

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Finance

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MEMORANDUM

DATE: January 21, 2017

TO: Senator Lyman Hoffman, Senate Finance Co-Chair
Senator Anna MacKinnon, Senate Finance Co-Chair
Representative Paul Seaton, House Finance Co-Chair
Representative Neal Foster, House Finance Co-Chair

FROM: David Teal
Director of Legislative Finance Division

SUBJECT: Agency responses to FY17 Legislative Intent Language

This memorandum restates FY17 legislative intent (*italics*) for each agency and provides agency responses (indented) to our request for status reports. Due to the quantity of intent language this year, two documents are provided.

1. A summary table with all legislative intent and a concise statement on the status of the intent.
2. A detailed report with legislative intent, agency responses and Legislative Finance Division comments.

For complete responses, see the intent item number and page number in the first two columns of the summary table.

DEPARTMENT OF ADMINISTRATION

General Services/Central Mail

Operating Budget (CCS HB 256)

1. It is the intent of the legislature that the Department of Administration review the Juneau Central Mail program using Shared Services processes to find and implement efficiencies, evaluate the cost effectiveness of centralization and explore implementing mail service efficiencies in other areas of the State.

The Department of Administration, Division of General Services has been using the Shared Services processes to review and find efficiencies in the central mail processes. The rate methodology has been reviewed and streamlined, this will result in a true up of costs and less staff time to develop and bill rates quarterly. Mail stops have been reduced to one, one position was eliminated in the FY2016 budget. As the division works to find additional efficiencies it is possible that one additional position may be repurposed.

Outreach is ongoing for cost comparisons such as courier service, gathering data on postage meter usage across all agencies in all locations through Neopost, surveying departments to gather data on current mail processes and needs, and working toward standardizing letter, envelope and remittance stock to achieve efficiencies.

Enterprise Technology Services/ Alaska Land Mobile Radio

Operating Budget (CCS HB 256)

2. It is the intent of the legislature that the Department of Administration and its partners find an alternate, more efficient and reliable system to Alaska Land Mobile Radio (ALMR) in order to provide emergency communications for communities. The Department shall develop and deliver a plan to the legislature by December 31, 2016. When researching and developing a plan, the Department should consider commercial off-the-shelf systems, as well as all other technologies available in an effort to keep costs controlled. If the Department develops a plan that can effectively replace the ALMR system, the replacement and funding associated with the new system should be included in the Governor's amended budget.

The Department of Administration is developing a plan to deliver a report to the legislature by December 31, 2016.

In order to meet this, the department has worked in conjunction with the Department of Defense to issue a Request for Information (RFI) seeking any major vendor that can provide all equipment, project management and systems engineering services in support of a possible alternative system to Alaska Land Mobile Radio (ALMR). The RFI can be found on the state's Online Public Notice website at Request for Information for ALMR System and Services. Notification of the RFI was distributed to several vendors that previously expressed interest/capabilities in maintenance of the system. The results of the RFI will be used to understand the market conditions specific to ALMR. The department will work in conjunction with the Department of Public Safety for next steps.

Previous efforts have conducted to analyze and address concerns regarding the cost to maintain the ALMR System and the value provided to public safety first responders in the State of Alaska and are listed below:

- 2005 Total Cost of Ownership (prepared by Market Strategy Group, LLC)
- 2008 Total Cost of Ownership (prepared by 5 Star Team)
- 2008 System Design & Implementation Document (SDID) for Alaska Land Mobile Radio, Anchorage, AK with Appendix A, Separation Analysis (prepared by Motorola)
- 2009 Alaska Land Mobile Radio System Economic Analysis Report and separate 2009 Executive Study (prepared by Tecolote Research, Inc.)
- 2011 ALMR Feasibility Study - State of Alaska (prepared by World Wide Technology, Inc.)
- 2014 State of Alaska Telecommunications System (SATS) Analysis (prepared by Peak Signals Telecommunications in collaboration with World Wide Technology, Inc. Inc.)

Some of these studies also addressed what it would cost to build an alternate/replacement system, or to simply split the System apart. Each study reached the same conclusion. There is no viable alternative, which provides the same level of service, security, interoperability and safety for public safety responders and to the citizens of Alaska at a comparable or lesser cost.

Motor Vehicles

Operating Budget (CCS HB 256)

3. It is the intent of the legislature that the Department of Administration, Division of Motor Vehicles, seek out efficiencies to streamline processes and outsource where practical to reduce costs or increase revenue through improved efficiencies within the division to increase the amount of dollars deposited into the General Fund and to reduce wait times.

With no monetary investment and by using streamlining and efficiencies, the Division of Motor Vehicles (DMV) has worked to reduce the average wait time from a high of 44 minutes to a low of 13 minutes.

In addition to reducing wait times, the DMV is undergoing a complete review of all processes using the LEAN method to identify areas that can be streamlined for more efficiency.

The DMV is working more closely with private contractors to expand the scope of services the contractors can provide. They are working more collaboratively and the DMV is exploring options with the contractors to provide more services outside of the urban areas of the state. Additionally, the DMV has been working with a city office to establish an office using city staff. However, the DMV has been unsuccessful in completing a contract because the city is worried about losing money. The DMV will

continue to work to a successful outcome.

The Department of Administration, Division of Motor Vehicles (DMV) added numerous on-line processes to increase efficiencies, streamline processes and decrease customer wait times. They include the ability to:

- Renew driver licenses and identification cards
- Register to vote
- Register to receive vehicle registration renewals via email
- Request a temporary license
- Report the sale of a vehicle or boat
- Request on-line driver records
- Request automatic mailing of permanent disability parking permits

The Anchorage Benson DMV recently launched “Appointment Online” where a customer can schedule an appointment and receive a text with an appointment for service. The “Appointment Online” service will be expanded after a test session in Anchorage, and more services will be moved online in the future.

In August 2016, DMV began printing temporary driver licenses on regular copy paper and in black and white which will save approximately \$60,000 per year in printing and supply costs. The division also redesigned and combined a number of forms resulting in lower printing costs and eliminated one of the boat registration tabs using the same tab for both power and non-powered boats. These efforts will result in an annual savings of approximately \$10,000.

DMV has begun accepting new applications from businesses and financial institutions in the State of Alaska to make title and registration services more accessible and convenient for customers across the state.

Additionally, DMV has established memorandum of agreements with companies that purchase Alaska driver and vehicle information. This information is used by insurance companies and other approved vendors for business purposes, such as to provide insurance quotes. Now that DMV offers “real time” records it has increased the number of vendors who purchase this information thereby increasing the revenue deposited into the general fund.