

# State of Alaska Department of Administration

FY2024 Governor Budget Overview  
Presentation to House Finance Subcommittee  
Commissioner, Paula Vrana  
Administrative Services Director, Leslie Isaacs  
February 9, 2023



# Department of Administration: [Mission and Organization](#)

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**Mission:** Provide consistent and efficient support services to state agencies so that they may better serve Alaskans.

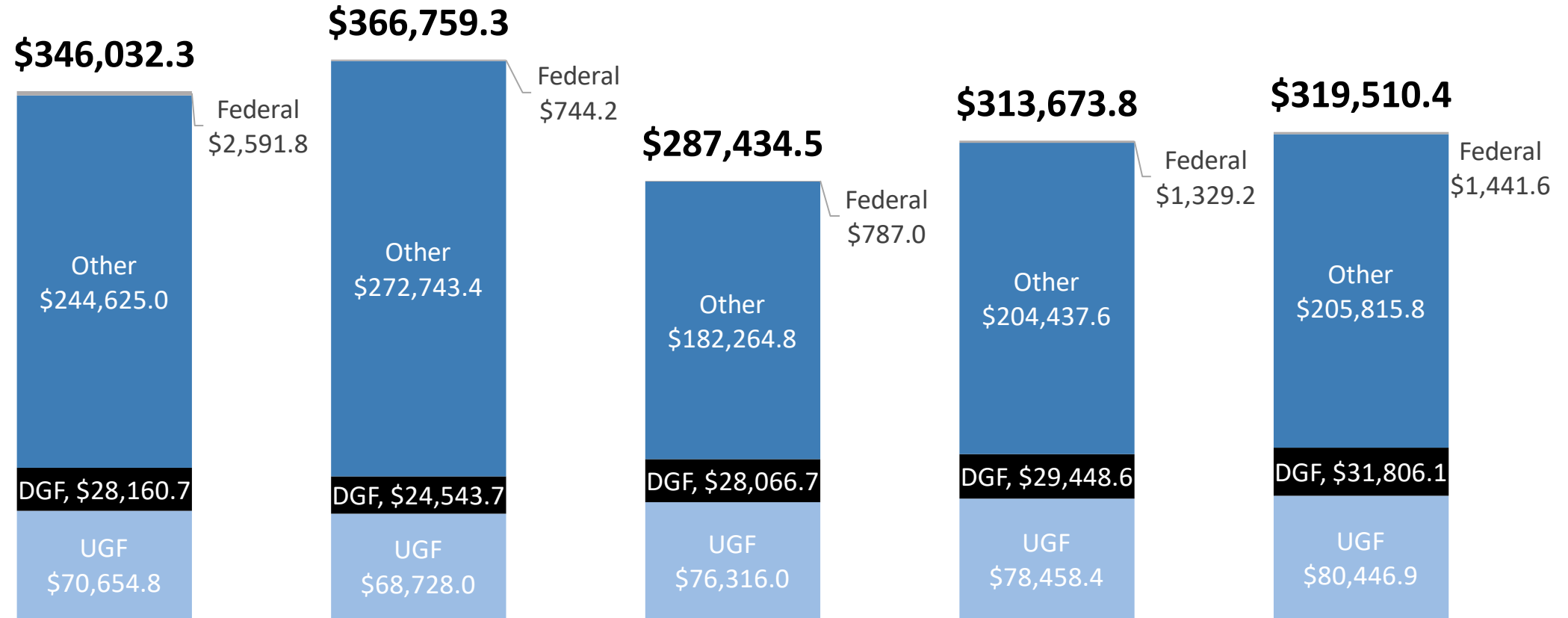
## Services to State Agencies

Office of Admin. Hearings	Admin. Services	Finance
Personnel and Labor Relations	Shared Services of Alaska	Office of Information Technology
Procurement and Property Management	Risk Management	Retirement and Benefits

## Services to the Public

Retirement and Benefits	Office of Public Advocacy	Public Defender Agency
Alaska Public Offices Commission	Public Communications Services	Motor Vehicles

Dept. of Administration: [Historical Budget Comparison](#)  
(FY2020 Actuals – FY2024 Gov)  
(\$ in thousands)



FY2020 Actuals

FY2021 Actuals

FY2022 Actuals

FY2023 Mgmt Plan

FY2024 Gov Proposed



# Significant Changes in Operating Budget Over Time

## FY2021 – FY2023

(\$ in thousands)

Year	Component	Description	Budget	Fund Source Type	Positions
<b>Budget</b>					
FY2021	Personnel	Delete Vacant Positions/Funding	-\$660.0	UGF/Other	-5 FT
FY2021	Shared Services	Increased Collection Activity and Vendor Fee Revenue	\$500.0	DGF	
FY2021	Information Technology	Delete Vacant Positions/Funding	-\$1,568.3	Other	-11 FT
FY2021	Information Technology	Realize Contract Savings	-\$1,500.0	Other	
FY2021	Public Advocacy	Compliance with Social Security Administration	\$1,235.0	UGF	+10 FT
FY2021	Motor Vehicles	Anchorage Office Move	\$500.0	DGF	
FY2022	Information Technology	Align with Anticipated Central Services Revenue	-\$13,680.7	Other	
FY2022	Information Technology	Realized Cost Savings from Migration to Microsoft G5 Licensing and Contract Savings	-\$1,125.0	Other	
FY2022	Risk Management	Align with Self Insurance Coverage	-\$3,000.0	Other	
FY2022	Public Defender	Public Defender Parity	\$1,350.0	UGF	
FY2023	Finance	Increase in Rates for the State's Financial and Reporting Systems	\$1,862.5	Other	
FY2023	Finance	Add Two Additional State Accountants to Address Audit Findings	\$355.6	UGF	+2 FT
FY2023	Personnel	Continue AspireAlaska Training Platform and Add Streamlined Performance Management	\$586.4	Other	
FY2023	Information Technology	Statewide Core Infrastructure Upkeep Activities	\$1,550.0	Other	
FY2023	Information Technology	Statewide Core Services Software Increases	\$3,800.6	Other	
FY2023	Public Defender Agency	Prepare for Increased Defense Caseload in Response to Sex Crime Increment	\$428.7	UGF	+4 FT

### Structural

FY2022	Leases	Leasing & Facilities Transferred to Dept. of Transportation & Public Facilities	-\$60,289.7	DGF/Other	12 FT
FY2022	Personnel	Statewide Human Resource Consolidation	\$5,164.0	Other	86 FT
FY2023	Personnel/Finance	Transfer Payroll Services Office for Organizational Efficiencies	\$7,789.9	UGF/Other	74 FT



# Recent Accomplishments

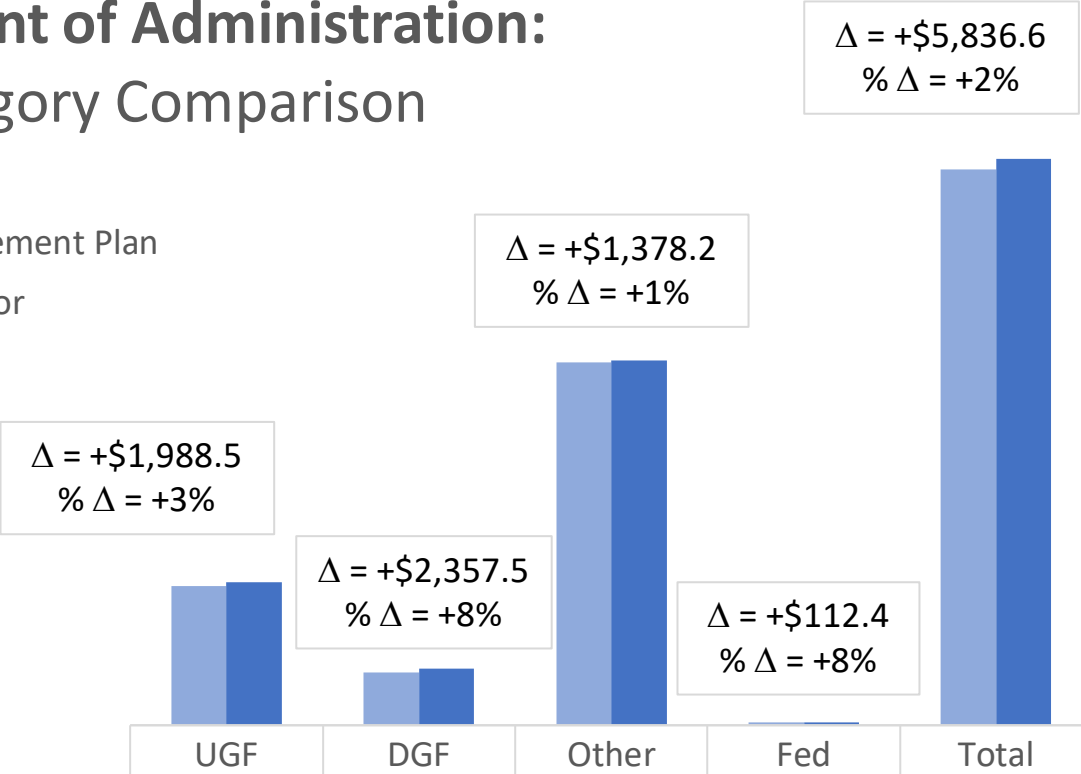
- **Cloud Migration Project** (Office of Information Technology)
- **Information Technology Security – Enabled 24/7 Security Operations Center** (Office of Information Technology)
- **Successfully Launched the Upgraded Accounting System, IRIS 4.0** (Division of Finance)
- **Implemented an Improved Website and Reached a Settlement Regarding Updated Retiree Health Benefits** (Retirement & Benefits; Health Plan Administration)
- **Implementation of AspireAlaska: Learning and Performance Management System** (Division of Personnel)
- **Increased Virtual Transaction Capability and Processed Over 1,900,000 Transactions** (Division of Motor Vehicles)
- **Maintained a 9.81 out of 10 in Customer Satisfaction Scores** (Division of Motor Vehicles)
- **Increased Catastrophic Reserve Account (CAT Fund) from \$5 million to \$50 million; This Allows the State to Save \$3-6m per year by Self-Insurance of State Assets** (Division of Risk Management)



# Department of Administration: Fund Category Comparison

(\$ in thousands)

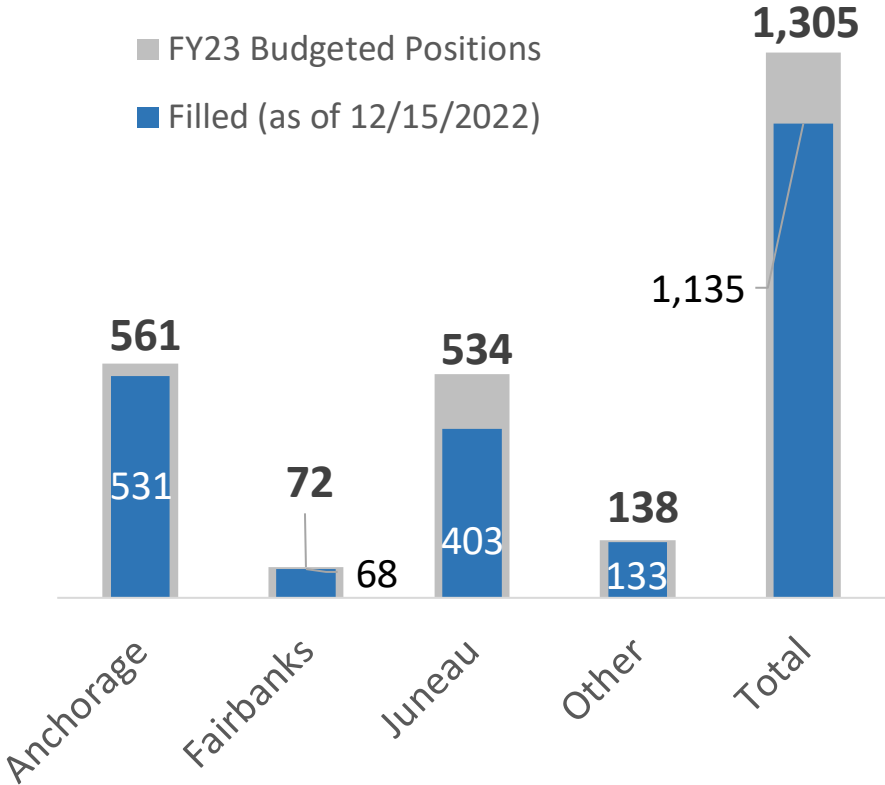
- FY2023 Management Plan
- FY2024 Governor



FY2023 Management Plan	UGF	DGF	Other	Fed	Total
FY2024 Governor					
	\$78,458.4	\$29,448.6	\$204,437.6	\$1,329.2	\$313,673.8
	\$80,446.9	\$31,806.1	\$205,815.8	\$1,441.6	\$319,510.4

# Position Count and Employees by Location

- FY23 Budgeted Positions
- Filled (as of 12/15/2022)



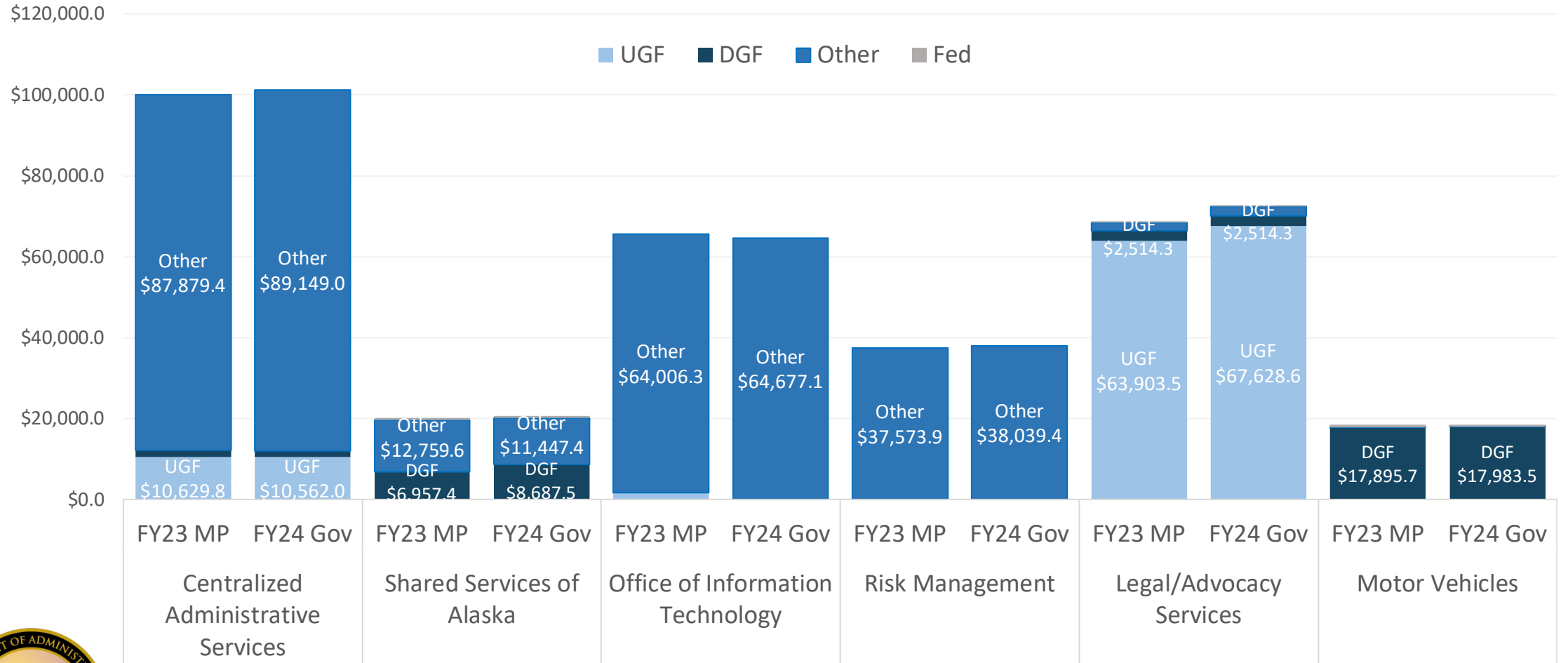
## Significant Proposed Changes in FY2024 Governor Budget

Budget (\$ in thousands)					
FY2024	Administrative Hearings	Increase Interagency Receipt Authority for Anticipated Increase to The Office of Administrative Hearings	\$120.0	Other	
FY2024	Procurement and Property Management	Align Authority for Increased Vendor Fees to Reduce Chargeback Rates	\$1,110.6	IA into DGF	
FY2024	Procurement and Property Management	Increase Capacity of the Federal Surplus Property Program	\$100.0	FED	
FY2024	Accounting	Align Authority with Increased Collection of Debt Owed to the State	\$500.0	IA into DGF	
FY2024	Print Services	Increase Authority to Align Budget with Annual Interagency Activity	\$100.0	Other	
FY2024	Risk Management	SB131 Workers' Comp Disability for Firefighters Fiscal Note	\$449.0	Other	
FY2024	Office of Public Advocacy	MH Trust: Public Guardian Position for Office of Child Services Transition (FY24-FY27)	\$135.5	Other	+1 FT
FY2024	Office of Public Advocacy	HB325 Domestic Violence/Sexual Offenses/Consent Fiscal Note	\$1,964.2	UGF	+4 FT
FY2024	Public Defender Agency	HB325 Domestic Violence/Sexual Offenses/Consent Fiscal Note	\$1,164.7	UGF	+6 FT
FY2024	Motor Vehicles	Critical Updates to Division of Motor Vehicles Software	\$330.0	DGF	
<b>Structural</b>					
FY2024	Administrative Services	Transfer Administrative Services Director (02-1030) from Office of Management and Budget to the Department	\$210.7	Other	Tsfr 1 FT
FY2024	Centralized HR	Consolidate Centralized HR Appropriation into Personnel	\$112.0	UGF	
FY2024	Administrative Services	Transfer Consolidation Oversight from Administrative Services to Office of the Commissioner	\$249.6	UGF	+1 FT
FY2024	Procurement and Property Management	Transfer 36 positions into OPPM for Procurement Consolidation	\$0.0	Other	+36 FT
<b>Capital</b>					
FY2024	Information Technology	Static Code Vulnerability and Analysis Scan for All Public Facing Apps	\$375.0	UGF	



# Dept. of Administration FY2024 Governor Operating Budget: [RDU Overview](#)

## Dept. of Administration: Appropriations/Results Delivery Units by Fund Category (\$ thousands)





## Dept. of Administration FY2024 Governor Operating Budget: Funding Sources

(\$ in thousands)

- DOA Budget: 25% UGF, 10% DGF, 64% Other Funds, .5% Federal
- DOA Fund Sources: 46% duplicated fund sources

DOA Operating	UGF	DGF	GF Subtotal	Other	Federal	Total	PFT
Formula							
Non-Formula	80,446.9	31,806.1	<b>112,253.0</b>	205,815.8	1,441.6	<b>319,510.4</b>	<b>1,285</b>
*Duplicated				(148,885.9)			
<b>Non-Duplicated Total</b>	<b>80,446.9</b>	<b>31,806.1</b>	<b>112,253.0</b>	<b>56,929.9</b>	<b>1,441.6</b>	<b>319,510.4</b>	<b>1,285</b>

Fund Type	Funding Source	FY2024 Gov	Fund Type	Funding Source	FY2024 Gov
UGF	1003: G/F Match	250.0	Other	1007: Interagency Receipts (duplicated)	83,714.9
	1004: General Fund	76,857.2		1017: Benefit System Receipts	42,552.7
	1037: General Fund / Mental Health	3,339.7		1023 FICA Acct	213.2
	1271: ARPA Rev	-		1029 P/E Retire	9,671.9
DGF	1005: General Fund / Program Receipts	31,806.1		1034 Teach Ret	3,726.7
Federal	1002: Federal Receipts	789.8		1042: Judicial Retirement System	121.8
	1033: Surplus Property	651.8		1045: National Guard & Naval Militia Retirement System	285.4
				1061: Capital Improvement Project Receipts (duplicated)	493.9
				1081: Information Services Fund (duplicated)	64,677.1
				1092: Mental Health Trust Authority Authorized Receipts	358.2



# Centralized Administrative Services

## Services Provided by this RDU

- Administrative Hearing Services
- Statewide Accounting Services
- Statewide Human Resource Services
- Labor Union Negotiation, Arbitration, and Conflict Resolution
- Retirement and Benefits and Health Plan Administration Services

## Significant FY2024 Budget Changes

- +\$120.0 IA - Expanded Capacity to Provide Administrative Hearings to State of Alaska Agencies
- Transfer in 1 PFT – Administrative Services Director

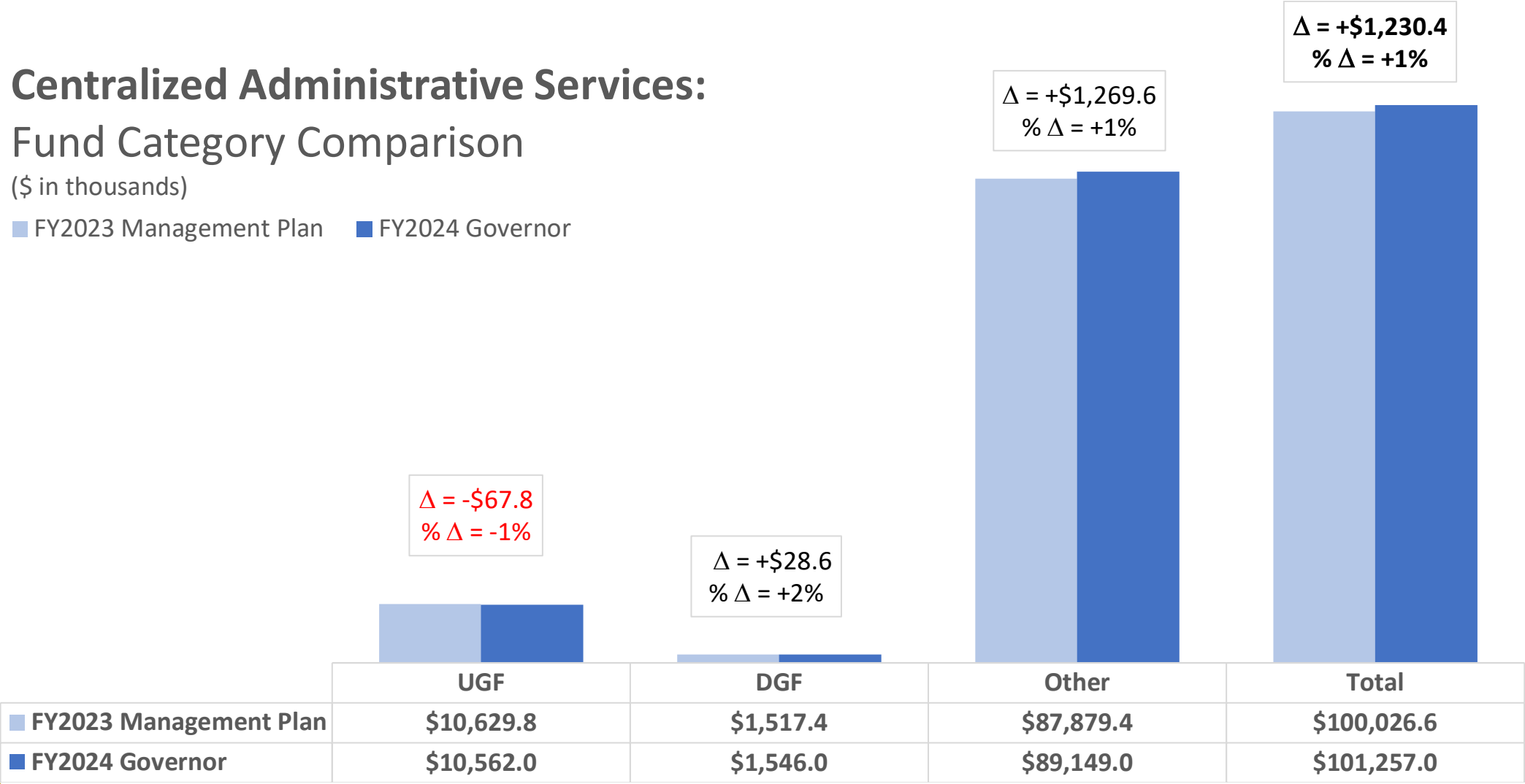
Centralized Administrative Services FY2022 Personal Services Info	
Total PFT Positions:	371
FY2022 Final Auth PS Budget:	\$44,001.9
FY2022 Actual PS Expenditures:	\$43,226.0
Net PS Transfers in IRIS:	-\$622.1
% PS Budget Unspent:	1.8%
Explanation:	IA carryforward, contractual support, and unused Retirement Trust funds



# Centralized Administrative Services: Fund Category Comparison

(\$ in thousands)

■ FY2023 Management Plan   ■ FY2024 Governor



# Shared Services of Alaska

## Services Provided by this RDU

- Accounts Payables
- Travel Processing
- Debt Recovery
- Procurement Services
- Print/Mail Services
- Federal Surplus Property Program

## Significant FY2024 Budget Changes

- +\$100.0 IA - Expanded Capacity to Provide Print Services to State of Alaska Agencies
- Fund Change: \$500.0 IA to GFPR to use Debt Recovery
- Fund Change: \$1,110.6 IA to GFPR to use Vendor Fees

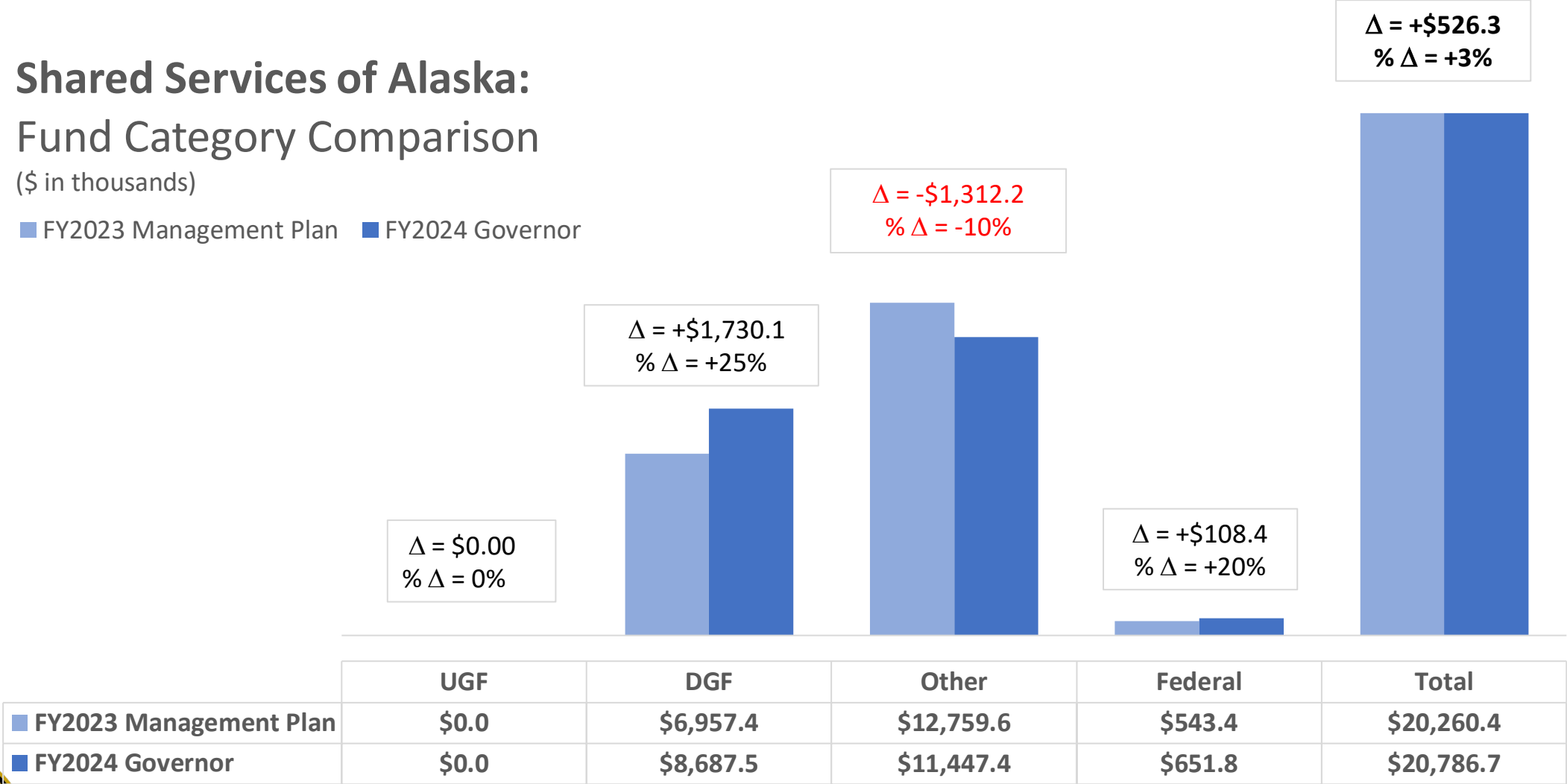
Shared Services of Alaska FY2022 Personal Services Info	
Total PFT Positions:	105
FY2022 Final Auth PS Budget:	\$10,440.2
FY2022 Actual PS Expenditures:	\$9,153.9
Net PS Transfers in IRIS:	\$0.0
% PS Budget Unspent:	12.3%
Explanation:	Delayed onboarding resulting in uncollectible IA authority (10%). Recruitment and Retention (2%).



Shared Services of Alaska:  
Fund Category Comparison

(\$ in thousands)

■ FY2023 Management Plan ■ FY2024 Governor



# Office of Information Technology

## Services Provided by this RDU

- Information Security
- Service Management (Help Desk)
- Communications and Connectivity
- Support for Enterprise Applications
- Data Center Support

## Significant FY2024 Budget Changes

- CAPITAL: +\$375.0 - Static Code Vulnerability and Analysis Scan for All Public Facing Applications

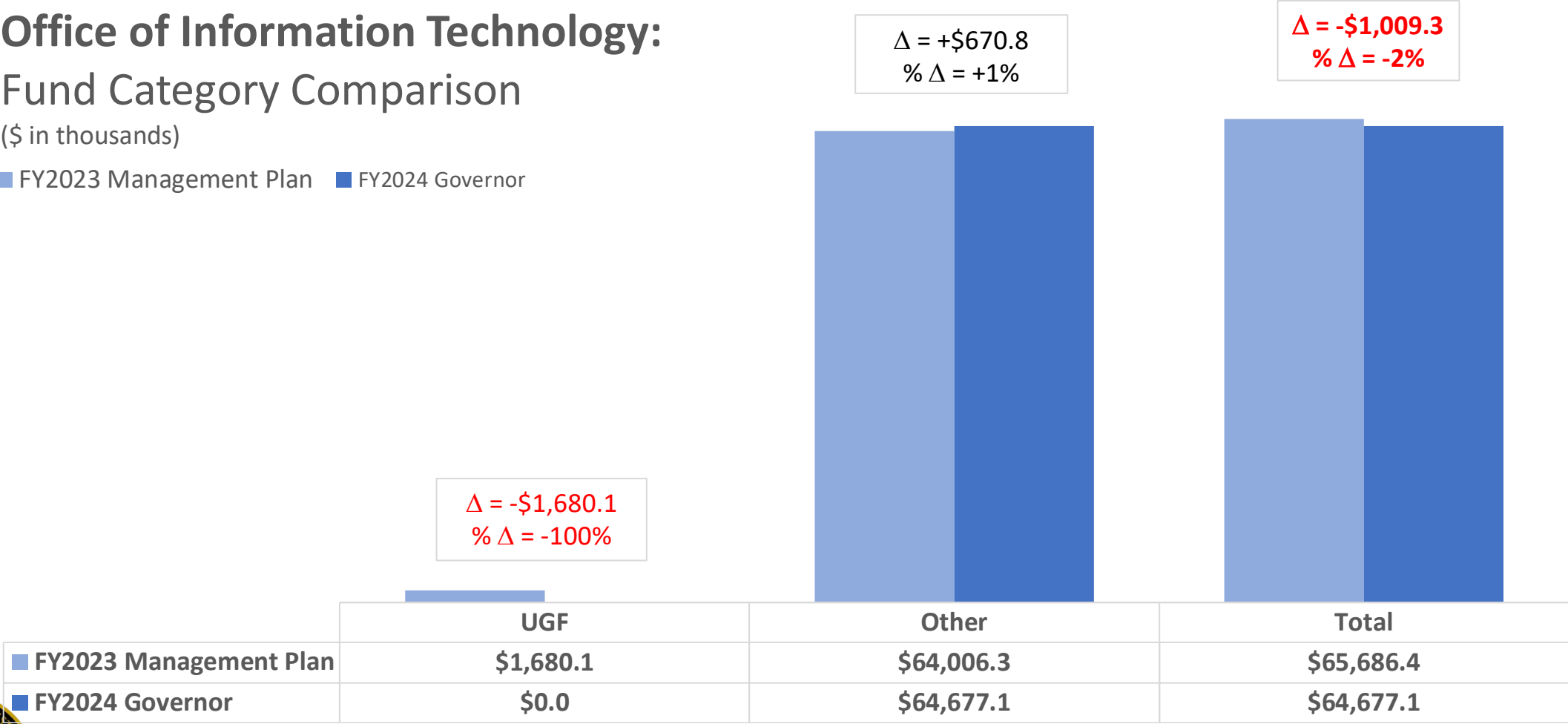
Office of Information Technology FY2022 Personal Services Info	
Total PFT Positions:	239
FY2022 Final Auth PS Budget:	\$31,390.7
FY2022 Actual PS Expenditures:	\$31,374.7
Net PS Transfers in IRIS:	-\$2,576.9
% PS Budget Unspent:	0.1%
Explanation:	Private Sector pays more for equivalent work. Unused PS funds largely support temporary services and inflating contractual costs.



Office of Information Technology:  
Fund Category Comparison

(\$ in thousands)

FY2023 Management Plan    FY2024 Governor



# Risk Management

## Services Provided by this RDU

- Claims Processing
- Litigation Management
- Contract Review
- Insurance Administration
- Insurance Consulting

## Significant FY2024 Budget Changes

- +\$449.0 IA - Technical Correction for Omitted SB131 Fiscal Note on Comp Disability for Firefighters

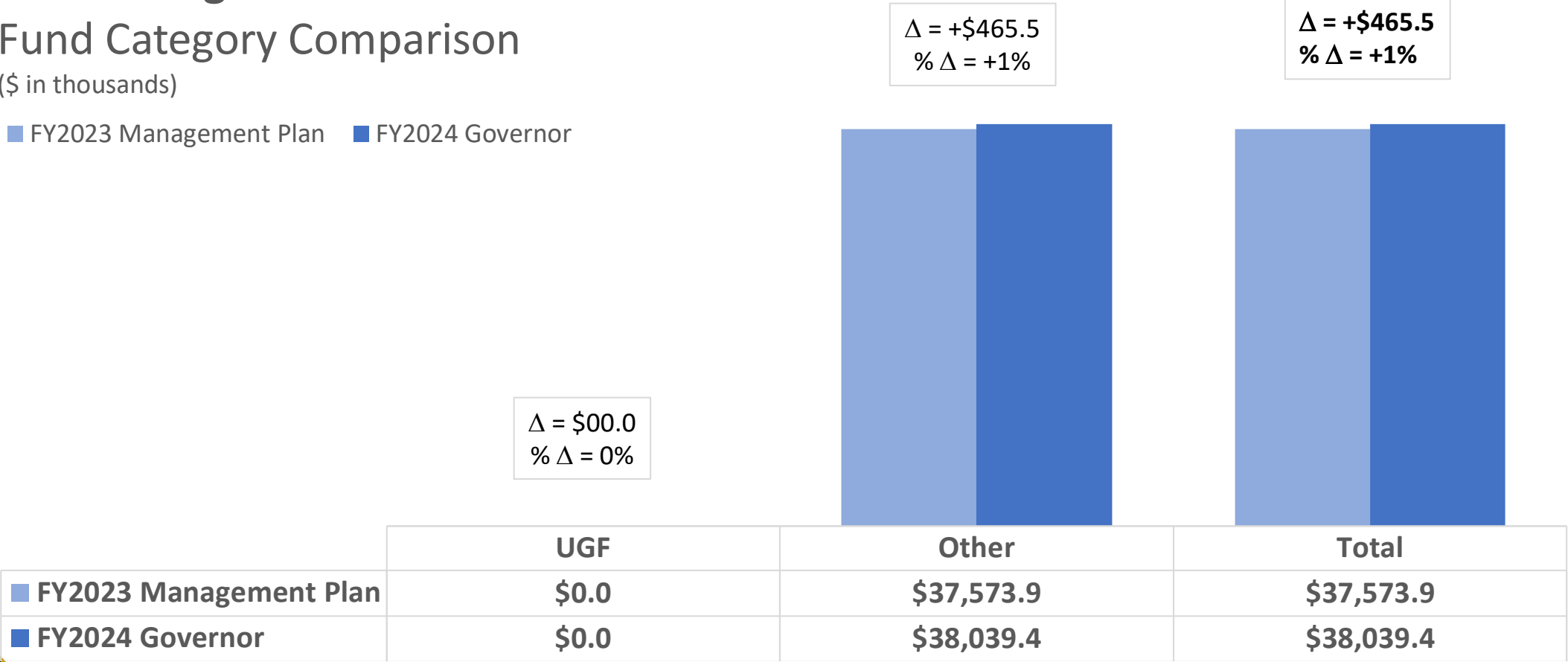
Risk Management FY2022 Personal Services Info	
Total PFT Positions:	6
FY2022 Final Auth PS Budget:	\$883.6
FY2022 Actual PS Expenditures:	\$874.5
Net PS Transfers in IRIS:	\$0.0
% PS Budget Unspent:	1.0%
Explanation:	Typical variance in PS costs.





Risk Management:  
Fund Category Comparison  
(\$ in thousands)

■ FY2023 Management Plan   ■ FY2024 Governor



# Legal and Advocacy Services\*

## Services Provided by this RDU

- Public Guardians
- Elder Fraud
- Guardian ad litem (Representation for Children in Need)
- Court Appointed Special Advocates
- Child in Need of Aid (CINA) Parent and Child Representation
- Public Defender & Public Advocacy for
  - Misdemeanors and Felonies
  - Juvenile Delinquency
  - 5<sup>th</sup> Amendment appointments
  - Commitments
  - Appeals & Post Conviction Relief
  - Petitions to Revoke Probation and Parole

## Significant FY2024 Budget Changes

- +\$3,128.9 GF – Provide Funding for Omitted HB325 Fiscal Notes
- +\$250.0 IA – Expanded Capacity for Interagency Activity

Legal and Advocacy Services FY2022 Personal Services Info	
Total PFT Positions:	359
FY2022 Final Auth PS Budget:	\$48,732.3
FY2022 Actual PS Expenditures:	\$47,665.1
Net PS Transfers in IRIS:	-\$936.7
% PS Budget Unspent:	2.2%
Explanation:	Private Sector pays more for equivalent work. High Vacancy experienced lead to excess PS used to contract vacant PCN workload .



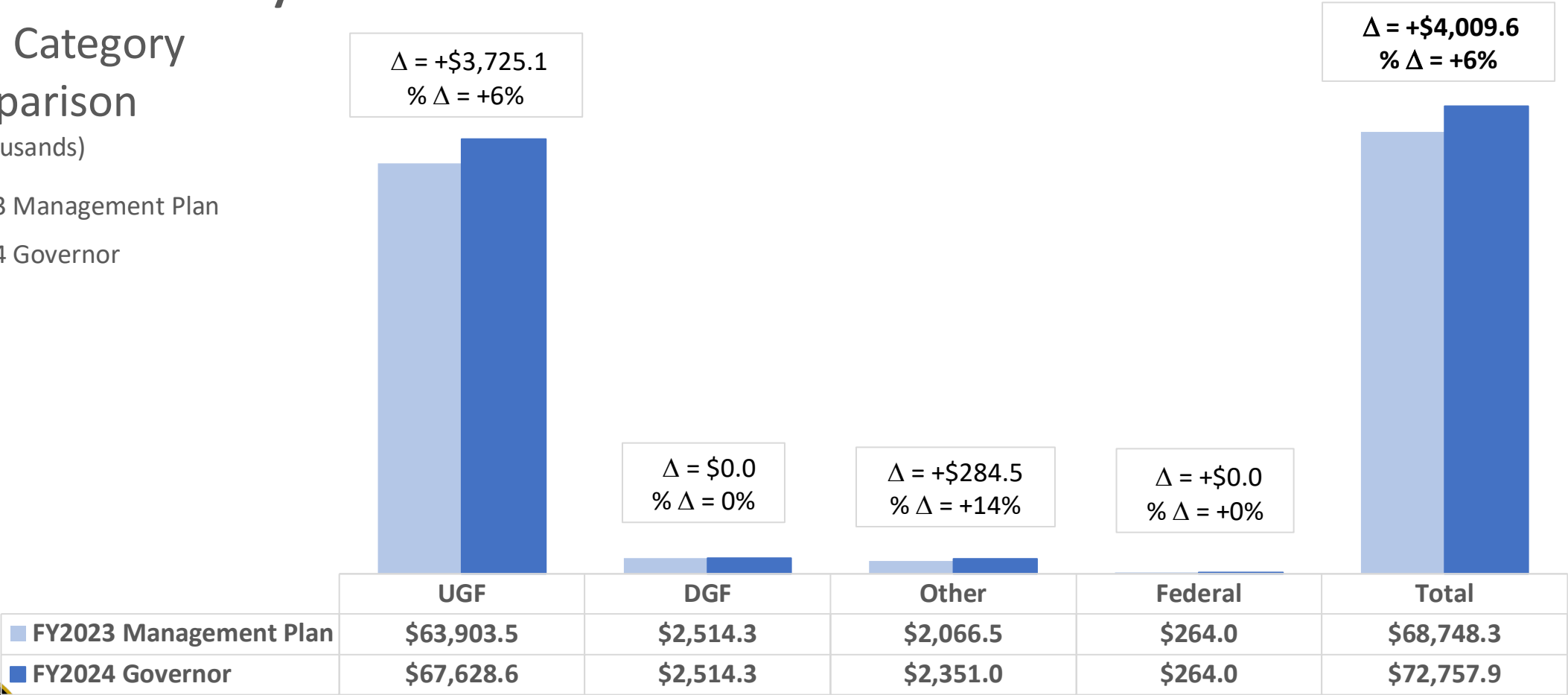
\* These agencies are required to meet ethical and constitutional obligations to court appointed indigent Alaskans

# Legal and Advocacy Services:

## Fund Category Comparison

(\$ in thousands)

- FY2023 Management Plan
- FY2024 Governor



# Division of Motor Vehicles

## Services Provided by this RDU

- Provide Licensing, Registration, and Titling services to Alaskans
- Commercial Drivers Licensing
- Driver Training Resources
- Crash Data Repository
- Remove Driving Privileges from Unsafe and Uninsured Drivers
- Issue Federal REAL IDs
- Screening for Fraudulent ID Activity

## Significant FY2024 Budget Changes

- +\$330.0 GF – Critical Updates to Division of Motor Vehicles Software

Motor Vehicles	
FY2022 Personal Services Info	
Total PFT Positions:	139
FY2022 Final Auth PS Budget:	\$11,053.6
FY2022 Actual PS Expenditures:	\$10,715.0
Net PS Transfers in IRIS:	-\$1,164.2
% PS Budget Unspent:	3.1%
Explanation:	High Vacancy in entry level positions. Unspent PS funds used to cover business overhead and leasing expenditure increases.



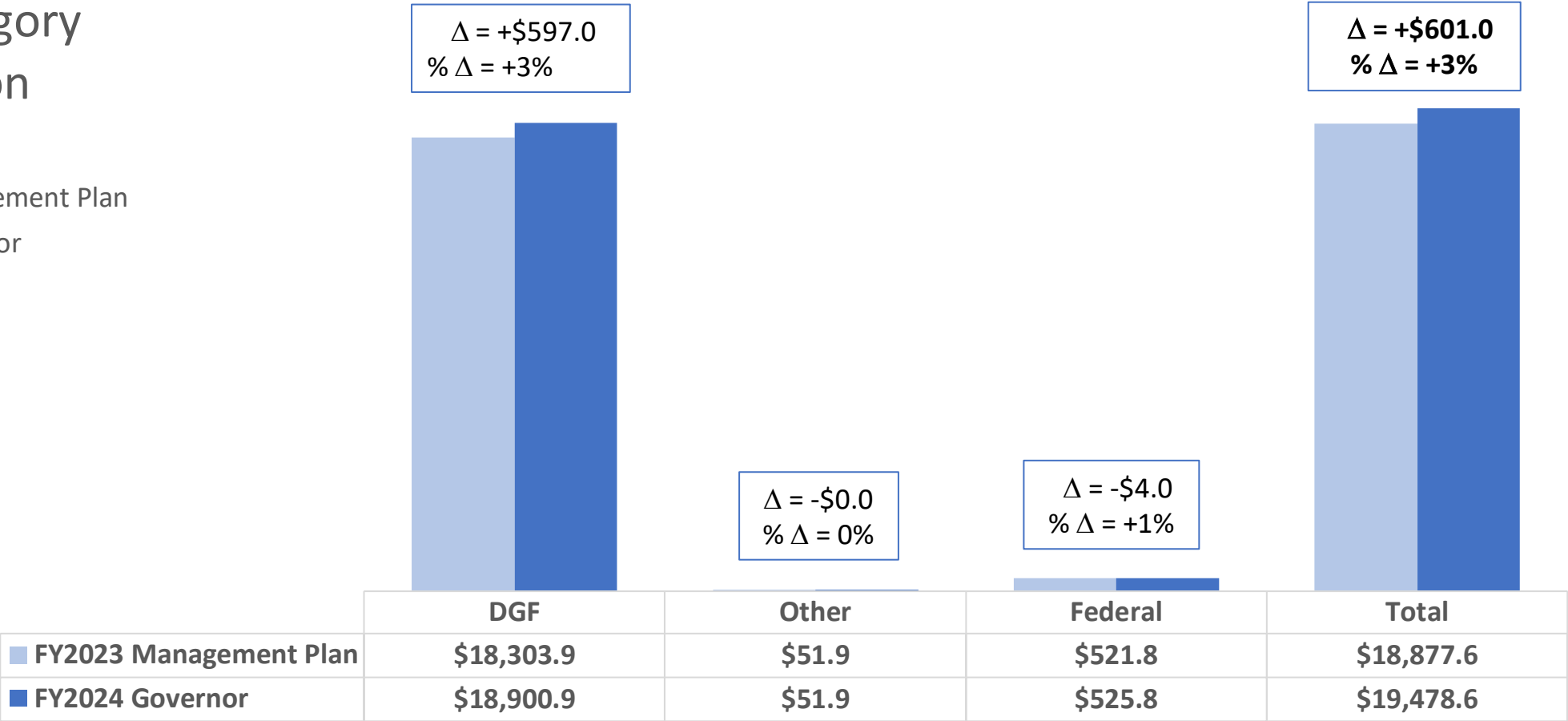
Division of Motor Vehicles:

Fund Category

Comparison

(\$ in thousands)

- FY2023 Management Plan
- FY2024 Governor



# Questions?

## Contact Information

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