



The Honorable Representative Julie Coulombe
Chair, House Administration Finance Subcommittee
State Capitol Room 502
Juneau AK, 99801
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Chair Coulombe,

Thank you for allowing the Department of Administration the opportunity to present an overview of the FY2024 Governor’s proposed budget on February 9, 2023. During this hearing, several questions arose which required a follow up response from the Department of Administration. Please find those questions addressed below. In addition, there was a statement that the Mental Health Trust Authority Authorized Receipts (MHTAAR) funds in the Department were entirely located in the Office of Public Advocacy. I want to issue a correction to that statement: of the \$358.2 of MHTAAR funding in the FY2024 budget, \$226.3 is in the Office of Public Advocacy, and \$131.9 is in the Public Defender Agency.

Can you provide a list of where the 170 vacancies are by RDU? (Rep. Carpenter)

Please see the table below for a breakdown of vacant positions by Results Delivery Unit. Data is now available through January 15th, and the vacant positions total for that time is 159.

Results Delivery Unit	Permanent Full-time Positions	Vacant Full-time Positions	% Vacant as of 1/15/23
Centralized Administrative Services	376	63	16.8%
Shared Services of Alaska	148	12	8.1%
Office of Information Technology	224	32	14.3%
Risk Management	6	1	16.7%
Legal & Advocacy Services	379	32	8.4%
Alaska Public Offices Commission	9	2	22.2%
Division of Motor Vehicles	143	17	11.9%
TOTAL	1,285	159	12.4%

Can you provide data on how many cases are contracted out versus handled in house between the two Legal Advocacy and Services? (Rep. Hannon)

This question is a challenge to answer due to the variation in case types, variation of caseloads across different practice areas, and variety of contract types. The Public Defender Agency was appointed to approximately 18,330 cases in FY2022, and is projected to receive approximately 18,000 appointments in FY2023. To date, in FY2023, the Agency has contracted out less than

300 cases, or approximately 1.5% of cases. However, this aggregate number ignores important context or nuance such as the severity, level of complexity, and timeline of each case. The Office of Public Advocacy has a more variable level of appointments at a wider scope and range than the Public Defender Agency, which is limited to criminal cases. For this reason, it's much harder to calculate a consistent or comparable rate of cases contracted out. Of the estimated 7,000 of cases the Office of Public Advocacy handles per year, just over 2,100 cases were contracted out in FY2022 for a rate of approximately 30%.

Additionally, in the hearing it seemed as if there were fears about being able to fill new attorney positions. The Office of Public Advocacy and the Public Defender Agency are confident that they will be able to fill the PCNs that are included with SLA 2022 HB325. To the extent these agencies cannot fill attorney PCNs as quickly as they would like, largely because of the cyclical nature of hiring of recent law school graduates and law clerks each fall (these agencies rarely receive applications from experienced attorneys), they will use any remaining funds to contract cases out to provide already overburdened staff attorneys with some relief.

In that paper transfer [of consolidated positions], do any of these positions physically have to change communities that they work from? (Rep. Hannon)

During the Hearing on February 9th, 2023, it was suggested that positions related to consolidation efforts may be physically moving. This is not accurate, and in nearly all cases the positions being transferred remain physically with the original departments. The organization chart structure is updated so that the positions are reporting to the Department of Administration, and the position description may be updated as needed, however, the desk is not moved, and the person continues to report to work in the original location of that position. Filled positions are typically not relocated to new communities as part of the consolidation, and vacant positions are generally only moved when multi-city recruitments turn up the best candidate in a different community from the current position location.

Can you provide more details on the timeline for completion and retirement of the Mainframe? What are the FY2024 Expenditures on that Mainframe? (Rep. Hannon)

The State of Alaska mainframe is currently used by primarily three (3) departments:

- Department of Health
- Department of Public Safety
- Department of Natural Resources

Due to functional limitations and rising costs, departments are actively working to modernize their business workloads and migrate away from mainframe technology. These projects are complex and require multiyear efforts to complete. As a result, the Office of Information Technology is examining strategies to retire the current mainframe system and transition remaining programs to a 'mainframe as a service' model with a decision expected this year. Moving to this model will reduce risk exposure to cost increases for departments until they have completed their modernization projects. FY2024 estimated costs of the enterprise mainframe are as follows:

Direct Personnel Services:	\$1,142,845.00
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Direct Non Personnel Services: \$3,387,951.70

Total Mainframe Costs: \$4,460,872.54

These costs do not factor equipment depreciation, equipment replacement, overhead costs, or unplanned inflationary contractual increases.

On Slide 4, Public Advocacy received FY2021 funding of \$1.2m UGF and +10 PCNs for Compliance with Social Security Administration. Is that the case that predicates [the current increase in caseloads we are witnessing]? What is the directive from the Social Security Administration that we weren't in compliance with? (Rep. Hannon)

In FY2021, the Social Security Administration requirements were modified to ban for-profit payee service businesses that assist beneficiaries who have no one else to act as a payee. Without a private option, the Office of Public Advocacy is obligated to ensure that wards of the State continue to receive benefits, and that increase in caseload was fully absorbed within the FY2021 increment about which you have asked.

This change has not been a significant factor in the growing number of caseloads that is currently stressing the resources of the agency. Current public guardian caseload growth is primarily being driven by a rapidly aging population, lack of service providers, and over-appointment by the court system. Growth of other case types are a confluence of several factors including increasing juvenile delinquency rates, a recent court rules change, and changes in case law. These changes have increased the number of Flores (divorce attorney) appointments and expanded the circumstances under which a judge should appoint a separate attorney for a Child in Need of Aid (CINA) case appointments, as well as the suspension of jury trials which created a large backlog of cases while they could not be heard during the pandemic.

Please let me know if you have any additional questions on the topics discussed above.

Respectfully,

Leslie Isaacs

Attachments: None