

# Alaska Department of Administration **Department Overview**



**Presentation to House Finance Committee  
January 31, 2012  
Commissioner Becky Hultberg**

# 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.

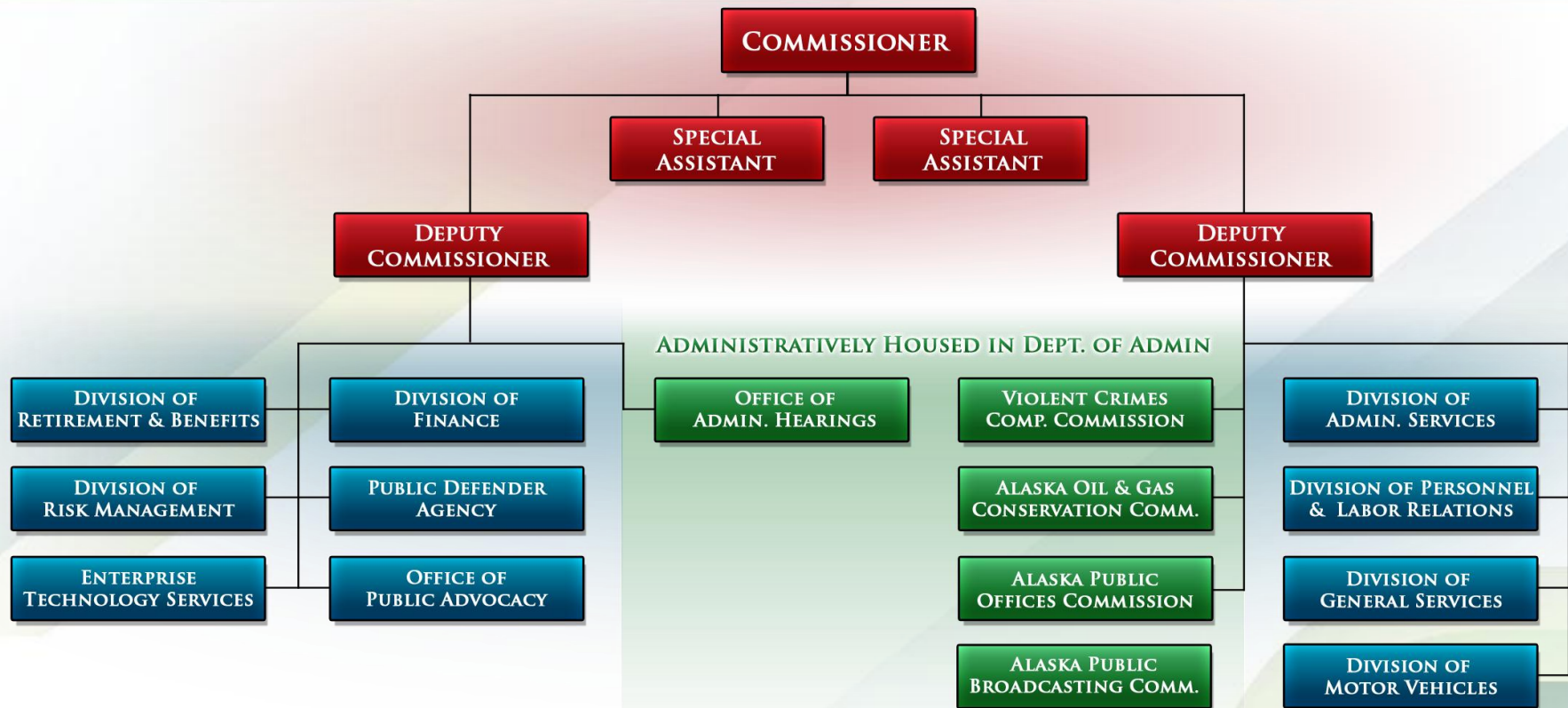
**Service:** We will provide excellent service.

**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.



# Organization Chart





# Divisions & Commissions

## Direct Services

- Division of Motor Vehicles
- Public Defender Agency
- Office of Public Advocacy

## Independent Commissions

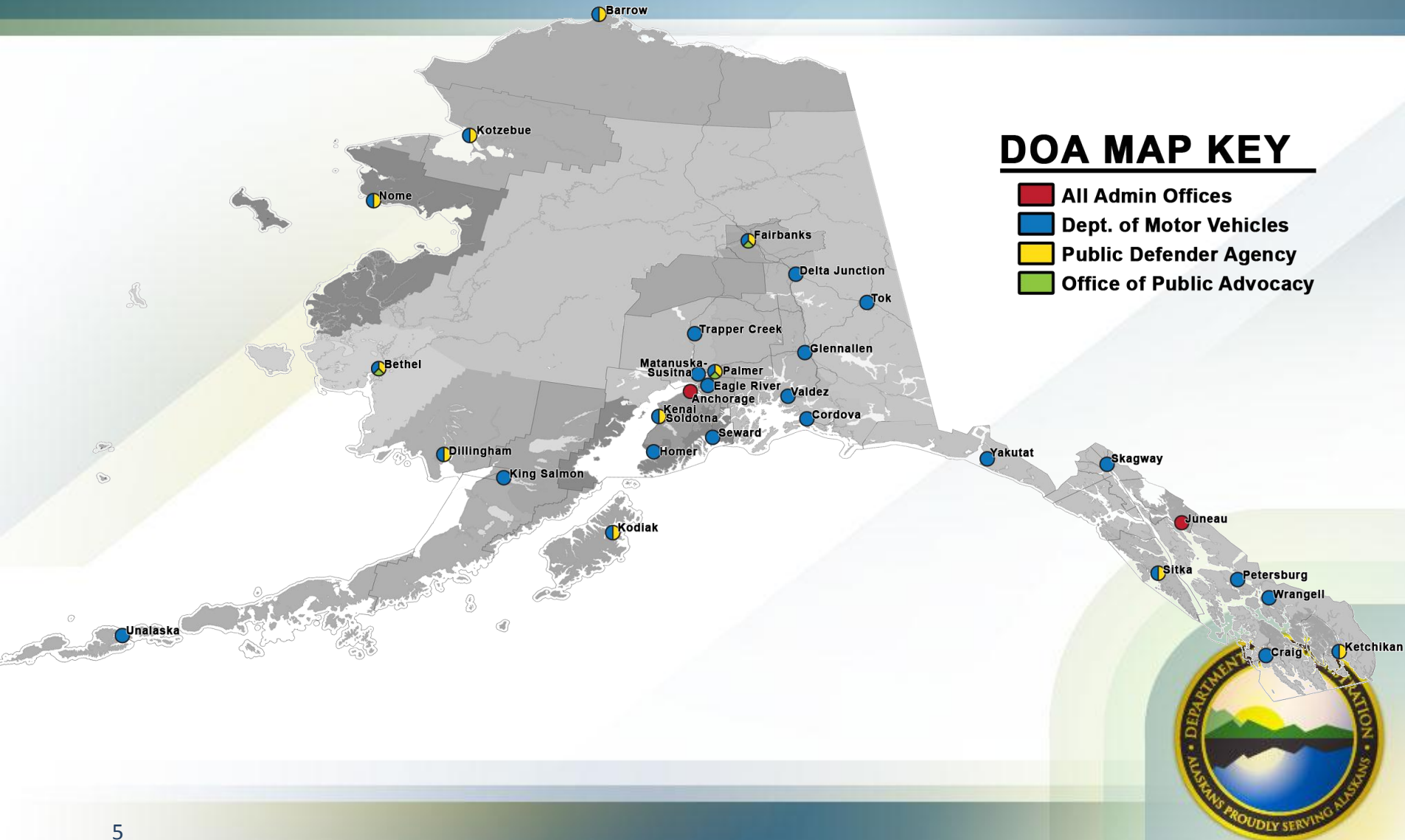
- Alaska Oil and Gas Conservation Commission
- Alaska Public Offices Commission
- Violent Crime Compensation Commission
- Alaska Public Broadcasting Commission
- Office of Administrative Hearings

## Business Operations

- Division of Personnel & Labor Relations
- Division of Administrative Services
- Division of General Services
- Division of Risk Management
- Division of Finance
- Enterprise Technology Services
- Division of Retirement and Benefits



# Service Across Alaska



# Major Accomplishments

- **AKSAS/AKPAY replacement (IRIS project):** obtained funding and PCNs necessary to commence and complete project; project now underway
- **Progress on unfunded liability:** worked with ARM Board to identify funding approaches to address unfunded liability
- **AlaskaCare wellness initiative:** began initiative to add wellness and disease management features to health plans
- **DOA spending growth:** implementing plan to reduce long-term rate of spending growth within DOA
- **Realignment of HR functions:** returning recruitment and management services to departments to improve service



# Major Accomplishments

- **ETS customer service:** worked to improve relationships with agency customers and reprioritize work based on department needs
- **Public Defender Agency conflict procedures:** developed and implemented new policies and procedures governing conflicts of interest
- **DMV license renewal by mail:** qualified customers can complete a driver's license or identification renewal application online, mail it to DMV, and receive a card through the mail with the updated expiration date
- **Office of Public Advocacy contractor costs:** instituted significant internal changes to level out variable contractor costs
- **Labor agreements:** reached voluntary agreement with five bargaining units





# Priorities

- **Health care cost containment:** develop and implement a comprehensive health management plan for AlaskaCare active and retiree members
- **DOA rates:** evaluate DOA rate-setting process, restructure rates where necessary and align with budget process
- **Unfunded liability:** continue working with the Legislature, the ARM Board and other stakeholders to manage the state's obligations
- **Space utilization and planning:** assist the state in managing its \$50 million in lease costs by addressing appropriate space utilization





# Priorities

- **Expansion of CASA volunteer program:** improve advocacy for Alaska's children in need of aid
- **IRIS project:** implement on time and on budget the administrative systems replacement project (replacement of payroll and accounting systems and implementation of new HR and procurement system)
- **Labor contracts:** successfully conclude negotiations with three bargaining units
- **ALMR:** conclude the acquisition of ALMR equipment from Department of Defense and place ALMR on a sound fiscal foundation



# DOA Budget Trends

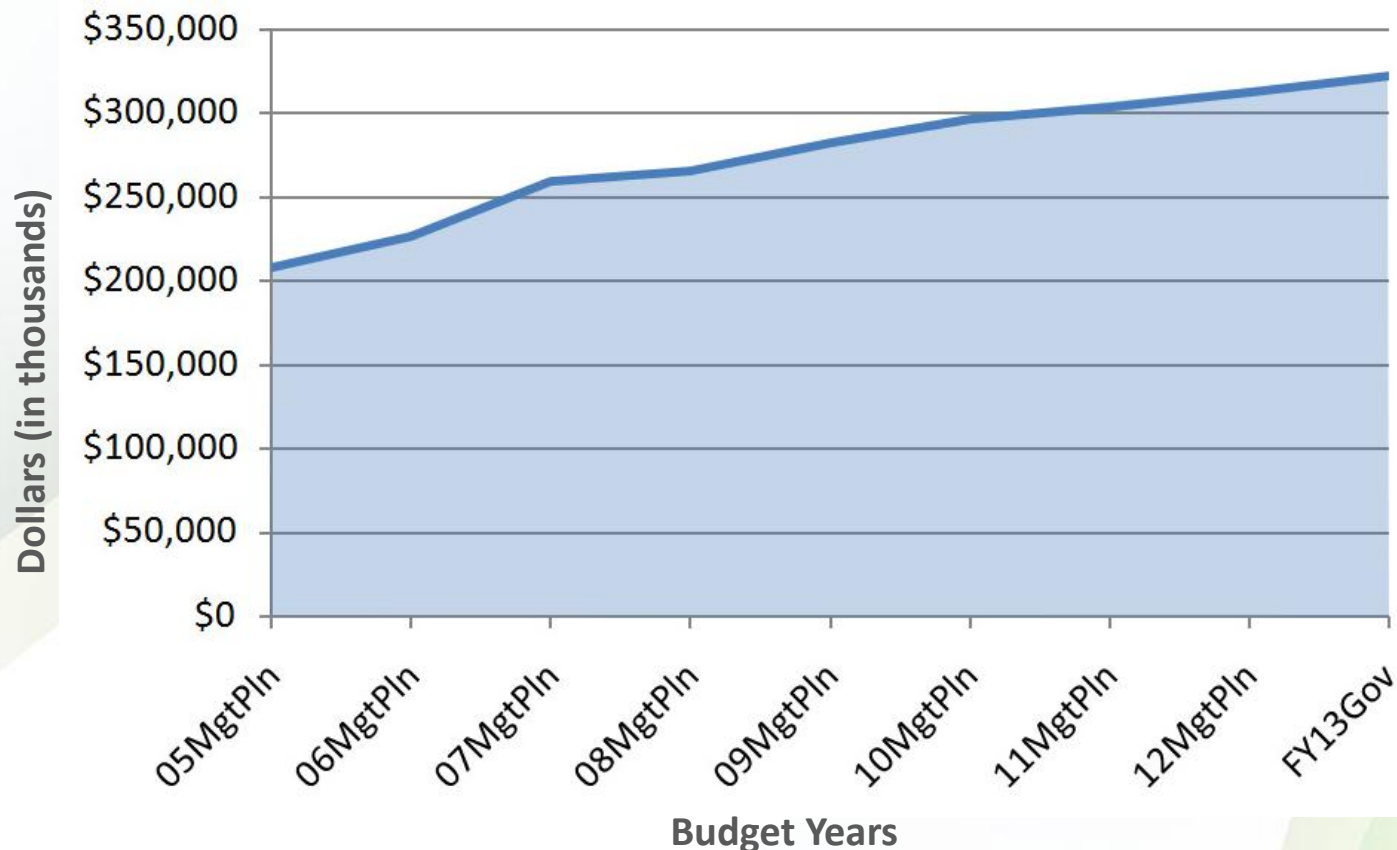
## DOA Budget Growth, All Funds, FY05-FY13

	Average Annual Growth
General Services	6.40%
Centralized Admin Svcs	4.45%
Legal & Advocacy Services	8.35%
Enterprise Technology Services	4.06%
Risk Mgmt	5.09%
Motor Vehicles	7.73%
AK Oil & Gas Conservation Comm	5.70%
Public Communications Svcs	-0.94%
VCCC	6.41%
Special Systems	4.89%
Alaska Public Offices Comm	11.37%
State Facilities Rent	19.57%
AIRRES Grant	3.49%
ISF	0.00%
ETS Facilities Maint	0.00%
<b>DOA Total</b>	<b>5.60%</b>

*DOA's long-term goal is to reduce the rate of budget growth to between 4 and 5% a year by increasing efficiency.*



# DOA Budget Total



DOA Budget (All Funds), FY05-FY13

**Average Annual Growth: 5.6 %**



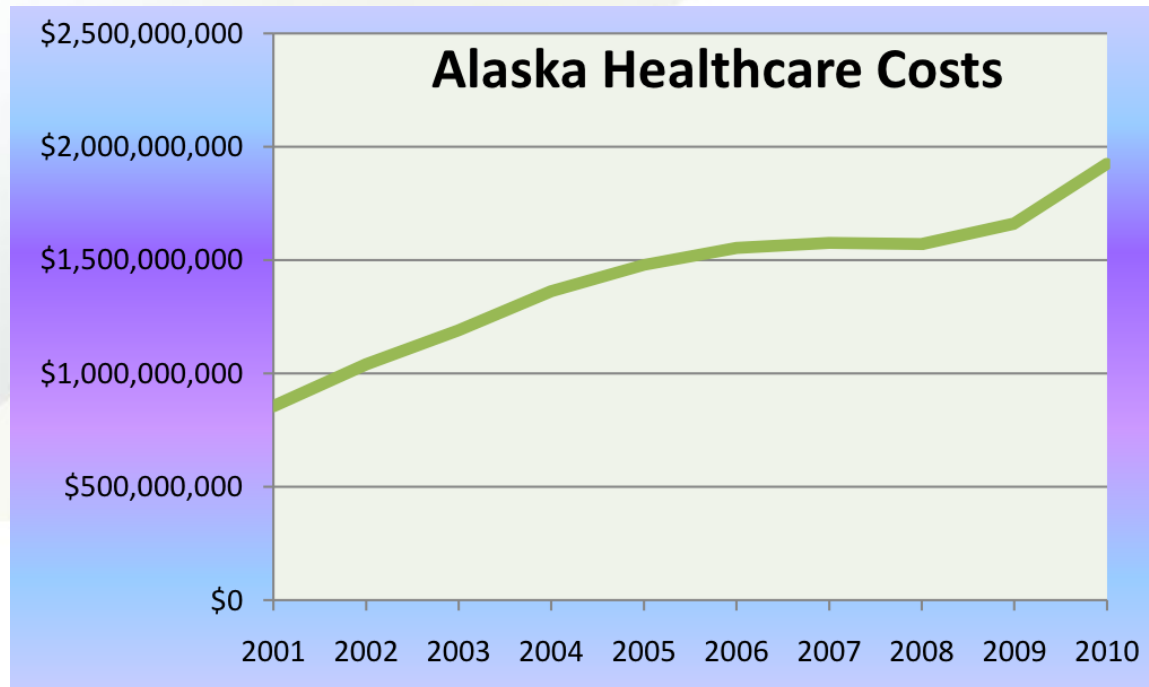


# Big Picture Budget Issues

## *State of Alaska health care spend*

### State health care costs

*(Medicaid, AlaskaCare, PERS/TRS, Workers Comp, Corrections)*



**2001: \$856 million**

**2010: \$1.9 billion**

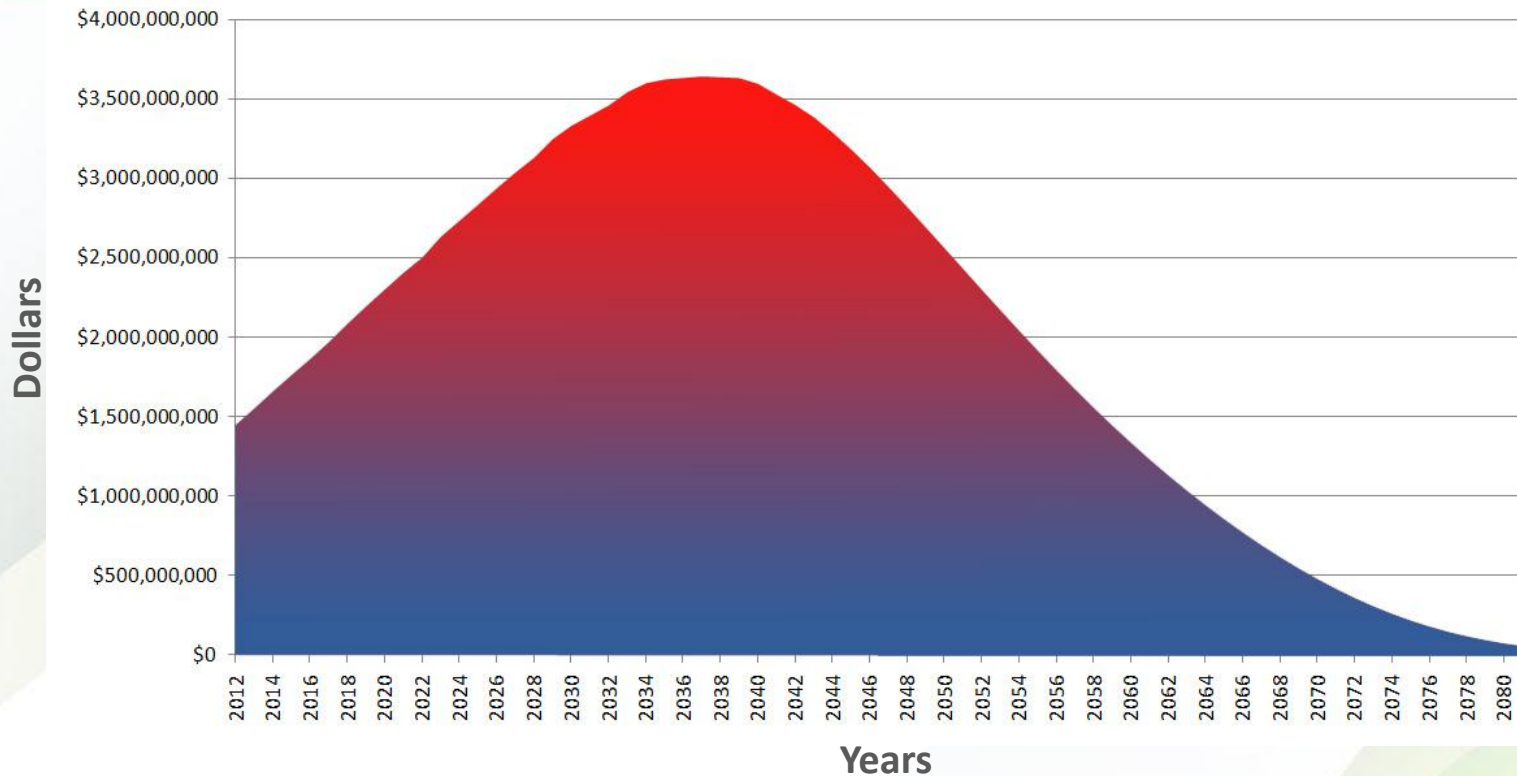
*The largest portion of this is Medicaid which is partially reimbursed by the federal government.*

**The rate of growth of state health care costs, 2001-2010: 9.4% per year.**



# Big Picture Budget Issues

## *PERS and TRS promises made*



Pay **\$141 billion** in benefits payments over next 70 years

Current PERS/TRS account balance: **\$15.4 billion**

**Unfunded Liability: \$11.1 billion**



# FY 13 Budget Increments/Decrements

- **Health Plans Administration**
  - Third Party Administrator contract increases: \$440.5 (Group Health and Life Benefits Fund/Other)
- **DMV**
  - Costs for server hosting: \$74.5 (GF/Program receipts)
  - Establish state operated office in Kotzebue: \$87.5 (GF/Program receipts) plus one PFT position
- **General Services**
  - Central Mail postage increase: \$80.0 (Other)
  - Lease costs: \$2,500.0 (Other)
  - Facilities operation and maintenance costs: \$750.0 (Other)
  - Facilities administration: \$80.0 (Other)
- **Office of Public Advocacy**
  - John R. Justice Program: \$150.0 (federal)
- **Finance**
  - IRIS position authority: \$1,500.0 (CIP receipts)
  - Databasics decrement: (\$112.5) (GF/Program receipts)
- **APOC**
  - One time personal services and travel increase: \$68.1 (UGF)
- **AOGCC**
  - Increased travel for regulatory oversight: \$36.3 (AOGCC receipts/DGF)





# FY 13 Capital Requests

- Nome State Office Building and Courthouse: \$10,000.0
- Repair State Office Building Parking Garage, Phase 1 of 3: \$2,500.0
- Alaska Geologic Materials Center Replacement Facility: \$4,000.0
- Douglas Island Building Renovation, Phase 1 of 3: \$9,200.0
- ETS bandwidth monitoring: \$800.0
- ETS bandwidth improvement for rural sites: \$1,500.0
- DMV driver knowledge testing system: \$550.0
- Statewide deferred maintenance, renewal, repair and equipment Projects: \$7,250.0 UGF and \$3,000.0 PBF
- Division of Retirement and Benefits capital projects: \$1,013.0



**Thank you!**

**[www.DOA.alaska.gov](http://www.DOA.alaska.gov)** for more information.

**Questions?**

