

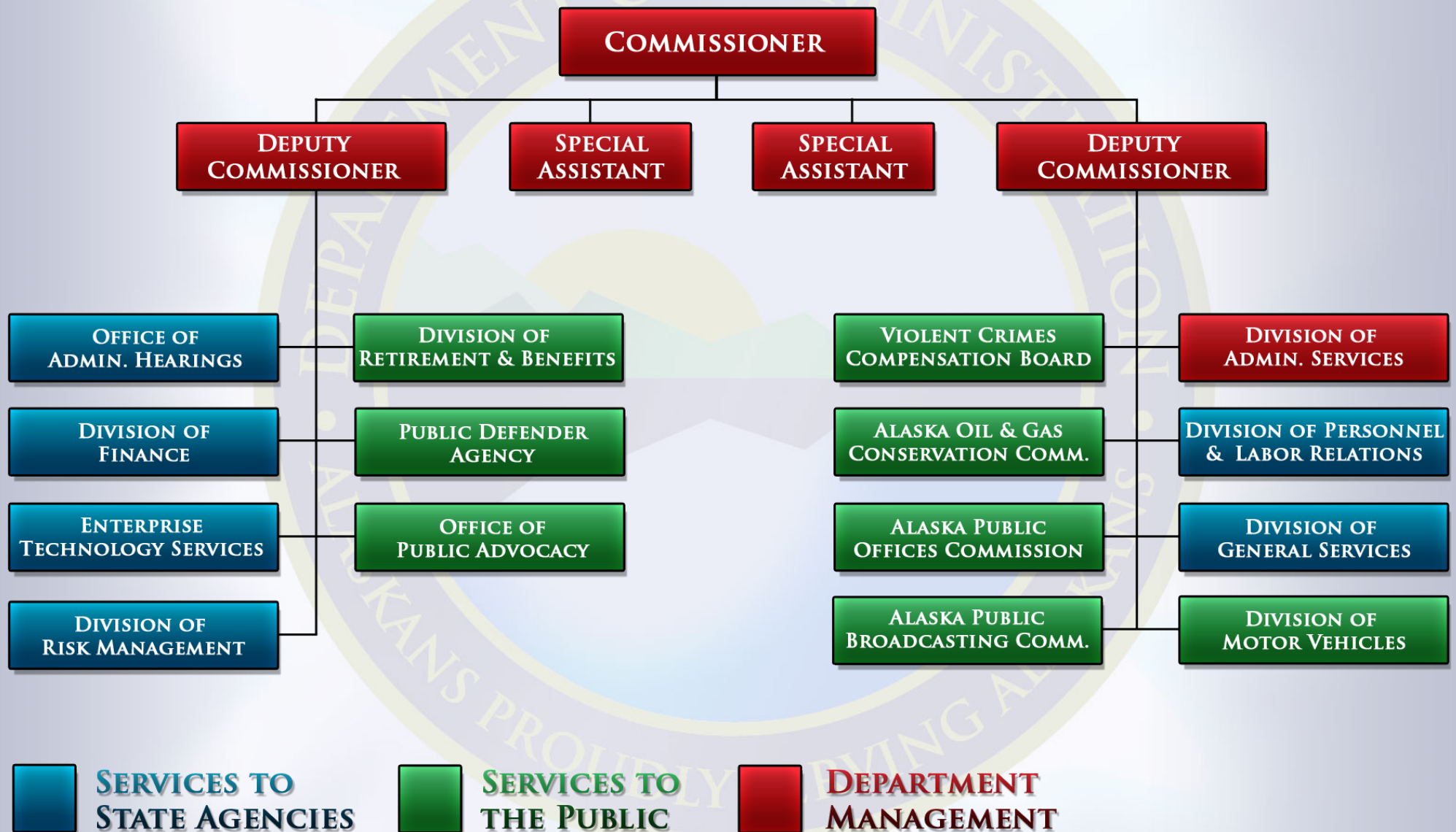
ALASKA DEPARTMENT OF ADMINISTRATION DEPARTMENT OVERVIEW



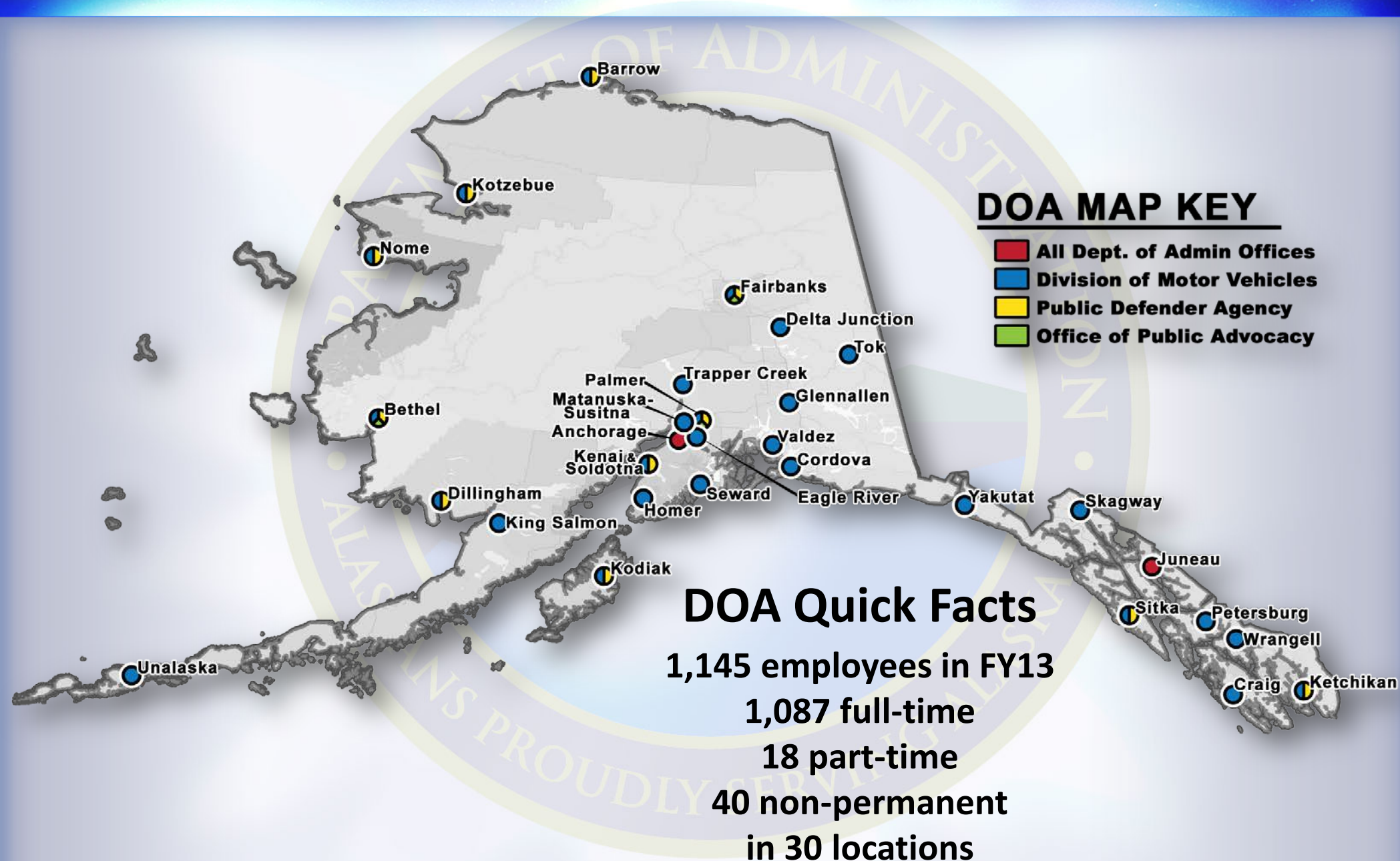
Presentation to
House Finance
Budget Subcommittee
January 31, 2013

Commissioner Becky Hultberg
Director Cheri Lowenstein

ORGANIZATION CHART



SERVICE ACROSS ALASKA



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.

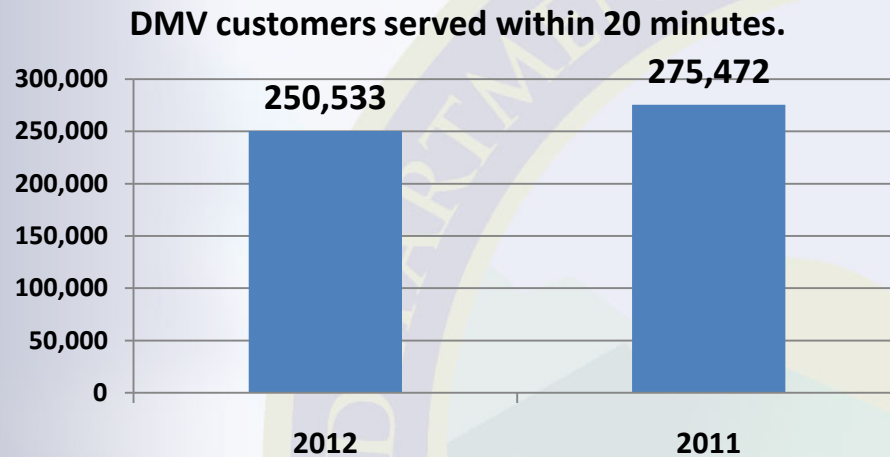
Service: We will provide excellent service.

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.

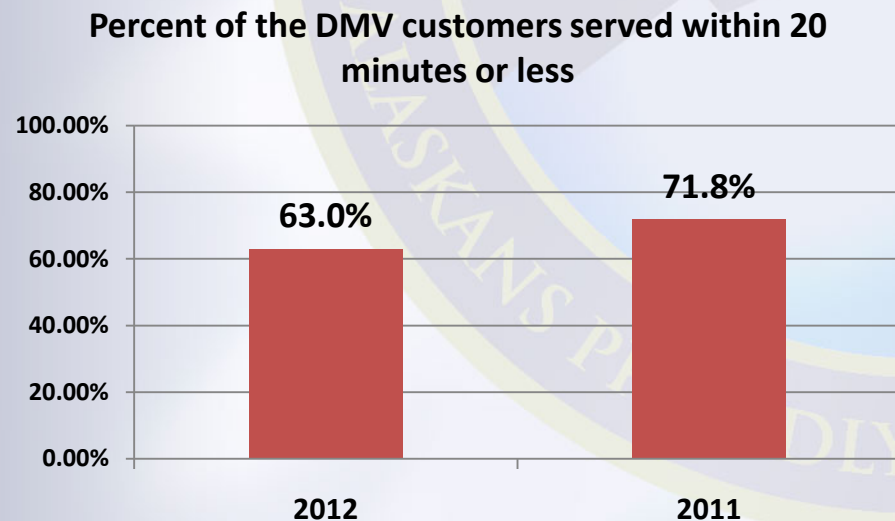
LEGAL, ADVOCACY AND REGULATORY SERVICES

A1: Target #1 (Efficiency)



Analysis of results and challenges: The number of customers served is based on statistics from the queuing systems, which were installed in only the largest seven DMV offices until February 2012. The ten smaller offices were brought on line between March and May 2012.

A1: Target #2 (Effectiveness)

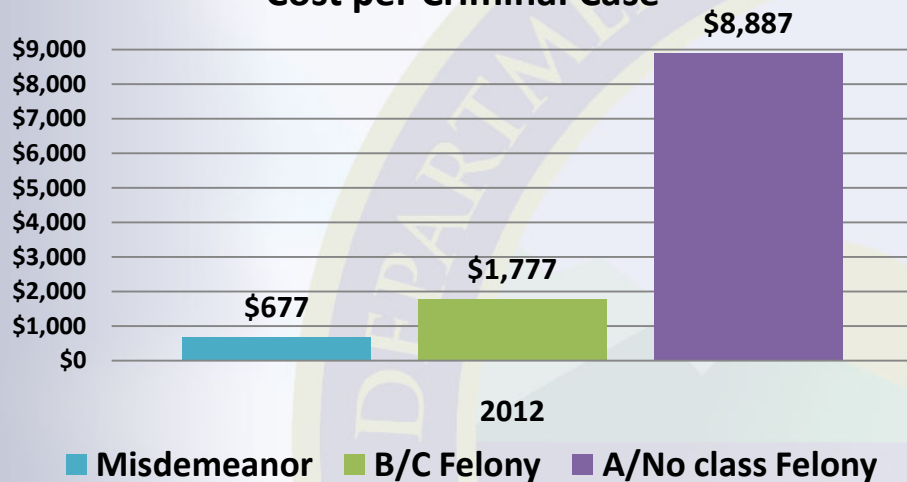


Analysis of results and challenges: The percentage of customers served in less than 20 minutes at DMV decreased from 71.8% in FY2011 to 63% in FY2012. There were three contributing factors to the decline: the number of customers served increased by 12% from 368,037 to 413,518, with no increase in personnel; the number of registration renewals mailed to DMV increased nearly 50%, from 21,276 to 31,599 which required pulling staff from the customer service counters for timely processing, and; transitioning to a new queuing system resulted in distorted statistics from some offices.

LEGAL, ADVOCACY AND REGULATORY SERVICES

A1: Target #3 (Efficiency)

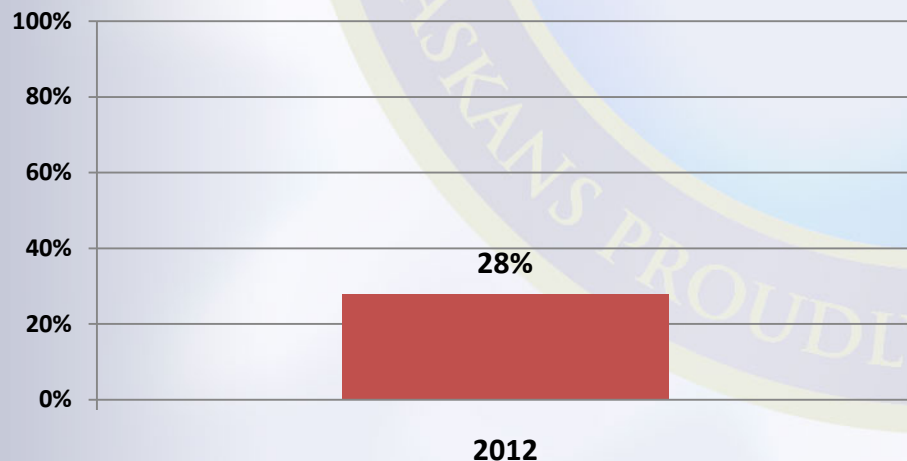
Cost per Criminal Case



Analysis of results and challenges: These costs excludes conflict cases.

A1: Target #4 (Effectiveness)

Percent of Clients Contacted within 72 Hours

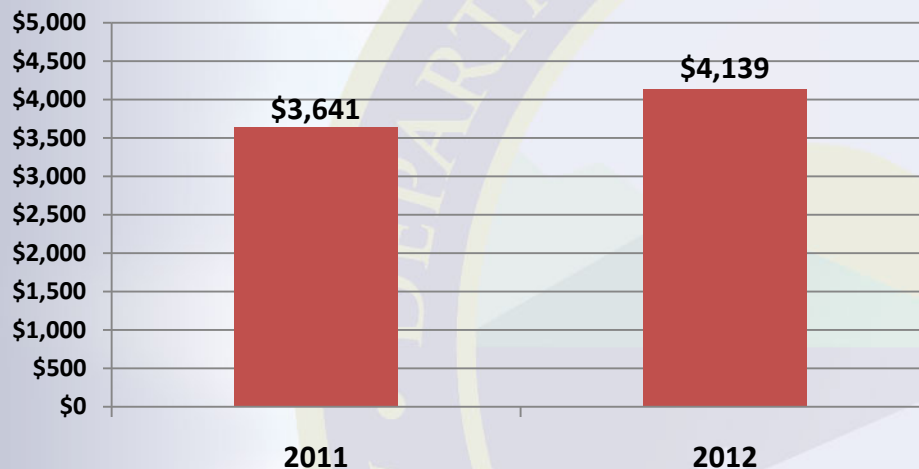


Analysis of results and challenges: Percent of Public Defender clients contacted in 72 hours or less.

FAMILY SUPPORT

A2: Target #1 (Efficiency)

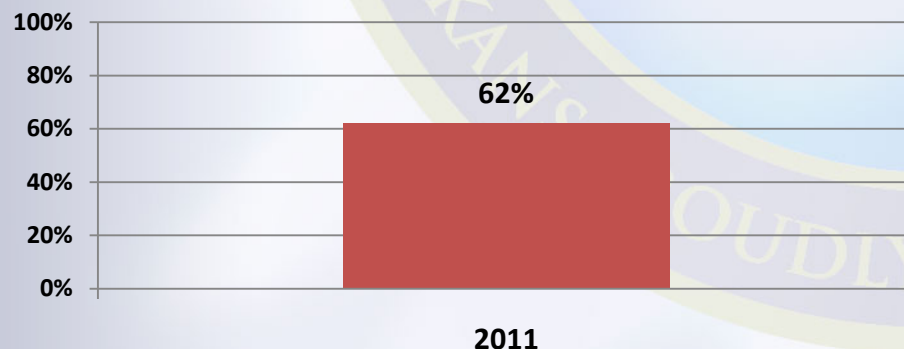
Average Personal Services Cost per
CINA/GAL



Analysis of results and challenges: Office of Public Advocacy's personnel services cost per Child in Need of Aid and Guardian Ad Litem case.

A2: Target #2 (Effectiveness)

Percent of Children Met within Five Days

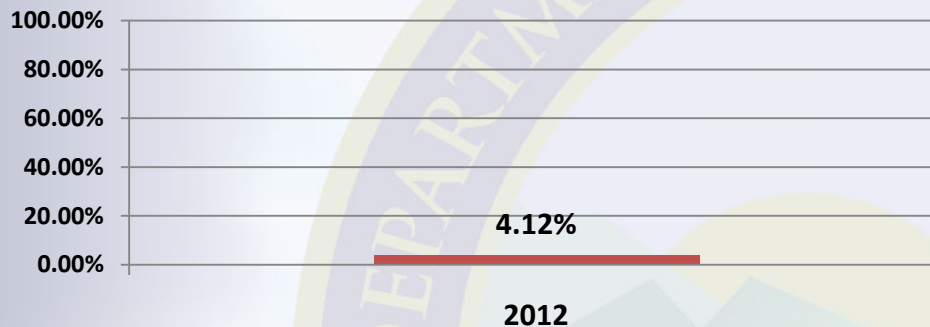


Analysis of results and challenges: The percent of GAL's meeting their children within the first five working days of the guardian ad litem appointment by the Court to the Office of Public Advocacy (OPA) was 62%. An additional 14% of the children were met within the first 10 working days after the guardian ad litem appointment by the Court to OPA.

ENTERPRISE SUPPORT SERVICES

A3: Target #1 (Efficiency)

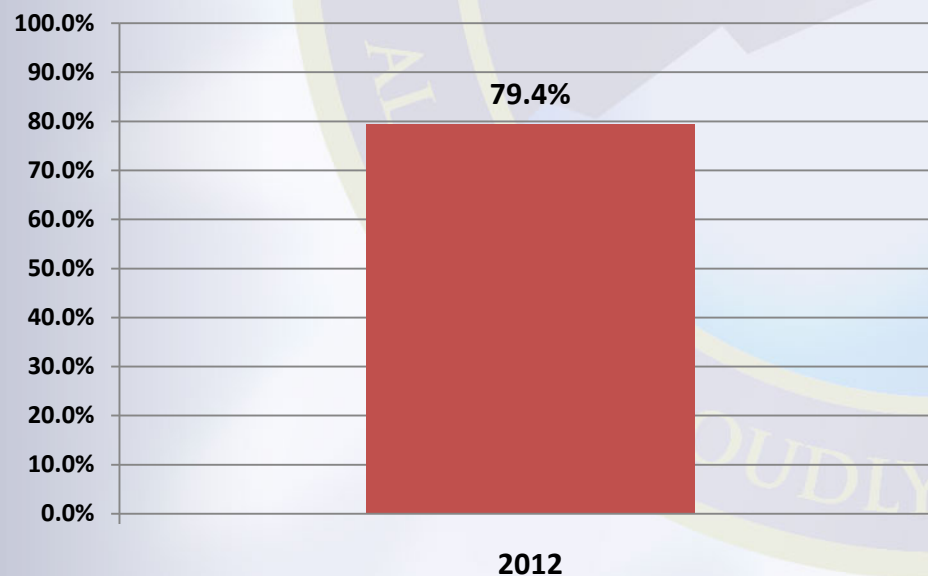
Five Year Cost Growth Trend



Analysis of results and challenges: The budgeted costs growth trend for the Department of Administration beginning in fiscal year 2008 through conference committee for fiscal year 2013 has maintained an average trend of 4.12%.

A3: Target #2 (Effectiveness)

Percent of Customer Service Satisfaction



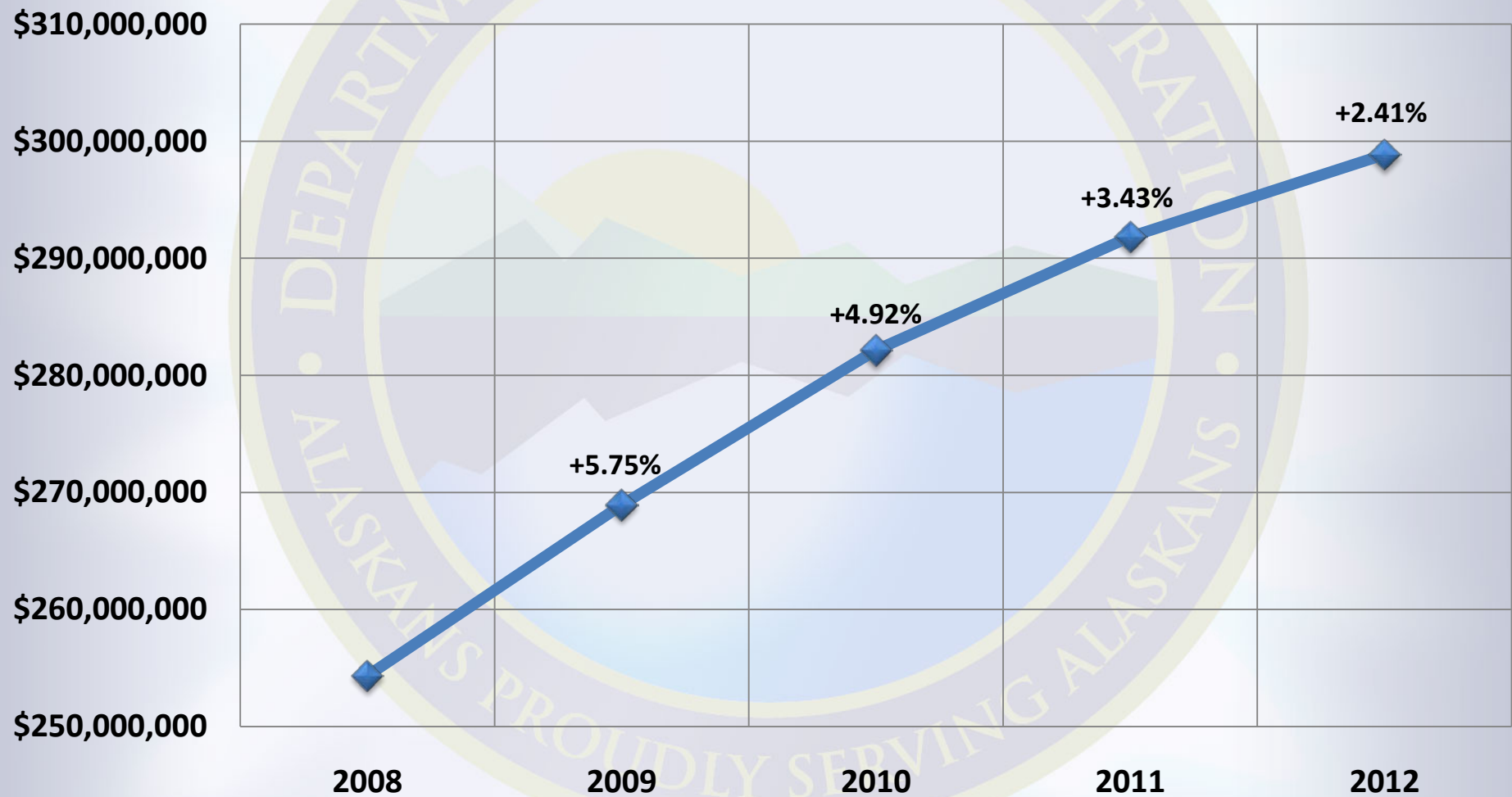
Analysis of results and challenges: The Department of Administration (DOA) surveyed all Administrative Services Directors and the administrative support staff in each division with the Department of Administration. The survey was constructed to seek customer service satisfaction data for 5 of DOA's enterprise divisions, Finance, General Services, Personnel, Enterprise Technology Services and Risk Management and internally, for the Division of Administrative Services.

The 4 areas surveyed were customer service, timeliness, quality, and cost/value of service. On a scale of 1 to 10, there was an overall customer service satisfaction reported of 79.4%.

DEPARTMENT LEVEL RESULTS

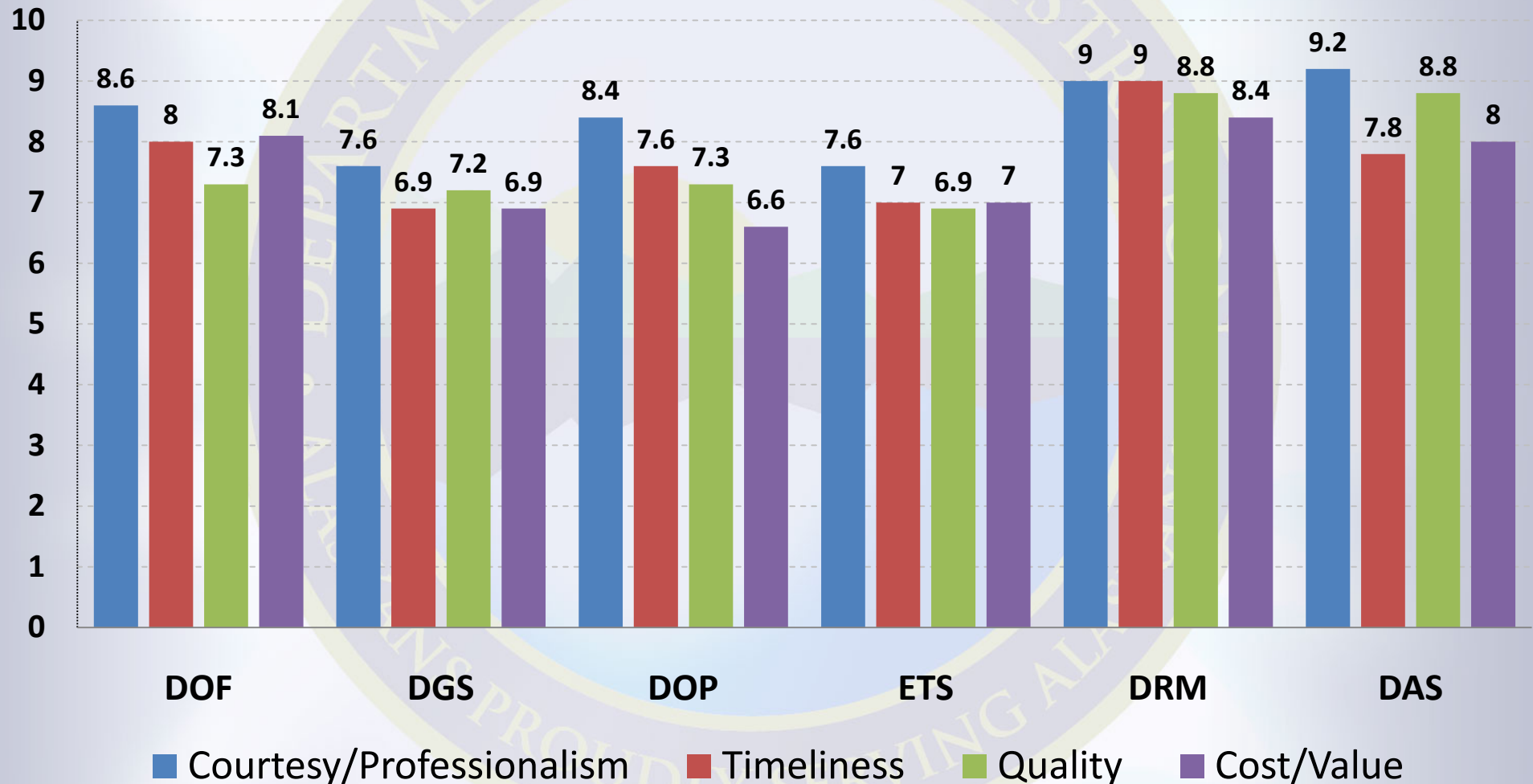
DOA Expenditures - 5 Year Trend

5 Year Average:
+4.12%



DEPARTMENT LEVEL RESULTS

Customer service survey results for “Internal Services” agencies:



Very Unsatisfied = 0 , Very Satisfied = 10, results from a September 2012 internal survey

SHARE OF TOTAL AGENCY OPERATIONS

**Department of Administration Share of Total Agency Operations
(GF Only)
(\$ Thousands)**

The department's GF budget grew over \$51 million (87.9%) between FY05 and the FY14 Governor's Request—an average annual growth rate for that period of 7.3%.

The department's total FY14 GF budget request equals \$335 per resident worker.*



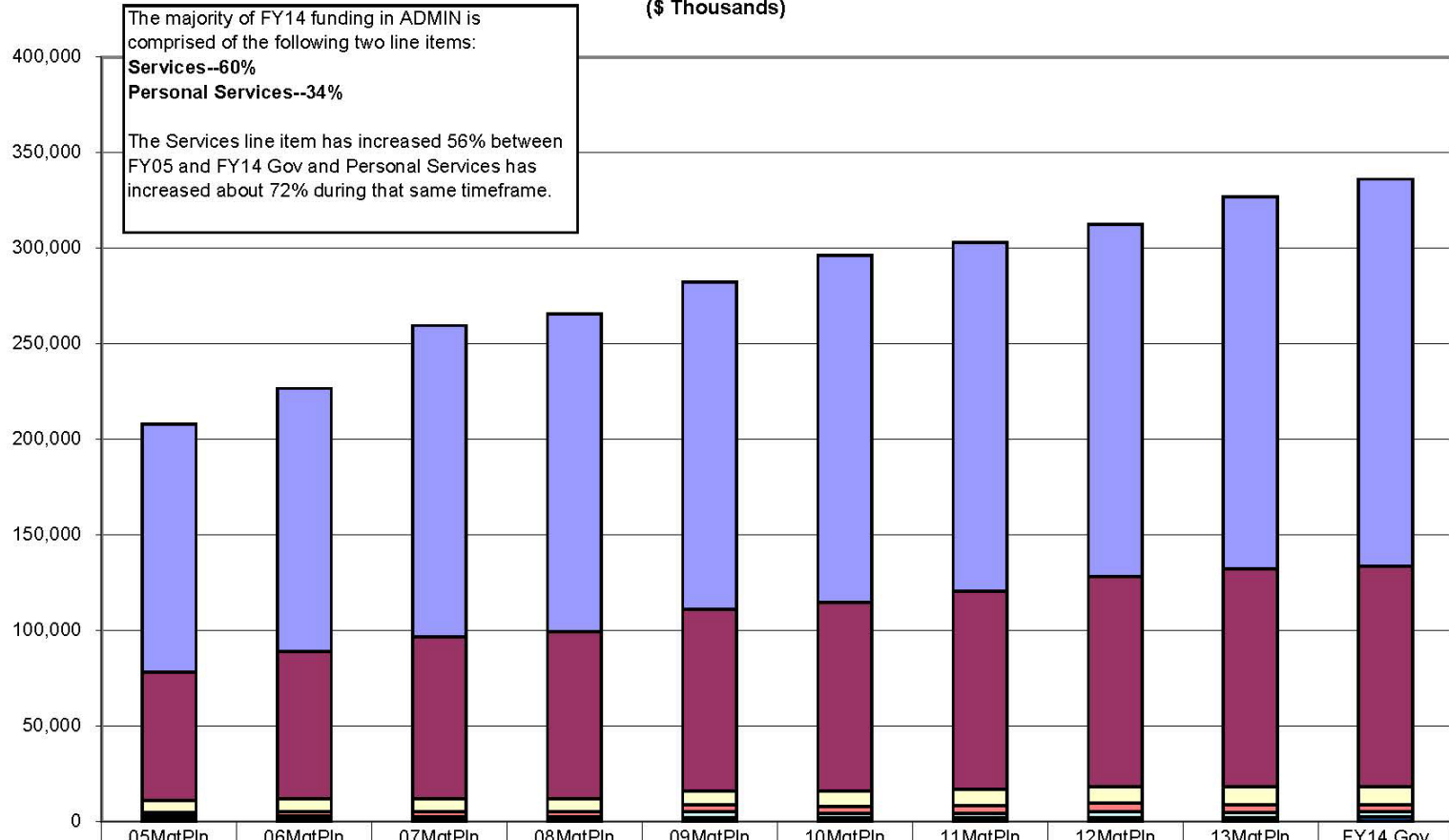
* According to the Department of Labor, there were 328,611 resident workers in Alaska in 2010.

SOURCE: Legislative Finance

LINE ITEMS

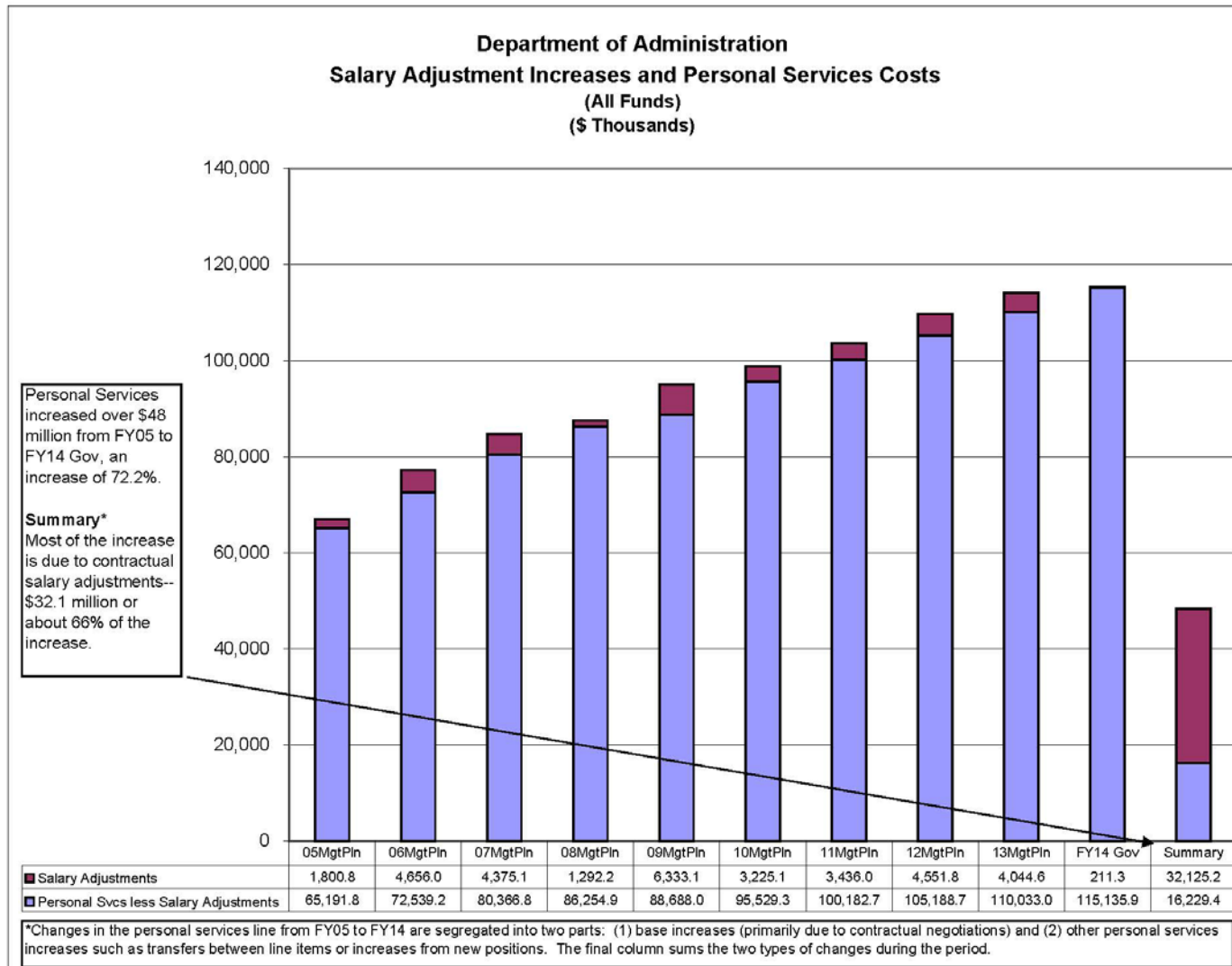
Department of Administration Line Items

(All Funds)
(\$ Thousands)



SOURCE: Legislative Finance

SALARY ADJUSTMENT INCREASES AND PERSONAL SERVICES COSTS



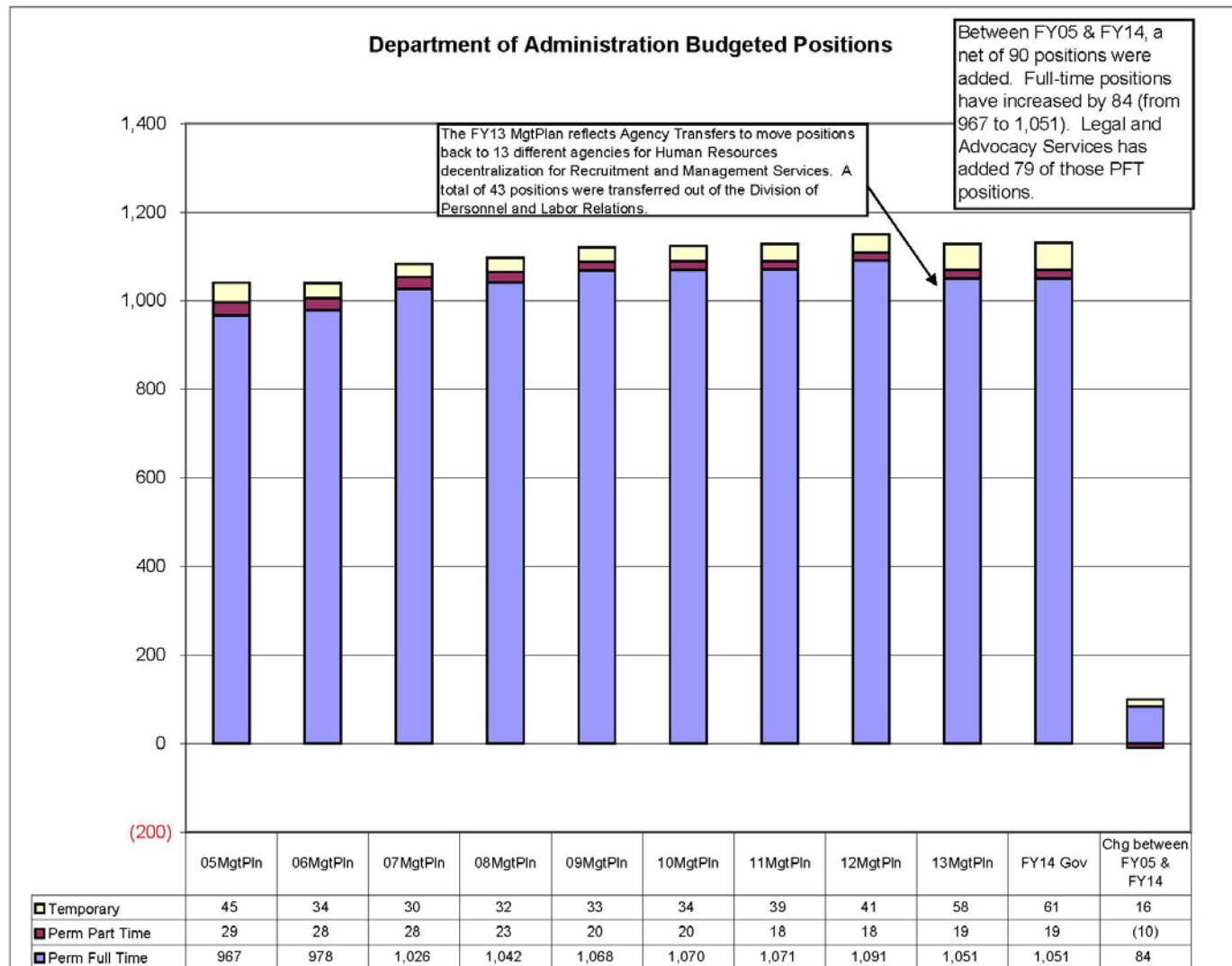
1/24/2013

Legislative Finance Division

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SOURCE: Legislative Finance

BUDGETED POSITIONS



1/23/2013

Legislative Finance Division

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SOURCE: Legislative Finance

APPROPRIATIONS (GF ONLY)

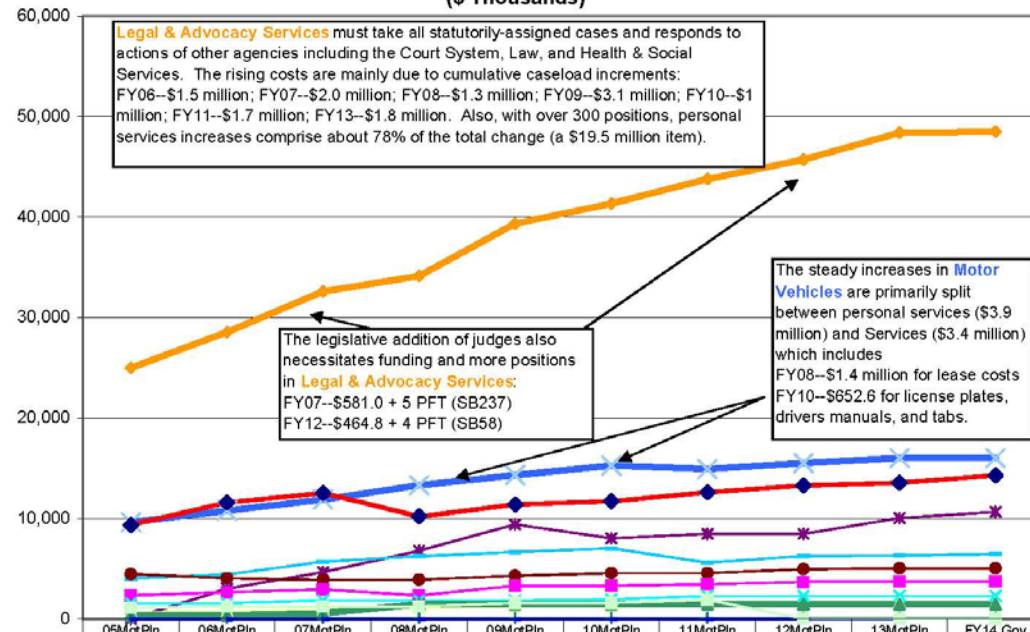
The Department of Administration is about 33% GF funded. 72% of the GF budget is attributable to only three appropriations: (1) **Legal and Advocacy Services** (44%); (2) **Motor Vehicles** (15%); and (3) **Centralized Administrative Services** (13%).

--**Legal & Advocacy Services**, has increased in GF by 94% (\$23.5 million) between FY05-FY14 Gov--making up for 46% of the overall growth.

--**Motor Vehicles** budget is driven by personal services (with 150 PFT positions). Over 91% of this budget is GF.

--The largest percentage GF increase is in the **State Facilities Rent** appropriation (showing growth of almost 300% -- or \$1.1 million).

**Department of Administration Appropriations
(GF Only)
(\$ Thousands)**



	05MgtPin	06MgtPin	07MgtPin	08MgtPin	09MgtPin	10MgtPin	11MgtPin	12MgtPin	13MgtPin	FY14 Gov
Legal & Advocacy Services	24,970.0	28,548.7	32,595.4	34,117.2	39,336.6	41,331.7	43,776.5	45,692.5	48,373.1	48,486.7
Motor Vehicles	9,629.8	10,765.9	11,960.7	13,294.1	14,301.4	15,257.3	14,911.9	15,497.0	16,005.3	16,006.0
Centralized Admin. Services	9,361.0	11,573.7	12,530.0	10,191.8	11,388.0	11,690.4	12,595.8	13,286.5	13,548.5	14,280.1
Enterprise Technology Services	-	3,000.0	4,659.6	6,771.0	9,401.3	8,006.1	8,457.2	8,462.0	10,035.0	10,657.0
AK Oil & Gas Conservation Comm	4,010.3	4,418.7	5,709.6	6,238.5	6,649.3	7,009.9	5,612.2	6,261.1	6,306.4	6,446.5
Public Communications Services	4,460.7	4,033.5	3,873.5	3,898.5	4,298.5	4,548.5	4,548.5	4,948.5	5,047.3	5,047.3
General Services	2,340.1	2,664.4	2,917.8	2,344.8	3,291.3	3,293.5	3,447.5	3,675.6	3,728.2	3,735.5
Special Systems	1,569.9	1,569.9	1,853.1	1,828.1	1,828.1	1,948.1	2,298.1	2,298.1	2,298.1	2,298.1
Alaska Public Offices Comm	665.5	729.1	904.9	1,110.6	1,246.2	1,276.4	1,506.1	1,472.8	1,575.4	1,516.7
State Facilities Rent	368.4	368.4	552.6	1,468.6	1,468.6	1,468.6	1,468.6	1,468.6	1,468.6	1,468.6
AIRRES Grant	76.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Risk Management	-	-	-	-	-	-	-	4.4	4.4	4.4
Violent Crimes Comp Board	1,101.9	1,235.5	1,249.1	1,249.3	1,576.8	1,585.5	1,890.8	12.4	-	-

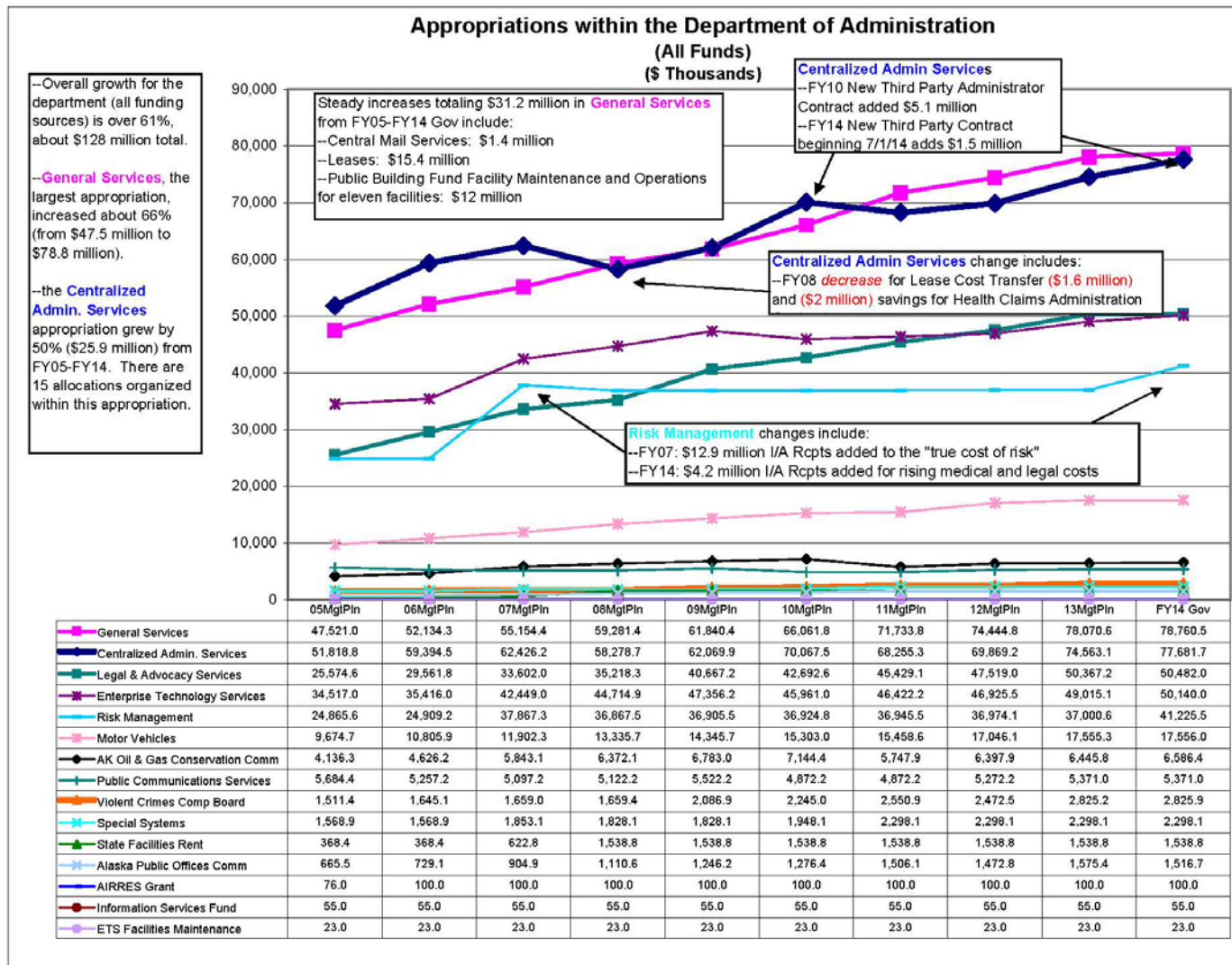
1/23/2013

Legislative Finance Division

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SOURCE: Legislative Finance

APPROPRIATIONS (ALL FUNDS)



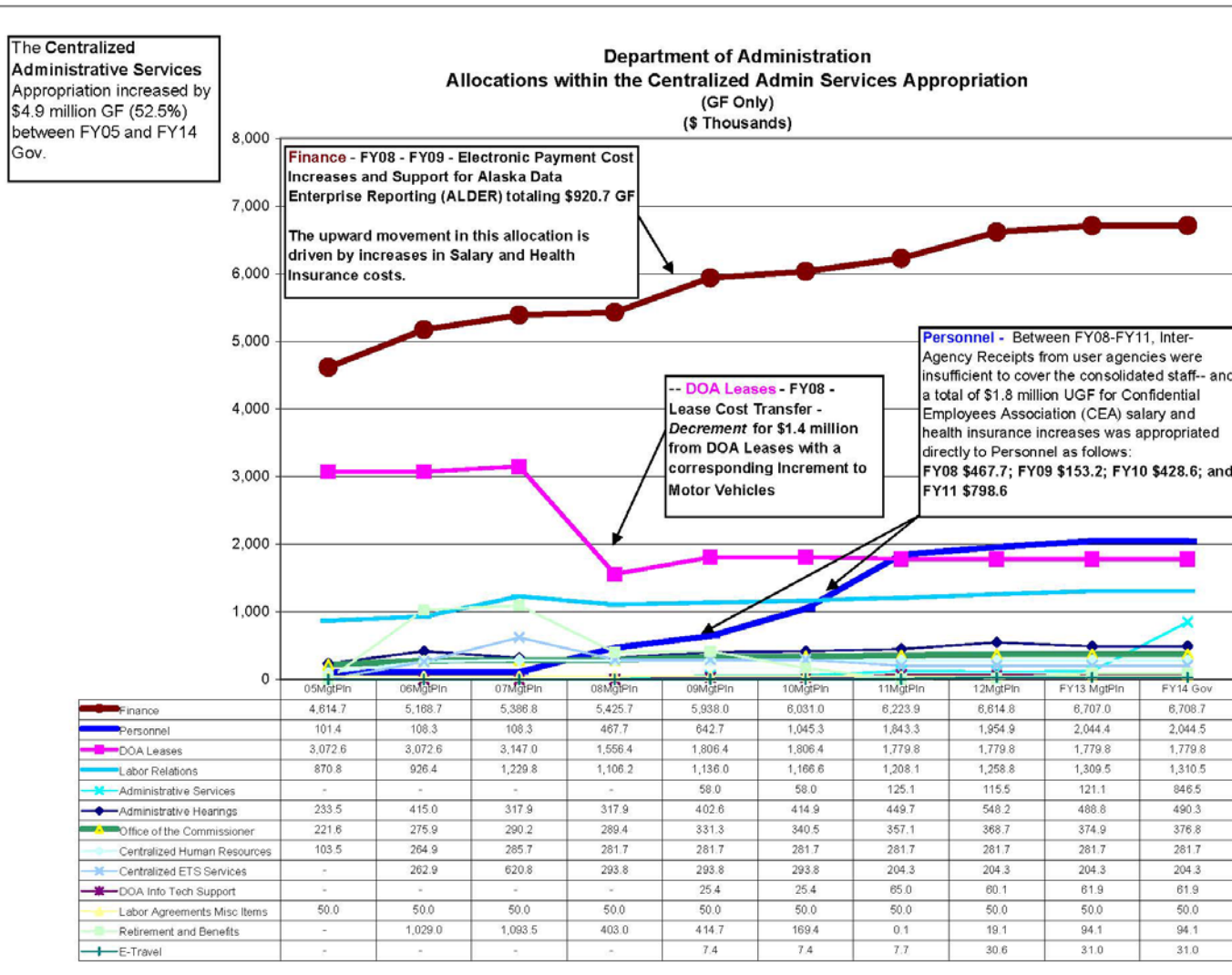
1/23/2013

Legislative Finance Division

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SOURCE: Legislative Finance

ALLOCATIONS WITHIN THE CENTRALIZED ADMIN SERVICES APPROPRIATION



1/23/2013

Legislative Finance Division

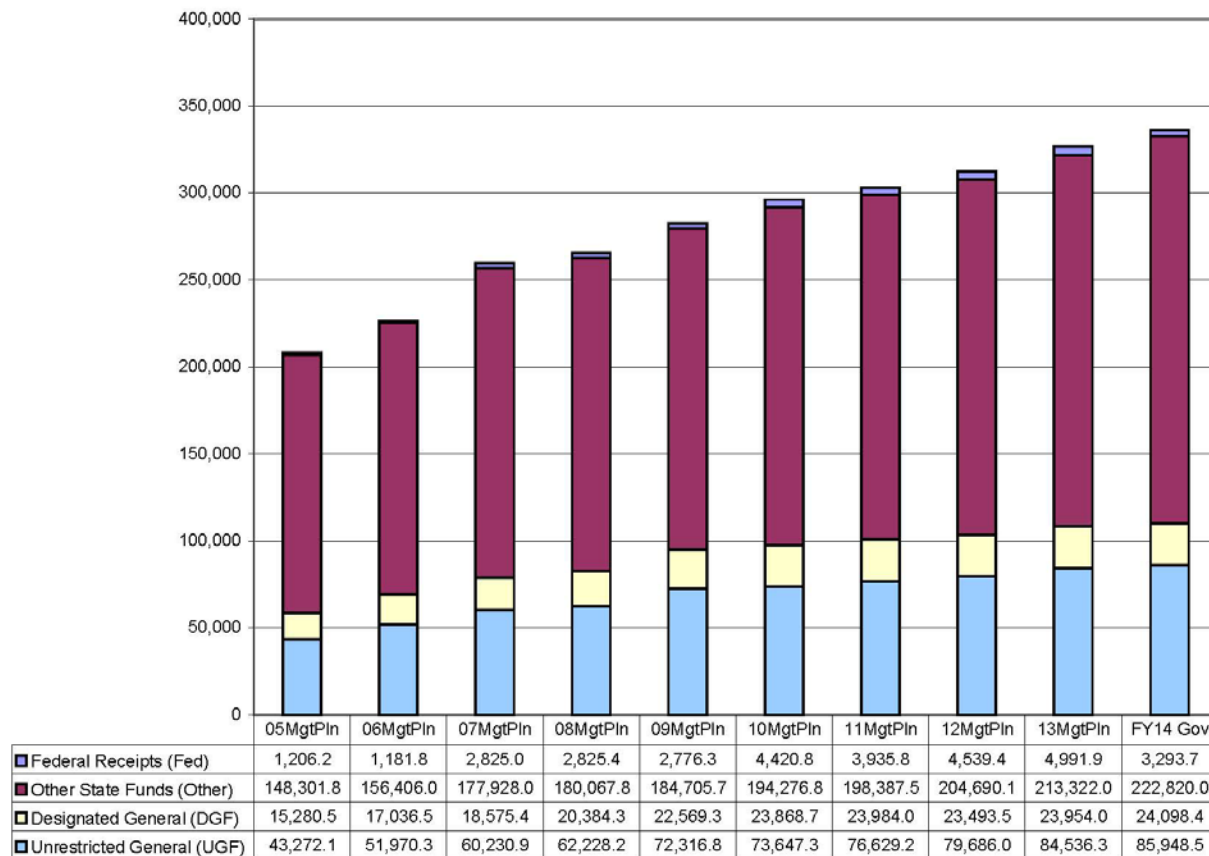
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SOURCE: Legislative Finance

TOTAL FUNDING COMPARISON BY FUND GROUP

Between FY05 & FY14:
 --UGF increased by \$42.7 million (99%)
 --DGF increased by \$8.8 million (58%)
 --Other Funds increased by \$74.5 million (50%)
 --Federal Receipts increased by \$2.1 million (173%)

Department of Administration
Total Funding Comparison by Fund Group
 (All Funds)
 (\$ Thousands)



1/23/2013

Legislative Finance Division

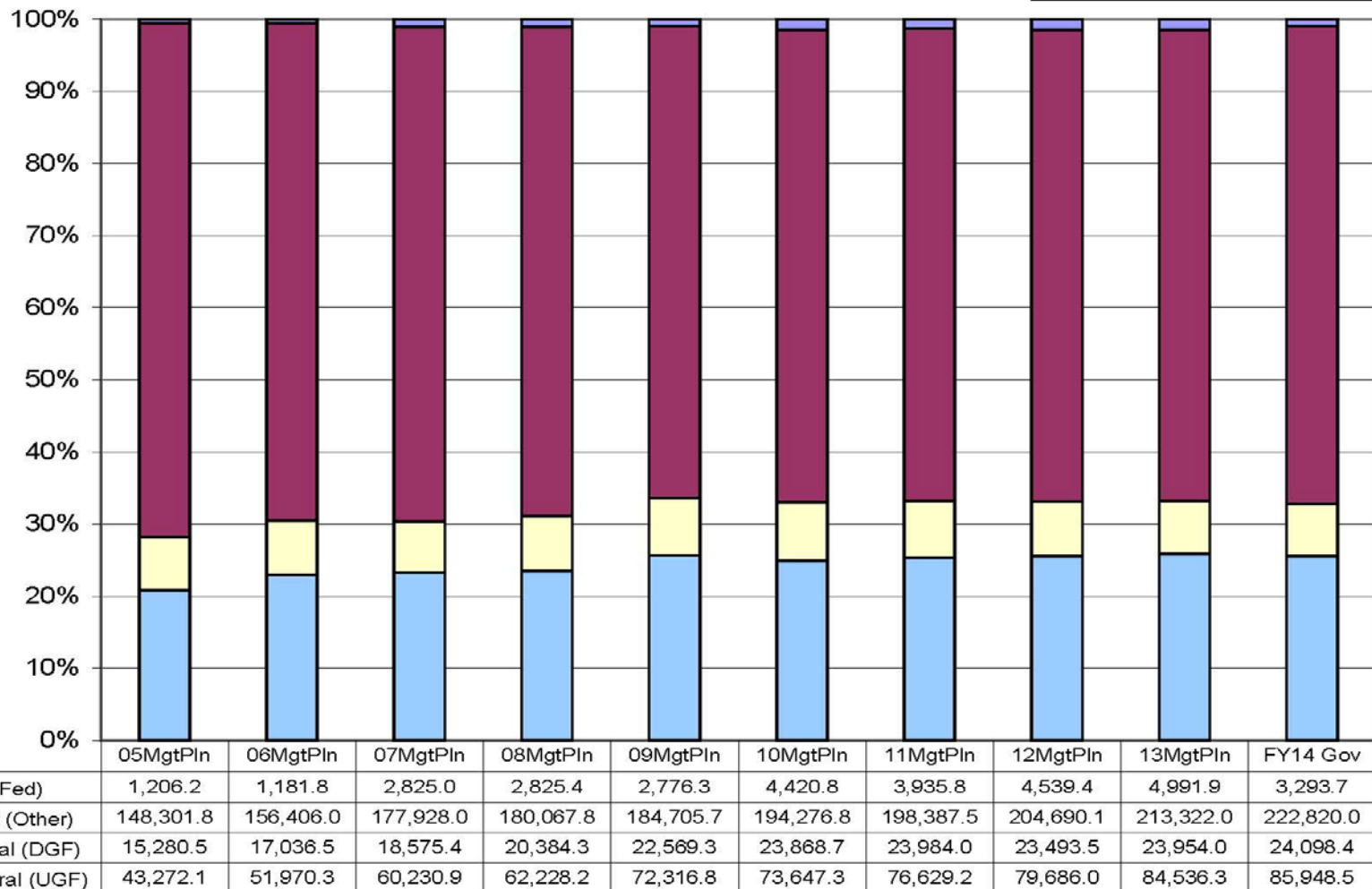
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SOURCE: Legislative Finance

PERCENT OF THE TOTAL DEPARTMENT'S BUDGET BY FUND GROUP

Department of Administration
Percent of the Total Department's Budget by Fund Group
 (All Funds)
 (\$ Thousands)

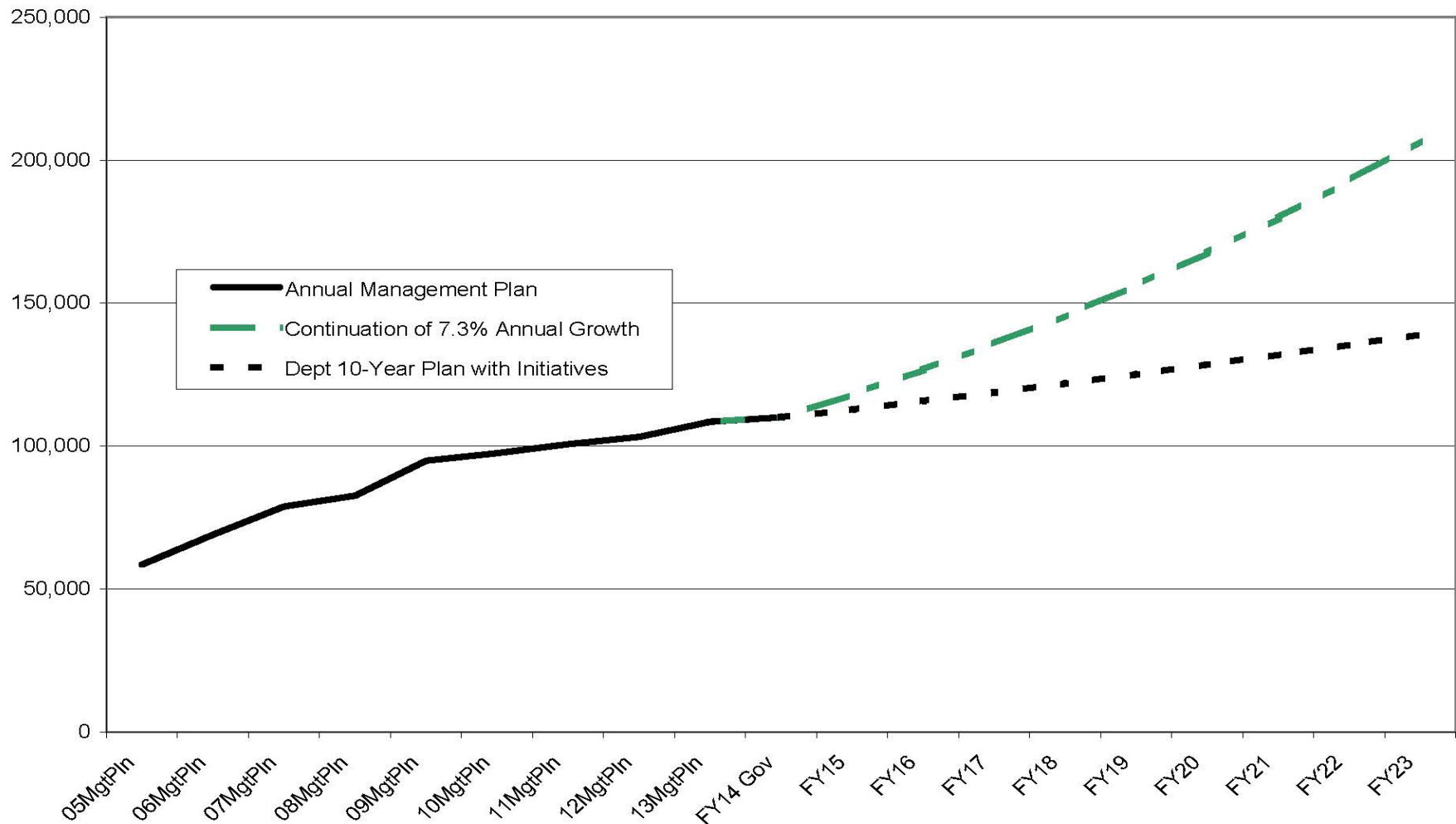
FY14 Gov Budget:
 General Funds (26% UGF and 7% DGF)
 --Totaling 33%
 Other Funds -- 66% (I/A Receipts
 accounts for 38% of the total agency
 budget).
 Federal Receipt Authority -- 1%



SOURCE: Legislative Finance

CONTINUED BUDGET GROWTH COMPARED TO 10-YEAR PLAN

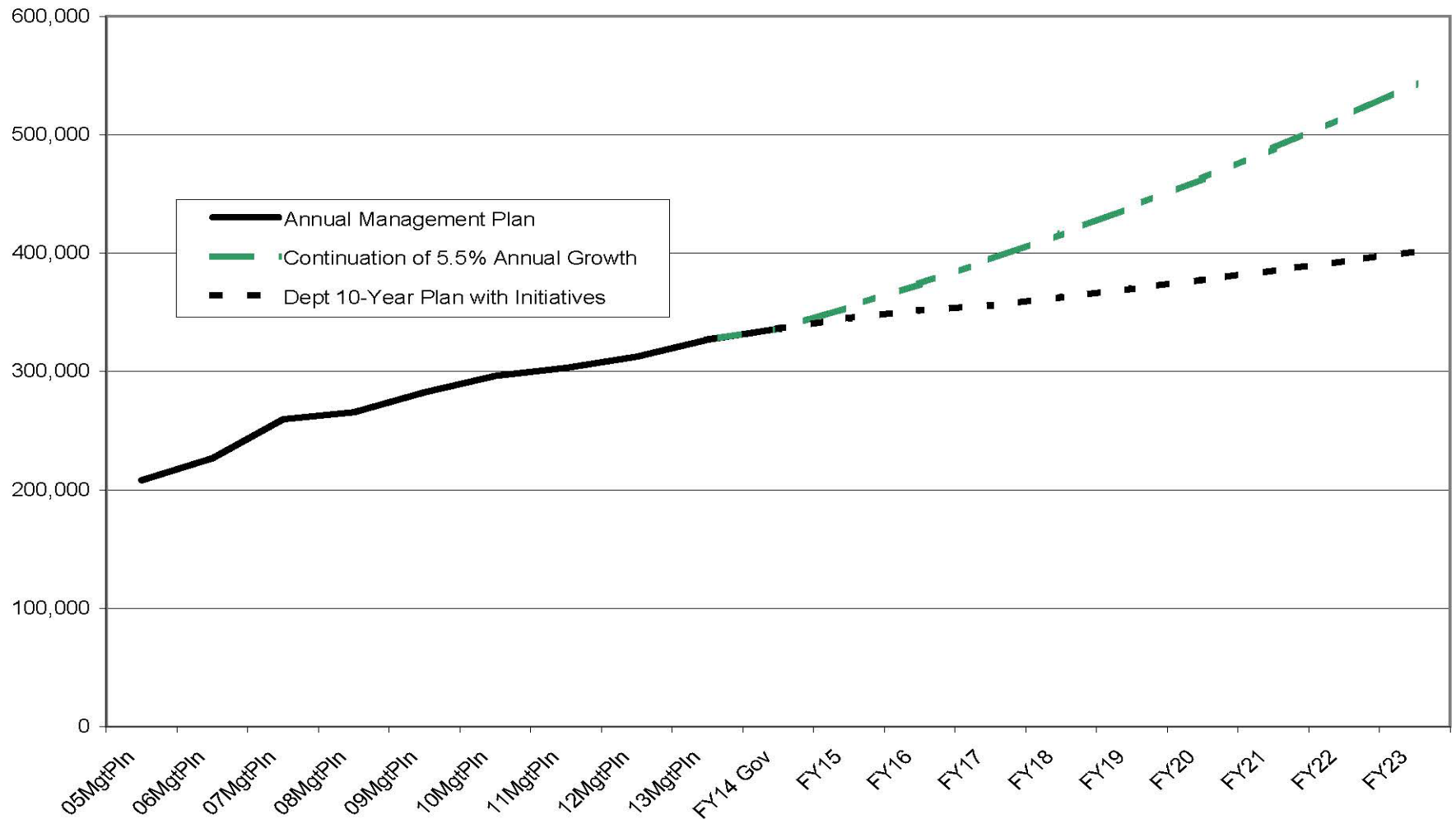
Department of Administration
Continued Budget Growth Compared to 10-Year Plan
(GF Only)
(\$ Thousands)



House Finance Budget Subcommittee – January 31, 2013

CONTINUED BUDGET GROWTH COMPARED TO 10-YEAR PLAN

Department of Administration
Continued Budget Growth Compared to 10-Year Plan
(All Funds)
(\$ Thousands)

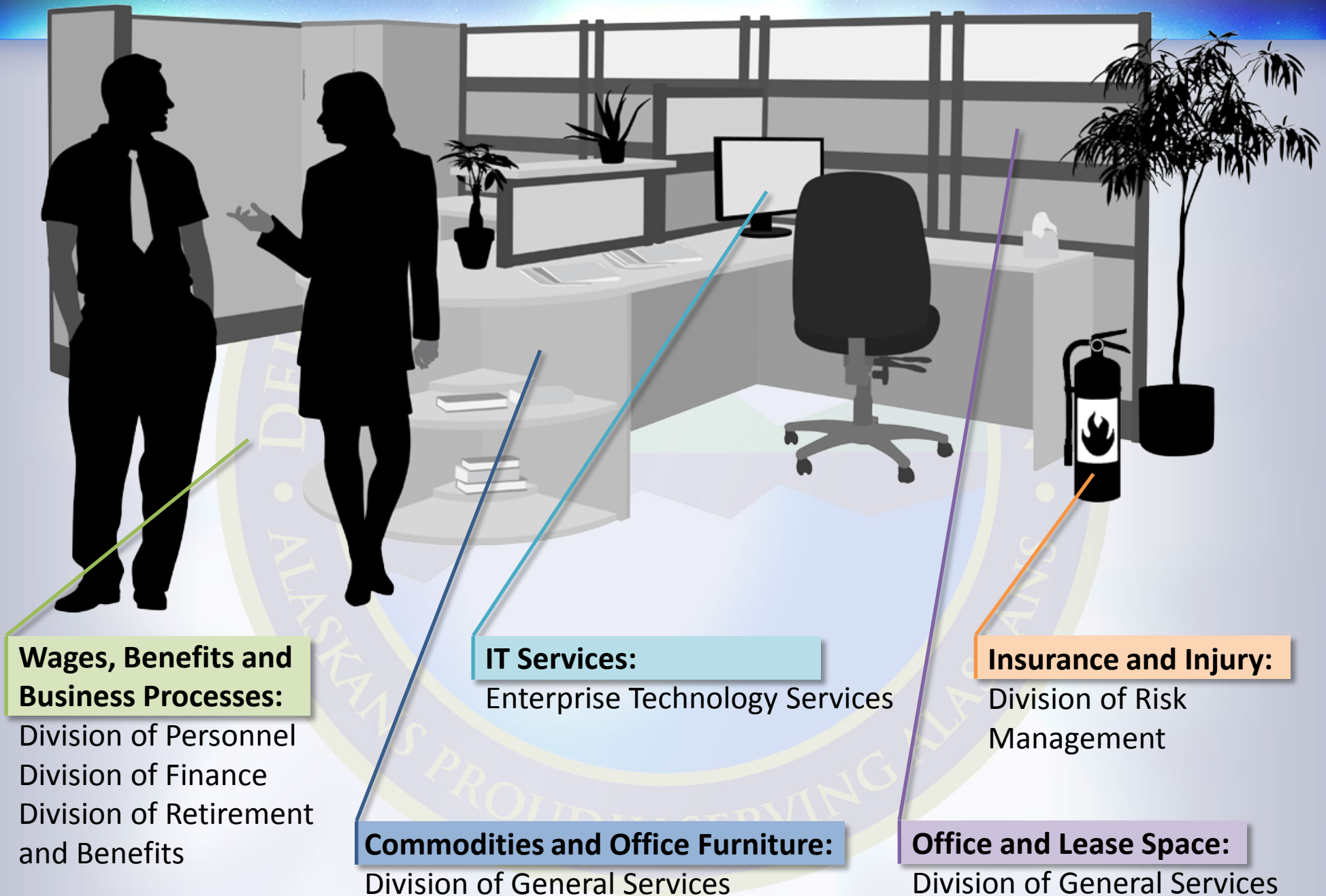


House Finance Budget Subcommittee – January 31, 2013

SERVICES TO THE PUBLIC

- **Division of Motor Vehicles**
- **Office of Public Advocacy**
- **Public Defender Agency**
- **Division of Retirement and Benefits**
- **Alaska Public Offices Commission**
- **Alaska Oil and Gas Conservation Commission**
- **Alaska Public Broadcasting Commission**
- **Violent Crimes Compensation Board**

SERVICES TO STATE AGENCIES



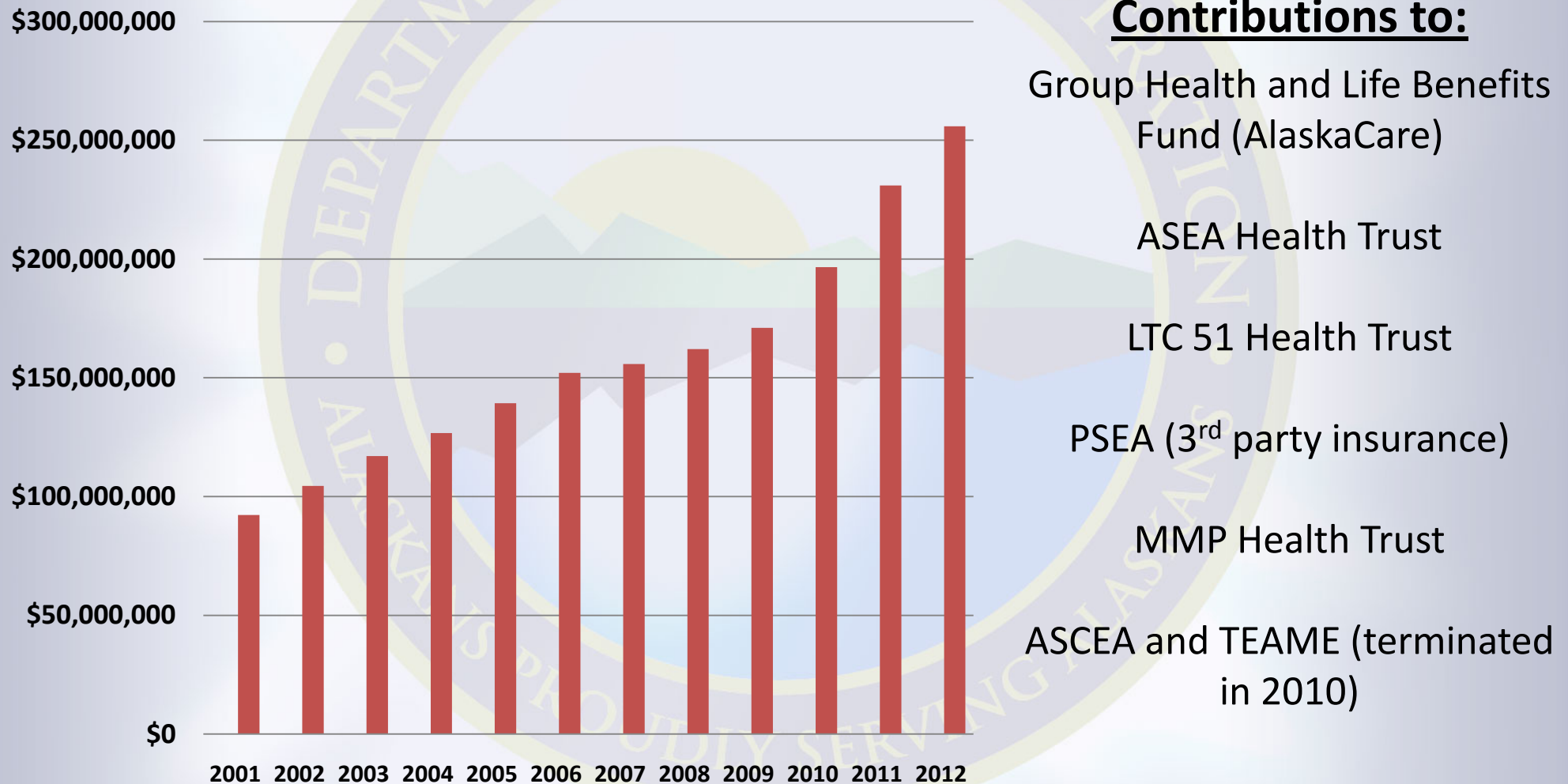
PERSONAL SERVICES

- Personal services line has increased by an average of **5.45% a year since 2006.**
- Personal services increases:
 - Negotiated COLA
 - plus**
 - Negotiated (and statutory) merit increase and pay increments
 - plus**
 - Increase in employer-paid health insurance premium

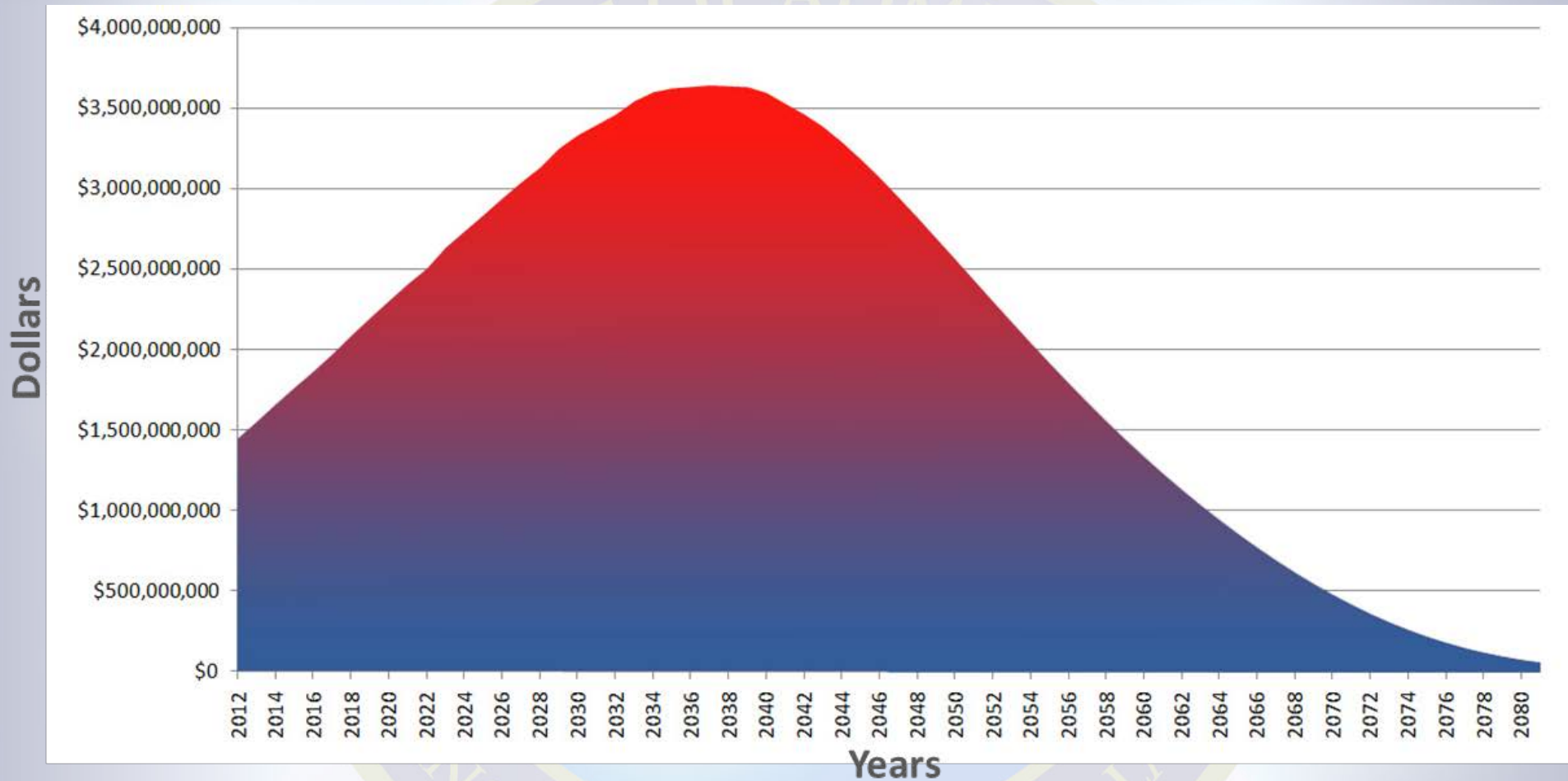
General Government (ASEA)	8,231
Supervisory (APEA)	2,219
Confidential (CEA)	192
Labors, Trades & Crafts (LTC)	1,675
Correctional Officers (ACOA)	777
Public Safety Officers (PSEA)	487
Marine Engineers (MEBA)	99
Masters, Mates & Pilots (MMP)	97
Inlandboatmen's Union (IBU)	654
AK Vocational Technical Teachers (AVTECTA)	39
Mt. Edgecumbe Teachers (TEAME)	29
Excluded	4
Exempt and Partially Exempt	1,355

BENEFITS

State of Alaska Contributions to Active Employee Health Plans



BENEFITS: PERS/TRS



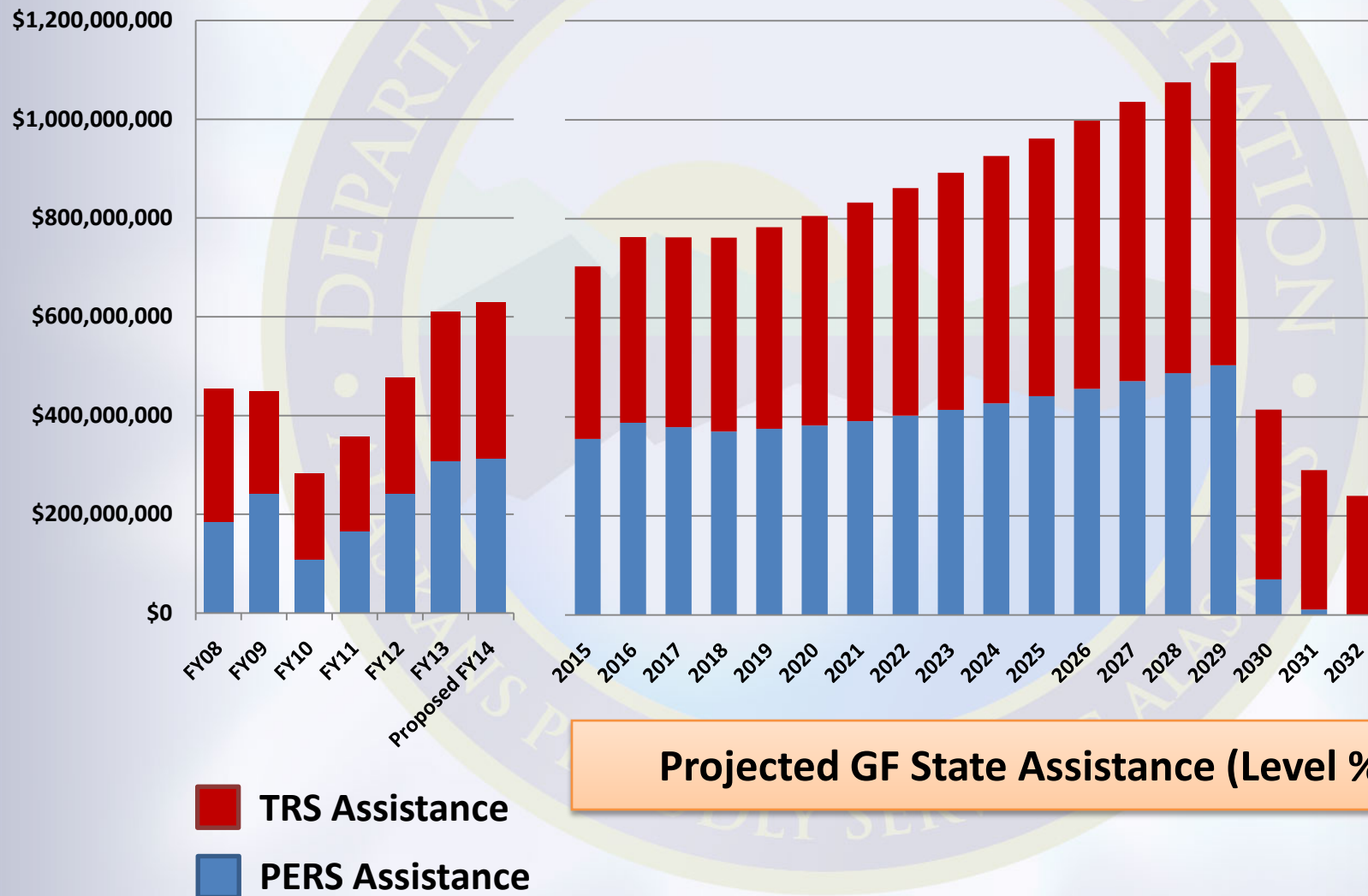
Pay **\$140 billion** in benefits payments over next 70 years

Current PERS/TRS account balance: **\$16.8 billion**

Unfunded Liability: approx **\$11.9 billion**

BENEFITS: PERS/TRS

PERS/TRS GF State Assistance (SB125)



BUSINESS PROCESSES



Integrated Resource Information System

IRIS PROJECT TIMELINE:

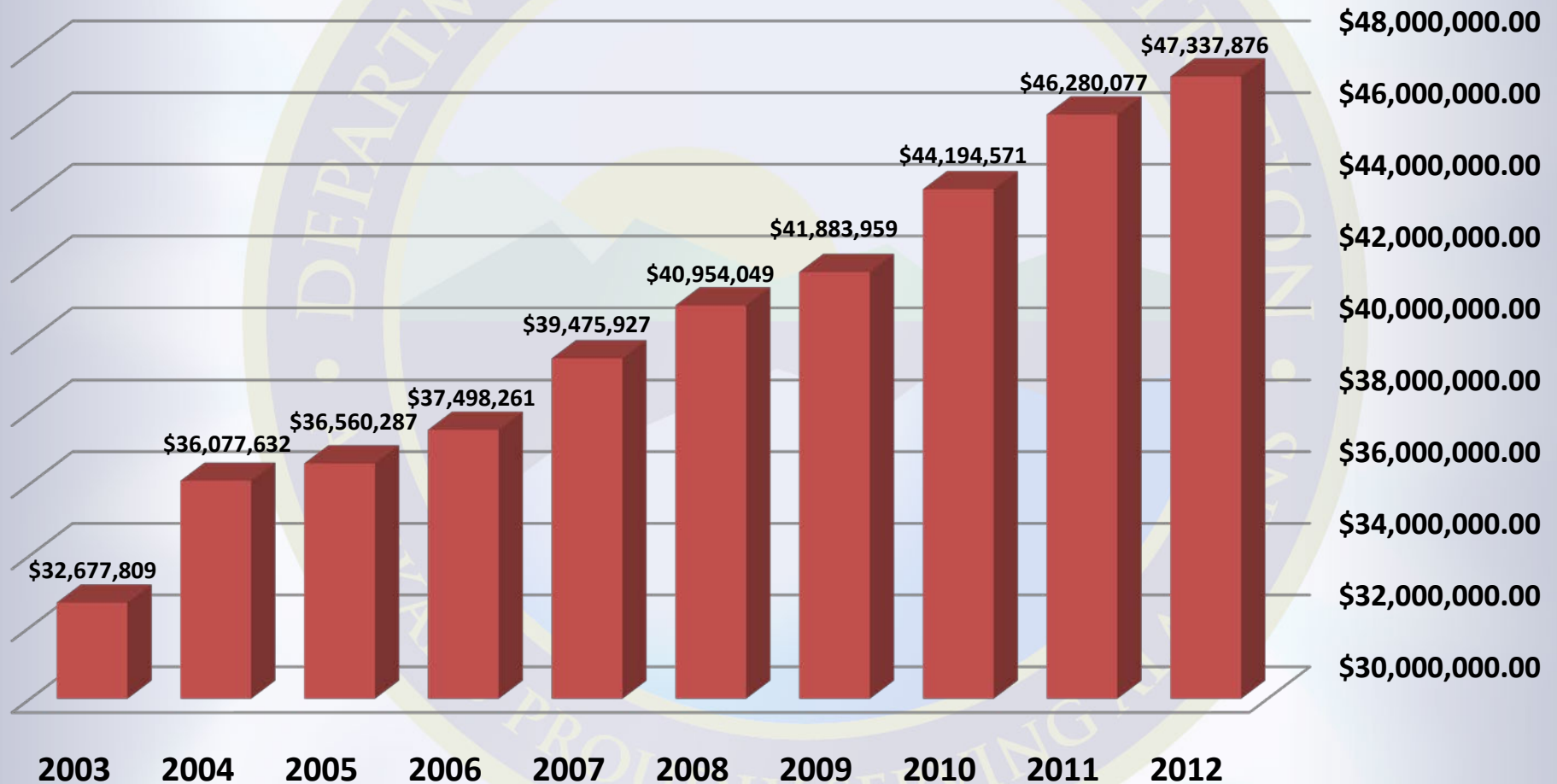


ENVISION PHASE:



SPACE COSTS

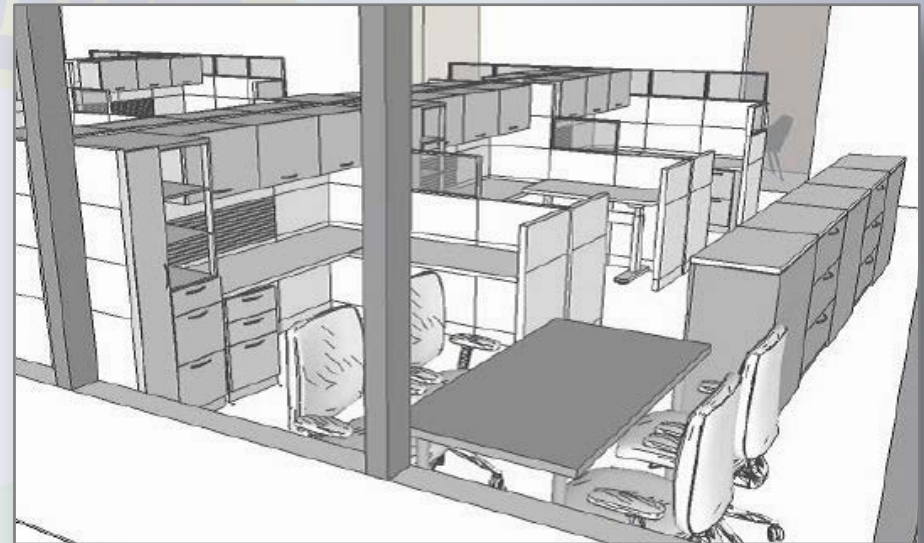
Lease Costs (FY2003 to FY2012)



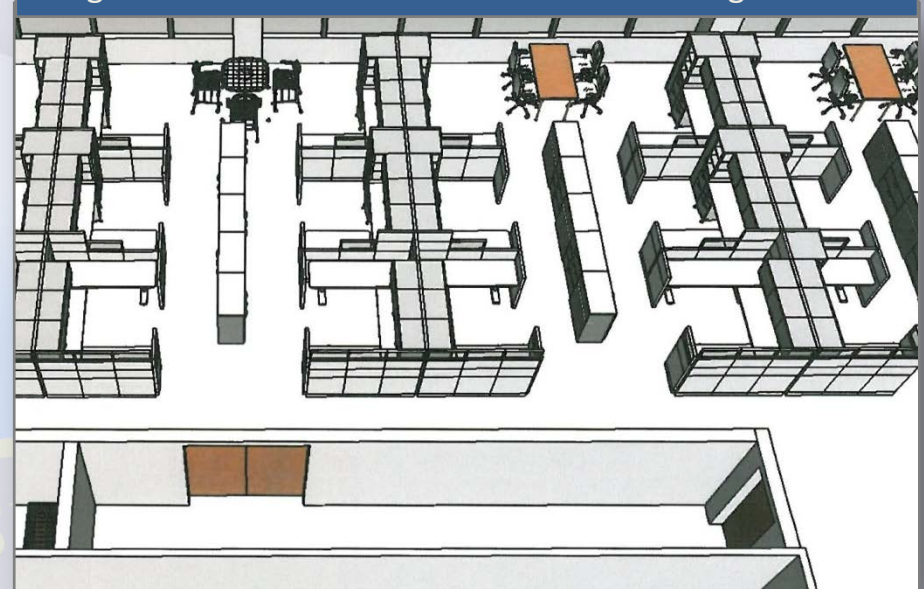
NEW UNIVERSAL SPACE STANDARDS

Why space standards?

- **Save the state over \$125 million** the next 20 years in reduced lease costs.
- New space will be better for teamwork and collaboration among “neighborhoods”
- Better airflow with fewer walls
- Natural light for everyone with private offices toward core of building
- Shared printers, scanners and copiers reduce the cost of individual units
- Employees can go from one office to another and have the same working experience
- Clean desk policy addresses need for document privacy in agencies



Neighborhood with team work area and storage



PURCHASING

The Division of General Services (DGS) awards multi-department contracts for use by all Executive Branch agencies and various political subdivisions of the state.

The total savings realized by DGS for FY12 is \$46,691,337, with \$36,191,752 being saved by state agencies and the remaining \$10,499,585 being saved by political subdivisions of the state.

Some examples of state savings:

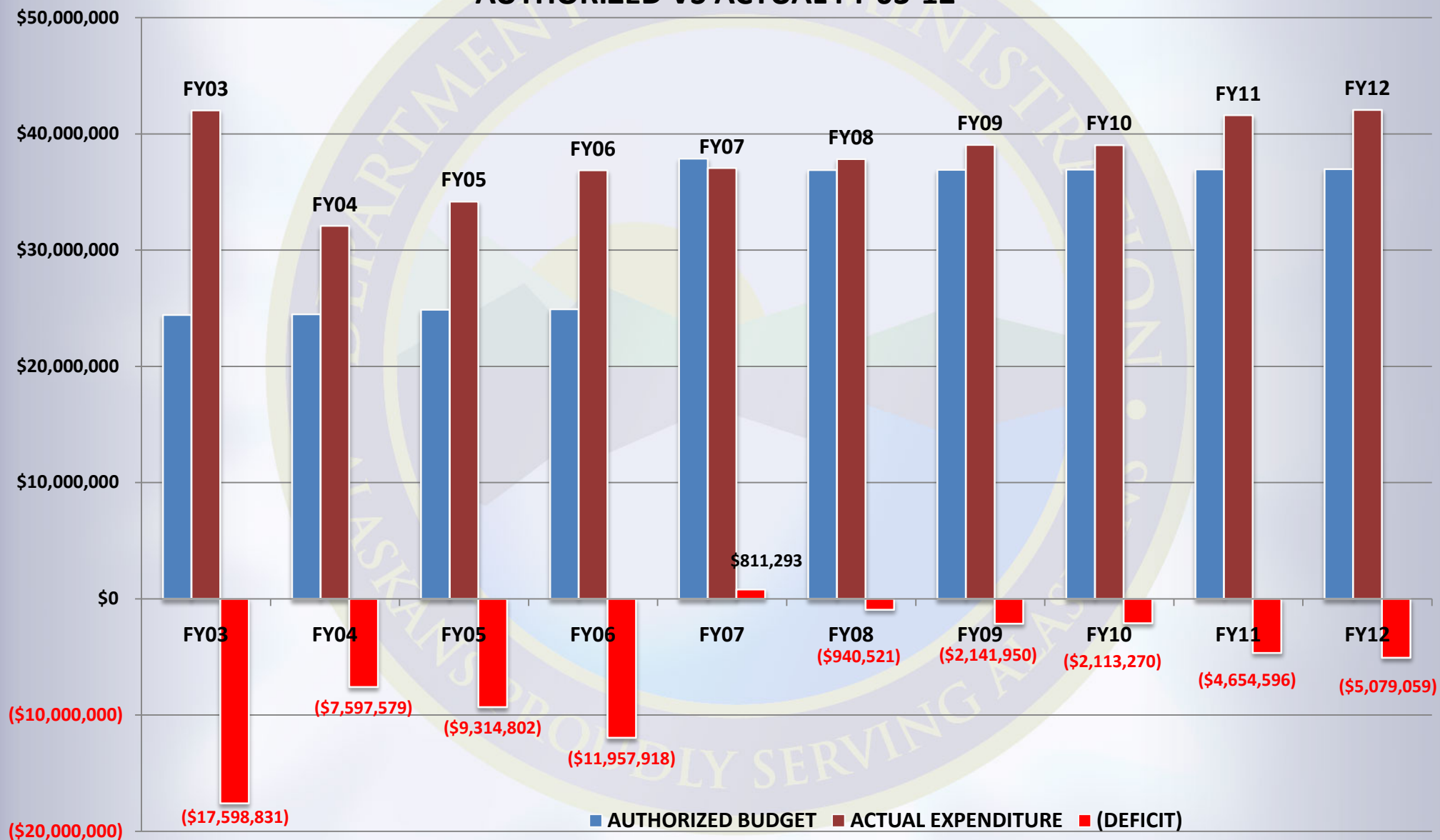
- Software - \$11,991,321
- PCs, Printers, and Peripherals (WSCA) - \$7,123,705
- Industrial Supplies and Equipment (WSCA) - \$4,368,075
- Marine Diesel Fuel - \$3,835,929
- Fuels: Heating, Diesel, Unleaded, Jet A, Aviation - \$2,517,028
- System Furniture Add-On - \$2,475,082

Enterprise Technology Services Priorities

- Bandwidth
- Security: Department Gap Analysis
- Mobile Device Strategy & Support
- Continuity of Operations (COOP)
- Identity Management: myAlaska V3
- Experienced-based rate-setting and rate-setting alignment with budget process

INSURANCE AND INJURY: RISK MGMT.

AUTHORIZED VS ACTUAL FY 03-12



OPERATING INCREMENTS

Maintenance of Services

- ALMR: Restore one-time increment, \$1.5 million UGF
- ALMR: maintenance costs and receipt authority, \$1.6 million (\$600.0 UGF, \$500.0 I/A, \$500 statutory designated program receipts)
- DOA: “Core Services” Increases, \$725.4 UGF
- General Services: Interagency Receipts, \$663.6 total other (\$465.9 I/A receipts and \$197.7 PBF)
 - Lease Costs, \$100.0 I/A
 - Lease Administration, \$265.9 I/A
 - Facilities operation and maintenance costs, \$100.0 I/A
 - Facilities administration, funding for two new PFT positions, \$197.7 PBF

OPERATING INCREMENTS

New Programs/Program Expansion

- Risk Management: Rising medical and legal costs of insurance premiums, \$4,224.2 (I/A - interagency receipts)
- Health Plans Administration: Third party administrator contract increase for new health contract, \$1.5 million (Group Health and Life Benefits Fund)
- Enterprise Technology Services:
 - Additional receipt authority to accurately charge user agencies for legacy systems, \$1.2 million (Internal Service Fund)
 - Decrement to eliminate uncollectable federal receipt authority, \$1.7 million (federal receipts)
- Retirement & Benefits: consolidation and automation of division processes: \$875.0 (various)
- Alaska Oil and Gas Conservation Commission: increased overtime for petroleum inspectors, \$125.0 (AOGCC receipts)

OTHER ISSUES

- Continuation of partial HR decentralization from the Division of Personnel: transfer 43 PFT positions back to agencies for recruitment and management services
- Legal & Advocacy Appropriation
 - No anticipated supplemental
 - Potential increment in Governor's Amended
- Bargaining Unit Negotiations
 - General Government Unit (ASEA)
 - Supervisory Unit (APEA)
 - Confidential Employees Association (APEA)

CAPITAL REQUESTS

- **APBC: Alaska Rural Communications System: Digital Conversion, \$5,300,000 (UGF)**
- **DGS: Douglas Island Building, \$9,600,000 (UGF, year 2 of 2)**
- **DGS: Repair Juneau State Office Building Parking Garage, \$2,000,000 (UGF, phase 2 of 3)**
- **DGS: Nome State Office Building, \$3,252,170 (UGF)**
- **DGS: Alaska Geologic Materials Center Replacement Facility, \$15,000,000 (UGF, phase 2 of 4)**
- **DGS: ADA Improvements, \$192,300 (UGF)**
- **DGS: Capital Asset Management System: \$2,000,000 (UGF)**
- **DGS: Deferred maintenance: \$7,017.0 UGF plus \$3,000,000 (PBF)**
- **DRB: Combined Retirement System Upgrade, \$350,000 UGF (various, phase 4 of 5)**
- **DRB: Document Management System, \$135,000 (various, year 4 of 4)**
- **DRB: Retirement and Benefits Policy Automation, \$880,000 (various)**
- **DRB: Retirement and Benefits Identity and Security Governance, \$749,400 (various)**
- **ETS: Virtual Tape Systems Replacement, \$500,000 (UGF)**

The seal of the Department of Administration, State of Alaska, is a large, faint, circular emblem in the background. It features a central shield with a mountain range and a sun. The text "DEPARTMENT OF ADMINISTRATION" is arched across the top, and "ALASKANS PROUDLY SERVING ALASKANS" is arched across the bottom.

Thank you!

Visit www.DOA.alaska.gov

for more information about our department.

Questions?