



THE STATE
of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Administration

PAULA VRANA, COMMISSIONER

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February 15, 2024

The Honorable Julie Coulombe
Chair, House Administration Finance Subcommittee
Alaska State Legislature
State Capitol, Room 502
Juneau, AK 99801

Chair Coulombe,

Thank you for allowing the Department of Administration the opportunity to present an overview of the FY2025 Governor's Budget items on February 13, 2024. During this hearing, several questions arose which required a follow-up response from the Department of Administration. Please find those questions addressed below.

Please provide a position description and background on when the Chief Operations Officer position was created. (Rep. Coulombe)

The creation of the Chief Operations Officer (COO) position in the Office of the Commissioner was approved on August 15th of 2022. I have attached a position description and class specification to this correspondence to further illuminate the duties and expectations of this position, and how they might differ from those of a Deputy Commissioner position, but specifically quoting from the Class Specification: "The Chief of Operations is distinguished from the Deputy Commissioner job class by responsibility for the execution of enterprise-wide programs that require significant modernization, restructuring, and stakeholder engagement across agencies."

Could we have more of a breakdown of the vacancy rates, in a list by division? (Rep. Coulombe)

The last two months of vacancy rates (as calculated by Filled positions vs. Budgeted positions) are attached to this document to demonstrate December and January's vacancy rates by budget component, and results delivery unit. Due to differences in calculation methodology, these reports will not line up perfectly with the numbers seen in the presentation, however, all of them will be within a reasonable margin of error.

Have the Payroll services recruitment/retention incentives grown? Is it more than it was last year? (Rep. Wright)

The Division of Finance did not receive any additional funding authority for the \$5,000 signing and retention bonus that was distributed in FY2023, rather the Division was able to apply "unused" personal services funding that resulted from the high rate of vacancy. The total spent by the

division on these bonuses in FY2023 was \$174,000. Additionally, the division has a Letter of Agreement (LOA) to pay overtime ineligible employees' overtime, and used to pay a mission critical salary bonus which is now expired.

The "un-used" personal services funds the division utilized to pay these bonuses are not reliably available, especially once the bonuses prove effective and the vacancy rate drops. This increment grants the ability to offer pay incentives for Payroll Services employees to improve retention in the long term.

The \$650,000 request was based on giving payroll employees a bonus equal to a 4-step increase. After conversations with the Office of Management & Budget and the Division of Personnel the division is working to figure out the most appropriate and effective way to apply this funding to improve vacancy rate at Payroll Services.

Details about the specific LOAs are outlined below:

Recruitment:

Hiring Bonus LOA (Active) - This was for a payout per job class of \$4,000 (HRT 2 and higher) or \$2,000 (OA 2) and included a two-year employment term agreement.

Total Cost in FY2023 - \$8,000 (4 new hires since LOA was implemented in September).

Retention:

Retention Incentive LOA (Expired) - Incentive LOA for a onetime payout per job class of \$5,000 (HR Tech 2 and higher) or \$2,500 (Office Assistant 2) and included a two-year employment term agreement.

Total Cost in FY2023 - \$166,000

Overtime Eligibility LOA (Active) – LOA to allow for specific Payroll Services positions to be compensated at the rate of time and one-half the employee's hourly rate of pay.

Total Cost in FY2023 - \$190,272

Mission Critical Incentive Pay LOA (Expired) - An additional \$320 per pay period in Mission Critical Incentive Pay (MCIP) for Human Resource Technician 3's and Payroll Supervisor positions.

Total Cost in FY2023 - \$42,560

Is there any way to have a breakdown of how many vacant positions are because the incumbent leaves state service, versus how many retire, and how many move to other state departments, etc. Is there any way we can get some kind of number? (Rep. Johnson)

This is difficult data to track without an Exit Interview process, which is not something the Department has the capacity to perform at this time. Based on accessible data about vacated positions from within the State of Alaska, and filtered/limited to the Department of Administration (Chart 1, below), we can make the following broad approximations:

- 1/3 vacated positions take a new position within our Department (i.e., internal promotion, lateral transfers, or move to a different division)

- 1/3 vacated positions appear to leave state service (this could include a number of things: retirement, a new job in the private sector, unemployment, etc.)
- 1/3 vacated positions move to a different Department within the State of Alaska.

Chart 1: Department of Administration positions that became vacant in the last 6 months, and where they went:

DEPT_NAME	Admin	Data Sourced from Aug '23 to Jan '24
Newly Vacated Positions and Where They Go		
New Department	Count of Positions that Started There	% of Total
Admin	47	31.3%
Commerce	4	2.7%
Corrections	2	1.3%
Edu and Early Dev	2	1.3%
Env Cons	3	2.0%
Family & Com Serv	2	1.3%
Governor	1	0.7%
Health	14	9.3%
Judiciary	2	1.3%
Labor	5	3.3%
Law	5	3.3%
Left State Service (No New Department)	50	33.3%
Legislature	1	0.7%
Nat Res	4	2.7%
Public Safety	3	2.0%
Transportation	5	3.3%
Grand Total	150	100.0%

Chart 2: All Statewide positions that became vacant in the last 6 months, and where they went:

DEPT_NAME	(All)	Data Sourced from: Aug '23 to Jan '24
Newly Vacated Positions and Where They Go		
New Department	Count of Positions that Started There	% of Total
Admin	74	3.4%
Commerce	35	1.6%
Corrections	99	4.5%
Edu and Early Dev	20	0.9%
Env Cons	34	1.6%
Family & Com Serv	104	4.8%
Fish & Game	54	2.5%
Governor	9	0.4%
Health	105	4.8%
Judiciary	31	1.4%
Labor	30	1.4%
Law	43	2.0%
Left State Service (No New Department)	1,108	50.6%
Legislature	111	5.1%
Mil & Vet Affairs	28	1.3%
Nat Res	47	2.1%
Public Safety	66	3.0%
Revenue	27	1.2%
Transportation	164	7.5%
Grand Total	2,189	100.0%

When the scope of the analysis is broadened to all State of Alaska vacancies in the past 6 months (Chart 2, above), it appears that just over 50% of the departures are in order to leave state service. Unfortunately, we cannot definitively say why these people have left state service, or whether they are retiring, moving to the private sector, becoming unemployed, or something else.

Please let me know if you have any additional questions on the topics discussed above.

Respectfully,

Leslie Isaacs

Leslie Isaacs
Administrative Services Director

Attachments:

- 1) Position Description – PCN 02-9518 Chief Operations Officer

- 2) SOA Class Specification – Chief Operations Officer
- 3) FY24 DOA Vacancy Rates 12.15.23
- 4) FY24 DOA Vacancy Rates 1.15.24

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Class Title:
Chief of Operations

Position Control Number (PCN): **029518**

2. Duties

2.1. In one or two sentences, state the main purpose of the position.

Collaborate with division directors and the Commissioner's Office to establish division performance plans and report on progress made against those plans, as well as working with agency leads to ensure achievement of desired goals, targets, or transformations.

On a recurring basis, review data and key performance indicators to see if the agency is meeting its goals, determine how much of a risk exists that the agency will not achieve these goals, and identify strategies to improve agency performance and report findings to the commissioner's office and cabinet.

Ensure that those directly responsible for implementing the changes have the necessary support and the capacity to do their jobs.

Collaborate with key stakeholders and business partners in analyzing current processes and functions and developing future state program objectives.

Oversee governance committee planning, collaboration, and presentations.

Provide leadership attention to overcome the organizations natural resistance to change, ensure adequacy of resources needed to implement change, and build and maintain the organization-wide commitment to new ways of doing business.

Establish management initiatives to integrate performance information with budget planning and execution.

Measure employee engagement and job satisfaction.

Champion quality assurance, continuous improvement, and professional project management disciplines and best practices utilizing the appropriate processes, structures, and tools for effective project management and continuous organizational and process improvement.

2.2. Starting from the most to the least important, list the functional areas assigned to the position. Within each functional area, describe the duty statement associated; estimate the percentage of time spent performing the duties; and define each area as essential (E) or Marginal (M).

Functional Area Title: Program and System Evaluation		
E/M	% of Time	Duty Statement
E	25 %	Responsible for measuring the effectiveness of enterprise-wide programs that require significant modernization, restructuring, or stakeholder engagement across departments

Responsible for the oversight of the implementation of enterprise-wide initiatives and change management efforts led by the Department of Administration.

Collaborate with leadership to establish performance plans that define success, measure agency progress toward goals, and encourage individual and agency accountability.

Ensure that those directly responsible for implementing the changes have the necessary backing and the capacity to do their jobs.

Evaluate the effectiveness of new systems (i.e., onboarding, ticketing, and learning management systems implemented in support of consolidation efforts).

Functional Area Title: Planning, Reporting, and Assessment

E/M	% of Time	Duty Statement
E	25 %	<p>Collaborate with division directors to establish performance plans that define success, measure agency progress toward goals, and encourage individual and agency accountability.</p> <p>Ensure that those directly responsible for implementing the changes have the necessary backing and the capacity to do their jobs.</p> <p>Focuses on agency operations and provides a long-term view of key management priorities to solve long-standing problems with government effectiveness, responsiveness, and accountability.</p> <p>Accountable for the success of specific large initiatives by developing the strategy, overseeing implementation, and coordinating with all relevant organizations.</p> <p>Emphasis on performance management and achieving cross-department operational efficiencies.</p> <p>Leverage data as a strategic asset to drive transparency and accountability.</p> <p>Create performance plans to hold the Department of Administration accountable for reorganization and broader agency management goals to improve delivery of government services and reduce inefficiencies.</p>

Functional Area Title: Policy Implementation

E/M	% of Time	Duty Statement
E	20 %	<p>Responsible for supporting the implementation of the State's strategic direction for initiatives led by the Department of Administration.</p> <p>Provides a long-term view of key management priorities to solve long-standing problems with government effectiveness, responsiveness, and accountability.</p> <p>Accountable for the success of specific large initiatives by developing strategy, overseeing implementation, and coordinating with all relevant agencies.</p> <p>Responsible for improving management and performance to achieve mission and goals through the use of strategic and performance planning, measurement, analysis, regular assessment of progress, and use of performance information to improve the results achieved.</p>

Functional Area Title: Cross-Department Engagement		
E/M	% of Time	Duty Statement
E	20 %	<p>Lead governance efforts by developing plans, assessing effectiveness through metrics, and engaging departments to ensure effective program and project governance.</p> <p>Presenting to governance groups, department operational leadership (i.e., AAGC, APOG, SFOA), and Cabinet members.</p> <p>Conducting routine voice of the customer surveys with one-on-one follow-up discussions on what is going well, areas to improve, and remediating conflicts.</p>

Functional Area Title: Other		
E/M	% of Time	Duty Statement
E	10 %	Other duties, projects as needed by the Commissioner`s Office

Percentage Total: 100%



Chief of Operations

Class Code:
PA0103

STATE OF ALASKA

Established Date: Aug 7, 2022

Revision Date: Aug 7, 2022

GENERAL DESCRIPTION:

Class Definition:

Under general administrative direction of the Commissioner of the Department of Administration, the Chief of Operations is an adjunct to the deputy commissioners, assisting with executive management of enterprise-wide initiatives and change management efforts led by the Department of Administration. The Chief of Operations focuses on agency operations and provides a long-term view of key management priorities to solve long-standing problems with government effectiveness, responsiveness, and accountability.

Distinguishing Characteristics:

The Chief of Operations is responsible for performance metric development relating to the State's strategic direction for transformative initiatives led by the Department of Administration. Program assessment is central to this position and the Chief of Operations leverages data and develops metrics as a strategic asset to drive transparency and accountability and improve service delivery, customer satisfaction, and employee engagement. The Chief of Operations is distinguished from the Deputy Commissioner job class by responsibility for the execution of enterprise-wide programs that require significant modernization, restructuring, and stakeholder engagement across agencies.

EXAMPLES OF DUTIES:

Collaborate with division directors and the Commissioner's Office to establish division performance plans and report on progress made against those plans. Work with agency leads to ensure achievement of desired goals, targets, or transformations.

Review data and key performance indicators to determine if the agency is meeting its goals, determine and examine risks to the agency not achieving its goals, and identify strategies to improve agency performance and report findings to the Commissioner's Office and cabinet.

Collaborate with key stakeholders and business partners in analyzing current processes and functions and developing future state program objectives.

Ensure that those directly responsible for implementing changes have the necessary support and the capacity to do their jobs.

Oversee governance committee planning, collaboration, and presentations.

Provide leadership attention to overcome the change resistance, ensure adequacy of resources needed to implement change, and build and maintain the organization-wide commitment to new ways of doing business.

Measure employee engagement and job satisfaction. Establish management initiatives to integrate performance information with budget planning and execution.

Develop and measure quality assurance, continuous improvement, and professional project management disciplines and best practices utilizing the appropriate processes, structures, and tools for effective project management and continuous organizational and process improvement.

KNOWLEDGE, SKILLS, AND ABILITIES:

Knowledge of principles and practices of public and business administration; with special emphasis on the State of Alaska's policies and procedures.

Knowledge of, and skill in, operations management, strategic planning, organizational leadership, governance, relationship building and leveraging data as a strategic asset to drive transparency and accountability.

Knowledge in program and project management skills with the ability to ensure completion of department initiatives over many years.

Skill in change management practices and processes, including recognizing the changes in the broad organizational environment, developing adjustment to meet agency needs, training on appropriate changes, and winning support of employees and other stakeholders.

Ability to encourage a positive work environment and working relationships with management teams.

Ability to apply strong interpersonal skills and effectively communicate with a wide range of individuals and constituencies in a diverse community.

Ability to provide strategic guidance and counsel to agency management in the assessment and development of existing and/or proposed initiatives and change management efforts.

MINIMUM QUALIFICATIONS:

The position in this job class is in the partially exempt service per AS 39.25.130. Positions in the partially exempt service are exempt from the recruitment processes required by AS 39.25.150(3)-(10) and employees serve at the discretion of the appointing authority.

SALARY RANGE:

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Personal Services Budgeted vs Filled Vacancy Rates by Component (1815)**DRAFT**

Actuals from 11/15/2023 to 12/15/2023

Administration

Scenario: FY2024 Management Plan (20554)

RDU Component	Budgeted PCNs				Filled between 11/15/2023 and 12/15/2023				Vacancy %			
	PFT	PPT	NP	Total	PFT	PPT	NP	Total	PFT	PPT	NP	Total
Administration Totals:	1,178	7	25	1,210	1,026	6	15	1,047	12.9%	14.3%	40.0%	13.5%
Centralized Admin. Services (13)	358	1	7	366	295	0	2	297	17.6%	100.0%	71.4%	18.9%
Administrative Hearings (2771)	15	0	0	15	14	0	0	14	6.7%			6.7%
Office of the Commissioner (45)	7	0	0	7	4	0	0	4	42.9%			42.9%
Administrative Services (46)	13	0	0	13	10	0	0	10	23.1%			23.1%
Finance (59)	120	1	0	121	83	0	0	83	30.8%	100.0%		31.4%
Personnel (56)	74	0	0	74	72	0	0	72	2.7%			2.7%
Labor Relations (58)	7	0	0	7	5	0	0	5	28.6%			28.6%
Retirement and Benefits (64)	122	0	7	129	107	0	2	109	12.3%		71.4%	15.5%
Shared Services of Alaska (17)	109	0	0	109	108	0	0	108	0.9%			0.9%
OFC of Procure. Property. Mngmt. (3291)	22	0	0	22	21	0	0	21	4.5%			4.5%
Accounting (3134)	82	0	0	82	82	0	0	82	0.0%			0.0%
Print Services (2333)	5	0	0	5	5	0	0	5	0.0%			0.0%
Office of IT (653)	161	0	1	162	128	0	1	129	20.5%		0.0%	20.4%
Helpdesk & Enterprise Support (3412)	58	0	0	58	44	0	0	44	24.1%			24.1%
IT - Strategic Support (3413)	11	0	0	11	10	0	0	10	9.1%			9.1%
Licensing, Infrastructure & Serv (3414)	53	0	1	54	42	0	1	43	20.8%		0.0%	20.4%
Chief Information Officer (3139)	39	0	0	39	32	0	0	32	17.9%			17.9%
Risk Management (23)	6	0	0	6	6	0	0	6	0.0%			0.0%
Risk Management (71)	6	0	0	6	6	0	0	6	0.0%			0.0%
Legal & Advocacy Services (11)	392	3	15	410	350	3	12	365	10.7%	0.0%	20.0%	11.0%
Office of Public Advocacy (43)	176	2	12	190	155	2	9	166	11.9%	0.0%	25.0%	12.6%
Public Defender Agency (1631)	216	1	3	220	195	1	3	199	9.7%	0.0%	0.0%	9.5%
Alaska Public Offices Comm (22)	9	0	0	9	6	0	0	6	33.3%			33.3%
Alaska Public Offices Comm (70)	9	0	0	9	6	0	0	6	33.3%			33.3%
Division of Motor Vehicles (265)	143	3	2	148	133	3	0	136	7.0%	0.0%	100.0%	8.1%
Motor Vehicles (2348)	143	3	2	148	133	3	0	136	7.0%	0.0%	100.0%	8.1%

Notes: This is a PCN-based report which only counts filled PCNs which are budgeted. This report does not include AGDC, AHFC, UA, Courts, Legislature, or AK Marine Highways.

Personal Services Budgeted vs Filled Vacancy Rates by Component (1815)

DRAFT

Actuals from 12/15/2023 to 1/15/2024

Administration

Scenario: FY2024 Management Plan (20554)

RDU Component	Budgeted PCNs				Filled between 12/15/2023 and 01/15/2024				Vacancy %			
	PFT	PPT	NP	Total	PFT	PPT	NP	Total	PFT	PPT	NP	Total
Administration Totals:	1,178	7	25	1,210	1,030	6	15	1,051	12.6%	14.3%	40.0%	13.1%
Centralized Admin. Services (13)	358	1	7	366	299	0	2	301	16.5%	100.0%	71.4%	17.8%
Administrative Hearings (2771)	15	0	0	15	14	0	0	14	6.7%			6.7%
Office of the Commissioner (45)	7	0	0	7	4	0	0	4	42.9%			42.9%
Administrative Services (46)	13	0	0	13	10	0	0	10	23.1%			23.1%
Finance (59)	120	1	0	121	89	0	0	89	25.8%	100.0%		26.4%
Personnel (56)	74	0	0	74	72	0	0	72	2.7%			2.7%
Labor Relations (58)	7	0	0	7	4	0	0	4	42.9%			42.9%
Retirement and Benefits (64)	122	0	7	129	106	0	2	108	13.1%		71.4%	16.3%
Shared Services of Alaska (17)	109	0	0	109	105	0	0	105	3.7%			3.7%
OFC of Procure. Property. Mngmt. (3291)	22	0	0	22	20	0	0	20	9.1%			9.1%
Accounting (3134)	82	0	0	82	80	0	0	80	2.4%			2.4%
Print Services (2333)	5	0	0	5	5	0	0	5	0.0%			0.0%
Office of IT (653)	161	0	1	162	125	0	1	126	22.4%		0.0%	22.2%
Helpdesk & Enterprise Support (3412)	58	0	0	58	41	0	0	41	29.3%			29.3%
IT - Strategic Support (3413)	11	0	0	11	10	0	0	10	9.1%			9.1%
Licensing, Infrastructure & Serv (3414)	53	0	1	54	42	0	1	43	20.8%		0.0%	20.4%
Chief Information Officer (3139)	39	0	0	39	32	0	0	32	17.9%			17.9%
Risk Management (23)	6	0	0	6	6	0	0	6	0.0%			0.0%
Risk Management (71)	6	0	0	6	6	0	0	6	0.0%			0.0%
Legal & Advocacy Services (11)	392	3	15	410	353	3	12	368	9.9%	0.0%	20.0%	10.2%
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Public Defender Agency (1631)	216	1	3	220	195	1	3	199	9.7%	0.0%	0.0%	9.5%
Alaska Public Offices Comm (22)	9	0	0	9	7	0	0	7	22.2%			22.2%
Alaska Public Offices Comm (70)	9	0	0	9	7	0	0	7	22.2%			22.2%
Division of Motor Vehicles (265)	143	3	2	148	135	3	0	138	5.6%	0.0%	100.0%	6.8%
Motor Vehicles (2348)	143	3	2	148	135	3	0	138	5.6%	0.0%	100.0%	6.8%

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