

Short Fiscal Summary - FY22/FY23 Budget

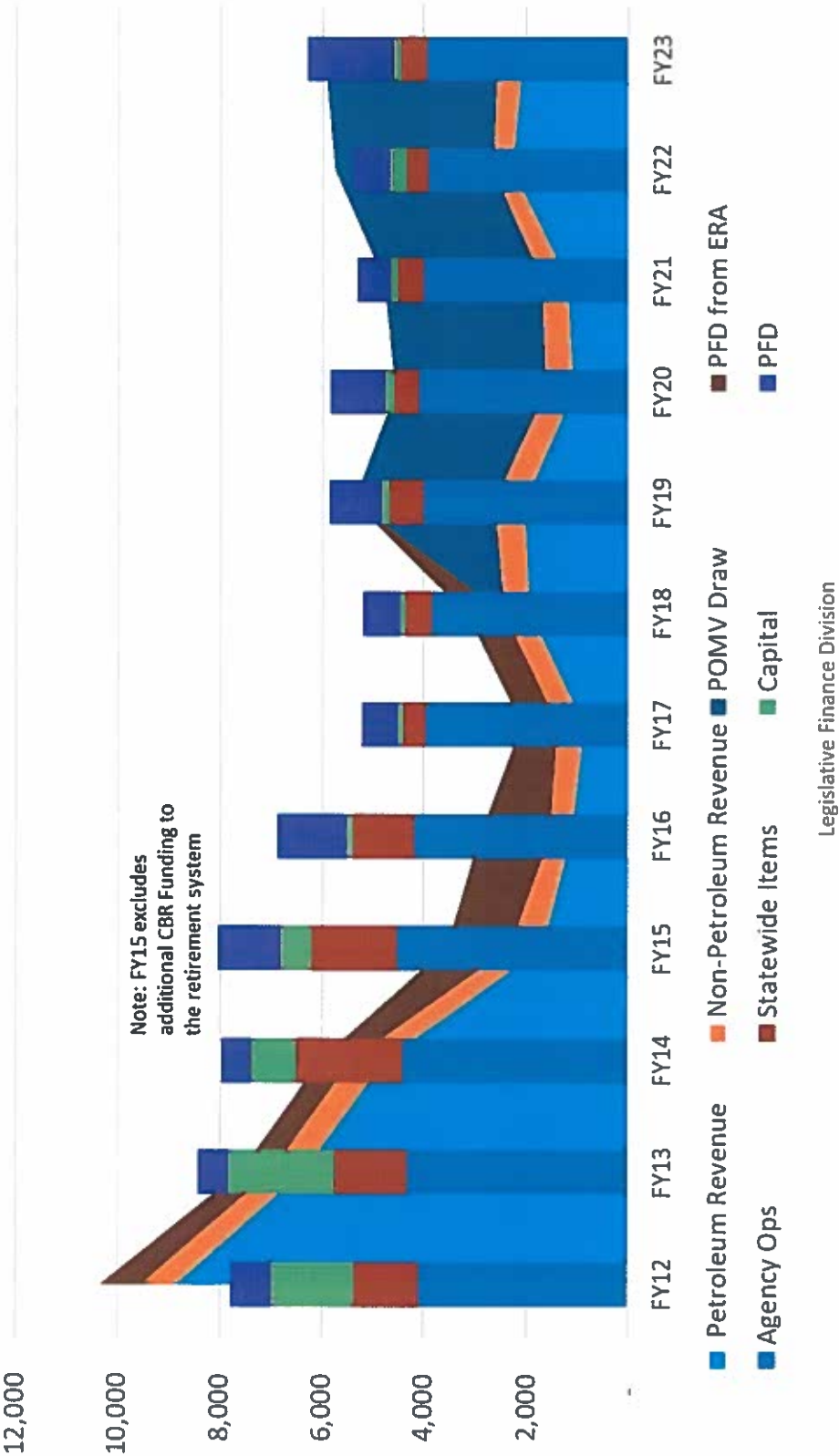
(\$ Millions) (Non-duplicated Funds)		FY22 Budget	FY23 Governor	Change in UGF	
	UGF	UGF	UGF		
1 Revenue		5,744.0	5,937.8	193.8	3%
2 UGF Revenue (Fall 2021 Forecast)		2,662.7	2,577.2	(85.5)	-3%
3 POMV Draw		3,069.3	3,360.6	291.3	9%
4 Misc/Adjust/Non-UGF Revenue		12.0	-	(12.0)	
5 Appropriations		6,245.9	6,286.1	40.3	1%
6 Operating Budget		4,375.3	4,451.1	75.8	2%
7 Agency Operations		3,919.3	3,933.6	14.3	0%
8 Statewide Items		414.0	517.6	103.6	25%
9 Supplemental Appropriations		42.1	-	(42.1)	
10 Capital Budget		335.9	154.7	(181.2)	-54%
11 Current Year Appropriations		242.9	154.7	(88.2)	-36%
12 Supplemental Appropriations		93.0	-	(93.0)	
13 Permanent Fund		1,534.6	1,680.3	145.6	9%
14 Permanent Fund Dividends		739.0	1,680.3	941.2	127%
15 Supplemental Permanent Fund Dividend		795.6	-		
16 Inflation Proofing/Other Deposits*		-	-		
17 Pre-Transfer Surplus/(Deficit)		(501.9)	(348.4)		
18 Statutory Budget Reserve		(410.7)	-		
19 American Rescue Plan Act (ARPA)		(250.0)	(375.4)		
20 Other Fund Transfers		14.6	0.3		
21 Post-Transfer Surplus/(Deficit)		144.2	26.7		
Reserve Balances (EOY)				FY22	FY23
SBR				-	-
CBR				1,159.6	1,218.2
ERA				14,901.4	15,613.8

January 7, 2022

* In FY22 there is an appropriation to transfer \$4 billion from the Permanent Fund earnings reserve account to principal. In FY23 there is an appropriation to transfer \$1.039 billion from the Permanent Fund earnings reserve account to principal for inflation proofing.

UGF Budget & Revenue, FY12-FY23

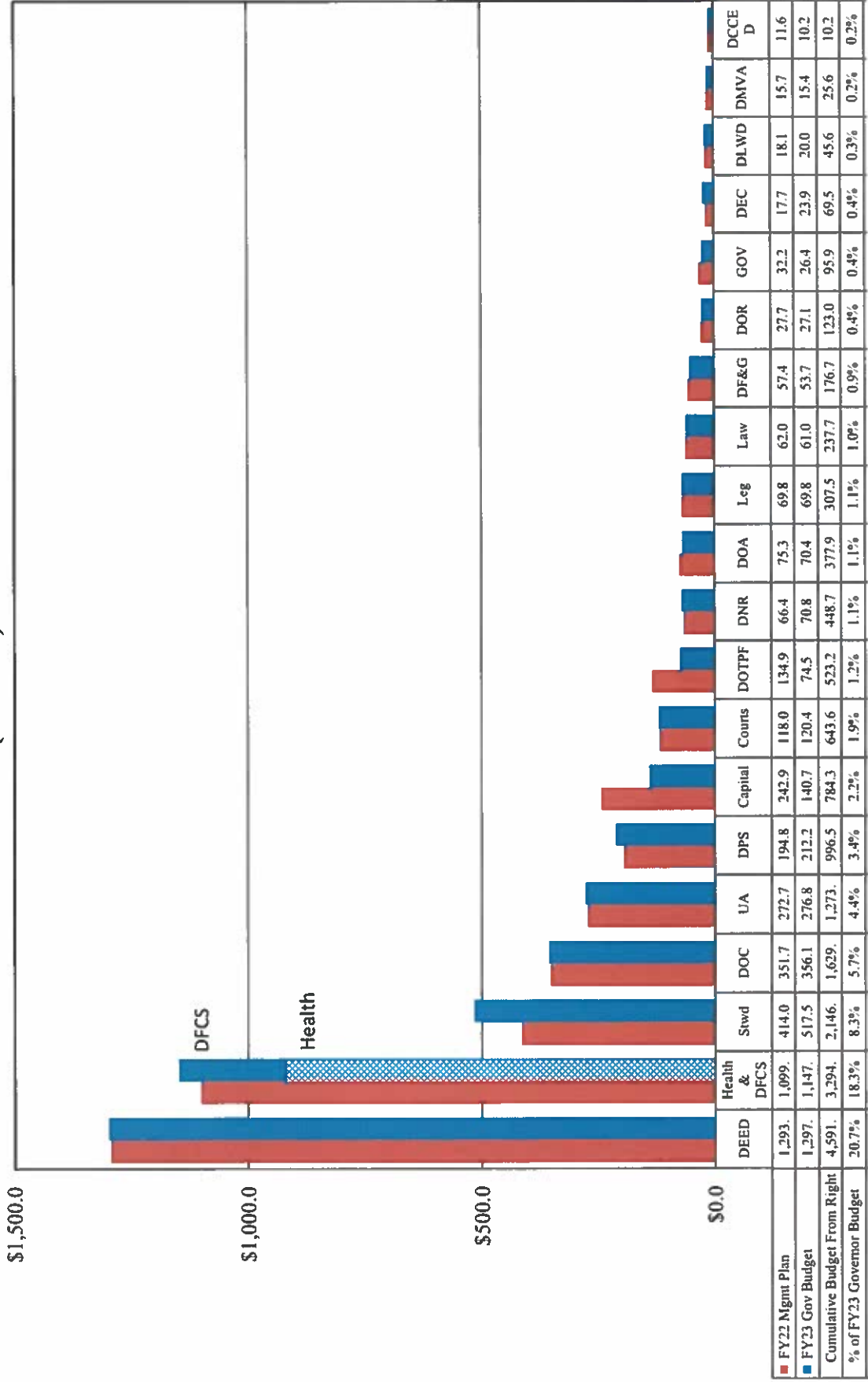
(\$millions)



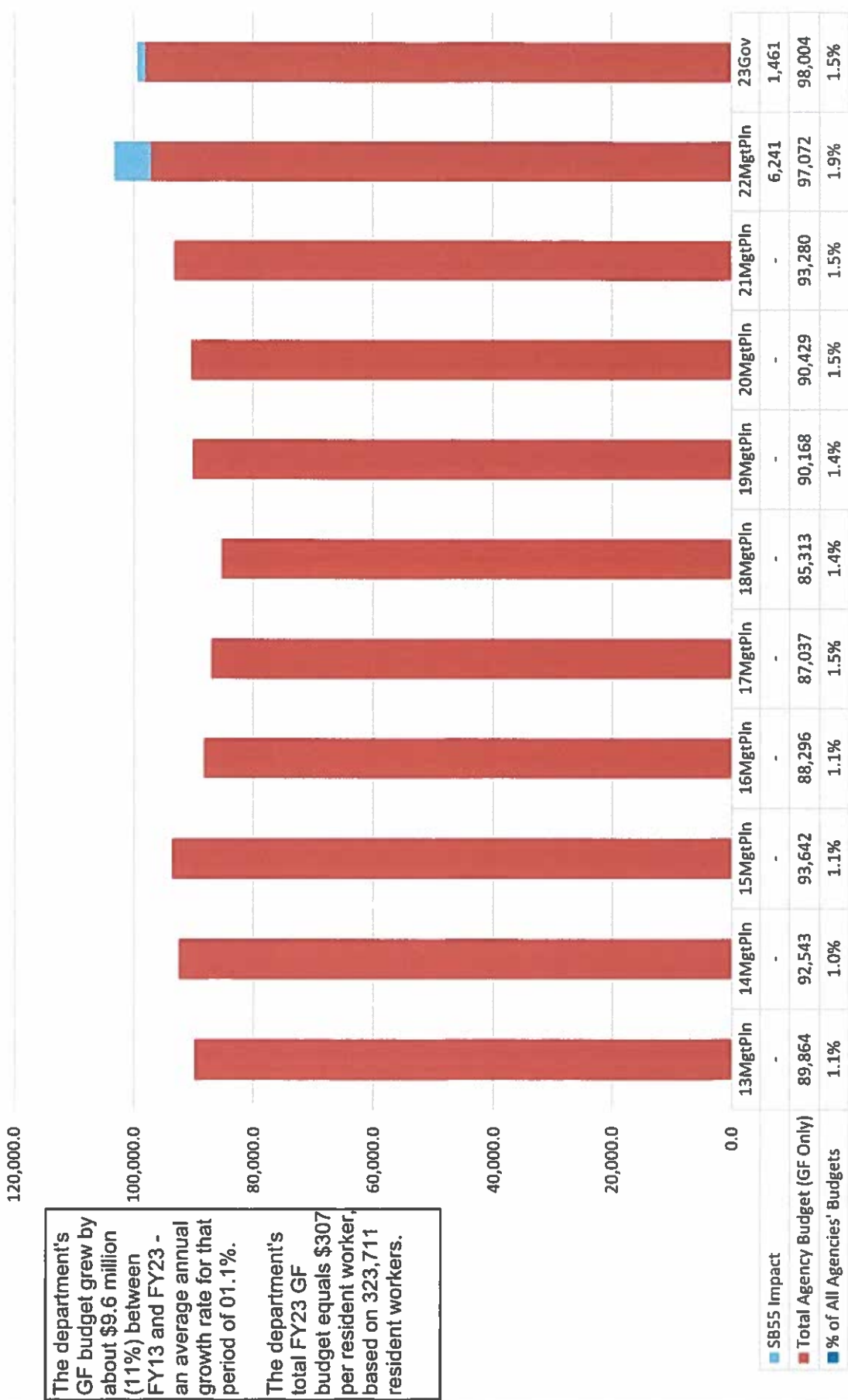
Swoop Graph - UGF Only

FY23 Governor Compared to FY22 Management Plan

(Millions)



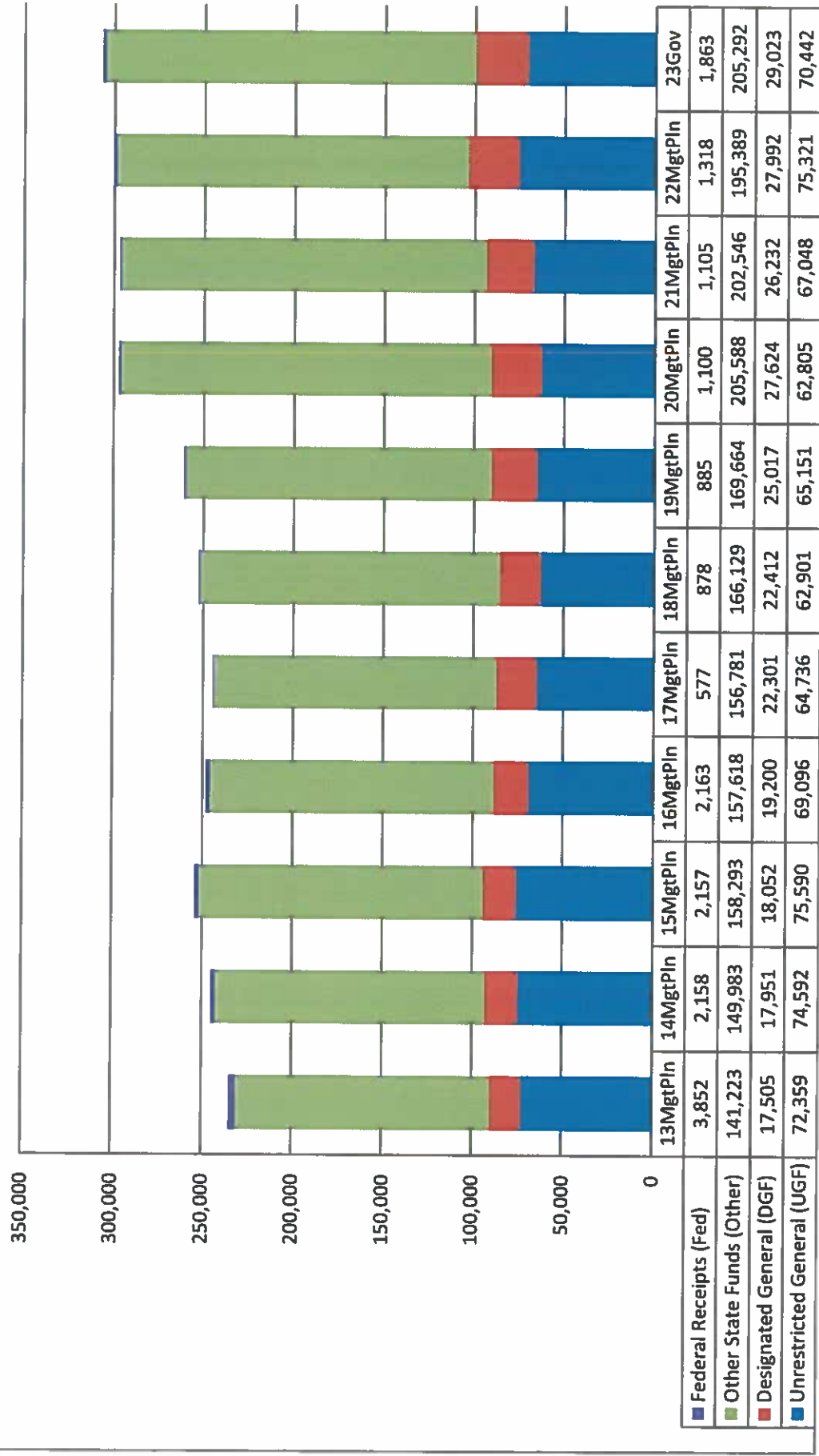
Department of Administration Share of Total Agency Operations (GF Only) (\$ Thousands)



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

Between FY13 MgtPln and 23Gov:

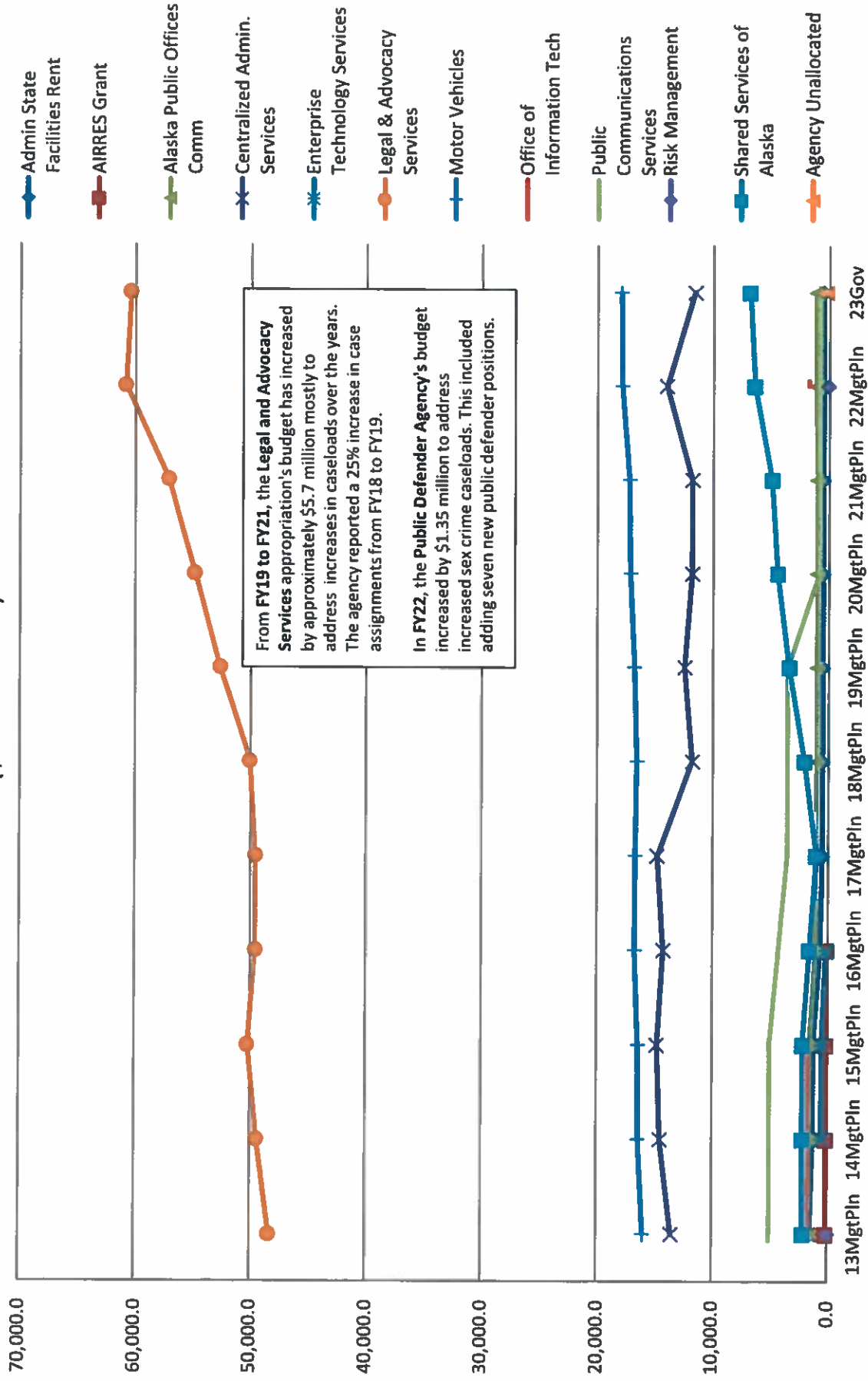
- UGF decreased by \$1.9 million (-3%)
- DGF increased by \$11.5 million (66%)
- Other Funds increased by \$64.1 million (45%)
- Federal Receipts decreased by \$2.0 million (-52%)



Appropriations within Department of Administration

(GF Only)

(\$ Thousands)



2022 Legislature - Operating Budget Transaction Compare - Governor Structure Between Adj Base and 23Gov

Numbers and Language
Differences
Agencies: Admin

Agency: Department of Administration										
Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	THP
Centralized Administrative Services										
Finance										
23Gov	Inc	1,862.5	0.0	0.0	1,862.5	0.0	0.0	0.0	0.0	0
Increased Costs Associated with the State's Financial and Reporting Systems										
1007 I/A Rcpts (Other) 1,862.5										
23Gov	Inc	355.6	345.6	7.0	0.0	3.0	0.0	0.0	0.0	0
Add Two Additional State Accountant Positions and Funding to Address Audit Findings										
1004 Gen Fund (UGF) 355.6										
* Allocation Difference *										
		2,218.1	345.6	7.0	1,862.5	3.0	0.0	0.0	0.0	0
Personnel										
23Gov	Inc	546.0	0.0	0.0	546.0	0.0	0.0	0.0	0.0	0
AspireAlaska Contract to Maintain Advanced Online Training Platform and Add Streamlined Performance Management System										
1007 I/A Rcpts (Other) 546.0										
* Allocation Difference *										
		546.0	0.0	0.0	546.0	0.0	0.0	0.0	0.0	0
Retirement and Benefits										
23Gov	OTI	-500.0	-350.0	0.0	-150.0	0.0	0.0	0.0	0.0	0
L Reverse FY2022 Retirement System Benefit Payment Calculations										
1004 Gen Fund (UGF) -500.0										
23Gov	IncH	500.0	350.0	0.0	150.0	0.0	0.0	0.0	0.0	0
L FY2023 Retirement System Benefit Payment Calculations										
1004 Gen Fund (UGF) 500.0										
* Allocation Difference *										
		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
** Appropriation Difference **										
		2,764.1	345.6	7.0	2,408.5	3.0	0.0	0.0	0.0	0
Shared Services of Alaska										
Accounting										
23Gov	Inc	1,172.9	1,009.2	0.0	163.7	0.0	0.0	0.0	0.0	0
Finalize Statewide Consolidation of Accounts Payable and Travel Expense Reimbursement										
1005 GF/Prgm (DGF) 586.4										
1007 I/A Rcpts (Other) 586.5										
* Allocation Difference *										
		1,172.9	1,009.2	0.0	163.7	0.0	0.0	0.0	0.0	0
** Appropriation Difference **										
		1,172.9	1,009.2	0.0	163.7	0.0	0.0	0.0	0.0	0
Office of Information Technology										
23Gov	Inc	1,550.0	0.0	0.0	0.0	370.0	1,180.0	0.0	0.0	0
Alaska Division of Information Technology										
Add Authority for Statewide Information Technology Core Infrastructure Upkeep Activities										
1081 Info Svc (Other) 1,550.0										
23Gov	Inc	3,800.6	0.0	0.0	3,800.6	0.0	0.0	0.0	0.0	0
Add Authority for Statewide Information Technology Core Services Software Increases										

2022 Legislature - Operating Budget Transaction Compare - Governor Structure Between Adj Base and 23Gov

Numbers and Language
Differences
Agencies: Admin

Agency: Department of Administration

Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	THP
Office of Information Technology (continued)												
Alaska Division of Information Technology (continued)												
Add Authority for Statewide Information Technology Core Services Software Increases (continued)												
1081 Info Svc (Other)		3,800.6										
Add Department Technology Officer 2 (02-#179) for Department of Family and Community Services												
1081 Info Svc (Other)		186.6										
* Allocation Difference *												
** Appropriation Difference **												
Risk Management												
Risk Management												
L State Insurance Catastrophe Reserve Account												
Lapse Balance Appropriation												
* Allocation Difference *												
** Appropriation Difference **												
Legal and Advocacy Services												
Office of Public Advocacy												
Increase Federal Authority for Over Collected Grant Funding and Additional Awards												
1002 Fed Rcpts (Fed)		550.0										
Increase General Fund Match Receipts for Additional Medicaid Funding												
1003 GF/Match (UGF)		250.0										
Restore One-Time Fund Source Change to Utilize ARPA Revenue Replacement												
1004 Gen Fund (UGF)		-10,000.0										
1271 ARPA Rev R (UGF)		10,000.0										
* Allocation Difference *												
Public Defender Agency												
LFD Adjust: MHTAAR to Match Governor DO NOT ACCEPT												
1092 MHTAAR (Other)		-4.1										
Add Funding for Increased Defense Caseload in Response to Sex Crime Increment												
1004 Gen Fund (UGF)		428.7										
Increase Authority to Align Budget with Annual Interagency Activity												
1007 I/A Rcpts (Other)		700.0										

2022 Legislature - Operating Budget Transaction Compare - Governor Structure Between Adj Base and 23Gov

Numbers and Language
Differences
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Agency: Department of Administration												
Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Hisc	PFT	PPT	THP

Legal and Advocacy Services (continued)

Public Defender Agency (continued)

Restore One-Time Fund Source Change to
Utilize ARPA Revenue Replacement
1004 Gen Fund (UGF) -10,000.0
1271 ARPA Rev R (UGF) 10,000.0

* Allocation Difference *

** Appropriation Difference **

Motor Vehicles

Motor Vehicles

Lease Office Space for Division of Motor
Vehicles in Fairbanks
1005 GF/Prgm (DGF) 400.0

* Allocation Difference *

** Appropriation Difference **

Agency Unallocated

Unallocated Rates Adjustment

FY2023 Administrative Systems Upgrade
Ongoing Cost Increases

1002 Fed Rcpts (Fed) 0.4
1004 Gen Fund (UGF) 24.3
1005 GF/Prgm (DGF) 9.0
1007 I/A Rcpts (Other) 26.1
1017 Group Ben (Other) 13.6
1029 PERS Trust (Other) 3.1
1033 Surpl Prop (Fed) 0.2
1034 Teach Ret (Other) 1.2
1045 Nat Guard (Other) 0.1
1061 CJP Rcpts (Other) 0.2
1081 Info Svc (Other) 18.3

FY2023 Human Resources Rate AspireAlaska

1002 Fed Rcpts (Fed) 0.2
1004 Gen Fund (UGF) 13.9
1005 GF/Prgm (DGF) 4.4
1007 I/A Rcpts (Other) 6.0
1017 Group Ben (Other) 1.2
1029 PERS Trust (Other) 1.6
1033 Surpl Prop (Fed) 0.1
1034 Teach Ret (Other) 0.6
1061 CJP Rcpts (Other) 0.1
1081 Info Svc (Other) 7.6

FY2023 Office of Information Technology Core
Services Rate Infrastructure Upkeep Increase

2022 Legislature - Operating Budget Transaction Compare - Governor Structure Between Adj Base and 23Gov

Numbers and Language
Differences
Agencies: Admin

Agency: Department of Administration

Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	THP
Agency Unallocated (continued)												
Unallocated Rates Adjustment (continued)												
FY2023 Office of Information Technology Core												
Services Rate Infrastructure Upkeep Increase												
(continued)												
1002 Fed Rcpts (Fed)		0.5										
1004 Gen Fund (UGF)		41.6										
1005 GF/Prgm (DGF)		13.2										
1007 I/A Rcpls (Other)		32.3										
1017 Group Ben (Other)		6.5										
1023 FICA Acct (Other)		0.1										
1029 PERS Trust (Other)		8.3										
1033 Surpl Prop (Fed)		0.4										
1034 Teach Ret (Other)		3.3										
1045 Nat Guard (Other)		0.2										
1061 CJP Rcpls (Other)		0.6										
FY2023 Office of Information Technology Core												
Services Rate Software Increases												
1002 Fed Rcpls (Fed)		1.2										
1004 Gen Fund (UGF)		92.7										
1005 GF/Prgm (DGF)		29.4										
1007 I/A Rcpls (Other)		71.7										
1017 Group Ben (Other)		14.6										
1023 FICA Acct (Other)		0.2										
1029 PERS Trust (Other)		18.6										
1033 Surpl Prop (Fed)		0.9										
1034 Teach Ret (Other)		7.3										
1042 Jud Retire (Other)		0.1										
1045 Nat Guard (Other)		0.5										
1061 CJP Rcpls (Other)		1.3										
FY2023 Office of Information Technology												
Mainframe Increases												
1004 Gen Fund (UGF)		2.0										
1005 GF/Prgm (DGF)		0.8										
1007 I/A Rcpls (Other)		3.2										
1017 Group Ben (Other)		1.6										
1029 PERS Trust (Other)		0.4										
1034 Teach Ret (Other)		0.1										
**** Allocation Difference *												
**** Appropriation Difference **												
**** Agency Difference ***												
**** All Agencies Difference ****												
23Gov	RateAdj	238.5	0.0	0.0	238.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23Gov	RateAdj	8.1	0.0	0.0	8.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
**** Allocation Difference *												
**** Appropriation Difference **												
**** Agency Difference ***												
**** All Agencies Difference ****												
23Gov	RateAdj	485.8	0.0	0.0	485.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23Gov	RateAdj	485.8	0.0	0.0	485.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
23Gov	RateAdj	12,284.6	2,791.7	20.5	7,903.7	388.7	1,180.0	0.0	0.0	7.0	0.0	0.0
23Gov	RateAdj	12,284.6	2,791.7	20.5	7,903.7	388.7	1,180.0	0.0	0.0	7.0	0.0	0.0

Column Definitions

Adj Base (FY23 Adjusted Base) - FY22 Management Plan less one-time items, plus FY23 adjustments for position counts, funding transfers, line item transfers, temporary increments (IncT) from prior years, and additions for statewide items (e.g. salary and benefit increases). The Adjusted Base is the "first cut" of the FY23 budget; it is the base to which the Governor's and the legislature's increments, decrements, and fund changes are added.

23Gov (23 Governor's Request 12/15) - Includes FY23 Adjusted Base plus the Governor's operating budget requests for increments, decrements, fund source changes, and language transactions submitted on December 15, 2021. Because the Alaska Marine Highway System's budget is now based on a calendar year and has a different effective date than other agencies, it is separated into its own column; therefore the 23Gov column is an aggregate of two columns.[23GOVAMHS+23GovNoAMHS]

DOA Program Priority Table

Program	Constitutional Requirement	Federal Requirement	Statutory Req.	# of Alaskans Served
Centralized Administrative Services				
Office of Administrative Hearings	No	No	AS 44.64	All Alaskans
Adjudication/Formal Mediation	Yes for programs requiring administrative due process	Yes for federal benefit programs	AS 44.64.030	
Oil and Gas Tax Adjudications	No	No	AS 43.05; AS 43.56	
Statewide Hearing Officer/Ethics	No	No	AS 44.64.050	
Medicaid Informal Mediation	No	No	No	
Workers' Comp Appeals Commission Recruitment	No	No	AS 44.64.020 (a)(12) & (13)	
Training & Statewide Oversight	No	No	AS 44.64.020 (a)(6)-(8)	
Publication	No	No	AS 44.64.090	
Office of the Commissioner	No	No	AS 44.21	Not Directly
Division of Administrative Services	No	No	AS 44.21 AS 37.05	Not Directly
Human Resources	No	No	AS 44.21 AS 37.05	
Administrative/Financial	No	Yes	AS 31.05	
DOA Leases	No	No	No	
Centralized Human Resources	No	No	No	
Labor Agreements Miscellaneous Items	No	No	No	
Division of Finance	No	Yes	AS 37.05.140	Not Directly
Accounting/CAFR/IRS/Audit Compliance	No	Yes	AS 37.05.140	
Statewide Administrative System (IRIS, ALDER)	No	Yes	AS 37.05.140	
E-Travel (managed by DOF, separate component)	No	No	AS 39.20.110 – 190	
Division of Personnel & Labor Relations	No			Not Directly
Payroll	No	Yes	AS 39.27	

DOA Program Priority Table

Program	Constitutional Requirement		Federal Requirement	Statutory Req.	# of Alaskans Served
	Yes	No			
Classifications/Class Studies	Yes	No	No	AS 39.25.157	
Administrative/Financial (Director's Office)	No	No	No	AS 39.25 AS 39.23.530	
Training	No	No	No	No	
Employee Planning and Information Center	No	Yes	Yes	AS 39.20.330 AS 39.25.080 AS 40.25.110	
Americans Disability Act/Equal Employment Opportunity	No	Yes	Yes	AS 39.28	
Statewide Recruitment /Occupational Safety and Health Association	Yes	No	No	AS 39.25.010 AS 18.60	
Labor Relations (managed by DOP, separate component)	No	No	No	AS 23.40	
Retirement and Benefits	Article XII, section 7	No	No	AS 14.25, AS 22.25, AS 39.30, AS 39.35, AS 39.40, AS 39.30.090	213 employers 65,900 employees 48,600 retirees
Health Plans Administration (AlaskaCare) (managed by DRB, separate component)	Article XII, section 7	No	No	AS 14.25, AS 22.25, AS 39.30, AS 39.35, AS 39.30.090	
Shared Services of Alaska	No	No	No	Yes for most programs	15,000+
Accounting	No	No	No	AS 37.05, AS 44.21	
Business Transformation Office	No	No	No	No	
Purchasing	No	No	No	AS 36.30, AS 44.21	
Print Services	No	No	No	No	
State Leases	No	No	No	AS 36.30, AS 44.21	
State Facilities	No	No	No	AS 37.05, AS 44.21	
Office of Information Technology	No	No	No		All SOA employees and citizens using SOA online services
Chief Information Officer	No	No	No	No	
Alaska Division of Information Technology	No	Security: IRS 1075, CJIS, HIPAA	AS 44.21.020 (9), (10), .150, .305-.390, 45.48		
State of Alaska Telecommunication System (SATS)	No	No	Yes, AS 44.21.020(10)		
Alaska Land Mobile Radio (ALMR)	No	No	Yes, AS 44.21.020(10)		

DOA Program Priority Table

Program	Constitutional Requirement	Federal Requirement	Statutory Req.	# of Alaskans Served
Administration State Facilities Rent	No	No	No	
Alaska Public Broadcasting	No	No	Yes	All Alaskans
Public Broadcasting Commission	No	No	AS 44.21. 256- 290	
Public Broadcasting – Radio	No	No	AS 44.21. 256 – 290	
Public Broadcasting – TV	No	No	AS 44.21. 256 – 290	
Satellite Infrastructure	No	No	AS 44.21. 256 – 290	
Risk Management				736000
Insurance Administration	No	No	Sec 37.05.087	
Claims Adjustment & Litigation Management	No	No	37.05.087, 23.30, 44.23.020	
Risk Allocation	No	No	No	
Contract Review	No	No	No	
Return to Work	No	No	No	
Alaska Oil and Gas Conservation Commission	Yes	Yes	Yes	
Administrative/Financial	No	No	AS 44.21 AS 37.05	
Inspection/Enforcement	No	Yes	AS 31.05	
Orders & Regulations	No	Yes	AS 31.05	
Permitting	No	Yes	AS 31.05	
Data Collection & Management	No	Yes	AS 31.05	
Legal and Advocacy Services				
Office of Public Advocacy				
Administrative/ Financial/Overhead	N/A	N/A	N/A	
Criminal Defense & Juvenile Delinquency	Yes	Yes	AS 44.21.410	
Appeals	Yes	Yes	AS 44.21.410	
Public Guardian	No	No	AS 13.26.370	
			AS 44.21.410	
Guardian Ad Litem/CASA	No	No	AS 44.21.410	
Court Visitor	No	No	AS 44.21.410	
Civil Custody	Yes	No	AS 44.21.410	
Parent CINA Rep/Civil	Yes	No	AS 44.21.410	

DOA Program Priority Table

Program	Constitutional Requirement	Federal Requirement	Statutory Req.	# of Alaskans Served
Elder Fraud	No	No	AS 44.21.415	
Public Defender of Alaska	Article I, Secs. 1, 7, 11 & 22 of the Alaska Constitution	United States Constitution, 6th & 14th Amendments	AS 18.85.030-.170	22020
Administration	Yes	Yes	Yes	
Criminal Trials	Yes	Yes	Yes	
Civil Trials	Yes	Yes	Yes	
Appeals	Yes	Yes	Yes	
Violent Crimes and Compensation Board	No. However, victims of crime have a constitutional right to restitution from the accused. Board can act as a source of bridging funds.	No. However, Victims of Crime Act establishes annual federal funding to eligible state programs such as Board	AS 18.67	All
Administration	No	No	AS 18.67	
Claims Processing	No	No	AS 18.67	
Alaska Public Offices Commission	No	No	Yes	All Alaskans
Administration/IT	No	No	AS 15.13, AS 24.45, AS 24.60, AS 39.50	
POFD/LFD	No	No	AS 24.60, AS 39.50	
Lobbying	No	No	AS 24.45	
Groups/Candidates	No	No	AS 15.13	
Division of Motor Vehicles	Yes	Yes	Yes	All
DMV Admin/Fin/Record Mgmt/Procure/Supply	No	Title 49	Title 28	
DMV offices	No	Title 49	Title 28	
Driver Services/ Compliance/Examiners	No	Title 49	Title 28	
Information Technology Mainframe costs, software license	No	Title 49	Title 28	
Dealers/Contractors/Business Partners	No	Title 49	Title 28	

Department of Administration
FY23 - Summary of Significant Budget Issues
(\$ thousands)

Item	Appropriation / Allocation	Description	Amount / Fund Source	Comment
1	Various	One-Time Fund Source Change to Utilize ARPA Revenue Replacement in Office of Public Advocacy and Public Defender Agency	Net Zero (\$20,000.0) Gen Fund (UGF) \$20,000.0 ARPA Rev R (UGF)	The Governor utilizes \$20 million of American Rescue Plan Act (ARPA) revenue replacement in this agency's budget, out of a total of \$375.4 million statewide. One of the allowable uses for the State's allocation from the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) within ARPA is replacing revenue lost due to the COVID-19 pandemic. This funding can be used for any cost of State government that is within the scope of normal government operations. To avoid distorting the budget, the funds used for revenue replacement are appropriated to the general fund, and a UGF tracking code (1271) is used for activities that fit the federal requirements, adding up to the total amount of revenue replaced. Since 1271 is just a UGF tracking code, there is no impact on the agency's operations. The fund change will be reversed in the FY24 Adjusted Base. <u>Office of Public Advocacy</u> -\$10,000.0 UGF (1004) / \$10,000.0 ARPA Rev Replacement (1271) <u>Public Defender Agency</u> -\$10,000.0 UGF (1004) / \$10,000.0 ARPA Rev Replacement (1271)
2	Centralized Administrative Services / Administrative Services	Add Deputy Director (02-1163) for Program Acceleration Office	Net Zero 1 PFT Position	This position will oversee the Program Acceleration Office (PAO) and provide support to the Administrative Services Director. The PAO works with project managers and program directors to act as a centralized hub for communication, messaging, and program progress to maximize effectiveness of statewide projects. Current projects include the human resources, procurement, and OIT consolidations; cybersecurity enhancement; the AspireAlaska platform (see Item 8); the AlaskaNow service management system; and desktop standardization. This position is funded by existing interagency receipts and UGF.
3	Centralized Administrative Services / Finance	Increased Costs Associated with the State's Financial and Reporting Systems	\$1,862.5 I/A Repts (Other)	This increment allows for a variety of updates for the State's financial and reporting systems, including addressing an audit finding related to the functionality of the State's financial system. These costs are billed to agencies through a Reimbursable Services Agreement with the Division of Finance. Fiscal Analyst Comment: If the legislature approves this item, it should also approve the corresponding rate adjustment increments in the unallocated appropriation for each agency (see corresponding rate adjustment item and funding below). The true effect of approving this increment results in costs from the following amounts and fund sources listed below. <u>FY23 Administrative Systems Upgrade Ongoing Cost Increases, \$1,862.5 Total:</u> \$590.0 UGF

Department of Administration
FY23 - Summary of Significant Budget Issues
(\$ thousands)

Item	Appropriation / Allocation	Description	Amount / Fund Source	Comment
3	Centralized Administrative Services / Finance	Increased Costs Associated with the State's Financial and Reporting Systems	\$1,862.5 I/A Repts (Other)	(continued) \$114.5 DGF \$375.7 Other \$782.3 Federal Additional information on the rate adjustments can be found in the Legislative Fiscal Analyst's Overview of the Governor's Request.
4	Centralized Administrative Services / Finance	Add Two Additional State Accountant Positions and Funding to Address Audit Findings	\$355.6 Gen Fund (UGF) 2 PFT Positions	These new positions will support the Accounting Services section with adoption and implementation of new, complex Governmental Accounting Standards Board (GASB) reporting standards. In FY22 GASB 84 standards for agency trust funds and certain liabilities will be adopted, and GASB 87 lease standards will be implemented in FY23. The positions will assist in meeting the statutory deadline for submitting the Annual Comprehensive Financial Report (ACFR) to the Division of Legislative Audit (DLA). Additionally, the new State Accountants will help with the backlog of audit findings in the ACFR from DLA. There is currently one State Accountant performing these tasks.
5	Centralized Administrative Services / Various	Transfer Payroll Services Management Office from Personnel to Finance for Organizational Efficiencies	n/a	1 PPT and 74 PFT positions and a total of \$7,789.9 (\$554.6 UGF / \$7,235.3 I/A Repts) from the Personnel allocation's Payroll Management Office were transferred and combined with the payroll section in the Division of Finance. The agency asserts that a single payroll agency, rather than the bifurcated model of two divisions sharing payroll work, will better serve the personnel database and payroll production needs of the State.
6	Centralized Administrative Services / Various	Consolidate E-Travel Activities with the Division of Finance	n/a	Items 5 and 7 are related. 1 PFT position and a total of \$1,553.5 (\$7.2 UGF / \$1,546.3 I/A Repts) in the E-Travel allocation are transferred to the Division of Finance (DOF). The E-Travel allocation is completely managed by DOF, and the E-Travel coordinator position currently helps DOF with payroll corrections and the P-Card program. These functions fall under the purview of DOF. This transfer consolidates and simplifies the division's budget process and reduces the administrative burden of maintaining separate components.
7	Centralized Administrative Services / Various	Reverse Transfer of Funds from Division of Finance for Bi-Weekly Payroll Costs	n/a	A consolidation of payroll services in FY22 Management Plan transferred all payroll-related positions and associated funding from the Personnel allocation to the Finance allocation. This item reverses the \$554.6 UGF portion that was transferred back into the Personnel allocation in order to support increased bi-weekly payroll costs.

Department of Administration
FY23 - Summary of Significant Budget Issues
(\$ thousands)

Item	Appropriation / Allocation	Description	Amount / Fund Source	Comment
7	Centralized Administrative Services / Various	Reverse Transfer of Funds from Division of Finance for Bi-Weekly Payroll Costs	n/a	(continued) The Department had a one-time UGF increment of \$1.65 million to partially offset a \$2 million UGF increase in bi-weekly payroll costs within the Personnel allocation. The Department stated that cost-saving measures would be realized in FY22 and out years. Items 5 and 7 are related.
8	Centralized Administrative Services / Personnel	AspireAlaska Contract to Maintain Advanced Online Training Platform and Add Streamlined Performance Management System	\$546.0 I/A Rcpts (Other)	In FY22, the Division of Personnel (DOP) acquired the platform branded AspireAlaska to provide essential training opportunities for remote workers as a response to the global COVID-19 pandemic. This platform has three modules: 1. Learning (user access to the Learning side of the system); 2. Performance (user access to the new Performance Management Learning and Development forms and processes); and 3. Cornerstone Content Anytime (CCA) with a library of various courses relating to leadership and management, modern compliance, professional skills, and technology. The Department found AspireAlaska to be very successful as a training platform and learning library. All CCA content is provided pre-packaged on an annual subscription basis to AspireAlaska users and can be accessed on a laptop, tablet, or mobile device. This increment for license and system costs will extend the contract indefinitely, expand user access to include the legislature and essential contractors, and add the performance management and evaluation side of the CCA platform. These costs will be billed out to agencies through a Reimbursable Services Agreement. A decision not to approve this increment will result in a negative services line item in FY23, which the Division of Personnel will need to realize through other measures. A negative line item in Adjusted Base was mainly a result of reversing the one-time UGF increment of \$1.65 million for bi-weekly payroll, and transferring the Payroll Services Section and its associated authority to the Division of Finance. Fiscal Analyst Comment: If the legislature approves this item, it should also approve the corresponding rate adjustment increments in the unallocated appropriation for each agency (see corresponding rate adjustment item and funding below). The true effect of approving this increment results in spending the following amounts and fund sources listed below.

Department of Administration
FY23 - Summary of Significant Budget Issues
(\$ thousands)

Item	Appropriation / Allocation	Description	Amount / Fund Source	Comment
8	Centralized Administrative Services / Personnel	AspireAlaska Contract to Maintain Advanced Online Training Platform and Add Streamlined Performance Management System	\$546.0 I/A Rcpts (Other)	(continued) FY23 Human Resources Rate Aspire Alaska, \$545.7 Total: \$213.5 UGF \$60.3 DGF \$177.0 Other \$94.9 Federal
9	Shared Services of Alaska / Office of Procurement and Property Management	Transfer Procurement Positions Back to State Agencies to Align with Procurement Consolidation Schedule	Net Zero (41) PFT Positions	Additional information on the rate adjustments can be found in the Legislative Fiscal Analyst's Overview of the Governor's Request. In FY22, the Office of Procurement and Property Management (OPPM) was established after the Governor's directive to implement a statewide procurement consolidation under Administrative Order 304. A total of 43 positions from eleven agencies were transferred into OPPM. However, due to schedule adjustments and further analysis of standardized business practices to implement this consolidation, 41 positions will be transferred back to their initial agencies until further review.
10	Shared Services of Alaska / Accounting	Finalize Statewide Consolidation of Accounts Payable and Travel Expense Reimbursement	Total: \$1,172.9 \$586.4 GF/Prgrm (DGF) \$586.5 I/A Rcpts (Other) 10 PFT Positions	Shared Services of Alaska (SSoA) was implemented in FY18 to consolidate cross-departmental services such as accounts payable, travel, P-Cards, procurement, facilities management, collection of delinquent accounts, and centralized mail and print services. This increment finalizes the statewide consolidation of the accounts payable and travel expense reimbursement portions of SSoA with onboarding of the departments of Fish and Game, and Health and Social Services. SSoA will bill these agencies through a Reimbursable Services Agreement.
The following positions from the agencies below are transferred into the Accounting allocation: <u>Department of Health and Social Services</u> Full-time Social Services Associate (06-3052), range 12, located in Utqiagvik Full-time Accounting Tech 1 (06-0094), range 12, located in Juneau Full-time Accounting Clerk (06-0524), range 10, located in Juneau Full-time Accounting Clerk (06-0098), range 10, located in Juneau Full-time Accounting Clerk (06-1818), range 10, located in Juneau <u>Department of Fish and Game</u> Accounting Technician 1 (11-0217), range 12, located in Juneau Accounting Clerk (11-0236), range 10, located in Juneau Accounting Technician 1 (11-0262), range 12, located in Juneau				

(\$ thousands)

Item	Appropriation / Allocation	Description	Amount / Fund Source	Comment
10	Shared Services of Alaska / Accounting	Finalize Statewide Consolidation of Accounts Payable and Travel Expense Reimbursement	Total: \$1,172.9 \$586.4 GF/Prgm (DGF) \$586.5 I/A Rcpts (Other) 10 PFT Positions	(continued) Accounting Technician 1 (11-1860), range 12, located in Juneau Accounting Clerk (11-7072), range 10, located in Juneau
11	Office of Information Technology / Alaska Division of Information Technology	Add Authority for Statewide Information Technology Core Infrastructure Upkeep Activities	\$1,550.0 Info Svc (Other)	Additional authority will support the following core infrastructure upkeep activities in the Office of Information Technology (OIT) in FY23: 1. Network equipment upgrades and renewals (Meraki, wireless, routers, switches, firewalls); 2. Battery replacements for equipment requiring alternative power source in the event of primary power failure; and 3. PC upgrades for OIT employees with aging and/or unsupportable equipment. Fiscal Analyst Comment: If the legislature approves this item, it should also approve the corresponding rate adjustment increments in the unallocated appropriation for each agency (see corresponding rate adjustment item and funding below). The true effect of approving this increment results in spending the following amounts and fund sources listed below. <u>FY23 Office of Information Technology Core Services Rate Infrastructure Upkeep Increase.</u> <u>\$1,550.0 Total:</u> \$634.1 UGF \$174.9 DGF \$447.5 Other \$293.5 Federal Additional information on the rate adjustments can be found in the Legislative Fiscal Analyst's Overview of the Governor's Request

Department of Administration
FY23 - Summary of Significant Budget Issues
(\$ thousands)

Item	Appropriation / Allocation	Description	Amount / Fund Source	Comment
12	Office of Information Technology / Alaska Division of Information Technology	Add Authority for Statewide Information Technology Core Services Software Increases	\$3,800.6 Info Svc (Other)	Additional authority will support various unanticipated IT services and cybersecurity to State agencies. The unanticipated services and costs are listed below: -Azure Security Logging, \$1,000.0 -Mainframe Budget, \$1,000.0 -Microsoft Licensing, \$1,184.0 -Azure Connectivity, \$301.0 -Red Hat Directory Server, \$50.0 -Commissioner and Administrative Services Chargeback, \$265.6 Fiscal Analyst Comment: If the legislature approves this item, it should also approve the corresponding rate adjustment increments in the unallocated appropriation for each agency (see corresponding rate adjustment items and funding below). The true effect of approving this increment results in spending the following amounts and fund sources listed below. <u>FY23 Office of Information Technology Core Services Rate Software Increases, \$3,437.5 Total:</u> \$1,406.2 UGF \$387.9 DGF \$662.7 Other \$650.7 Federal <u>FY23 Office of Information Technology Mainframe Increases, \$749.7 Total:</u> \$561.0 UGF \$39.1 DGF \$164.9 Other -\$15.3 Federal Note: The aggregate total of the rate adjustments listed above does not balance with this item due to utilization of excess receipt authority in OIT for part of this increment. Additional information on the rate adjustments can be found in the Legislative Fiscal Analyst's Overview of the Governor's Request.

Department of Administration
FY23 - Summary of Significant Budget Issues
(\$ thousands)

Item	Appropriation / Allocation	Description	Amount / Fund Source	Comment
13	Office of Information Technology / Alaska Division of Information Technology	Add Department Technology Officer 2 (02-#179) for Department of Family and Community Services	\$186.6 Info Svc (Other) 1 PFT Position	Through an Executive Order, the Governor proposed to reorganize the Department of Health and Social Services into two distinct executive branch departments in FY23: the Department of Health and the Department of Family and Community Services. This position would facilitate the new Department of Family and Community Services' information technology needs.
14	Legal and Advocacy Services / Office of Public Advocacy	Increase Federal Authority for Over Collected Grant Funding and Additional Awards	\$550.0 Fed Repts (Fed)	The Office of Public Advocacy (OPA) has received additional grant revenues related to the Court Appointed Special Advocate (CASA) grant in FY22, a grant related to mentoring children in need. Additionally, OPA has applied for and anticipates receiving a three-year grant of approximately \$749.8 from the Office of Juvenile Justice and Delinquency Prevention, for the Opioid Effectuated Youth Initiative. This additional federal authority will allow OPA to continue its efforts on these two public safety related causes.
15	Legal and Advocacy Services / Office of Public Advocacy	Increase General Fund Match Receipts for Additional Medicaid Funding	\$250.0 GF/Match (UGF)	This funding will allow the Office of Public Advocacy to provide general fund match funds to the Department of Health and Social Services, leveraging up to \$500.0 in annually available Medicaid funding for the work that public guardians perform in filling out Medicaid forms for wards of the State.
16	Legal and Advocacy Services / Public Defender Agency	Add Funding and Positions for Increased Defense Caseload in Response to Sex Crime Increment	\$428.7 Gen Fund (UGF) 4 PFT Positions	In FY22, the legislature added seven public defender positions and associated funding to address the increase in sex crime caseloads in response to the 19 positions added in the Department of Law to support prosecutions. The Public Defender Agency is requesting the following additional four support positions to assist with the impending increase in workload: 1. Investigator 1 (02-#168), range 14, located in Anchorage; 2. Paralegal 1 (02-#169), range 14 located in Ketchikan; 3. Law Office Assistant 1 (02-#171), range 11, located in Anchorage; and 4. Law Office Assistant 1 (02-#172), range 11, located in Bethel.
17	Motor Vehicles / Motor Vehicles	Lease Office Space for Division of Motor Vehicles in Fairbanks	\$400.0 GF/Prgm (DGF)	The Division of Motor Vehicles (DMV) used to operate under the Department of Public Safety (DPS) and has historically used space leased by DPS for its operations in Fairbanks. Recently, DPS notified the Department of Administration that it is in need of additional space and can no longer cover the leasing expense related to DMV. DPS has requested that DMV find a new location. The Department of Transportation and Public Facilities has identified a suitable location in Fairbanks and has requested the DMV to encumber approximately \$400.0 to pay for the new lease in FY22. This expense was not included in the FY22 budget and the additional annual authority is

Department of Administration
FY23 - Summary of Significant Budget Issues
(\$ thousands)

Item	Appropriation / Allocation	Description	Amount / Fund Source	Comment
17	Motor Vehicles / Motor Vehicles	Lease Office Space for Division of Motor Vehicles in Fairbanks	\$400.0 GF/Prgm (DGF)	(continued) necessary in order for the DMV to continue its operations. The DMV has excess general fund program receipt revenues from FY22 but requires additional authority to make this payment for a newly leased space in Fairbanks.

Department of Administration
FY22 - Summary of Significant Budget Issues
(\$ thousands)

Item	Appropriation / Allocation	Description	Governor Request	Amount Enacted	Comment
1	Centralized Administrative Services / Office of the Commissioner	Delete Deputy Commissioner Position	n/a	(S211.7) I/A Repts (Other) (1) PFT Position	The legislature deleted a Deputy Commissioner position and its associated authority. A full-time Deputy Commissioner (02-1163) was added during the FY21 Management Plan process to oversee the implementation of statewide centralization initiatives. Deletion of this position leaves the Department with two other Deputy Commissioner positions within the Office of the Commissioner.
2	Centralized Administrative Services / Finance	Eliminate Statewide Single Audit Contract with the Division of Legislative Audit	(S450.0) Gen Fund (UGF)	(S450.0) Gen Fund (UGF)	The Governor requested to eliminate the Statewide Single Audit contract with the Division of Legislative Audit (DLA) stating that statute (AS 37.07.080(e)) does not allow the Division of Finance or other State agencies to pay for the contract, and budget authority associated with the billing should be directly budgeted in DLA. Additionally, Alaska's Constitution assigns responsibility to DLA to perform the Statewide Single Audit. The reduction of \$450.0 UGF represents only a portion of the \$1 million contract. The remaining \$550.0 was billed out to departments using inter-agency receipts. The legislature accepted this reduction and added \$1 million of UGF to the Legislative Audit allocation to conduct the audit.
3	Centralized Administrative Services / Personnel	Add Funding to Maintain Biweekly Payroll Transition Through FY22	\$1,650.0 Gen Fund (UGF) IncOTI	\$1,650.0 Gen Fund (UGF) IncOTI	The transition to bi-weekly payroll has increased payroll costs across all State agencies. Instead of spreading those increments across all agencies, the Division of Personnel will use these one-time funds and reduce costs in their cost allocation rate process. Additionally, savings should be realized through several administrative efficiencies, including bi-weekly processing of payroll and implementation of Administrative Order 305, Human Resources Consolidation, and other cost saving measures. Items 3, 4 and 5 are related.
4	Centralized Administrative Services / Personnel	Reduce Authority to Align with Anticipated Central Services Revenue	(S1,659.9) I/A Repts (Other)	(S1,659.9) I/A Repts (Other)	This reduction in rates charged to agencies is due to a one-time general fund appropriation (see Item 3) to temporarily pay for increased bi-weekly payroll costs until cost saving measures are realized. Items 3, 4 and 5 are related.

Department of Administration
FY22 - Summary of Significant Budget Issues
(\$ thousands)

Item	Appropriation / Allocation	Description	Governor Request	Amount Enacted	Comment
5	Centralized Administrative Services / Personnel	Replace Interagency Receipts with UGF to Cover Anticipated Shortfall Supplemental	Net Zero \$1,650.0 Gen Fund (UGF) (Other) (\$1,650.0) I/A Rcpts (Other)	Net Zero \$1,650.0 Gen Fund (UGF) (Other) (\$1,650.0) I/A Rcpts (Other)	Revenue generated by FY21 central services cost allocation rates was projected to be insufficient to cover costs anticipated from transitioning to bi-weekly payroll at the end of FY20. This supplemental fund source change from inter-agency receipt authority to UGF allows the Division of Personnel to continue its functions without impacting other State agencies. Cost-saving measures and administrative efficiencies should be realized in FY22 and out years with continued implementation of Administrative Order No. 305, Statewide Human Resources Consolidation.
6	Centralized Administrative Services / Personnel	Transfer in HR Positions and Authority from Various Agencies for HR Consolidation (Admin Order 305)	\$5,164.0 I/A Rcpts (Other) 43 PFT Positions	\$5,164.0 I/A Rcpts (Other) 43 PFT Positions	Items 3, 4, and 5 are related. On February 13, 2019, the Governor established Administrative Order No. 305, Statewide Human Resources (HR) Consolidation. To implement this centralization of HR functions, a total of 43 HR positions were transferred into the Personnel allocation from various State agencies. Funding will remain in the agencies, however, an increase in authority of \$5,164.0 was added to allow the Division of Personnel to collect receipts from agencies through a Reimbursable Services Agreement for the HR services provided.
7	Shared Services of Alaska / Office of Procurement and Property Management	Establish New Office of Procurement and Property Management Allocation and Transfer Positions and Auth (Admin Order 304)	\$2,763.8 I/A Rcpts (Other) 62 PFT Positions	\$2,763.8 I/A Rcpts (Other) 62 PFT Positions	On February 13, 2019, the Governor established Administrative Order No. 304, Statewide Procurement Consolidation. To implement this centralization of procurement functions, a total of 62 positions, mostly Procurement Specialists, and their associated authority of \$2,763.8 from various State agencies and Department of Administration allocations were transferred into the new Office of Procurement and Property Management (OPPM) allocation. The Statewide Contracting and Property allocation will no longer exist.
8	Shared Services of Alaska / Office of Procurement and Property Management	Add Authority for Statewide Procurement Consolidation (Administrative Order 304)	\$5,977.0 I/A Rcpts (Other)	\$5,977.0 I/A Rcpts (Other)	Items 7 and 8 are related. This increment allows the Office of Procurement and Property Management to bill other agencies for services that will be provided with the implementation of Administrative Order No. 304, Statewide Procurement Consolidation.

Department of Administration
FY22 - Summary of Significant Budget Issues
(\$ thousands)

Item	Appropriation / Allocation	Description	Governor Request	Amount Enacted	Comment
9	Shared Services of Alaska / Office of Procurement and Property Management	Align Authority for Increased Vendor Fees	Net Zero \$375.0 GF/Prgm (DGF) (\$375.0) I/A Rcpts (Other)	Net Zero \$375.0 GF/Prgm (DGF) (\$375.0) I/A Rcpts (Other)	The Office of Procurement and Property Management (OPPM) establishes and maintains contracts with vendors that can be used by all State agencies and political subdivisions. The contracts contain language which states that vendors will pay OPPM an administrative fee of 1.5% of total spend on a quarterly basis. This fund change allows OPPM to collect those fees as they anticipate the volume of the contracts will increase as a result of the procurement consolidation.
10	Shared Services of Alaska / Office of Procurement and Property Management	Add Authority for Federal Surplus Property Program Expansion	\$200.0 Surpl Prop (Fed)	\$200.0 Surpl Prop (Fed)	The Federal Surplus Property Program is supported by collecting nominal fees for administering sales of federal surplus property to eligible state, municipal, tribal, and non-profit organization donees. This increase in federal authority will fund the reclassification of an existing position and add a warehouse position due to increased demands and responsibilities within the program.
11	Shared Services of Alaska / Accounting	Debt Recovery Consolidation	Net Zero \$375.0 GF/Prgm (DGF) (\$375.0) I/A Rcpts (Other)	Net Zero \$375.0 GF/Prgm (DGF) (\$375.0) I/A Rcpts (Other)	This fund change allows Shared Services of Alaska (SSoA) to consolidate all debt in one centralized location. Debt is collected from the Alaska Court System debt portfolio fines, fees, and surcharges through PFD garnishments. Additionally, a 5% administrative fee is charged to agencies for services provided related to debt collection.
12	Shared Services of Alaska / Various	Reduce Authority to Align with Shared Services of Alaska Cost Savings	(\$1,935.0) I/A Rcpts (Other)	(\$1,935.0) I/A Rcpts (Other)	This reduction in authority is a result of departments onboarding with Shared Services of Alaska (SSoA), including cost saving measures found within the SSoA allocations below. Reduced authority is reflected in the approved central services cost allocation rates and savings are realized across all agencies. -Accounting, (\$1,587.6) - reclassification of 10 vacant Accounting Technician positions from full-time to four-month seasonal and efficiency gains from reduced accounts payable and travel processing times. -Print Services, (\$347.4) - reduced mail services costs.

Department of Administration **FY22 - Summary of Significant Budget Issues** (\$ thousands)

Item	Appropriation / Allocation	Description	Governor Request	Amount Enacted	Comment
13	Office of Information Technology / Alaska Division of Information Technology	Reduce Authority Due to Realized Cost Savings in Multiple Areas	(\$15,198.7) Info Svc (Other)	(\$15,198.7) Info Svc (Other)	This reduction in authority is a result of efficiency gains and cost savings as departments continue to onboard with the centralization of IT services. Savings will be realized across all agencies through cost allocation rates. Additionally, the Office of Information Technology has identified savings through multiple reductions related to telework expansion: 1. Migration to Microsoft G5 licensing to replace several existing systems, reducing total cost of operations and increasing capabilities, including telework infrastructure; 2. Decreased need for parking space in the Atwood Building from increased teleworking; 3. Termination of Bayview Commercial Building lease, of which 48 positions will be utilizing shared work space in the Atwood Building with a routine telework model; and 4. Transfer of the Channel Drive lease associated with the State of Alaska Communication System facilities to the Department of Military and Veterans Affairs.
14	Public Communications Services / Various	Legislative Addition of State Grants for Public Communications Services Vetoed By Governor	n/a	n/a	The legislature added \$46.7 UGF for the Public Broadcasting Commission, \$2,036.6 for Public Radio, and \$633.3 for Public Television to match FY19 levels of funding. The Governor vetoed these increments.
15	Risk Management / Risk Management	Reduce Authority by Utilizing Self-Insurance Coverage to Align with Claims	(\$3,000.0) I/A Rpts (Other)	n/a	The legislature denied the Governor's request to reduce authority in Risk Management for proposed savings through self-insuring property losses. Savings are not sustainable without an increase to the unobligated balance of the State Insurance Catastrophe Reserve Account from \$5 million to \$50 million, which requires a statute change (AS 37.05.289). This reduction should therefore be a fiscal note to that legislation, HB 102/SB 88, which did not pass during the 2021 legislative session.
16	Risk Management / Risk Management	Eliminate the Office of Enterprise Analytics and Associated Positions	n/a	(\$264.2) I/A Rpts (Other) (2) PFT Positions	The legislature deleted two positions and associated authority with the Office of Enterprise Analytics (OEA) with the intent to eliminate OEA and its functions.

Department of Administration
FY22 - Summary of Significant Budget Issues
(\$ thousands)

Item	Appropriation / Allocation	Description	Governor Request	Amount Enacted	Comment
17	Legal and Advocacy Services / Office of Public Advocacy	OPA Court Visitors - Transfer of Responsibilities to the Alaska Court System	(\$854.4) Gen Fund (UGF)	n/a	The legislature denied the Governor's request to reduce funding from the Office of Public Advocacy (OPA) and the transfer of the Court Visitor Program from OPA to the Alaska Court System as this requires statutory changes. This reduction and transfer of the program should therefore be a fiscal note to that legislation, HB 155, which did not pass during the 2021 legislative session.
18	Legal and Advocacy Services / Various	CC: One-Time Fund Source Change to Utilize ARPA Revenue Replacement	n/a	Net Zero (\$20,000.0) Gen Fund (UGF) \$20,000.0 ARPA Rev R (UGF)	This one-time fund source change by the legislature allows the Office of Public Advocacy and the Public Defender Agency to utilize American Rescue Plan Act funds. Office of Public Advocacy: (\$10,000.0 UGF) / \$10,000.0 ARPA Revenue Replacement Public Defender Agency: (\$10,000.0 UGF) / \$10,000.0 ARPA Revenue Replacement
19	Legal and Advocacy Services / Public Defender Agency	MH Trust: Holistic Defense - Bethel (FY16-FY22)	\$86.0 MHT Reserve (DGF) IncT	n/a	The Governor initially proposed using the Mental Health Trust Reserve (MHT Reserve) for this purpose, whereas the Mental Health Trust Authority recommended using General Fund / Mental Health (GF/MH). The legislature approved the Trust's recommendation, which was subsequently vetoed with justification stating that the Trust should support the expenses necessary for activities and programs they recommend for the State's integrated comprehensive mental health program. Additional funding of \$86.0 from the Mental Health Trust Authority Authorized Receipts will still be granted to the Public Defender Agency (PDA). These funds will allow PDA to continue to administer the Holistic Defense model in Bethel, Nome, and Kotzebue and will expand the project to Anchorage in FY22.
20	Legal and Advocacy Services / Public Defender Agency	Increased Public Defender Caseloads Due to Additional Dept of Law Prosecutors for Sexual Assault and Sexual Abuse Crimes	n/a	\$1,350.0 Gen Fund (UGF) 7 PFT Positions	The legislature added public defender positions and associated funding in order to address the increase in caseloads that will result from the increase of new prosecutor staff, a total of 19 prosecution positions, within the Department of Law that will focus on sexual assault and sexual abuse crimes. Additionally, funding of \$1,014.7 UGF and three full-time positions were added to the Alaska Court System, Trial Courts allocation for the same purpose.

Department of Administration **FY22 - Summary of Significant Budget Issues** (\$ thousands)

Item	Appropriation / Allocation	Description	Governor Request	Amount Enacted	Comment
21	Alaska Public Offices Commission / Alaska Public Offices Commission	Increased Costs for Alaska Public Offices Commission for Ballot Measure 2	\$100.5 Gen Fund (UGF) 1 PFT Position	\$100.5 Gen Fund (UGF) 1 PFT Position	The passing of Ballot Measure 2 in the 2020 general election made changes to campaign disclosure report requirements resulting in additional oversight, regulation, filer education, and enforcement activities for the Alaska Public Offices Commission. To support this effort, one Associate Attorney position and funding was added.
22	Motor Vehicles / Motor Vehicles	Close Multiple DMV Offices and Relocate/Delete Associated Positions	(\$582.5) GF/Prgrm (DGF) (4) PFT Positions (2) PPT Positions	n/a	The legislature denied the Governor's request to close Division of Motor Vehicle offices located in Eagle River, Tok, Valdez, Homer, Haines, and Delta Junction, which included relocating or deleting existing positions and their associated funding.
23	Various	SB 55, Ch. 9, SLA 2021 Employer Contributions to PERS	\$5,423.2 UGF	\$5,423.2 UGF	SB 55 removes the 22% cap on payroll contributions to the Public Employee Retirement System (PERS) for the State of Alaska as a PERS employer. The budgetary impact of this legislation is reflected as a shift from the direct appropriation to PERS, which is typically funded with UGF, to agency payroll, where the cost can be spread across all fund sources. This shift results in a UGF increase to Agency Operations of \$72,871.7, and a UGF decrease to Statewide Items of \$95,794.5, for a net statewide UGF savings of \$22,922.8. Specifically, the UGF impact to the Department of Administration is \$5,423.2 spread across multiple allocations.

**Department of Administration
FY22 - Mid-Year Status Report**

Item #	Approp/ Allocation	Description	Amount / Fund Source	Comment	LFD Questions	Agency Comments
1	Centralized Administrative Services / Office of the Commissioner	Delete Deputy Commissioner Position	(\$211.7) I/A Rcpts (Other) (1) PFT Position	The legislature deleted a Deputy Commissioner position and its associated authority. A full-time Deputy Commissioner (02-1163) was added during the FY21 Management Plan process to oversee the implementation of statewide centralization initiatives. Deletion of this position leaves the Department with two other Deputy Commissioner positions within the Office of the Commissioner.	What position is now overseeing the implementation of statewide centralization initiatives?	The oversight is now being shared and coordinated by the remaining two Deputy Commissioners and the Administrative Services Director.
2	Centralized Administrative Services / Personnel	Add Funding to Maintain Biweekly Payroll Transition Through FY22	\$1,650.0 UGF IncOTI	The transition to bi-weekly payroll has increased payroll costs across all State agencies. Instead of spreading those increments across all agencies, the Division of Personnel will use these one- time funds and reduce costs in their cost allocation rate process. Additionally, savings should be realized through several administrative efficiencies, including bi-weekly processing of payroll and implementation of Administrative Order 305, Human Resources Consolidation, and other cost saving measures.	What is the department's plan and timeframe to realize these savings? Will a supplemental be needed?	These savings are hard to quantify as they are in the form of efficiencies taking place over all Departments, not just within DOA. Centralization of payroll within the Division of Finance took place in FY22 while efficiencies continue to be realized, making it difficult to parse out which efficiencies are obtained from which actions. All payroll costs were transferred with the payroll staff to DOF in FY22. It is unclear at this time if a supplemental will be required.

**Department of Administration
FY22 - Mid-Year Status Report**

Item #	Approp/ Allocation	Description	Amount / Fund Source	Comment	LFD Questions	Agency Comments
3	Centralized Administrative Services / Personnel	Transfer in HR Positions and Authority from Various Agencies for HR Consolidation (Admin Order 305)	\$5,164.0 I/A Rcpts (Other) 43 PFT Positions	On February 13, 2019, the Governor established Administrative Order No. 305, Statewide Human Resources (HR) Consolidation. To implement this centralization of HR functions, a total of 43 HR positions were transferred into the Personnel allocation from various State agencies. Funding will remain in the agencies, however, an increase in authority of \$5,164.0 was added to allow the Division of Personnel to collect receipts from agencies through a Reimbursable Services Agreement for the HR services provided.	What is the status of the HR consolidation? How many of the 43 positions are currently filled and in recruitment? Please provide anticipated hire dates.	New sections are established and teams are in place, currently serving 13 Departments. Process improvements are ongoing and further refinement and efficiencies are expected as Departments continue to provide feedback. 40 of the 43 positions are currently filled. One additional hire is anticipated on 1/10/22, and the remaining two positions are undergoing recruitment, but will likely require extensions due to a lack of qualified applicants. No hire date can be estimated at this time.
4	Shared Services of Alaska / Office of Procurement and Property Management	Establish New Office of Procurement and Property Management Allocation and Transfer Positions and Auth (Admin Order 304)	\$2,763.8 I/A Rcpts (Other) 62 PFT Positions	On February 13, 2019, the Governor established Administrative Order No. 304, Statewide Procurement Consolidation. To implement this centralization of procurement functions, a total of 62 positions, mostly Procurement Specialists, and their associated authority of \$2,763.8 from various State agencies and Department of Administration allocations were transferred into the new Office of Procurement and Property Management (OPPM) allocation. The Statewide Contracting and Property allocation will no longer exist.	Why did the implementation of this consolidation get pulled back? How many of the 62 positions are currently filled and in recruitment? If possible, please provide anticipated hire dates.	The Administration has paused transferring positions pending further discussions across Departments. IRIS workflow considerations are integral in this conversation and IRIS is currently undergoing upgrades. The I/A increment has remained in anticipation of the continued progress and completion of the consolidation to satisfy the intent of the Governor's Admin Order 304. Of the 41 positions originally identified to transfer, 4 positions have completed transfer (3 in DEC and 1 in DMV) and 37 positions were put on hold while the discussions continue. There are 5 unfilled positions, 2 in DOC, 2 in HSS and 1 in DOA.

**Department of Administration
FY22 - Mid-Year Status Report**

Item #	Approp/ Allocation	Description	Amount / Fund Source	Comment	LFD Questions	Agency Comments
5	Shared Services of Alaska / Office of Procurement and Property Management	Add Authority for Statewide Procurement Consolidation (Administrative Order 304)	\$5,977.0 I/A Rcpts (Other)	This increment allows the Office of Procurement and Property Management to bill other agencies for services that will be provided with the implementation of Administrative Order No. 304, Statewide Procurement Consolidation.	See #4.	See #4.
6	Risk Management / Risk Management	Eliminate the Office of Enterprise Analytics and Associated Positions	(\$264.2) I/A Rcpts (Other) (2) PFT Positions	The legislature deleted two positions and associated authority with the Office of Enterprise Analytics (OEA) with the intent to eliminate OEA and its functions.	Have the duties and functions of OEA and the deleted positions been absorbed elsewhere?	No.
7	Legal and Advocacy Services / Public Defender Agency	Increased Public Defender Caseloads Due to Additional Dept of Law Prosecutors for Sexual Assault and Sexual Abuse Crimes	\$1,350.0 UGF 7 PFT Positions	The legislature added public defender positions and associated funding in order to address the increase in caseloads that will result from the increase of new prosecutor staff, a total of 19 prosecution positions, within the Department of Law that will focus on sexual assault and sexual abuse crimes. Additionally, funding of \$1,014.7 UGF and three full-time positions were added to the Alaska Court System, Trial Courts allocation for the same purpose.	How many positions have been filled? Please provide hire (or anticipated hire) dates.	Five of these Attorney positions have candidates selected, however only one is currently employed with the Agency. Start dates of the other four are anticipated in 2022, but cannot be specified at this time due to ongoing negotiations. The two unfilled positions are located in Bethel and Kotzebue, both of which are historically difficult hire locations for these types of positions. Interviews for those positions are ongoing. In the absence of hires, the agency has been using the funding to contract additional support from the private sector for this work.

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8	Alaska Public Offices Commission / Alaska Public Offices Commission	Increased Costs for Alaska Public Offices Commission for Ballot Measure 2	\$100.5 UGF 1 PFT Position	The passing of Ballot Measure 2 in the 2020 general election made changes to campaign disclosure report requirements resulting in additional oversight, regulation, filer education, and enforcement activities for the Alaska Public Offices Commission. To support this effort, one Associate Attorney position and funding was added.	Has the position been filled? If not, please provide anticipated hire date.	This position was filled on 9/27/21.
9	Various	SB 55, Ch. 9 SLA 2021 Employer Contributions to PERS	\$5,423.2 UGF	SB 55 removes the 22% cap on payroll contributions to the Public Employee Retirement System (PERS) for the State of Alaska as a PERS employer. The budgetary impact of this legislation is reflected as a shift from the direct appropriation to PERS, which is typically funded with UGF, to agency payroll, where the cost can be spread across all fund sources. Specifically, the UGF impact to the Department of Administration is \$5,423.2 spread across multiple allocations.	The out-years of the SB55 fiscal note identify other fund sources to replace this UGF. Are those fund sources realizable going forward?	Much of DOA's collectible fund sources are either I/A or program receipts that the Department collects from the inward or outward facing customer service activities provided. For rates based agencies like SSOA and DOF, if costs are increased then expenses are factored into rates calculations. For program receipt activities such as OAH or PDA, collection is for services provided and are reimbursed at-cost. DMV is the exception to the norm, and they generally over-collect their receipt authority. DOA does believe these fund sources are realizable in the future.