



February 7, 2026

The Honorable Calvin Schrage
Co-Chair, House Finance Committee
Alaska State Capitol, Room 410
Juneau, AK 99801

Dear Chair Schrage,

The Department of Administration (DOA) received the questions below following the presentation on January 29, 2026 to the House Administration Finance Subcommittee:

1. How many of the Shared Services of Alaska (SSoA) position transfers are currently filled? How many in payroll?

As of January 31, 2026:

- SSoA transfers: 52 filled, 5 vacant (57 total)
- Division of Finance payroll transfers: 27 filled, 13 vacant (40 total)

2. How reliable are federal receipts as a funding source, particularly when used to support positions, and how consistently are authorized federal funds realized and collected?

Federal receipt authority is not always realized consistently. In recent years, some programs experienced delays and interruptions in federal approval and reimbursement. Funding for the Office of Public Advocacy under the National Court Appointed Special Advocate/Guardian Ad Litem (CASA/GAL) grant was terminated in April 2025 and reinstated in August 2025, with additional funding still pending review. The Division of Motor Vehicles also faced delays but has since secured a \$1.6 million grant for its Commercial Driver's License compliance project through FY2031. These examples highlight the challenges of relying on federal receipt authority, even when funding is ultimately restored.

3. Please provide data regarding AI pilot use. Rep. Vance specifically asked for workforce efficiency information.

Overview

In April 2025, the Office of Information Technology (OIT) partnered with eGroup, a Microsoft contractor, to provide additional AI training opportunities to a select group of licensees as part of a M365 Copilot Pilot Program.

Participants - 281 State of Alaska (SOA) employees representing 12 departments

Structure

- Pre-Pilot Survey - *Established participant baseline AI expectations / workflows*
- Class 1: M365 Copilot Fundamentals - *Focused on prompting and search*
- Class 2: Copilot Digging in Deeper - *Focused on Teams and Copilot Chat*
- Class 3: Copilot Digging in Deeper - *Focused on OneDrive, Word, Excel, and PowerPoint*
- Three Drop-In Sessions (Post-Training) - *eGroup instructor available to answer Copilot questions*
- Post-Pilot Survey - *Gathered initial feedback about Copilot use during the pilot / changes in workflows*

Key Results

Although brief, the two-month pilot showed significant efficiency gains, expected to grow with further experience and training.

- *Pilot Success.* Users reported enhanced productivity, communication, and meeting efficiency
- *Adoption.* High adoption rate among licensed users
- *Time Saved.* Over half reported time savings, with a quarter reporting between 30 minutes and two hours per week. A similar yearlong study in Pennsylvania reported significantly more, suggesting improvements with training and experience
- *Value.* Highest areas of value include searching for information, creating or editing documents, and summarizing large files. 91 percent of participants continue to use Copilot frequently
- *Post-training surveys.* Fewer employees reported feeling overwhelmed by their workload

4. Rep. Holland asked for more details regarding the Group Health and Life Benefits fund, including intent language non-compliance, the current health of the fund, how funds are appropriated, and how funds are received.

The DOA took conservative steps to balance the Group Health Life Fund over the next several fiscal years to reduce reliance on lapse funding. The DOA, in consultation with the Office of Management and Budget (OMB), adopted a stair-stepped, conservative approach that increases employer contributions, increases employee premiums and approved plan changes which should yield estimated savings to the cost of the plan. The selected options prioritize fiscal prudence while still addressing funding sustainability and member equity.

The AlaskaCare Employee Plan continues to rely on lapsed funding to maintain its reserve target of 1.5 times incurred-but-not-reported (IBNR) claims and is currently approximately \$18 million below that target. Plan actuaries determine the premium rate needed to cover projected claims, including IBNR, and the Division of Retirement and Benefits (DRB) communicates that rate to the Commissioner, Administrative Services Director, and the OMB.

5. Please provide a slide on APOC.

The requested slide on APOC is provided as an attachment.

6. Please provide position counts in each division instead of vacancy percentages.

As of January 15, 2026, the department has a 13.2 percent vacancy rate. Of the 1,221 positions, 1,060 are filled and 161 are vacant. Of the vacant positions, 146 are permanent and 15 are non-permanent. Vacancy rates vary by division, ranging from 6.7 percent to 42.9 percent, as shown in the table below.

Please note that the figures below represent all budgeted positions (permanent full-time, permanent part-time, and non-permanent), whereas the department presentation only included full-time budgeted positions.

Division	Filled	Vacant	Grand Total	Vacancy %
Administrative Services	13	3	16	18.8%
Alaska Public Offices Commission	6	3	9	33.3%
Finance	95	32	127	25.2%
Motor Vehicles	129	17	146	11.6%
Office of Administrative Hearings	13	2	15	13.3%
Office of Information Technology	142	19	161	11.8%
Office of Public Advocacy	180	13	193	6.7%
Office of the Commissioner	4	3	7	42.9%
Personnel	63	13	76	17.1%
Public Defender Agency	204	20	224	8.9%
Retirement and Benefits	106	22	128	17.2%
Risk Management	4	2	6	33.3%
Shared Services of Alaska	101	12	113	10.6%
Grand Total	1,060	161	1,221	13.2%

Please let us know if the committee has any additional questions.

Sincerely,



Paula Vrana
Commissioner

Attachment

cc: Shannon Whistler, Acting Legislative Liaison, DOA
Elizabeth Freeman, OMB Analyst
Jordan Shilling, Director, Governor's Legislative Office