receipts (Fed)	1,206.2	1,181.8	2,825.0	2,825.4	2,776.3	4,420.8	3,935.8	4,539.4	4,991.9	3,293.7
■ Other State Funds (Other)	148,301.8	156,406.0	177,928.0	180,067.8	184,705.7	194,276.8	198,387.5	204,690.1	213,322.0	222,820.0
■ Designated General (DGF)	15,280.5	17,036.5	18,575.4	20,384.3	22,569.3	23,868.7	23,984.0	23,493.5	23,954.0	24,098.4
■ Unrestricted General (UGF)	43,272.1	51,970.3	60,230.9	62,228.2	72,316.8	73,647.3	76,629.2	79,686.0	84,536.3	85,948.5

10 YEAR PLAN

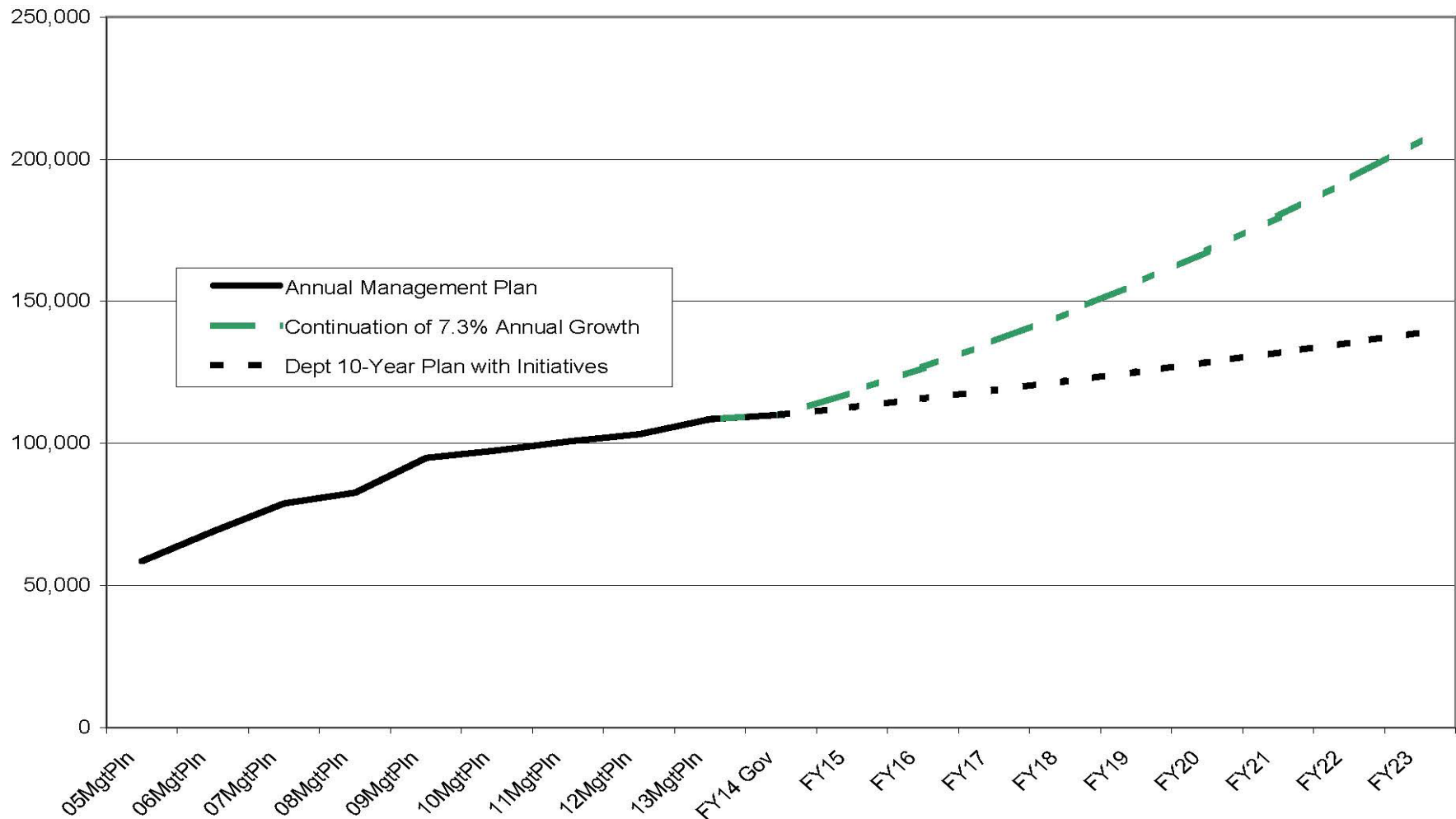
**Department of Administration
Continued Budget Growth Compared to 10-Year Plan
(All Funds)
(\$ Thousands)**



SOURCE: Legislative Finance

10 YEAR PLAN

Department of Administration
Continued Budget Growth Compared to 10-Year Plan
(GF Only)
(\$ Thousands)

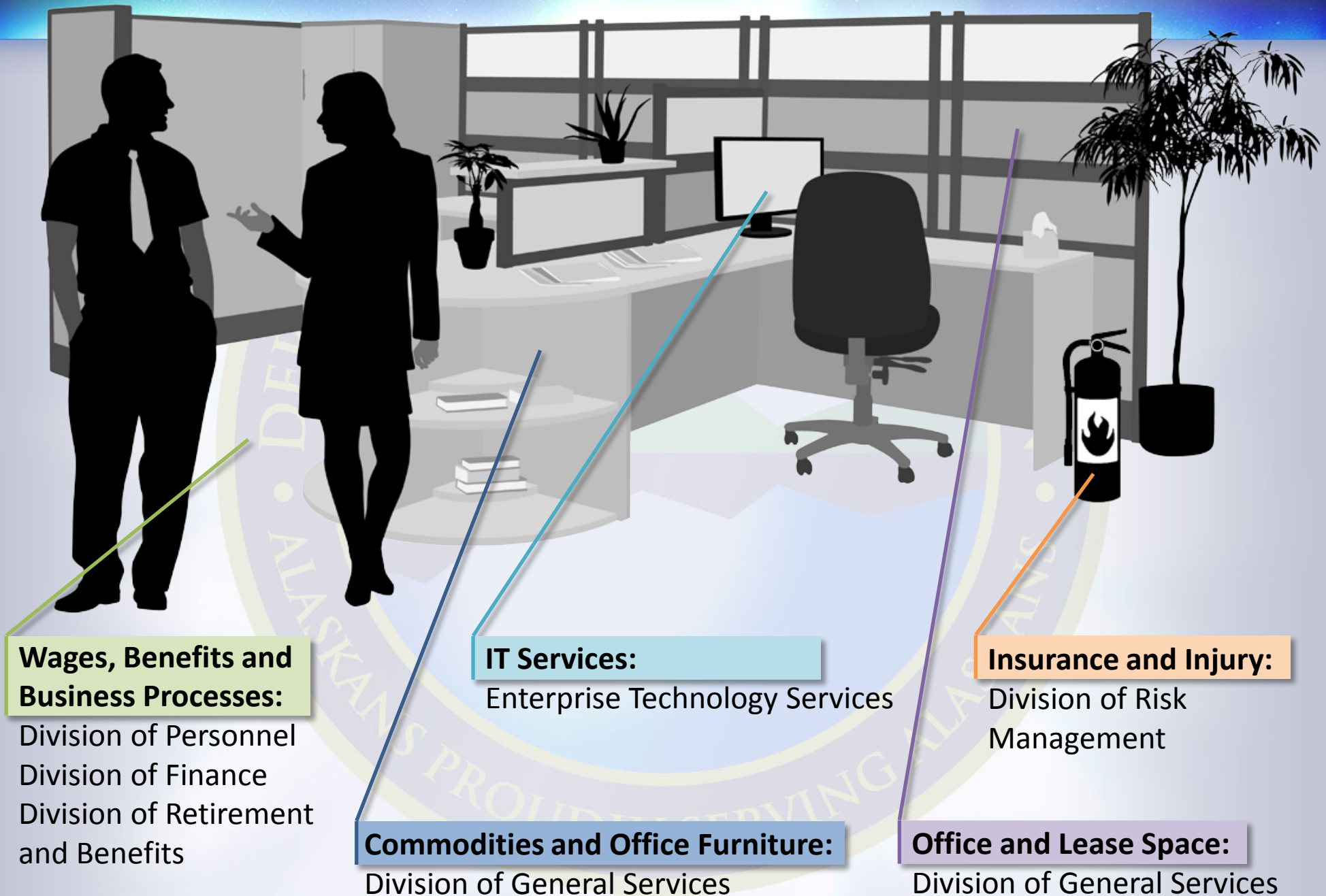


SOURCE: Legislative Finance

SERVICES TO THE PUBLIC

- **Division of Motor Vehicles**
- **Office of Public Advocacy**
- **Public Defender Agency**
- **Division of Retirement and Benefits**
- **Office of Administrative Hearings**
- **Alaska Public Offices Commission**
- **Alaska Oil and Gas Conservation Commission**
- **Alaska Public Broadcasting Commission**
- **Violent Crimes Compensation Board**

SERVICES TO STATE AGENCIES



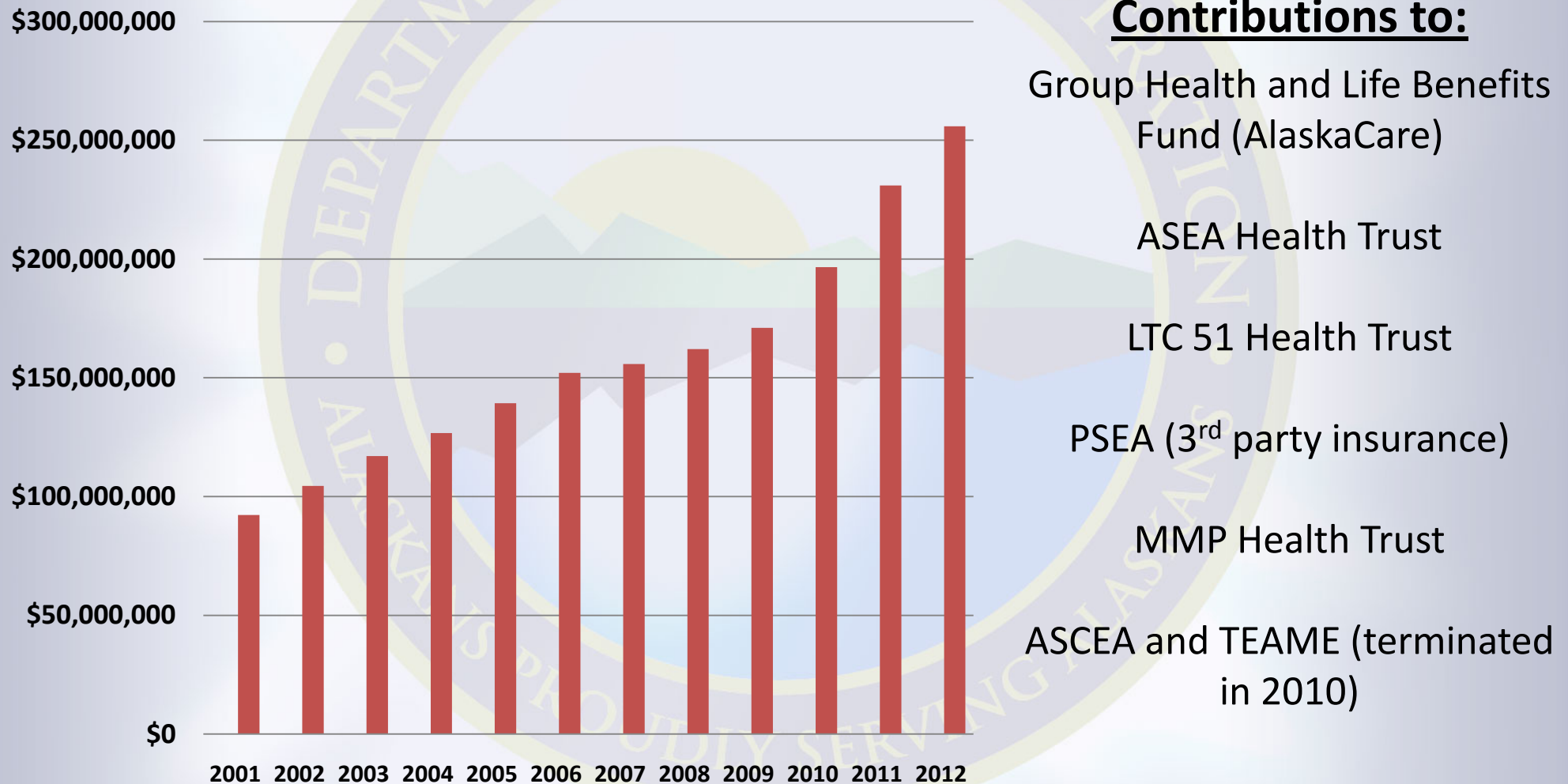
PERSONAL SERVICES

- Personal services line has increased by an average of **5.45% a year since 2006.**
- Personal services increases:
 - Negotiated COLA
 - plus**
 - Negotiated (and statutory) merit increase and pay increments
 - plus**
 - Increase in employer-paid health insurance premium

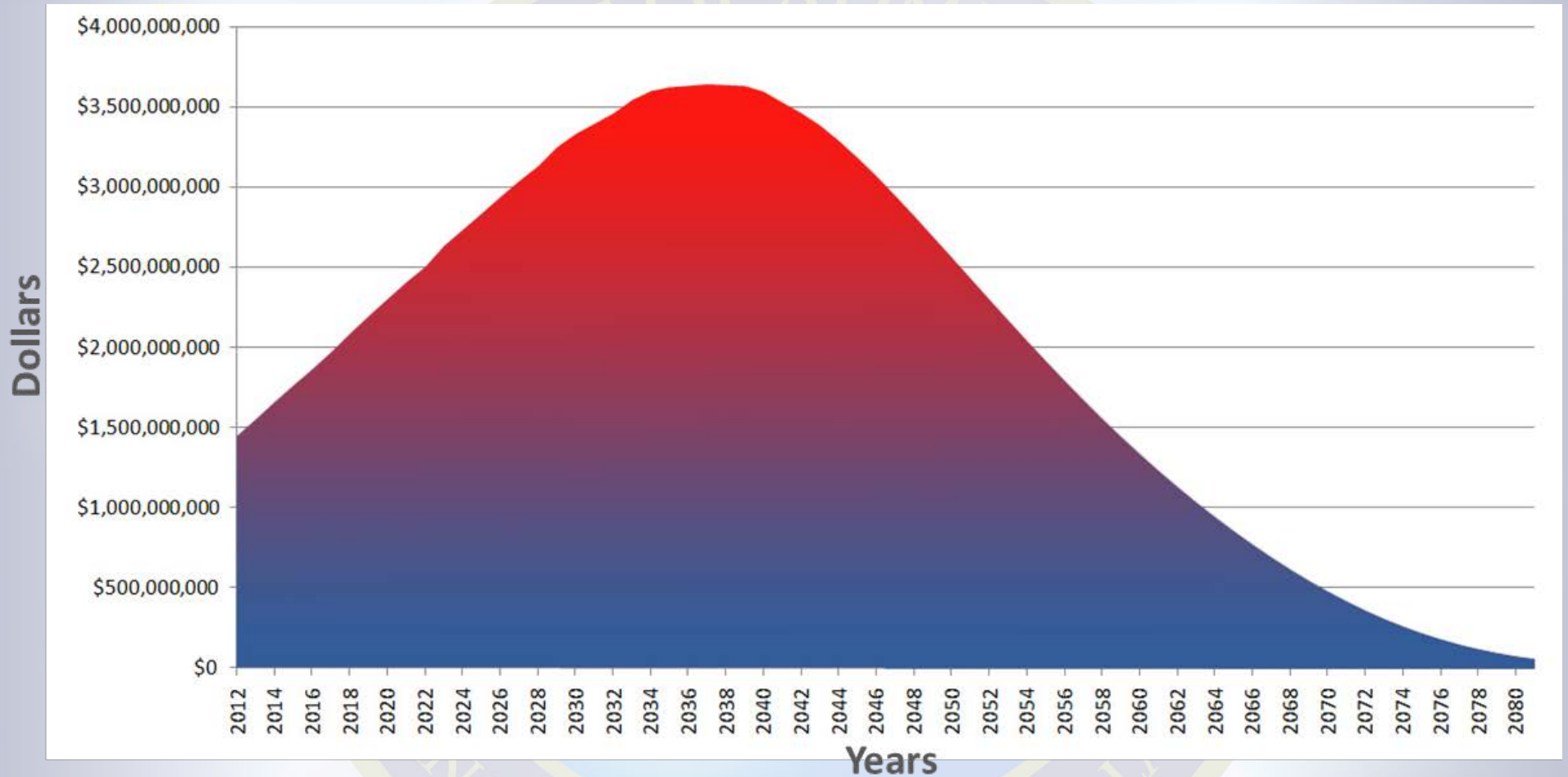
General Government (ASEA)	8,231
Supervisory (APEA)	2,219
Confidential (CEA)	192
Labors, Trades & Crafts (LTC)	1,675
Correctional Officers (ACOA)	777
Public Safety Officers (PSEA)	487
Marine Engineers (MEBA)	99
Masters, Mates & Pilots (MMP)	97
Inlandboatmen's Union (IBU)	654
AK Vocational Technical Teachers (AVTECTA)	39
Mt. Edgecumbe Teachers (TEAME)	29
Excluded	4
Exempt and Partially Exempt	1,355

BENEFITS

State of Alaska Contributions to Active Employee Health Plans



BENEFITS: PERS/TRS



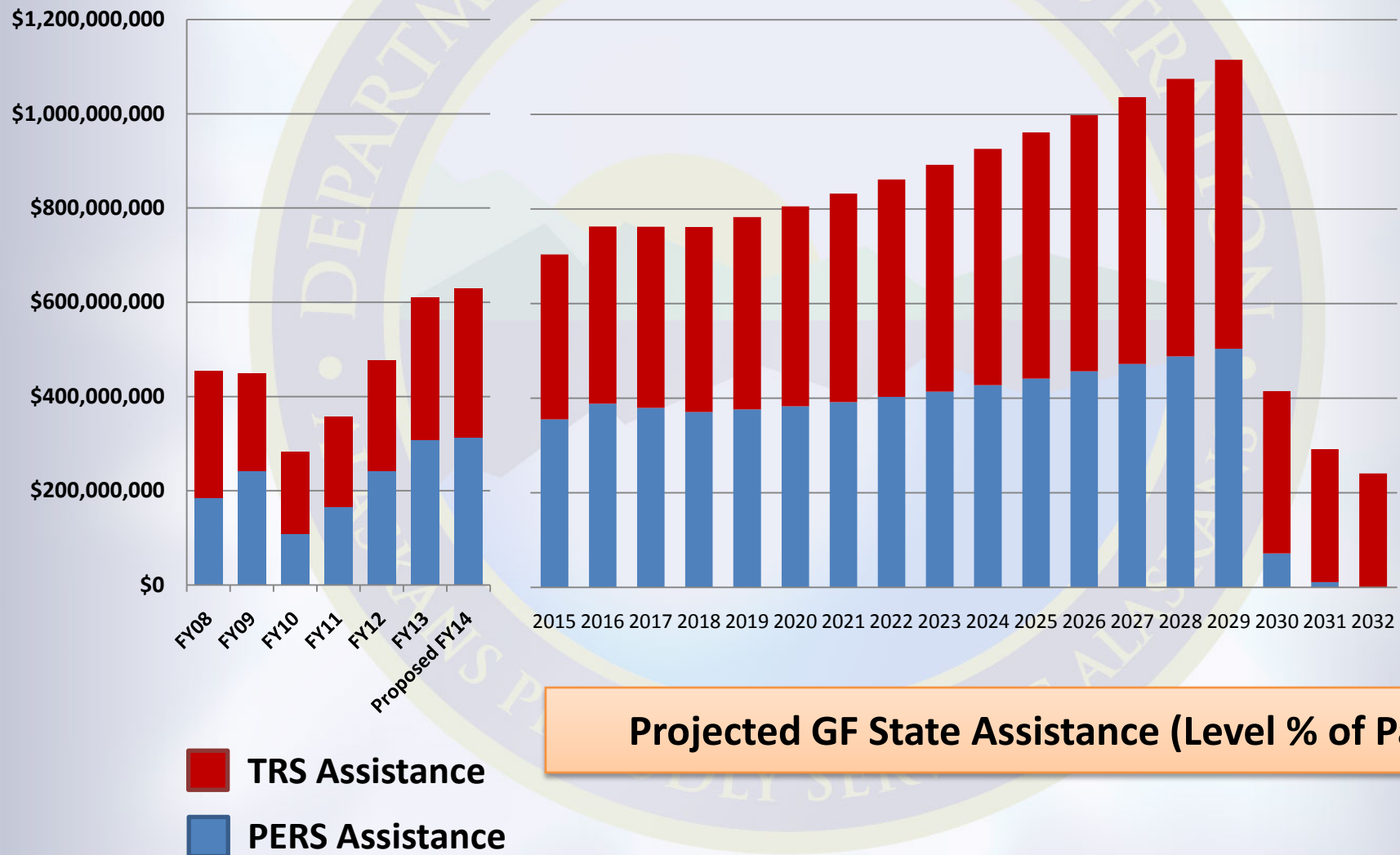
Pay **\$140 billion** in benefits payments over next 70 years

Current PERS/TRS account balance: **\$16.8 billion**

Unfunded Liability: approx **\$11.9 billion**

BENEFITS: PERS/TRS

PERS/TRS GF State Assistance (SB125)



BUSINESS PROCESSES



Integrated Resource Information System

IRIS PROJECT TIMELINE:

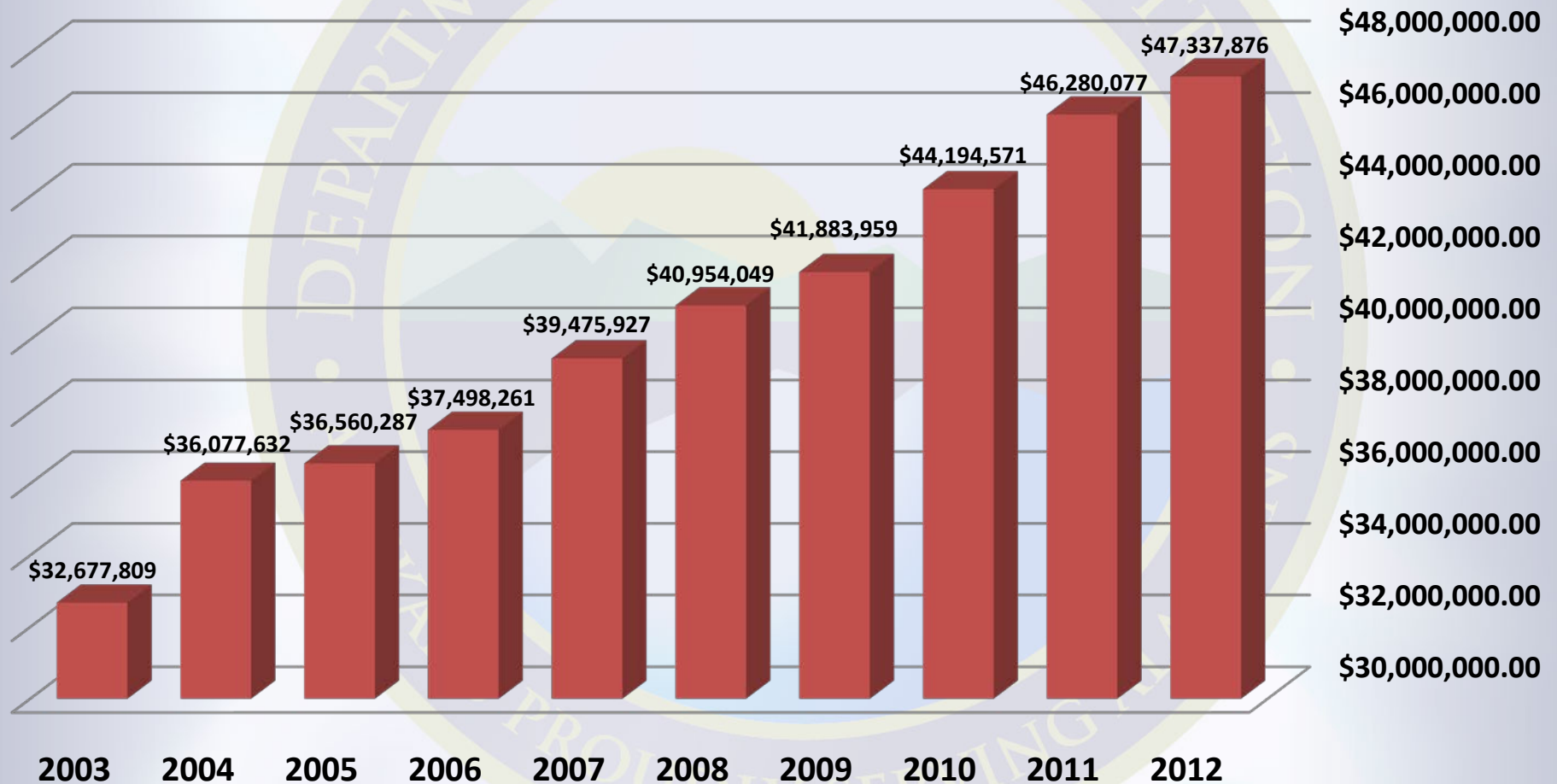


ENVISION PHASE:



SPACE COSTS

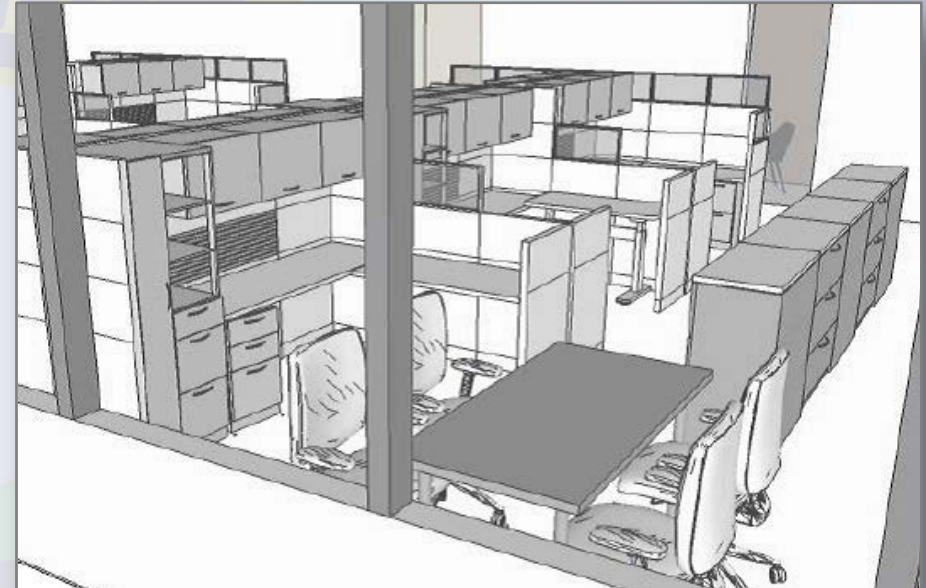
Lease Costs (FY2003 to FY2012)



NEW UNIVERSAL SPACE STANDARDS

Why space standards?

- Save the state over \$125 million the next 20 years in reduced lease costs.
- New space will be better for teamwork and collaboration among “neighborhoods”
- Better airflow with fewer walls
- Natural light for everyone with private offices toward core of building
- Shared printers, scanners and copiers reduce the cost of individual units
- Employees can go from one office to another and have the same working experience
- Clean desk policy addresses need for document privacy in agencies



Neighborhood with team work area and storage



PURCHASING

The Division of General Services (DGS) awards multi-department contracts for use by all Executive Branch agencies and various political subdivisions of the state.

The total savings realized by DGS for FY12 is \$46,691,337, with \$36,191,752 being saved by state agencies and the remaining \$10,499,585 being saved by political subdivisions of the state.

Some examples of state savings:

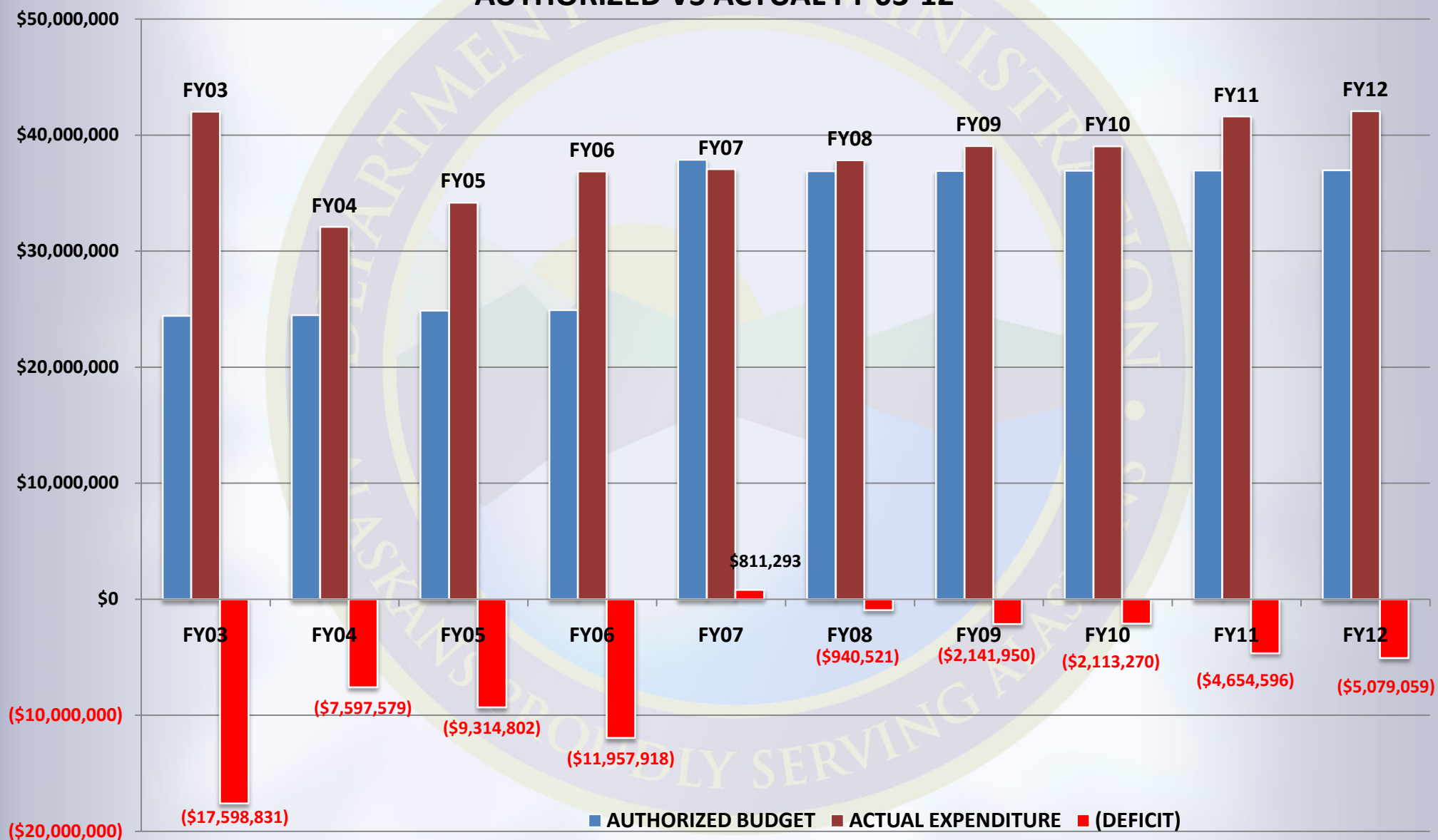
- Software - \$11,991,321
- PCs, Printers, and Peripherals (WSCA) - \$7,123,705
- Industrial Supplies and Equipment (WSCA) - \$4,368,075
- Marine Diesel Fuel - \$3,835,929
- Fuels: Heating, Diesel, Unleaded, Jet A, Aviation - \$2,517,028
- System Furniture Add-On - \$2,475,082

Enterprise Technology Services Priorities

- Bandwidth
- Security: Department Gap Analysis
- Mobile Device Strategy & Support
- Continuity of Operations (COOP)
- Identity Management: myAlaska V3
- Experienced-based rate-setting and rate-setting alignment with budget process

INSURANCE AND INJURY: RISK MGMT.

AUTHORIZED VS ACTUAL FY 03-12



OPERATING INCREMENTS

Maintenance of Services

- ALMR: Restore one-time increment, \$1.5 million UGF
- ALMR: maintenance costs and receipt authority, \$1.6 million (\$600.0 UGF, \$500.0 I/A, \$500 statutory designated program receipts)
- DOA: “Core Services” Increases, \$725.4 UGF
- General Services: Interagency Receipts, \$663.6 total other (\$465.9 I/A receipts and \$197.7 PBF)
 - Lease Costs, \$100.0 I/A
 - Lease Administration, \$265.9 I/A
 - Facilities operation and maintenance costs, \$100.0 I/A
 - Facilities administration, funding for two new PFT positions, \$197.7 PBF

OPERATING INCREMENTS

New Programs/Program Expansion

- Risk Management: Rising medical and legal costs of insurance premiums, \$4,224.2 (I/A)
- Health Plans Administration: Third party administrator contract increase for new health contract, \$1.5 million (Group Health and Life Benefits Fund)
- Enterprise Technology Services:
 - Additional receipt authority to accurately charge user agencies for legacy systems, \$1.2 million (ISF)
 - Decrement to eliminate uncollectable federal receipt authority, \$1.7 million (federal receipts)
- Retirement & Benefits: consolidation and automation of division processes: \$875.0 (various)
- AOGCC: increased overtime for petroleum inspectors, \$125.0 (AOGCC receipts)

OTHER ISSUES

- Continuation of partial HR decentralization from the Division of Personnel: transfer 43 PFT positions back to agencies for recruitment and management services
- Legal & Advocacy Appropriation
 - No anticipated supplemental
 - Potential increment in Governor's Amended
- Bargaining Unit Negotiations
 - General Government Unit (ASEA)
 - Supervisory Unit (APEA)
 - Confidential Employees Association (APEA)

CAPITAL REQUESTS

- **APBC: Alaska Rural Communications System: Digital Conversion, \$5,300,000 UGF**
- **DGS: Douglas Island Building, \$9,600,000 UGF (year 2 of 2)**
- **DGS: Repair Juneau State Office Building Parking Garage, \$2,000,000 UGF (phase 2 of 3)**
- **DGS: Nome State Office Building, \$3,252,170 UGF**
- **DGS: Alaska Geologic Materials Center Replacement Facility, \$15,000,000 UGF (phase 2 of 4)**
- **DGS: ADA Improvements, \$192,300 UGF**
- **DGS: Capital Asset Management System: \$2,000,000 UGF**
- **DGS: Deferred maintenance: \$7,017.0 UGF plus \$3,000,000 PBF**
- **DRB: Combined Retirement System Upgrade, \$350,000 UGF (phase 4 of 5)**
- **DRB: Document Management System, \$135,000 UGF (year 4 of 4)**
- **DRB: Retirement and Benefits Policy Automation, \$880,000 UGF**
- **DRB: Retirement and Benefits Identity and Security Governance, \$749,400 UGF**
- **ETS: Virtual Tape Systems Replacement, \$500,000 UGF**

The background of the slide features a large, faint, circular seal of the Department of Administration, State of Alaska. The seal contains the text "DEPARTMENT OF ADMINISTRATION" at the top and "ALASKANS PROUDLY SERVING ALASKANS" at the bottom, with a central emblem depicting a mountain range and a sun.

Thank you!

Visit www.DOA.alaska.gov

for more information about our department.

Questions?