

State of Alaska

Department of Administration

FY2026 Governor Budget Overview
Presentation to House Finance Committee
Commissioner Paula Vrana
Administrative Services Director Eric DeMoulin
February 3, 2025



Mission and Organization

Mission: Provide consistent and efficient support services to state agencies so that they may better serve Alaskans.

Services to State Agencies

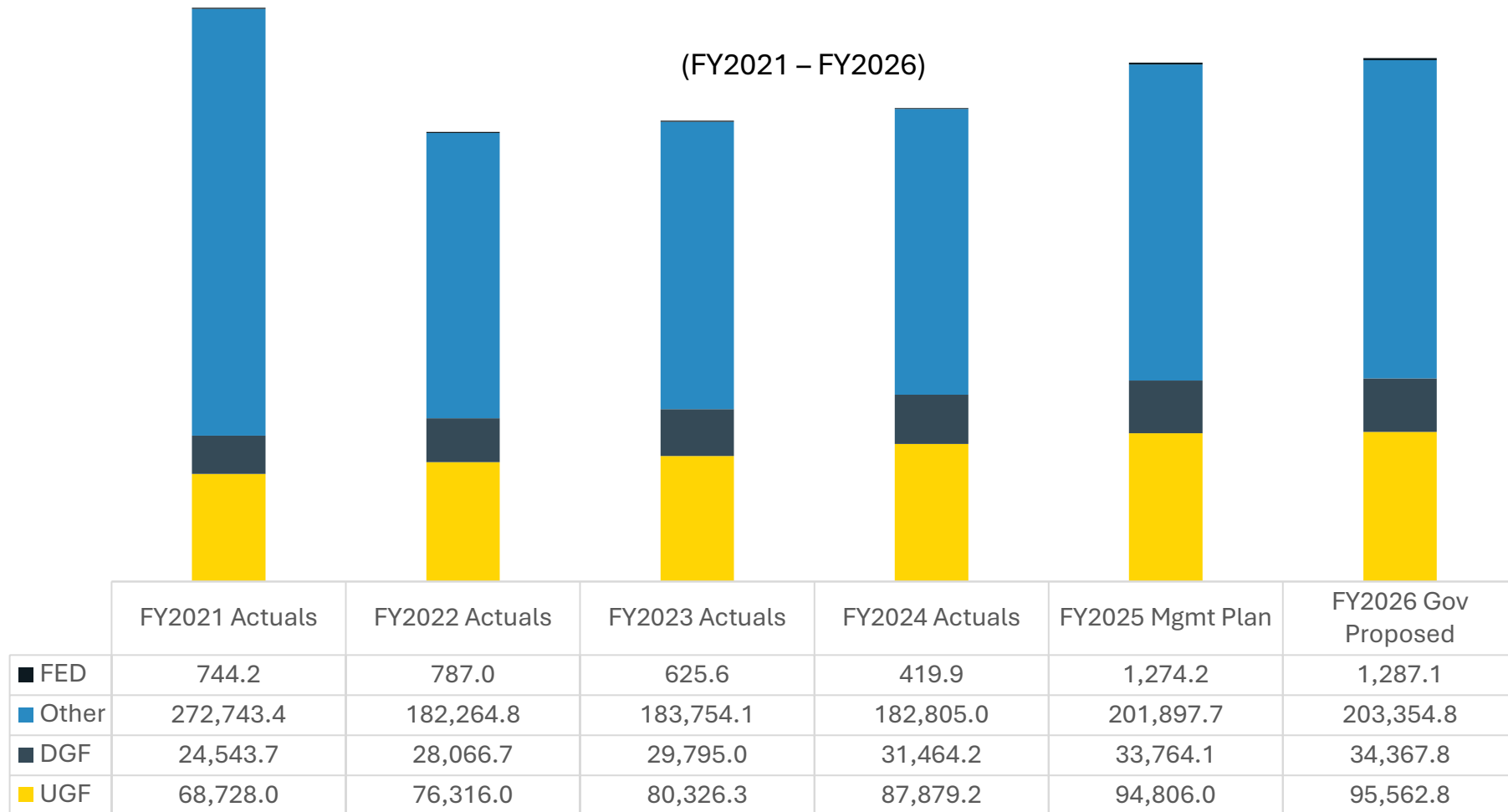
Office of Admin. Hearings	Admin. Services	Finance
Personnel and Labor Relations	Shared Services of Alaska	Office of Information Technology
Procurement and Property Management	Risk Management	Retirement and Benefits

Services to the Public

Retirement and Benefits	Office of Public Advocacy	Public Defender Agency
Alaska Public Offices Commission	Public Communications Services	Motor Vehicles



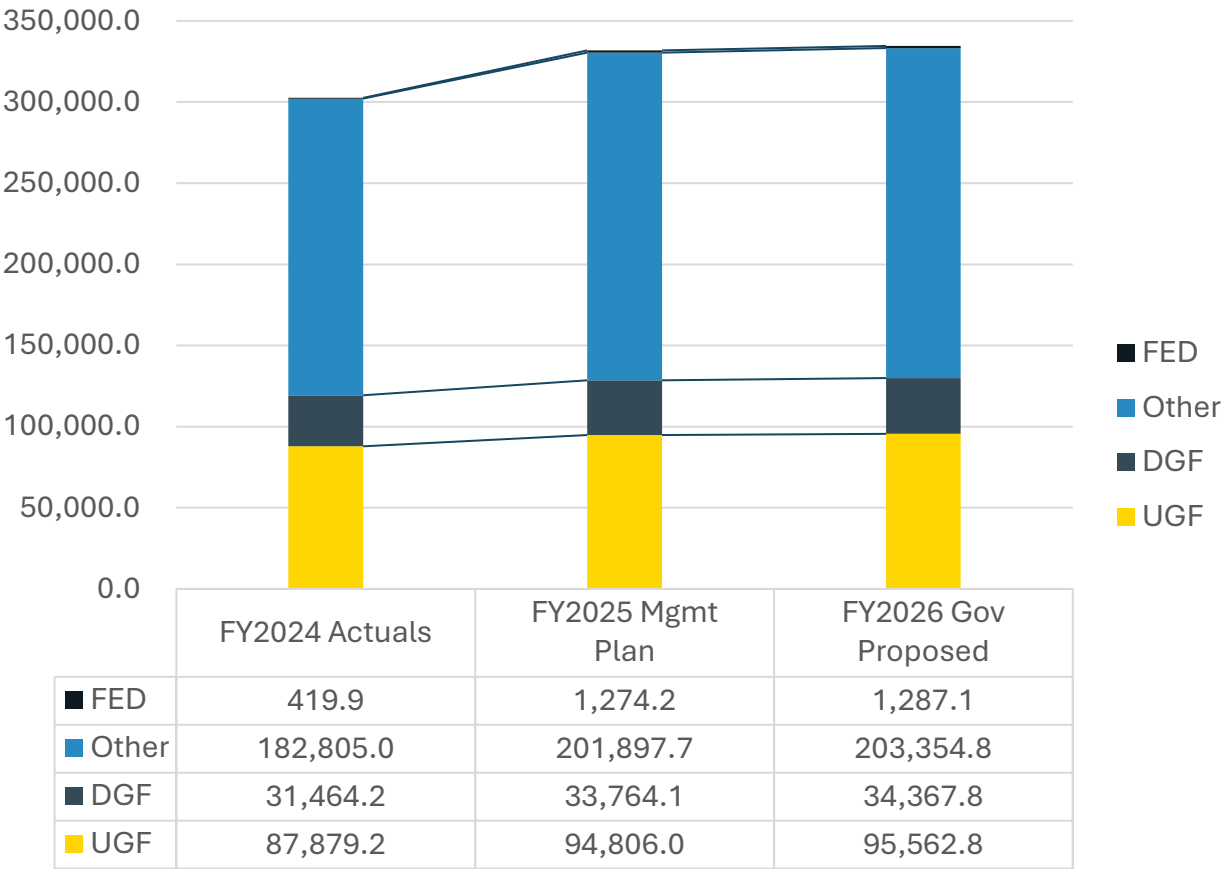
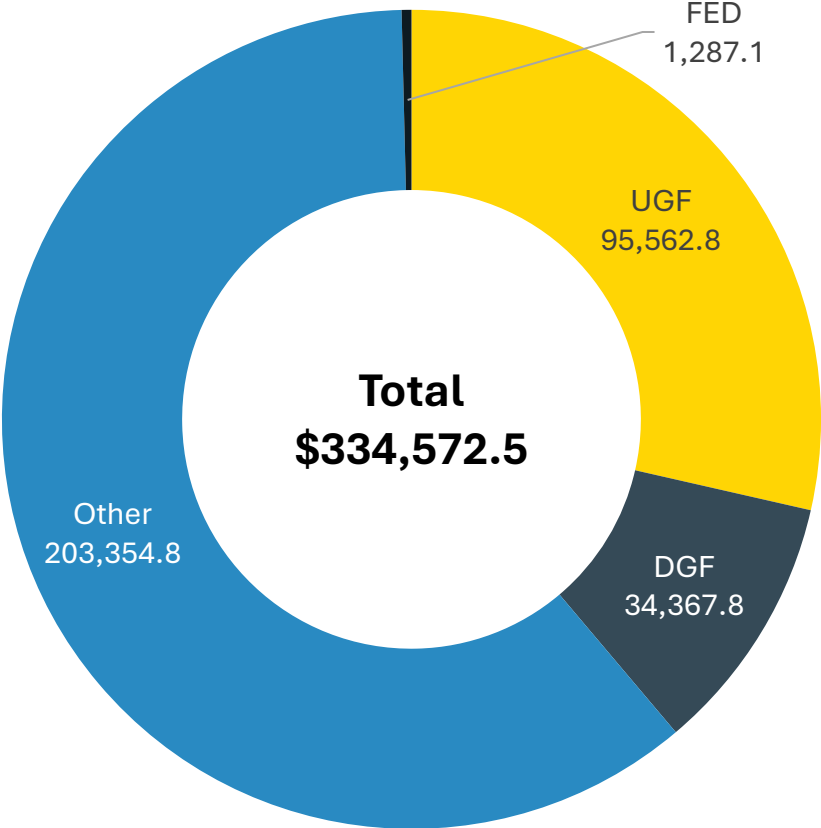
Historical Budget Comparison



\$ in thousands

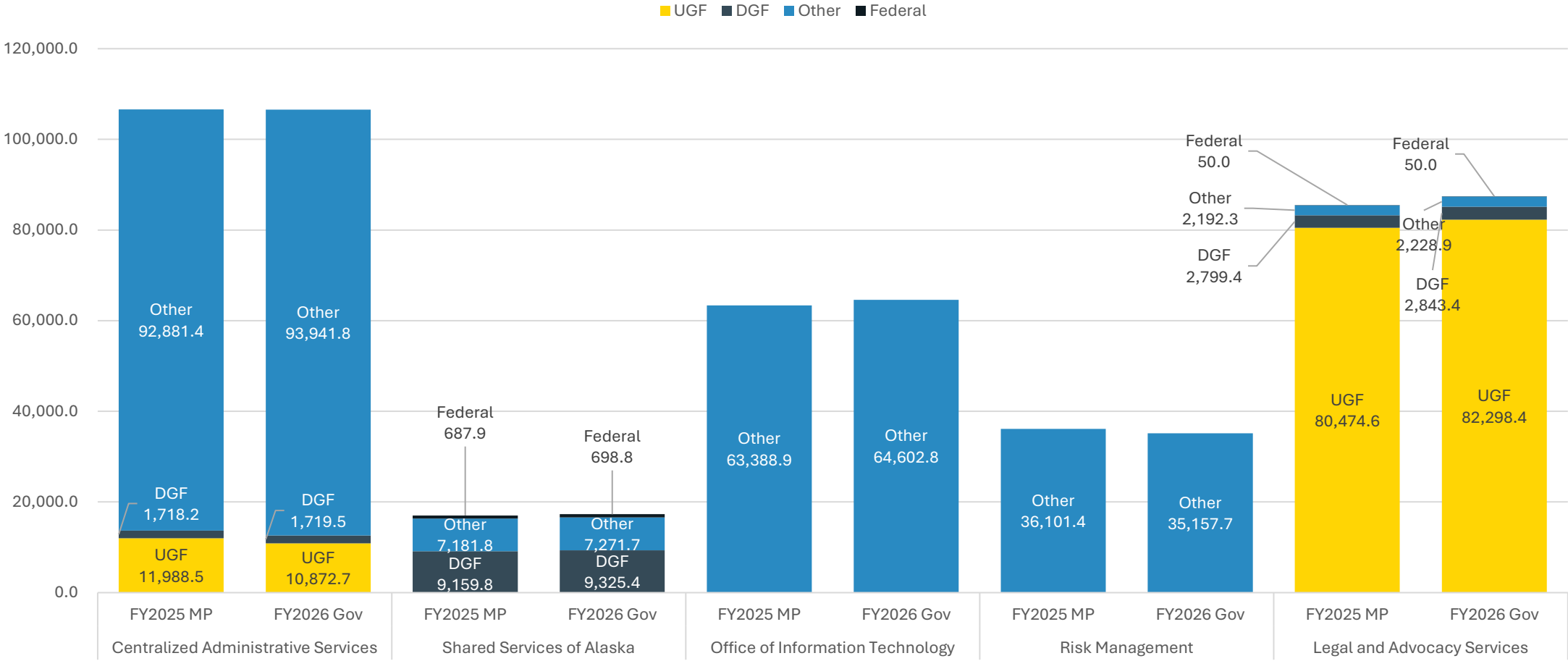


Total Budget by Fund Group



\$ in thousands

RDU Overview



*Excludes Alaska Public Offices Commission (APOC), State Facilities Maintenance and Operations, Public Communication Services and Division of Motor Vehicles

\$ in thousands



Recent Accomplishments

- **Negotiated Successor Agreements with Alaska Public Employees Association (Supervisory), Public Safety Employees Association (DOT&PF Airport Police and Fire), and Labor, Trades, and Crafts Unit (Labor Relations)**
- **Implemented Intake Portal for Occupational Injury Reports, CORA Reporting, and Property GIS for Enhanced Stakeholder Participation (Division of Risk Management)**
- **Implemented Improved Pricing through Mid-Market Check with OptumRx, AlaskaCare Pharmacy Benefit Manager for Employee and Retiree Plans (Division of Retirement & Benefits)**
- **Awarded DMV Card Issuance Contract for New Physical Cards and Mobile Driver Licenses (mDL); New Card Design Going Live in FY2025 (Division of Motor Vehicles)**



FY2026 Governor

Increases from FY2025 Management Plan

- Salary Adjustments \$2,427.2 UGF; \$451.2 DGF; \$12.9 FED; \$1,770.6 Other
- +1 PFT Administrative Support to Help Keep Pace with Expanding Operations \$143.3 UGF
- +1 PFT Attorney 5 to Provide Legal Support and Leadership to Public Guardians Section \$242.3 UGF
- +1 PFT Paralegal to Reduce Congestion in Assigning Statewide Cases \$128.0 UGF
- Change HR Technician 1 from PPT to PFT for Payroll Services \$65.2 Other
- Increase Authority for Statewide Accounting Services Workiva Software \$75.0 Other
- Lease Costs Related to Capital Improvement Project for Building Upgrades for the Office of Public Advocacy \$106.0 UGF
- Rising Software and Contract Costs from Increased Usage and Inflation \$529.0 Other

Decreases from FY2025 Management Plan

- Transfer Authority to LAW and Office of the Governor for AO356 \$981.4 UGF
- Reduce Prior Year Authority for Large Screen Monitors for Payroll Section \$45.0 UGF
- Reverse Labor Contract Negotiations and Arbitration \$146.2 UGF
- Reverse Move Payroll Services into the State Office Building \$130.0 UGF
- Reverse One-Time Case Backlog Contractor Support \$1,437.4 UGF
- Reduce Fourth Year of State Insurance Catastrophe Reserve Account \$967.0 Other
- Reverse MH Trust: Salary Adjustments \$15.7 Other



Administrative Services

Services Provided

- Budget consultation
- Accounting consultation and services
- Business development and consultation
- Retirement and Benefits and Health Plan Administration Services

Significant FY2026 Budget Changes

- Salary Adjustments \$89.9 Other

Fund Group ▾	FY2025 Management Plan (MP) ▾	FY2026 Governor ▾	FY2025 MP to FY2026 Gov ▾	% Change ▾
UGF	686.1	703.2	17.1	2.5%
DGF	0.0	0.0	0.0	0.0%
Other	2,447.3	2,514.4	67.1	2.7%
FED	0.0	0.0	0.0	0.0%
Total	3,133.4	3,217.6	84.2	2.7%

\$ in thousands



Division of Finance

Services Provided by this

- Statewide Accounting Services
- Enterprise systems management and maintenance (IRIS/ALDER)
- Payroll Services
- Corporate travel management and procurement card administration

Significant FY2026 Budget Changes

- Reclass of one part-time Human Resources Technician 1 from part-time to full-time: \$65.2 Other
- Licensing cost increment for Workiva software for Statewide Financial reporting (ACFR): \$75.0 Other

Fund Group	FY2025 Management Plan (MP)	FY2026 Governor	FY2025 MP to FY2026 Gov	% Change
UGF	6,848.7	6,817.7	(31.0)	-0.5%
DGF	1,538.2	1,539.5	1.3	0.1%
Other	16,450.2	16,728.2	278.0	1.7%
FED	0.0	0.0	0.0	0.0%
Total	24,837.1	25,085.4	248.3	1.0%

\$ in thousands



Division of Personnel

Services Provided by this RDU

- Statewide Human Resource Services
- Labor Union Negotiation, Arbitration, and Conflict Resolution

Significant FY2026 Budget Changes

- Transfer Positions and Funding to Department of Law and Office of the Governor in Accordance with Administrative Order 356 -\$981.4 UGF (Labor Relations)

Fund Group ▾	FY2025 Management Plan (MP) ▾	FY2026 Governor ▾	FY2025 MP to FY2026 Gov ▾	% Change ▾
UGF	1,004.5	1,017.3	12.8	1.3%
DGF	0.0	0.0	0.0	0.0%
Other	11,853.9	12,059.6	205.7	1.7%
FED	0.0	0.0	0.0	0.0%
Total	12,858.4	13,076.9	218.5	1.7%

\$ in thousands



Division of Retirement and Benefits

Services Provided

- Retirement, Benefits and Health Plan Administration Services

Significant FY2026 Budget Changes

- Salary adjustments +\$2.2 UGF; +\$346.4 Other

Fund Group	FY2025 Management Plan (MP)	FY2026 Governor	FY2025 MP to FY2026 Gov	% Change
UGF	763.5	765.7	2.2	0.3%
DGF	0.0	0.0	0.0	0.0%
Other	21,910.6	22,257.0	346.4	1.6%
FED	0.0	0.0	0.0	0.0%
Total	22,674.1	23,022.7	348.6	1.5%

\$ in thousands



Shared Services of Alaska

Services Provided by this RDU

- Accounts Payable
- Travel Processing
- Debt Recovery
- Procurement Services
- Print/Mail Services
- Federal Surplus Property Program

Significant FY2026 Budget Changes

- +6 On-Call Positions for Accounting Support
- Salary Adjustments +\$165.6 DGF; +\$10.9 FED; +\$89.9 Other

Fund Group	FY2025 Management Plan (MP)	FY2026 Governor	FY2025 MP to FY2026 Gov	% Change
UGF	0.0	0.0	0.0	0.0%
DGF	9,159.8	9,325.4	165.6	1.8%
Other	7,181.8	7,271.7	89.9	1.3%
FED	687.9	698.8	10.9	1.6%
Total	17,029.5	17,295.9	266.4	1.6%

\$ in thousands



Office of Information Technology

Services Provided by this RDU

- Information Security
- Service Management (Help Desk)
- Communications and Connectivity
- Support for Enterprise Applications
- Data Center Support

Significant FY2026 Budget Changes

- Rising Software and Contract Costs from Increased Usage and Inflation +\$529.0 Other
- Salary Adjustments +\$684.9 Other

Fund Group	FY2025 Management Plan (MP)	FY2026 Governor	FY2025 MP to FY2026 Gov	% Change
UGF	0.0	0.0	0.0	0.0%
DGF	0.0	0.0	0.0	0.0%
Other	63,388.9	64,602.8	1,213.9	1.9%
FED	0.0	0.0	0.0	0.0%
Total	63,388.9	64,602.8	1,213.9	1.9%

\$ in thousands



Risk Management

Services Provided by this RDU

- Claims Processing
- Litigation Management
- Contract Review
- Insurance Administration
- Insurance Consulting

Significant FY2026 Budget Changes

- Reverse Fourth Year of State Insurance Catastrophe Reserve Account -\$967.0 Other
- Salary Adjustments +\$23.3 Other

Fund Group	FY2025 Management Plan (MP)	FY2026 Governor	FY2025 MP to FY2026 Gov	% Change
UGF	0.0	0.0	0.0	0.0%
DGF	0.0	0.0	0.0	0.0%
Other	36,101.4	35,157.7	(943.7)	-2.6%
FED	0.0	0.0	0.0	0.0%
Total	36,101.4	35,157.7	(943.7)	-2.6%

\$ in thousands



Legal and Advocacy Services

Services Provided by this RDU

- Public Guardians
- Elder Fraud
- Guardian ad litem (Representation for Children in Need)
- Court Appointed Special Advocates
- Child in Need of Aid (CINA) Parent and Child Representation
- Public Defender & Public Advocacy

Significant FY2026 Budget Changes

- Additional Positions for Expanding Operations, Congestion Reduction in Statewide Cases, and Support to the Office of Public Advocacy; \$531.8 UGF
- Guardian ad Litem Positions Becoming Overtime Eligible \$450.0
- Lease Costs for Building Upgrades for the Office of Public Advocacy \$106.0 UGF

Fund Group	FY2025 Management Plan (MP)	FY2026 Governor	FY2025 MP to FY2026 Gov	% Change
UGF	80,474.6	82,298.4	1,823.8	2.3%
DGF	2,799.4	2,843.4	44.0	1.6%
Other	2,192.3	2,228.9	36.6	1.7%
FED	50.0	50.0	0.0	0.0%
Total	85,516.3	87,420.7	1,904.4	2.2%

\$ in thousands



Division of Motor Vehicles

Services Provided by this RDU

- Provide Licensing, Registration, and Titling services to Alaskans
- Commercial Drivers Licensing
- Driver Training Resources
- Crash Data Repository
- Remove Driving Privileges from Unsafe and Uninsured Drivers
- Issue Federal REAL IDs
- Screening for Fraudulent ID Activity

Significant FY2026 Budget Changes

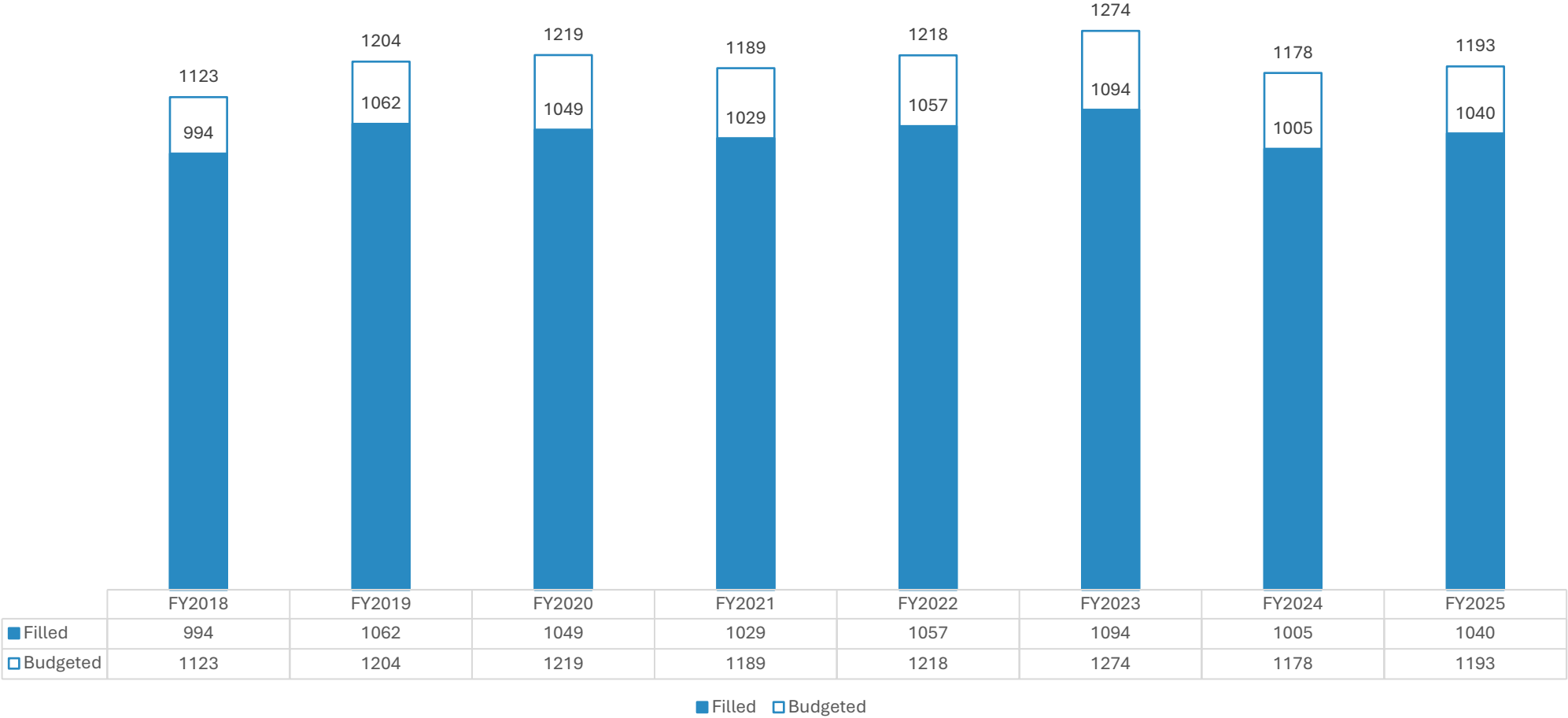
- Expand Division of Motor Vehicle Programming and IT Capabilities +1 Analyst/Programmer 5; +\$152.5 DGF (OTI)

Fund Group	FY2025 Management Plan (MP)	FY2026 Governor	FY2025 MP to FY2026 Gov	% Change
UGF	0.0	0.0	0.0	0.0%
DGF	19,923.2	20,313.0	389.8	2.0%
Other	51.9	51.9	0.0	0.0%
FED	536.3	538.3	2.0	0.4%
Total	20,511.4	20,903.2	391.8	1.9%

\$ in thousands



Department Vacancy Count



Full-time positions only



Vacancy Percentage by RDU

RDU	2018	2019	2020	2021	2022	2023	2024	2025
Centralized Admin Services	11%	12%	13%	14%	12%	19%	19%	18%
Shared Services of Alaska	17%	20%	15%	25%	14%	15%	6%	5%
Office of Information Technology	19%	18%	17%	19%	15%	16%	22%	11%
Risk Management	0%	0%	0%	25%	0%	17%	0%	0%
Legal & Advocacy Services	5%	7%	15%	6%	10%	8%	12%	13%
Violent Crimes Compensation Board	0%	0%	0%	0%	0%	0%	0%	0%
Alaska Public Offices Commission	13%	0%	13%	13%	22%	22%	33%	11%
Division of Motor Vehicles	12%	7%	7%	9%	22%	14%	8%	8%
AK Oil & Gas Conservation Comm.	13%	9%	0%	0%	0%	0%	0%	0%
Total	11%	12%	14%	13%	13%	14%	15%	13%



Full-time positions only

Vacancy Percentage by Component

Component	2018	2019	2020	2021	2022	2023	2024	2025
Administrative Hearings	6%	19%	19%	19%	7%	7%	7%	27%
Office of the Commissioner	33%	60%	0%	0%	17%	29%	43%	43%
Administrative Services	7%	6%	20%	8%	9%	27%	23%	6%
Finance	16%	20%	16%	8%	19%	26%	32%	32%
E-Travel	50%	0%	0%	0%	0%	0%	0%	0%
Personnel	13%	10%	8%	22%	9%	9%	4%	5%
Labor Relations	0%	29%	29%	14%	0%	57%	43%	0%
Retirement and Benefits	8%	8%	14%	10%	7%	16%	14%	12%
Shared Services of Alaska	17%	20%	15%	25%	14%	15%	6%	5%
Office of Information Technology	19%	18%	17%	19%	15%	16%	22%	11%
Risk Management	0%	0%	0%	25%	0%	17%	0%	0%
Office of Public Advocacy	3%	6%	13%	6%	5%	6%	12%	13%
Public Defender Agency	7%	8%	17%	7%	14%	10%	12%	13%
Violent Crimes Comp Board	0%	0%	0%	0%	0%	0%	0%	0%
Alaska Public Offices Comm	13%	0%	13%	13%	22%	22%	33%	11%
Motor Vehicles	12%	7%	7%	9%	22%	14%	8%	8%
AK Oil & Gas Conservation Comm	13%	9%	0%	0%	0%	0%	0%	0%
Total	11%	12%	14%	13%	13%	14%	15%	13%



Full-time positions only



Thank you!

Questions? Please contact:

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