

ALASKA STATE LEGISLATURE

HOUSE ADMINISTRATION (FIN SUB) COMMITTEE



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Chair:

Rep. Calvin Schrage

Members:

Rep. Ashley Carrick

Rep. Andi Story

Rep. Rebecca Himschoot

Rep. Ky Holland

Rep. Sarah Vance

Rep. Kevin McCabe

Rep. Elexie Moore

House Finance Minority Member (Invited):

Rep. Jamie Allard

Committee Aide:

Caroline Hamp

Binder Index

Agency Budget Graphs

Transaction Comparison

FY26 Subcommittee Book

FY25 Enacted Budget Book

Midyear Status Report

Statewide Graphs

Meetings #TBD

Close-Out



ALASKA STATE LEGISLATURE

HOUSE FINANCE COMMITTEE



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DATE: January 21st, 2025

TO: House Finance Subcommittee Chairs

FROM: Representative Andy Josephson, Co-Chair
House Finance Committee

RE: FY26 Operating Budget Subcommittees

This memo provides a high-level framework for reviewing the operating budget by the House Finance Operating Budget Subcommittees. The subcommittee process is meant to increase members' understanding of the responsibilities and challenges facing the agencies and make recommendations to the Fiscal Year 2026 (FY26) budget.

The *Legislative Fiscal Analyst's Overview of the Governor's Request* is available at <https://www.legfin.akleg.gov/Overview/Overview2026.pdf>. Please begin to work with your Legislative Finance Analyst and review the Legislative Finance Division's (LFD) overview.

SUBCOMMITTEE ADMINISTRATION AND OPERATION

Meetings

House Finance Committee (HFIN) majority members will be the chair of three or four agency budget subcommittees. The membership of each subcommittee is an existing standing or special committee. Minority HFIN members have also been added to various subcommittees as non-voting members. If necessary, any HFIN co-chair may be called upon to serve as an alternate subcommittee chair or member.

The subcommittee chair should work in conjunction with the standing/special committee chair. Subcommittees should be given the highest priority possible during the scheduled time frame for standing and special committees until the subcommittee closes out. This may require devoting at least 50% of each standing/special committee meeting to the subcommittee. Subcommittees are not to be scheduled during the normal House Finance Committee meeting time of 1:30 to 3:30pm, Monday through Friday without prior approval and notification.

Preparation for subcommittees is no different than for standing/special committees. The following preparations are necessary for a smooth meeting process:

- Work with agency staff and the LFD analyst assigned to the department when planning the subcommittee schedule and agenda.
 - Coordinate with each agencies Administrative Services Director for agency staff subcommittee availability.
 - Include the respective LFD analyst in all facets of the budget process and correspondence with subcommittee members/agency staff.
 - Include the respective OMB analyst to correspondence with subcommittee members/agency staff.
- Use the teleconference network to request streaming of each meeting to the akleg.gov (Gavel Alaska) website and, when necessary, to accommodate testifiers not located in Juneau.
- Request finalized meeting materials be provided by 5:00pm the day prior to the scheduled meeting to allow for distribution to subcommittee members.
- Post all subcommittee documents on BASIS with adequate time before the scheduled start time for the subcommittee meeting.

Note: Subcommittee meetings will follow the same five-day public notice requirement as standing/special committees. A signed subcommittee scheduling memo must be delivered to the House Clerk's office by 4:00pm, Thursday the week before. If you are scheduling a Monday meeting, you must inform the House Clerk by Wednesday at 4pm.

Resources for Subcommittee Members

The committee aide of each subcommittee is responsible for preparing and providing a binder of information for each subcommittee member. The binder should at least contain the following:

- 1) This memo
- 2) Agency Graphs
- 3) Transaction Comparison with notes (FY26 Adjusted Base to FY26 Governor's Amended Request)
- 4) FY26 Subcommittee Book
- 5) FY25 Enacted Budget Book
- 6) Department's Portion of FY25 Intent Letter
- 7) Midyear Status Report
- 8) Relevant Department-Specific Legislative Audit Reports
- 9) Appendix: Statewide Budget Items

Binders and the detailed information should be made available to all subcommittee members online by the first meeting of the subcommittee.

SUBCOMMITTEE BUDGET REVIEW PROCESS & REQUIREMENT

Budget Review

The purview of the subcommittee is the numbers section of their agency budgets. Subcommittees are also to review the governor's budget amendments that will be submitted February 19th. The purpose of the subcommittee process is to review and discuss agency budget transactions such as

increments, decrements, transfers, new positions or position changes, fund source changes, etc., and then provide the reports and a memo with recommendations to HFIN.

The language sections of the operating budget are not under the purview of subcommittees. Any recommendations for language section changes should be discussed with my office prior to including in the subcommittee's close-out report.

The subcommittees should utilize the LFD and various materials specific to the Departments to help subcommittee members understand the historic significance of previous Legislatures and review of the departments. LFD can also provide and assist with performance measures of each agency at your request.

Subcommittees can begin as early as January 27th. In the first subcommittee meeting, you should have the agency provide an overview. In subsequent meetings, the subcommittee should reach the following goals:

- 1) Review the FY25 department budget, including Governor's vetoes and other changes made between the Conference Committee Budget and the Enacted Budget.
- 2) Analyze the FY26 Proposed Budget; including increments, decrements, and any requests related to the overall success in completing the department's mission offered in the Governor's proposed budget.

Requirements

During the subcommittee process members should consider:

- 1) How the past year's FY25 budget changes were implemented in each program, and how they impact the future budget of the department.
- 2) Changes between the FY25 Enrolled budget and the Governor's Management Plan.
- 3) Changes the department anticipates in the future and the sustainability of services the department provides.
- 4) How the Governor's proposed FY26 budget changes will be implemented if approved.
- 5) Accepting and/or declining Interdepartmental Transfer-Ins (ATrIns) and Transfer-Outs (ATrOuts) require coordination between both subcommittees impacted, LFD, and the Operating Budget Co-Chair.
- 6) Review how legislation from the Governor impacts revenues and expenditures.
- 7) Budget items not to be considered by the Subcommittee:
 - a. Governor's Supplemental Budget
 - b. Changes to the Language section (as mentioned previously)
 - c. Structural changes to appropriations

SUBCOMMITTEE CLOSE-OUT

The agency budgets should be reported out of subcommittee and subcommittee closed out no later than March 5th.

Subcommittee chairs should use the Budget Action (BA) reports provided by LFD as part of the close-out procedures. In addition to the BA reports and the associated reports, Chairs will also need to prepare a subcommittee narrative that highlights actions taken in subcommittee. A Detailed Close-Out Memo is forthcoming and will be provided before subcommittees close-out.

Plan for one close-out meeting. Work with your LFD analyst to figure out how many meetings your subcommittee will need to make the close-out deadline.

CONTACT

Please feel free to contact me or my staff, Alexander Schroeder at 465-4939 or Erin Page at 465-4939, if you have any questions or suggestions.

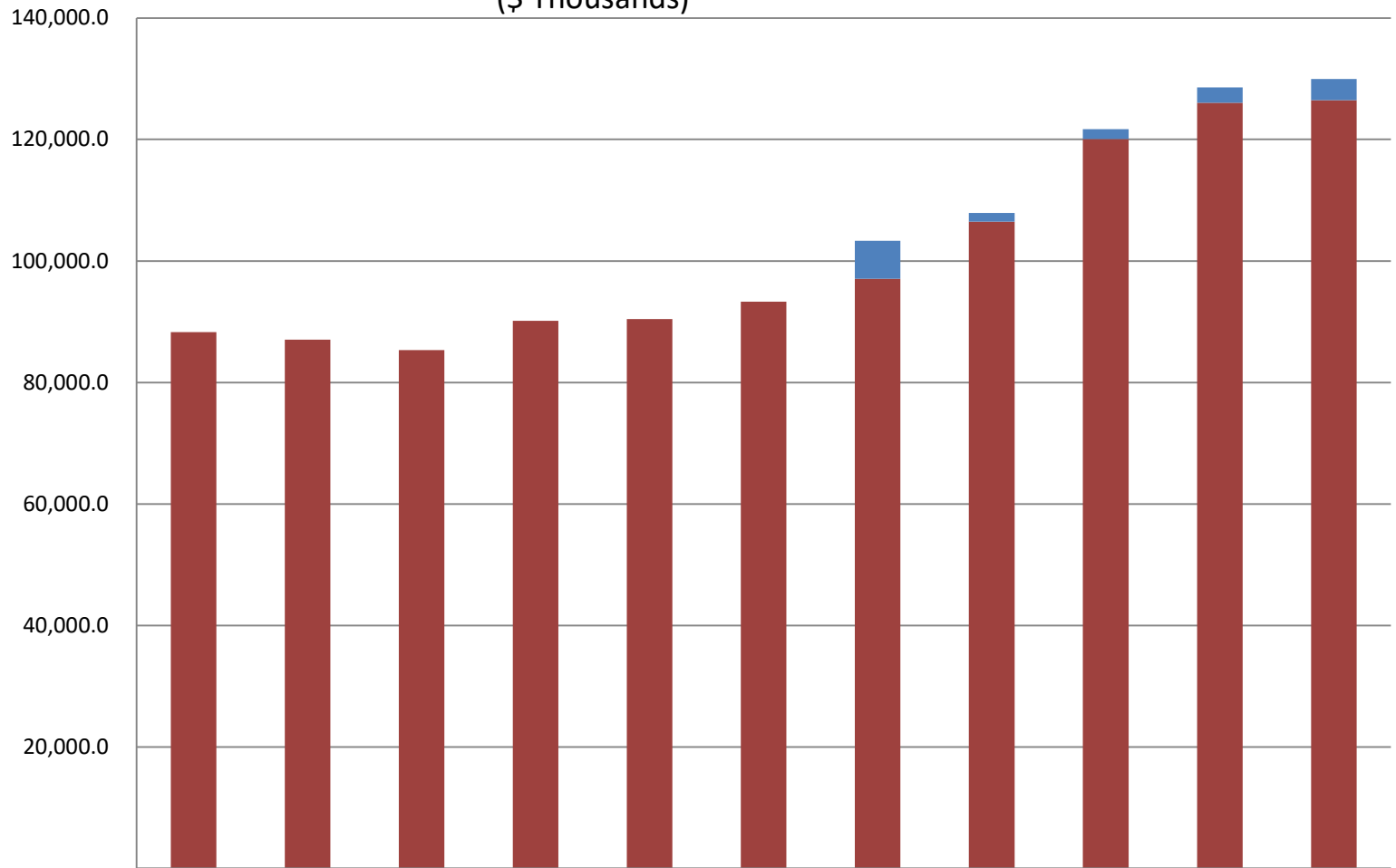
Department of Administration

Total General Fund Budget

(GF Only)
(\$ Thousands)

The Department's GF budget increased by **\$41.6 million** between **FY16** and **FY26** - an average annual growth rate of **3.9%**.

The **FY26 GF** budget equates to **\$410 per resident worker** based on **316,809** resident workers.

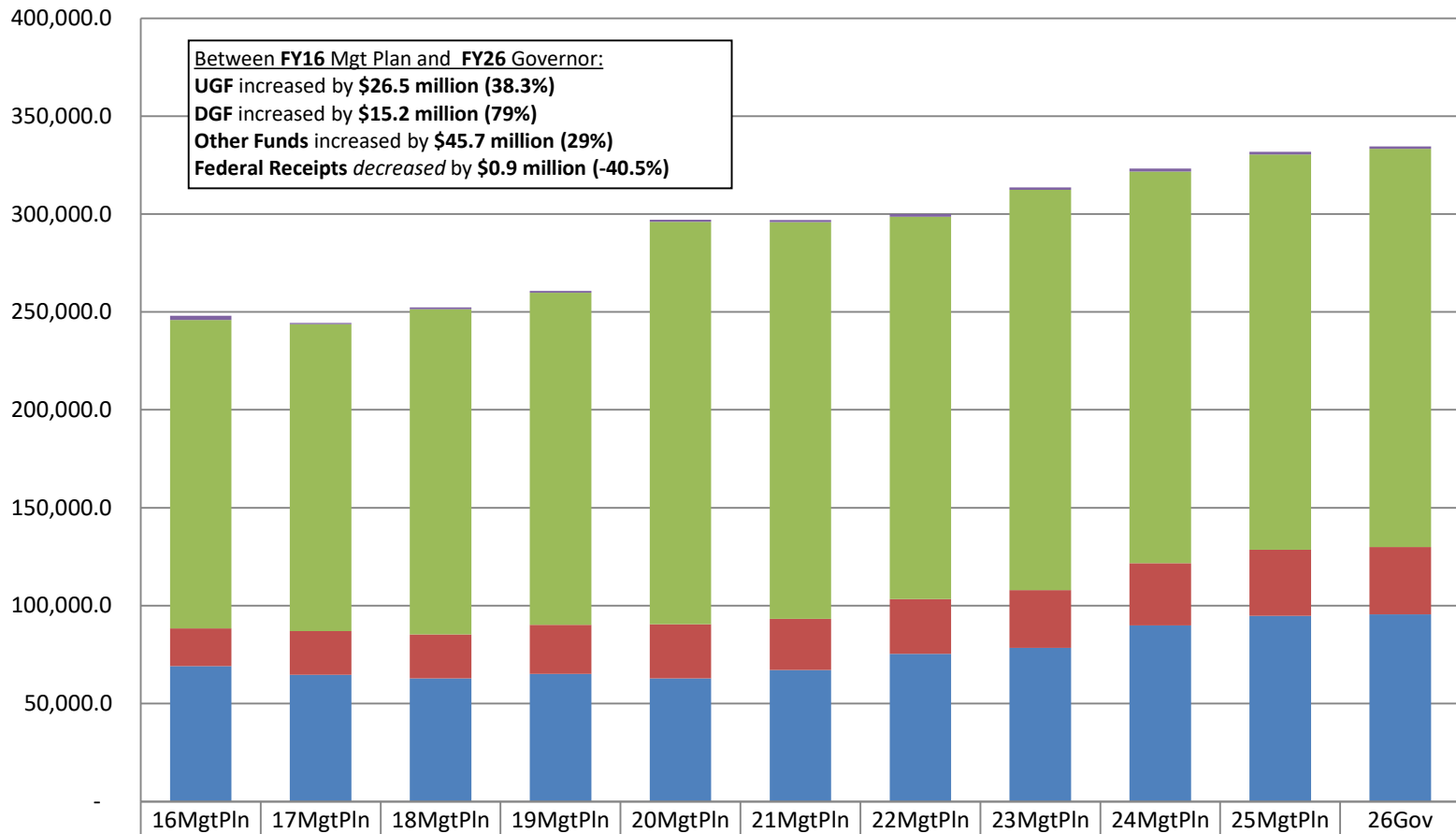


	16MgtPln	17MgtPln	18MgtPln	19MgtPln	20MgtPln	21MgtPln	22MgtPln	23MgtPln	24MgtPln	25MgtPln	26Gov
% of All Agencies' Budgets	1.8%	1.9%	1.9%	1.9%	2.0%	1.9%	2.2%	2.2%	2.3%	2.3%	2.4%
Average of SB55	-	-	-	-	-	-	6,241.3	1,460.8	1,617.6	2,522.6	3,456.9
Total Agency Budget (GF Only)	88,296.1	87,037.2	85,312.9	90,168.4	90,428.9	93,279.9	97,072.2	106,446.2	120,092.4	126,047.5	126,473.7

Department of Administration

Total Funding Comparison by Fund Group

(All Funds)
(\$ Thousands)



	16MgtPln	17MgtPln	18MgtPln	19MgtPln	20MgtPln	21MgtPln	22MgtPln	23MgtPln	24MgtPln	25MgtPln	26Gov
Federal Receipts (Fed)	2,162.5	576.8	877.9	884.9	1,099.5	1,104.6	1,318.2	1,329.2	1,441.6	1,274.2	1,287.1
Other State Funds (Other)	157,618.3	156,781.2	166,128.9	169,663.6	205,587.9	202,545.5	195,388.5	204,437.6	200,003.1	201,897.7	203,354.8
Designated General (DGF)	19,200.2	22,301.0	22,411.8	25,017.1	27,624.2	26,232.0	27,992.3	29,448.6	31,886.1	33,764.1	34,367.8
Unrestricted General (UGF)	69,095.9	64,736.2	62,901.1	65,151.3	62,804.7	67,047.9	75,321.2	78,458.4	89,823.9	94,806.0	95,562.8

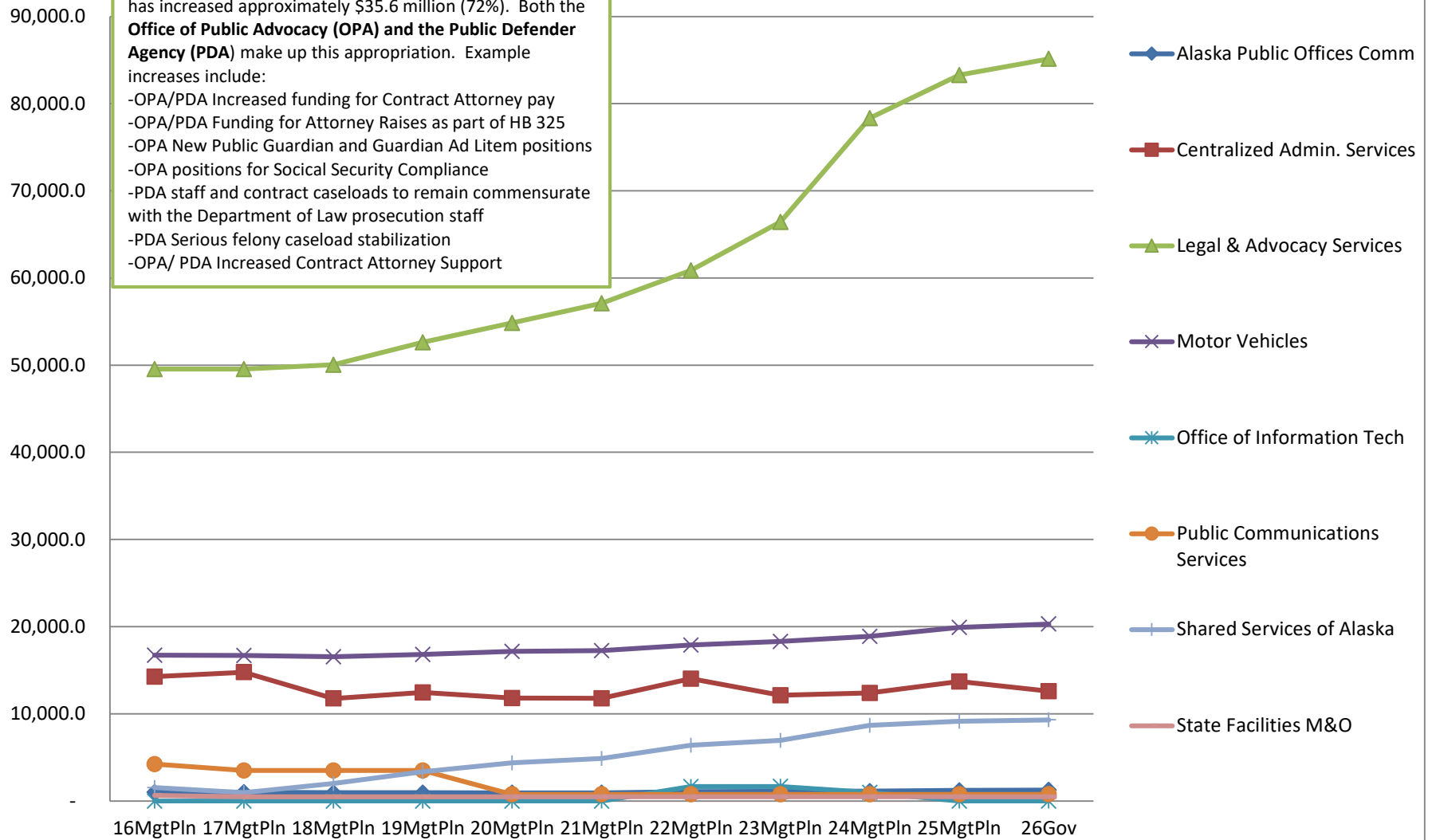
Appropriations within Department of Administration

(GF Only)

(\$ Thousands)

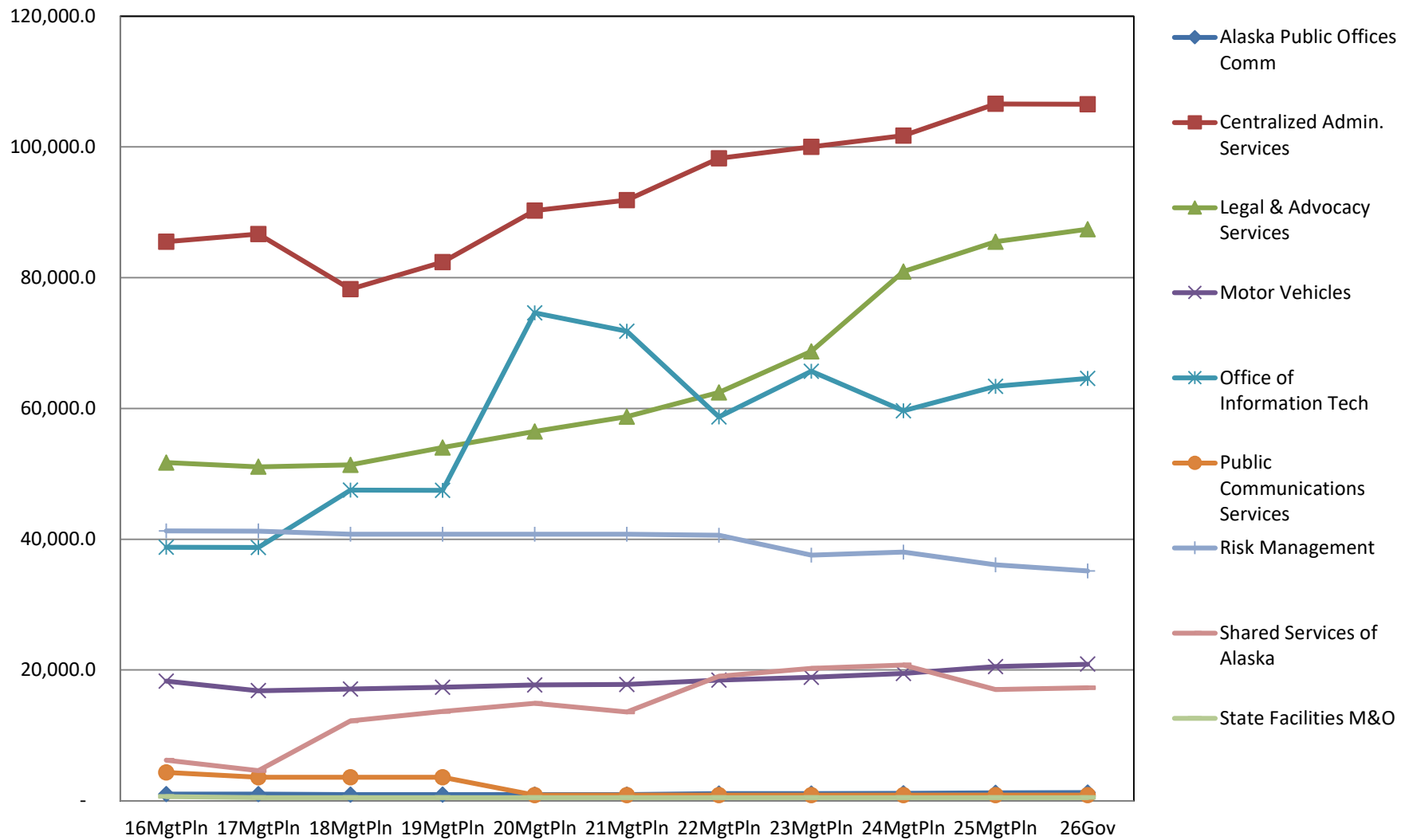
Since FY16, the Legal and Advocacy Services appropriation has increased approximately \$35.6 million (72%). Both the **Office of Public Advocacy (OPA)** and the **Public Defender Agency (PDA)** make up this appropriation. Example increases include:

- OPA/PDA Increased funding for Contract Attorney pay
- OPA/PDA Funding for Attorney Raises as part of HB 325
- OPA New Public Guardian and Guardian Ad Litem positions
- OPA positions for Social Security Compliance
- PDA staff and contract caseloads to remain commensurate with the Department of Law prosecution staff
- PDA Serious felony caseload stabilization
- OPA/ PDA Increased Contract Attorney Support

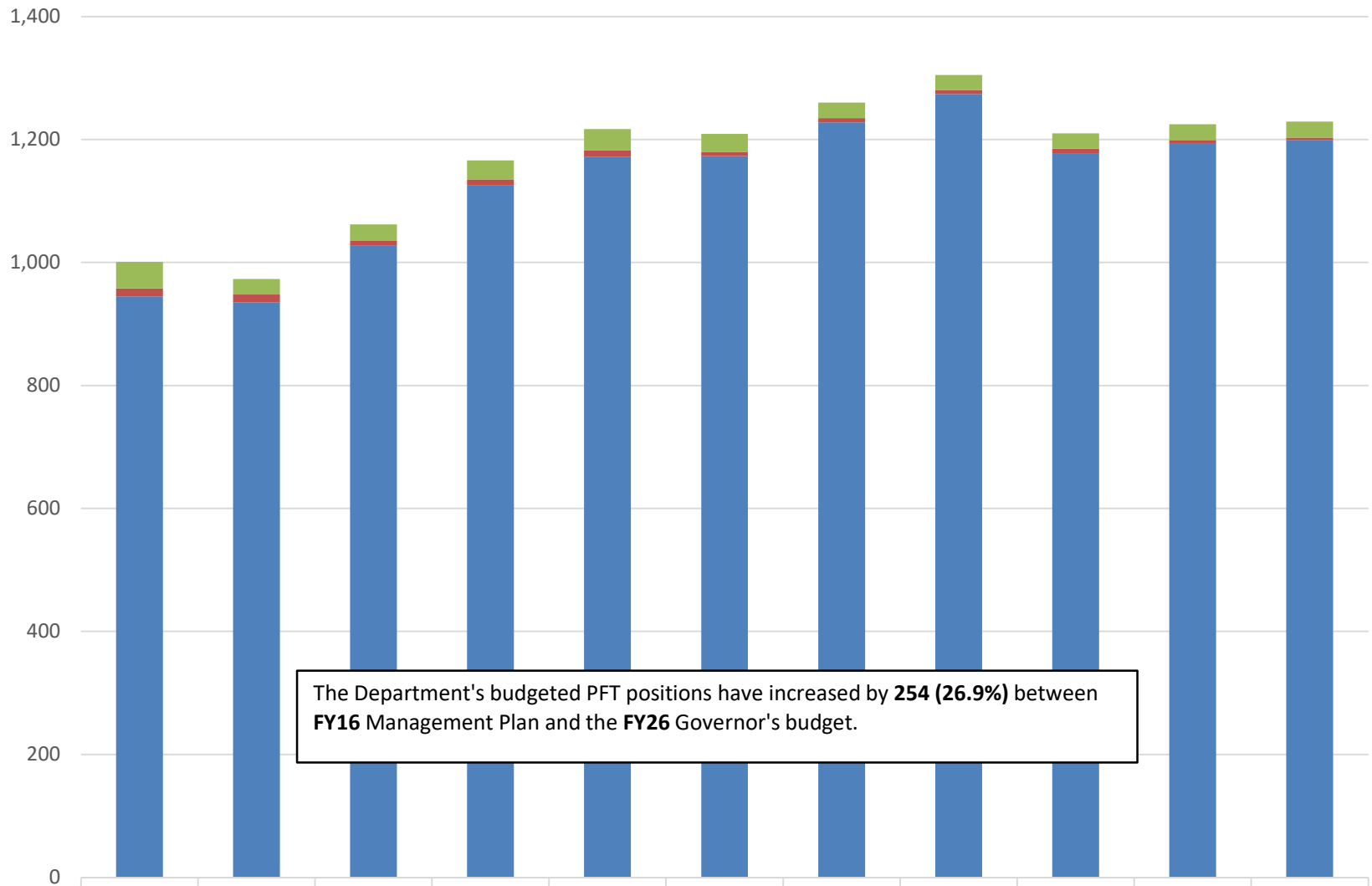


Appropriations within Department of Administration

(All Funds)
(\$ Thousands)



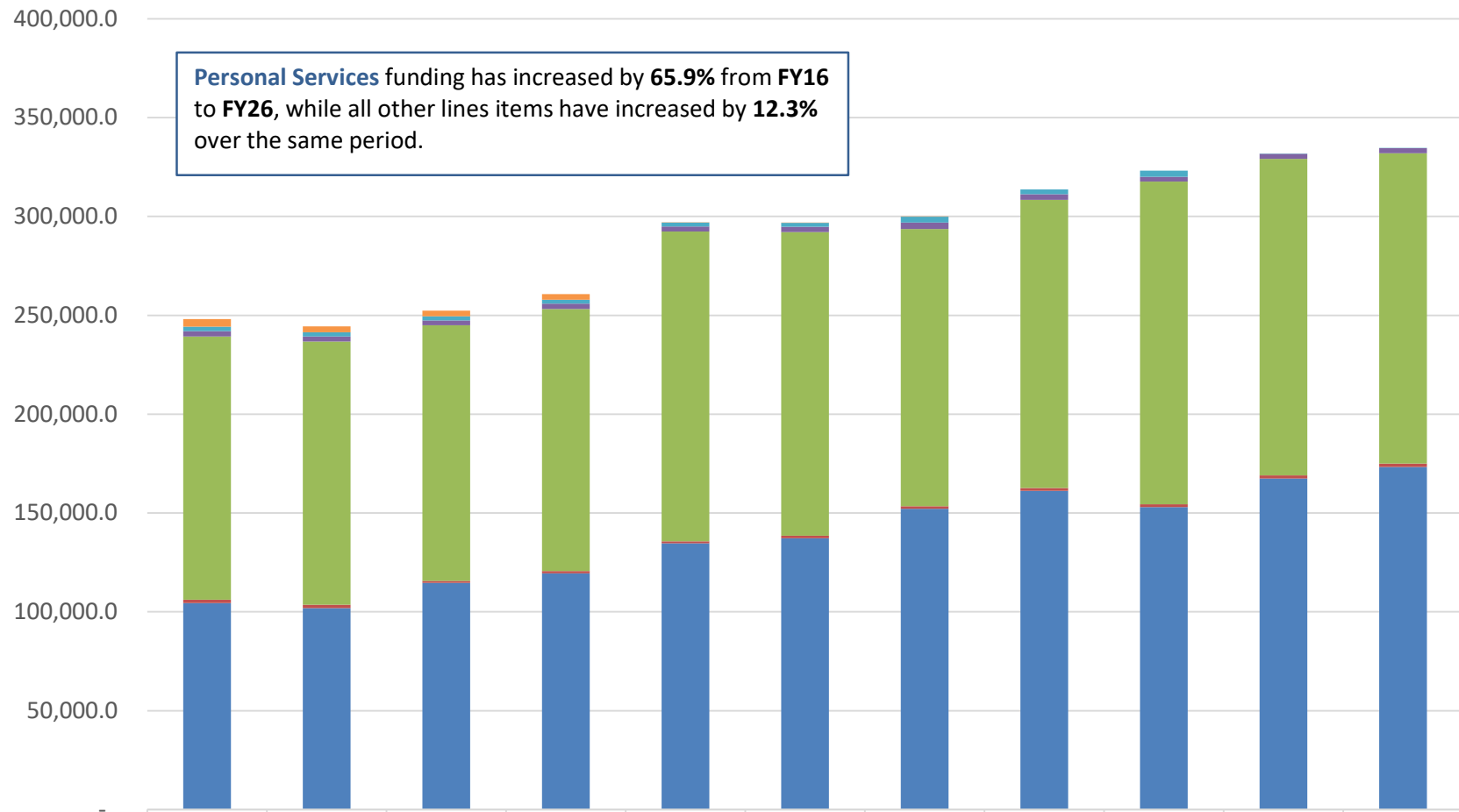
Budgeted PCNs in Department of Administration



The Department's budgeted PFT positions have increased by **254 (26.9%)** between **FY16** Management Plan and the **FY26** Governor's budget.

	16MgtPln	17MgtPln	18MgtPln	19MgtPln	20MgtPln	21MgtPln	22MgtPln	23MgtPln	24MgtPln	25MgtPln	26Gov
■ Temporary	43	25	26	31	35	29	25	25	25	26	26
■ Perm Part Time	13	13	9	10	10	7	7	6	7	6	4
■ Perm Full Time	945	935	1,027	1,125	1,172	1,173	1,228	1,274	1,178	1,193	1,199

Department of Administration Budget by Line Item



	16MgtPln	17MgtPln	18MgtPln	19MgtPln	20MgtPln	21MgtPln	22MgtPln	23MgtPln	24MgtPln	25MgtPln	26Gov
7 Grants, Benefits	3,793.8	3,026.6	2,872.6	2,872.6	160.0	160.0	160.0	-	-	-	-
5 Capital Outlay	2,254.9	2,054.9	2,004.9	1,954.9	1,954.9	1,954.9	3,000.0	2,480.0	3,035.9	25.0	25.0
4 Commodities	2,751.6	2,525.4	2,435.8	2,695.6	2,695.0	2,697.5	3,144.7	2,800.2	2,546.4	2,540.4	2,567.7
3 Services	133,097.7	133,170.6	129,318.0	132,585.1	156,628.6	153,593.8	140,248.1	145,810.6	163,122.3	160,076.5	157,021.5
2 Travel	1,707.9	1,735.2	964.2	1,041.1	1,025.5	1,302.1	1,261.9	1,402.2	1,496.8	1,648.3	1,611.0
1 Personal Services	104,471.0	101,882.5	114,724.2	119,567.6	134,652.3	137,221.7	152,205.5	161,180.8	152,953.3	167,451.8	173,347.3

2025 Legislature - Operating Budget

Transaction Compare - Governor Structure

Between AdjBase and Gov

Numbers and Language Differences Agencies: Admin

Agency: Department of Administration

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Centralized Administrative Services													
Finance													
Change Human Resource Technician 1 from Part-Time to Full-Time for Statewide Payroll Services	Gov	Inc	65.2	65.2	0.0	0.0	0.0	0.0	0.0	0.0	1	-1	0
Change part-time Human Resource Technician 1 (022034), range 12, located in Juneau, to full-time.													
The volume of payroll processing has increased beyond seasonal demand for this position, a full-time technician will ensure timely and accurate payroll management throughout the year, reducing the risk of errors during peak periods.													
1007 I/A Rcpts (Other) 65.2	Gov	Inc	75.0	0.0	0.0	75.0	0.0	0.0	0.0	0.0	0	0	0
Increased Fees for Financial Reporting Compliance Software (Workiva) Used to Automate ACFR Data													
Workiva is the financial reporting compliance software used to automate data for the State's Annual comprehensive Financial Report (ACFR). Following a significant upgrade in FY2024 that improved reporting functionality and performance, annual maintenance and user license fees increased.													
1007 I/A Rcpts (Other) 75.0	Gov	Dec	-45.0	0.0	0.0	0.0	-45.0	0.0	0.0	0.0	0	0	0
Remove Prior Year Funding for Large Screen Monitors for Payroll Section													
Reduce prior year authority for large screen monitors for the Payroll Section.													
1004 Gen Fund (UGF) -45.0													
* Allocation Difference *			95.2	65.2	0.0	75.0	-45.0	0.0	0.0	0.0	1	-1	0
Labor Relations													
Transfer Authority to Office of the Governor In Accordance with Administrative Order 356	Gov	ATrOut	-175.8	-101.8	0.0	-74.0	0.0	0.0	0.0	0.0	0	0	0
Transfer authority to the Office of the Governor for union contract negotiations in coordination with the Department of Law in accordance with Administrative Order 356 for communication efficiencies and program alignment.													
1004 Gen Fund (UGF) -175.8													
Transfer Authority to Department of Law In Accordance with Administrative Order 356	Gov	ATrOut	-805.6	-595.0	-1.0	-192.8	-16.8	0.0	0.0	0.0	0	0	0
Transfer authority to the Department of Law for union contract negotiations in coordination with the Office of the Governor in accordance with Administrative Order 356. for communication efficiencies and program alignment.													
1004 Gen Fund (UGF) -805.6													
* Allocation Difference *			-981.4	-696.8	-1.0	-266.8	-16.8	0.0	0.0	0.0	0	0	0
** Appropriation Difference **			-886.2	-631.6	-1.0	-191.8	-61.8	0.0	0.0	0.0	1	-1	0
Office of Information Technology													
Licensing, Infrastructure & Servers													
Rising Software and Contract Costs from Increased Usage and Inflation	Gov	Inc	529.0	0.0	0.0	529.0	0.0	0.0	0.0	0.0	0	0	0
This funding allows the Office of Information Technology (OIT) to continue operations for broad information technology (IT) platforms.													

2025 Legislature - Operating Budget **Transaction Compare - Governor Structure** **Between AdjBase and Gov**

Numbers and Language Differences Agencies: Admin

Agency: Department of Administration

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Office of Information Technology (continued)													
Licensing, Infrastructure & Servers (continued)													
Rising Software and Contract Costs from Increased Usage and Inflation (continued)													
The cost of the State of Alaska's digital operations are rising due to increases in software costs driven by increasing number of licenses required, and the cost of each license increasing. This funding will continue functionality, contracts and compliance with essential software requirements critical for ongoing operations across all executive brand agencies.													
1081 Info Svc (Other)			529.0										
* Allocation Difference *			529.0	0.0	0.0	529.0	0.0	0.0	0.0	0.0	0	0	0
** Appropriation Difference **			529.0	0.0	0.0	529.0	0.0	0.0	0.0	0.0	0	0	0

Legal and Advocacy Services

Office of Public Advocacy

MH Trust: Public Guardian Position - Office of Child Services Transition (FY26-FY27)	Gov	IncT	91.5	91.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Trust funds will be used to support a new Public Guardian position in the Department of Administration, Office of Public Advocacy, to work directly with Trust beneficiaries who are aging out of the child welfare system. The position will be located in Anchorage and will serve the beneficiaries statewide. Public guardians serve adults Trust beneficiaries found to be incapacitated by the Superior court. Public guardians are required to maintain benefits, manage finances, make medical decisions, and ensure suitable housing for each Trust beneficiary (ward). This position supports the Office of Public Advocacy's strategic plan to bring down current public guardian caseloads from approximately 100 cases per public guardian to the recommended national maximum of 40 cases per public guardian, resulting in improved services, support, and overall management of Trust beneficiaries (wards).													
1092 MHTAAR (Other)			91.5										
Office Space Lease Increase due to Building Upgrades and Improvements	Gov	Inc	106.0	0.0	0.0	106.0	0.0	0.0	0.0	0.0	0	0	0
The Office of Public Advocacy (OPA) needs building upgrades and renovations to their primary office space to upgrade out-of-date technological aspects of the building, including modernizing internet capabilities, and to accommodate the increased number of positions that have been created through fiscal notes and budget requests over the past few years.													
This buildout will add appropriate office space for additional positions that have been added.													
1004 Gen Fund (UGF)			106.0										
Fund Overtime Eligibility for Guardian ad Litem and Public Guardian Positions working on Child in Need of Aid Casework	Gov	Inc	450.0	450.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This funding will cover overtime for Guardian ad Litem and Public Guardian positions, which advocate for Children in Need of Aid (CINA) cases. These positions operate on attorney hours and essentially practice law under a CINA court rules exception.													
A recent change in job classification now allows this position class to log and bill overtime hours for work beyond the standard 40-hour workweek. Previously, these positions often worked more than 40 hours to serve indigent Alaskans without overtime eligibility. This change is expected to improve recruitment, retention, service delivery, and customer satisfaction.													

2025 Legislature - Operating Budget Transaction Compare - Governor Structure Between AdjBase and Gov

Numbers and Language Differences
Agencies: Admin

Agency: Department of Administration

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Legal and Advocacy Services (continued)													
Office of Public Advocacy (continued)													
Fund Overtime Eligibility for Guardian ad Litem and Public Guardian Positions working on Child in Need of Aid Casework (continued)													
1004 Gen Fund (UGF) 450.0													
Add One Administrative Support Position to Help Keep Pace with Expanding Operations	Gov	Inc	143.3	125.0	0.0	17.3	1.0	0.0	0.0	0.0	1	0	0
The administrative positions within Office of Public Advocacy (OPA) have remained stagnant and are struggling to keep pace with the administrative demands.													
The OPA is organized as multiple independent law firms under one central administrative umbrella. This unique structure depends on the central administrative support to be functioning well.													
These sections depend on the OPA's administrative support for essential tasks like creating and transferring positions, hiring, promotions, tech issues, placing civil and criminal cases, billing, paying agency and contractor bills, auditing, managing public guardian client funds, etc. The agency is currently struggling to fulfil the existing administrative duties due to understaffing, which is hindering the efficiency of the agency as whole and allowing critical issues to be overlooked.													
Full-time Administrative Officer 1 (02#296), range 17, located in Anchorage													
1004 Gen Fund (UGF) 143.3													
Add One Paralegal to Reduce Congestion in Assigning Statewide Cases	Gov	Inc	128.0	109.7	0.0	17.3	1.0	0.0	0.0	0.0	1	0	0
The Office of Public Advocacy 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 will support the statewide case assignments team to prevent congestion and enhance the efficiency of the agency.													
Assigning a single case takes considerable time and effort, and typically consists of:													
- Extracting information from court case documents and recording it in one document													
- Running all names through the database to find conflict-free counsel													
- Identifying counsel-seeking contract attorneys if staff offices are conflicted and waiting on someone to accept the case													
- Creating cases in the database to include entering all compiled names													
- Transferring all discovery and pleadings to the assigned attorney Full-time Paralegal 2 (02#297), range 16, located in Anchorage													
1004 Gen Fund (UGF) 128.0													
Add One Attorney 5 to Provide Legal Support and Leadership to the Public Guardians Section	Gov	Inc	242.3	205.6	5.5	27.7	3.5	0.0	0.0	0.0	1	0	0
The Public Guardian section has expanded significantly to meet the demands of a growing client base, creating an urgent need for added leadership and legal support.													
Currently, this section is the only one in the Office of Public Advocacy lacking an Attorney 5 supervisor. The areas of practice in this section are specialized and include pushing back against improper appointments, developing													

2025 Legislature - Operating Budget

Transaction Compare - Governor Structure

Between AdjBase and Gov

Numbers and Language
Differences
Agencies: Admin

Agency: Department of Administration

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Legal and Advocacy Services (continued)													
Office of Public Advocacy (continued)													
Add One Attorney 5 to Provide Legal Support and Leadership to the Public Guardians Section (continued)													
favorable caselaw, and protecting the agency from liability by working directly with the Public Guardian 4 supervisor on policies and procedures. This Attorney 5 position is a key component needed to stabilize the section in the long term.													
Full-time Attorney 5 (02#298), range 25, located in Anchorage													
1004 Gen Fund (UGF) 242.3													
* Allocation Difference *			1,161.1	981.8	5.5	168.3	5.5	0.0	0.0	0.0	3	0	0
** Appropriation Difference **			1,161.1	981.8	5.5	168.3	5.5	0.0	0.0	0.0	3	0	0
Motor Vehicles													
Motor Vehicles													
Expand Division of Motor Vehicle Programming and IT Capabilities													
Gov IncOTI 152.5 144.5 0.0 8.0 0.0 0.0 0.0 0.0 0.0 1 0 0													
As the Division of Motor Vehicles (DMV) moves toward increased automation, it faces a substantial backlog of programming tasks. A team of four programmers, overseen by a Data Processing Manager, currently handles critical information technology (IT) infrastructure to ensure DMV operations, data security, and customer satisfaction. However, the workload has outpaced team capacity, focusing them solely on high-priority projects. Outsourcing programming tasks is cost-prohibitive due to the unique nature of the Alaska License and Vehicle Information (ALVIN) system, which requires a dedicated team familiar with DMV-specific needs.													
Over 95 backlogged tasks, continue to grow, limiting the DMV's ability to integrate new technologies effectively. The programming team's responsibilities 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.													
Full-time Analyst/Programmer 2/3/4 (02#301), range 16/18/20, located in Anchorage													
1005 GF/Prgm (DGF) 152.5													
* Allocation Difference *			152.5	144.5	0.0	8.0	0.0	0.0	0.0	0.0	1	0	0
** Appropriation Difference **			152.5	144.5	0.0	8.0	0.0	0.0	0.0	0.0	1	0	0
*** Agency Difference ***			956.4	494.7	4.5	513.5	-56.3	0.0	0.0	0.0	5	-1	0
**** All Agencies Difference ****			956.4	494.7	4.5	513.5	-56.3	0.0	0.0	0.0	5	-1	0

Column Definitions

AdjBase (FY26 Adjusted Base) - FY25 Management Plan less One-Time Items (OTIs), plus FY26 Position Adjustments (PosAdjs), Transfers In/Out of allocations (TrIns and TrOuts), Line Item Transfers (LITs), Temporary Increments (IncTs) initiated in prior years, adjustments to formula programs in language, and additions for statewide items such as Salary Adjustments (SalAdjs). The Adjusted Base is the base to which the Governor's and the legislature's Increments (Incs), Decrements (Decs), and Fund Changes (FndChg) are added.

Gov (FY26 Gov (12/12)) - Includes FY26 Adjusted Base plus the Governor's operating budget requests submitted on December 12, 2024.

Department of Administration
FY25 Midyear Status Report

Item No.	Appropriation / Allocation	Description	Amount / Fund Source	LFD Questions
1	Centralized Administrative Services / Office of Administrative Hearings	Replace I/A Receipts with General Funds to Avoid Significant Rate Increases to Clients Due to FY24 Salary Increases	Net Zero \$262.5 Gen Fund (UGF) (\$262.5) I/A Rcpts (Other) FndChg	<p>From last session discussions, the FY23 billable rate was \$228/hour. The legislature did not approve the FY24 supplemental request and only approved half the amount for FY25 with the intention that the agency utilize the rate smoothing language appropriation of the operating bill which will allow rates to transition over two years without an immediate spike.</p> <p>Has this process been followed? What were the hourly rates adjusted to for FY24 and what are they for FY25? How much funding is expected to be used from the rate smoothing language section?</p>
<p>Agency Response</p> <p>The FY2024 and FY2025 billing rate is \$273/hour. This increase in rate was necessary due to the increased salaries for judges/lawyers working for the State, and the non-approval of the FY2024 supplemental request and the lower GF approval for FY2025. In addition, OAH has significant judicial vacancies that the new Chief Administrative Law Judge is trying to redress. At full staff, the Office of Administrative Hearings (OAH) should be able to increase its hourly production and in turn reduce rates. However, it must be remembered that OAH is the statutorily mandated adjudicate body for over 51 case matters. The office must have staff available to adjudicate these matters, whether the agencies refer them or not. To address this issue, OAH is also actively seeking discretionary referrals from agencies and local governments.</p>				
2	Centralized Administrative Services / Finance	Recruitment and Retention Incentives to Payroll Staff to Ensure Accurate and Timely Processing of Payroll	\$600.0 I/A Rcpts (Other) Inc	<p>Please provide an update as to what incentives have been implemented to recruit and retain payroll staff. How many positions are currently vacant or in recruitment? Has this added authority helped to stabilize division staffing?</p> <p>Has payroll been processed on time, or have there been some exceptions?</p>
<p>Agency Response</p> <p>This request was a continuation of an FY2024 incentive to provide Statewide Payroll Services staff a 4-step increase. The original LOA request was sent to DOPLR on 8/16/2023 for review and approval and is awaiting response. The division also requested an extension of an overtime allowance and hiring incentive payment for new employees on 4/21/2024 and are awaiting a response. Despite maintaining a 30-40% vacancy rate, payroll has been processed on time, with DOF successfully processing 99.84% of timesheets on schedule.</p>				

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Item No.	Appropriation / Allocation	Description	Amount / Fund Source	LFD Questions
3	Centralized Administrative Services / Finance	Large Screen Monitors for Payroll Section	\$45.0 Gen Fund (UGF) Inc	Have the monitors been purchased for the payroll staff to more efficiently perform their duties?
				Agency Response Yes, all the monitors have been purchased and issued to Statewide Payroll Services staff. The funds were fully expended.
4	Centralized Administrative Services / Finance	Project Manager for Employee Self Service System (ESS) Implementation (FY25-27)	\$206.5 Gen Fund (UGF) 1 PFT Position IncT	Has this new position been recruited for and filled? Please provide details of progress and the hiring date, if available.
				Agency Response The position approval form was submitted on 8/15/2024 and approved by OMB on 9/9/2024. The position description was submitted on 10/3/2024 and approved by classification on 11/13/2024. We anticipate this position will be open for recruitment by 1/6/2025.
5	Centralized Administrative Services / Finance	Additional Resources for Payroll Training Costs	\$50.0 I/A Rcpts (Other) Inc	Have additional resources been implemented to relieve the training burden on existing staff and thereby improve payroll processing?
				Agency Response Two positions within the division were reclassified to training specialists who have been primarily focused on Statewide Payroll Services staff training and process improvement.
6	Centralized Administrative Services / Finance	Move Payroll Services into the State Office Building	\$130.0 Gen Fund (UGF) IncOTI	Has the division been moved to the State Office Building or what is the current plan and timeline?
				Agency Response The Division of Finance completed the move of the Statewide Payroll Services staff to the 8th floor of the State Office Building at the beginning of November. The division is now working to address the remaining personnel files that need to be transitioned to a new location. This work is on track and will be completed by the end of our lease on June 30th, 2025.

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Item No.	Appropriation / Allocation	Description	Amount / Fund Source	LFD Questions
7	Centralized Administrative Services / Finance	Add Fund Accountant to Assist with Fund Tracking and the Annual Comprehensive Financial Report (ACFR) (FY25-27)	\$154.1 Gen Fund (UGF) 1 PFT Position IncT	Has this new position been recruited for and filled? Please provide details of progress and the hiring date if available. Does the agency require additional resources to enhance the timeliness of the ACFR?
		Agency Response The position approval form was submitted on 8/13/2024 and approved by OMB on 10/7/2024. The position description was submitted on 11/22/2024 and approved by classification on 11/25/2024. We anticipate it being open for recruitment by 1/6/2025. Due to additional turnover in the section, the division has utilized former DOF Accountants in temporary positions to assist with the 2024 ACFR completion. The unit needs to be fully staffed and supported with additional resources to enhance system improvements. During the off-season, various tools and resources will be assessed as part of project planning for the upcoming year.		
8	Legal and Advocacy Services / Office of Public Advocacy	Add Four Permanent Full-time Positions to Address Increased Caseloads - 2 Public Guardians, and 2 Support Staff	\$429.7 Gen Fund (UGF) 4 PFT Positions Inc	Have these new positions been recruited for and filled? Please provide details of progress and hiring dates.
		Agency Response All remaining vacant Public Guardian PCNs are scheduled for interviews and should be filled soon. The Eligibility Technician 2 position was filled as of 9/16/2024. The Paralegal 1 position was delayed due to an OPD error, but the agency is actively working to resolve it.		

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Item No.	Appropriation / Allocation	Description	Amount / Fund Source	LFD Questions
9	FY25 Capital	Benefits And Retirement Systems (BEARS) Enhancement	\$9,000.0 Various Retirement System Funding (Other)	Will the initial implementation of BEARS occur in December 2024 as previously stated? Have the second phase "additional enhancements" as a result of the Supreme Court decision begun and is the implementation timeline still expected in FY2028?
				Agency Response Phase 1 implementation of BEARS, originally scheduled for December 2024, has been delayed to September 2025 due to issues with User Acceptance Testing complicated by staffing vacancies. To accommodate this extended timeline, the Division of Retirement and Benefits has collaborated with Sagitec to move two Phase 2 tasks to the Phase 1 implementation. The secondary implementation remains on track for FY2028 and will include the planned additional enhancements, with work starting in January 2025 as scheduled.
10	FY25 Capital	Expand and Complete Digitization of Payroll Services and Recruitment	\$2,050.0 Gen Fund (UGF)	Has the initial \$2.2 million appropriated in FY24 been fully expended and has the digital timesheet auditing function been implemented? Please describe the next phase, progress and timeline for completion and implementation toward timesheet electronic storage, payroll data entry and Personnel Action Request Forms (PARFs). Has there been a revision to the estimate for ongoing support and cloud costs of \$760.4 (which was stated will be absorbed through attrition and cost savings from digitization)?
				Agency Response Half of the initial funding has been expended. The timesheet audit process is currently being digitized, and Statewide Payroll Services has successfully processed multiple pay periods using the new paperless system. The next phase includes electronic file storage and archiving as well as automating forms. Payroll data entry and PARFs are also part of the next phase. However, there currently isn't a timeframe for these items, as they were unfunded requests and resources are unavailable to address them at this time. Alternative solutions are being explored in the interim. Ongoing support and cloud costs remain unchanged, though additional costs are expected. This has not yet been fully analyzed or determined.

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Item No.	Appropriation / Allocation	Description	Amount / Fund Source	LFD Questions
11	FY25 Capital	Replace Aging IT Infrastructure	\$1,000 Gen Fund (UGF)	Please describe the planned "end of life" IT infrastructure to be replaced with this funding. Why were general funds required for these replacements and is there an ongoing UGF expectation? Is the intent to replace aging infrastructure with new and then adjust ISF rates for future replacement as would be expected from an internal service fund? When will the 5-year asset management replacement schedule be completed?
<p>Agency Response</p> <p>The funding is used to replace aging equipment that no longer meets functional requirements, exhibits unacceptable vulnerability or is not under support. Priority is determined by security and operational risk. Current priorities include equipment used to provide connectivity to most of the state's remote or rural offices (switches, connection points and wireless systems), enterprise data storage and core networking/connectivity equipment.</p> <p>Increasing digitization, consumption of technical services and inflationary IT contract costs have resulted in deferred replacements. Additional funding will be required moving forward, the specific nature of which is flexible.</p> <p>The funding is to replace deferred aging infrastructure with new. We model equipment depreciation costs each year for inclusion in the ISF rates, or inclusion as a UGF request based on agency budget priorities.</p> <p>The average lifecycle for telecom/network equipment is seven years. The Office of Information Technology (OIT) centrally manages approximately \$50 million in enterprise IT equipment (excluding additional department IT assets) and maintains a running multi-year replacement projection. OIT operates a continuous 5-year asset management replacement schedule for funding which is ongoing and updated each year based on prioritization of assets.</p>				

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Item No.	Appropriation / Allocation	Description	Amount / Fund Source	LFD Questions
12	FY25 Capital	Statewide Public Service Digital Assistant - Requirements, Definition, and Road Mapping	\$300.0 Gen Fund (UGF)	What is the timeline for expenditure of this funding? Please clarify the intended outcome of the project? Will this amount of funding accomplish the end goal?
Agency Response This funding will be completely expended by the end of FY2025. This project defined the requirements and plan to build a 'myAlaska Mobile Application' to provide improved access to digital services consumed by constituents. The app will allow users to access multiple myAlaska supported services through the myAlaska portal, and provide additional directory services. These funds were intended to fulfill the planning phase of this project which is complete and were also able to be leveraged to support the initial build phase. Incorporation of an Artificial Intelligence supported chatbot and post-launch improvements will exceed these specified funds but the initial project is considered complete.				