

**Department of Administration**  
**FY26 - Summary of Significant Operating Budget Issues**  
(\$ thousands)

Item	Appropriation / Allocation	Description	Amount / Fund Source	Comment
1	Centralized Administrative Services / Labor Relations	Transfer Funding for Labor Relations to the Department of Law/ Office of the Governor to Conform with AO 356	(\$981.4) Gen Fund (UGF) <b>A TrOut</b>	<p>Per Article III, Section 23 of the Alaska Constitution, the Governor may make changes in the assignment of functions in the Executive Branch which are considered necessary for efficient administration. In September 2024, the Governor issued Administrative Order 356 transferring the labor relations function in the Department of Administration (DOA) to the Department of Law (DOL) and the Governor's Office with the intended purpose of tying the agency directly responsible for drafting, interpreting, and negotiating legal instruments on behalf of the State (LAW) directly to the State's labor relations work.</p> <p>Four Labor Relations Analyst positions were transferred from DOA to DOL in the FY25 Management Plan and a Reimbursable Services Agreement (RSA) was established to pay for the function using the DOA Labor Relations budget. Likewise, the Labor Relations Manager position was transferred to the Governor's Office to provide a direct executive connection and oversight function within the Governor's Office.</p> <p>For the Governor's FY26 budget proposal, the funding for the five positions is being transferred as follows:</p> <ul style="list-style-type: none"> <li>- from DOA Labor Relations to DOL Labor, Business &amp; Corporations - \$805.6 UGF; and</li> <li>- from DOA Labor Relations to the Governor's Executive Office - \$175.8 UGF.</li> </ul> <p><b>Fiscal Analyst Comment:</b> In addition to the transfers to DOL and the Governor's Office, two positions and \$536.2 of UGF were transferred in the FY25 Management Plan from Labor Relations to the Division of Personnel (DOP) to complete realignment of all the funding and positions related to AO 356. This transfer moved two HR Consultants and their funding, along with split funding for three other positions already existing in DOP.</p>
2	Office of Information Technology / Licensing, Infrastructure & Servers	Rising Software and Contract Costs from Increased Usage and Inflation	\$529.0 Info Svc (Other) <b>Inc</b>	<p>This Increment would provide funding to address rising annual IT costs related to the growing number of software licenses being used by the State along with the inflationary costs per license.</p> <p><b>Fiscal Analyst Comment:</b> Increasing licensing,</p>

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2	Office of Information Technology / Licensing, Infrastructure & Servers	Rising Software and Contract Costs from Increased Usage and Inflation	\$529.0 Info Svc (Other) <b>Inc</b>	(continued) bandwidth, security and cloud hosting services costs are nothing new for the State, but should be of concern given their ever increasing magnitude. The FY25 DOA budget included multiple Increments totaling over \$3 million for these costs, which are passed along to agencies via increased IT rates. Typically, however, those increased costs (via increased IT rate billing) are not included in agency budgets commensurately.  In addition, individual agencies are wrestling with these rising costs on their own proprietary IT systems for both ongoing and new buildouts and upgrades.
3	Legal and Advocacy Services / Office of Public Advocacy	Office Space Lease Increase due to Building Upgrades and Improvements	\$106.0 Gen Fund (UGF) <b>Inc</b>	This Increment would pay for increased lease costs from the non-State lessor due to building upgrades and renovations. The primary office space for the Office of Public Advocacy (OPA) has been renovated to modernize internet capabilities and to buildout the space to handle additional positions added to OPA.
4	Legal and Advocacy Services / Office of Public Advocacy	Fund Overtime Eligibility for Guardian ad Litem and Public Guardian Positions working on Child in Need of Aid Casework	\$450.0 Gen Fund (UGF) <b>Inc</b>	A Guardian ad Litem (GAL) class study was recently completed and put into effect in December 2024 that authorized over-time eligibility (hours worked over 37.5 per week are compensated at time and one half). The class study determined that the work performed by GALs mirrored that of attorneys and required similar hours including evenings and weekends for investigations and child visits. GALs involved in Child in Need of Aid (CINA) cases invariably incur overtime and there is a potential for sanctions from an Alaska Court if GAL duties are performed incorrectly.  This Increment is estimated to reflect the over-time work level of OPA attorneys. GALs have not previously tracked overtime hours as they were ineligible for overtime pay. This Increment would affect 21 GAL's for an average potential increase of approximately \$21.0 each.
5	Legal and Advocacy Services / Office of Public Advocacy	Add Attorney 5, Paralegal and Administrative Support Positions	\$513.6 Gen Fund (UGF) <b>3 PFT Positions</b> <b>Inc</b>	Three Increments are proposed to increase administrative and legal support within OPA as follows:  1) <b>\$143.3 UGF - New PFT Administrative Officer position:</b> would provide additional administrative support over multiple sections within the agency. Tasks include creating and transferring positions,

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5	Legal and Advocacy Services / Office of Public Advocacy	Add Attorney 5, Paralegal and Administrative Support Positions	\$513.6 Gen Fund (UGF) <b>3 PFT Positions Inc</b>	<p>(continued)  hiring, promotions, IT issues, placing civil and criminal cases, billing, auditing, managing public guardian client funds, etc.</p> <p>2) <b>\$128.0 UGF - New PFT Paralegal position:</b> OPA currently has three paralegals tasked with assigning cases statewide, with two additional paralegals who handle case assignments for their individual small regional offices. In one month, the three statewide paralegals assigned 570 cases, which works out to about nine cases for each paralegal per day. Each assignment takes considerable work. This additional position would support the statewide case assignments team to prevent congestion.</p> <p>3) <b>\$242.3 UGF - New PFT Attorney 5 position:</b> Currently, the Public Guardian section is the only section in OPA without an Attorney 5 supervisor. This position has been identified as a key component needed to further stabilize the Public Guardian section. The Attorney is intended to provide support by pushing back against improper appointments, developing favorable caselaw, and protecting the agency from liability by working directly with the Public Guardian 4 supervisor on policies and procedures.</p> <p><b>Fiscal Analyst Comment:</b> Several Public Guardian positions have been added the last couple years in order to stabilize a significant backlog of cases within the Public Guardian section. A positive development from last year at this time is that OPA has increased their certified Public Guardians from 17 to 21 with six additional Public Guardians expected to be certified in the next few months.</p>
6	Motor Vehicles / Motor Vehicles	Expand Division of Motor Vehicle Programming and IT Capabilities	\$152.5 GF/Prgm (DGF) <b>1 PFT Position IncOTI</b>	<p>This Increment would fund a new Analyst/ Programmer position to join a team of four existing programming staff. With ever-increasing digital automation the workload has grown beyond the capacity of the current staff and allows for addressing only the highest priority projects.</p> <p>Outsourcing programming tasks has shown to be cost prohibitive due to the unique programming requirements of the Alaska License and Vehicle</p>

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6	Motor Vehicles / Motor Vehicles	Expand Division of Motor Vehicle Programming and IT Capabilities	\$152.5 GF/Prgm (DGF) <b>1 PFT Position IncOTI</b>	(continued) Information System (ALVIN). Responsibilities of the programmers include software monitoring, DMV-specific bug fixes, data query support, software updates, coordination for software integration, requirements definition for large-scale contracts, and security planning for DMV software.  <b>Fiscal Analyst Comment:</b> This Increment is for a Permanent Full-Time Programmer for what appears to be an ongoing need, yet the transaction type is an IncOTI. This will need to be clarified.