



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Military and
Veterans' Affairs

Office of the Commissioner

P.O. Box 5800
JBER, AK 99505-0800
Main: 907.428.6003
Fax: 907.428.601

Representative Chris Tuck, Chairman
House Special Committee on Military and Veterans' Affairs
Alaska House of Representatives
Room 204, Alaska State Capitol
Juneau, AK 99801

13 March 2017

Dear Representative Tuck:

Thank you to you and your committee for hearing HB 150, regarding calculation of pay, benefits, and allowances for members of Alaska's organized militia.

Under the existing accounting system, Alaska State Defense Force (ASDF) Soldiers serving during emergencies and disasters are paid as state employees, according to the task(s) performed. Properly calculating each Soldier's pay requires accounting and payroll personnel to identify the job or jobs performed, and how many hours each carried out those responsibilities. For example, a Soldier may be deployed answering telephones in a Disaster Assistance Center for a period of time, then sent to manage traffic. So the Soldier would be paid as an "Admin I" for hours spent on the phones, and as a "Constable I" for hours engaged directing traffic.

During Tuesday's hearing on the bill, I testified the new system of pay calculation offered by HB 150 would help the Alaska Department of Military and Veterans' Affairs (DMVA) contain costs by reducing the administrative burden associated with processing paperwork for personnel serving during disasters or emergencies. While the existing system requires extensive research and tracking of time and tasks for each individual, under the new system, the calculation becomes a simple matter of "Time x Rate = Pay," without the need for extensive calculation and validation of numerous separate elements. Without engaging in excessive conjecture, I testified that intuitively, we believe the new system will be faster, cheaper, and would likely result in emergency personnel being paid more timely.

Representative Justin Parish asked if we could estimate the time and cost savings we expect to realize under the new system, should HB 150 become law. Our ability to do so precisely is limited at best, but we can assess likely benefits considering both fixed and variable elements to the potential savings. Fixed savings include elimination of the now required semi-annual pay rate calculation, while for variable elements, we expect significant administrative time (and associated cost) savings in

determining the tasks performed and duration of service, then using those details and the pay table to calculate the amount due each individual.

The following describes potential savings in several key offices.

Finance

Twice a year, an Accountant III determines the new pay rates for State Active Duty. This cost would be entirely eliminated, as there would no longer be a need for this calculation if HB 150 passes.

Net savings: 10 hours x 2 = 20 X \$35.29 (hourly rate) = \$705.80

Homeland Security and Emergency Management

The current DHS&EM Administrative Operations Manager can very quickly determine what jobs are being done and the corresponding State positions, once he is provided information from ASDF concerning the actual duties performed. However, if someone else were in that position, it could easily take longer, so we estimate saving an average of 30 minutes per person doing a given task per disaster.

Net savings: \$56.58 (hourly rate) divided by 2 = \$28.29

Administrative Services

The last disaster to activate the Alaska State Defense Force (ASDF) required our Administrative Assistant to spend about 10 hours to process paperwork and payroll. Using this example, we estimate the new pay system could save upwards of 9 hours, as there is no longer need to calculate the hourly rate of each ASDF member based on their equivalent state job, review timesheets, and make any overtime calculations.

Net savings: [10 hours X \$25.73 (hourly rate)] - [1 hour X \$25.73 (hourly rate)] = \$257.30 - \$25.73 = \$231.57 savings

TOTAL

Savings that will happen whether there is a disaster or not = \$705.80 and 20 hours

Savings per disaster = \$28.29 + \$231.57 and 1½ hours (this will fluctuate, depending on the scope of the disaster) = approximately \$259.86 and 1½ hours

Regarding processing time once the pay amount is determined, we do not expect significant savings unless and until the State adopts a more automated approach (including direct deposit options) to issuing warrants. It will take less time on the front end however to determine the pay rate and any overtime entitlements.

In total, if HB 150 passes, we're confident DMVA will land slightly on the "good side" of cost neutral.

I hope this information is helpful. Please let me know if you have further questions.

Respectfully,



Robert A.K. Doehl
Deputy Commissioner