

02/04/14
BUDGET
OVERVIEW
FY 15:
DEPARTMENT OF
ADMINISTRATI-
ON

<TARGET><BILL></BILL><SUBJECT>02-04-14 BUDGET OVERVIEW
FY 15 DEPARTMENT OF
ADMINISTRATION</SUBJECT><COMM>HFIN28</COMM></TARGET>

2/4/14

ALASKA DEPARTMENT OF ADMINISTRATION DEPARTMENT OVERVIEW

Presentation to

House Finance

February 4, 2014

Commissioner Curtis Thayer

Deputy Comm. Mike Barnhill

Director Cheri Lowenstein



ORGANIZATION CHART

DEPARTMENT MANAGEMENT

COMMISSIONER

DEPUTY COMMISSIONER

SPECIAL ASSISTANT

SPECIAL ASSISTANT

DEPUTY COMMISSIONER

SERVICES TO THE PUBLIC

DIVISION OF MOTOR VEHICLES

DIVISION OF RETIREMENT & BENEFITS

ALASKA OIL & GAS CONSERVATION COMM.

PUBLIC DEFENDER AGENCY

VIOLENT CRIMES COMPENSATION BOARD

OFFICE OF PUBLIC ADVOCACY

ALASKA PUBLIC OFFICES COMMISSION

ALASKA PUBLIC BROADCASTING COMM.

SERVICES TO STATE AGENCIES

OFFICE OF ADMIN. HEARINGS

DIVISION OF ADMIN. SERVICES

DIVISION OF FINANCE

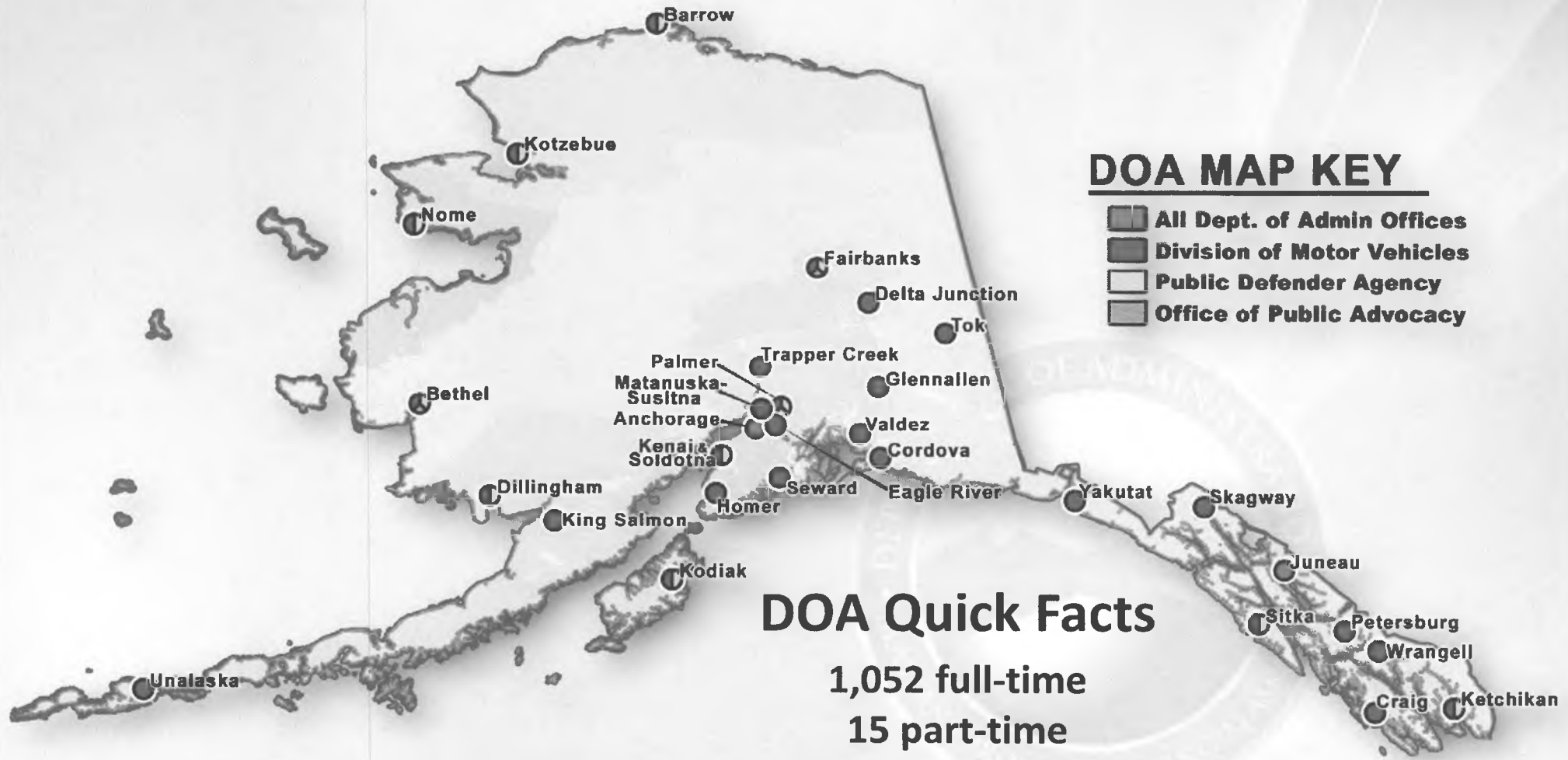
DIVISION OF GENERAL SERVICES

DIVISION OF RISK MANAGEMENT

ENTERPRISE TECHNOLOGY SERVICES

DIVISION OF PERSONNEL & LABOR RELATIONS

SERVICE ACROSS ALASKA



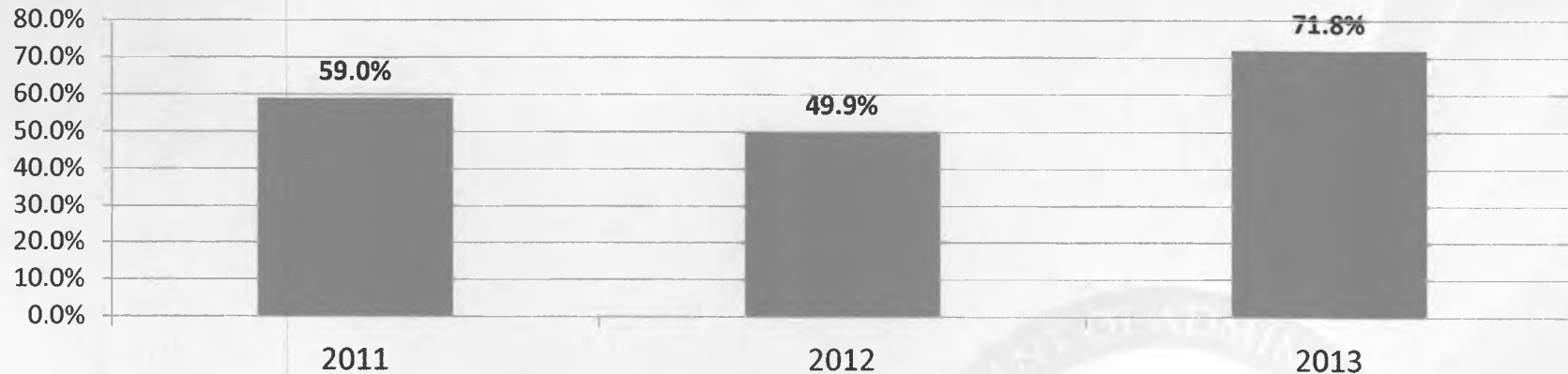
DOA Quick Facts

1,052 full-time
15 part-time
55 non-permanent
in 31 locations

LEGAL, ADVOCACY AND REGULATORY SERVICES

A1: Target #1

DMV customers served within 20 minutes.



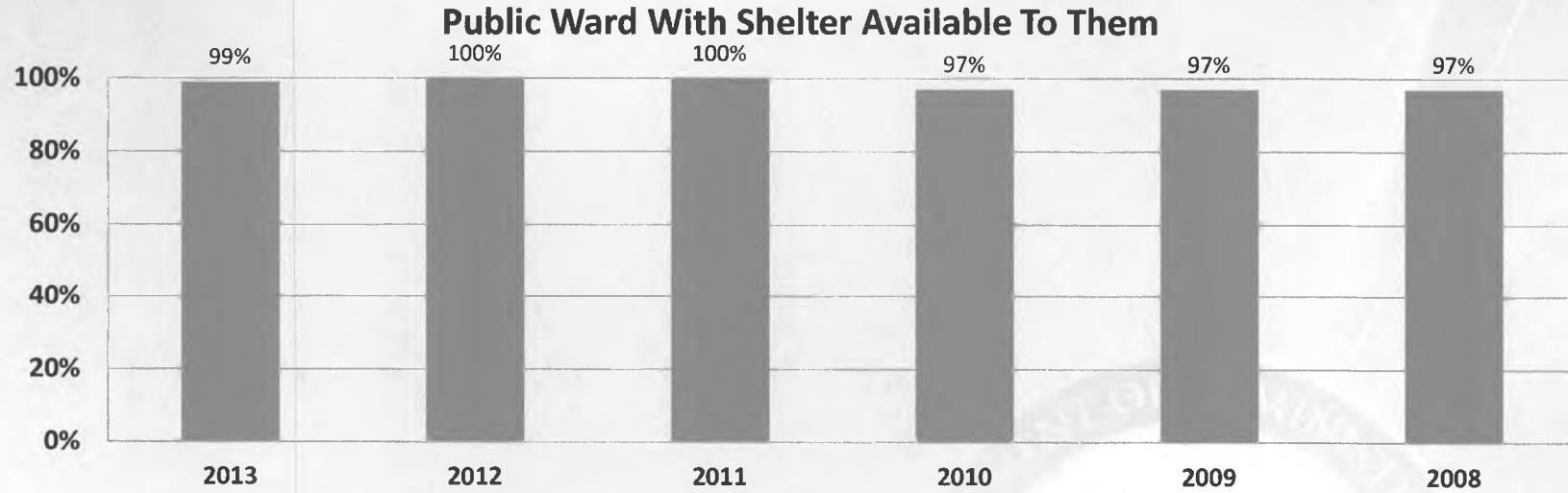
A1: Target #2

Public Defender Agency Cost Per Criminal Case

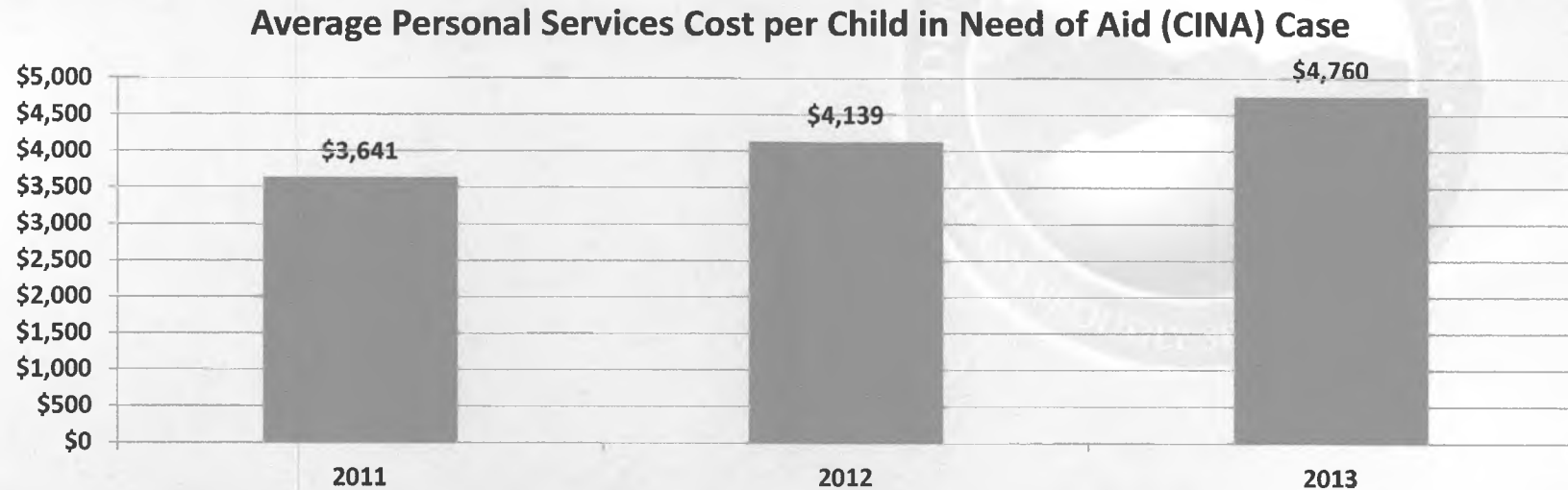


FAMILY SUPPORT

A2: Target #1



A2: Target #2



ENTERPRISE SUPPORT SERVICES

A3: Target #1

Five Year Cost Growth Trend



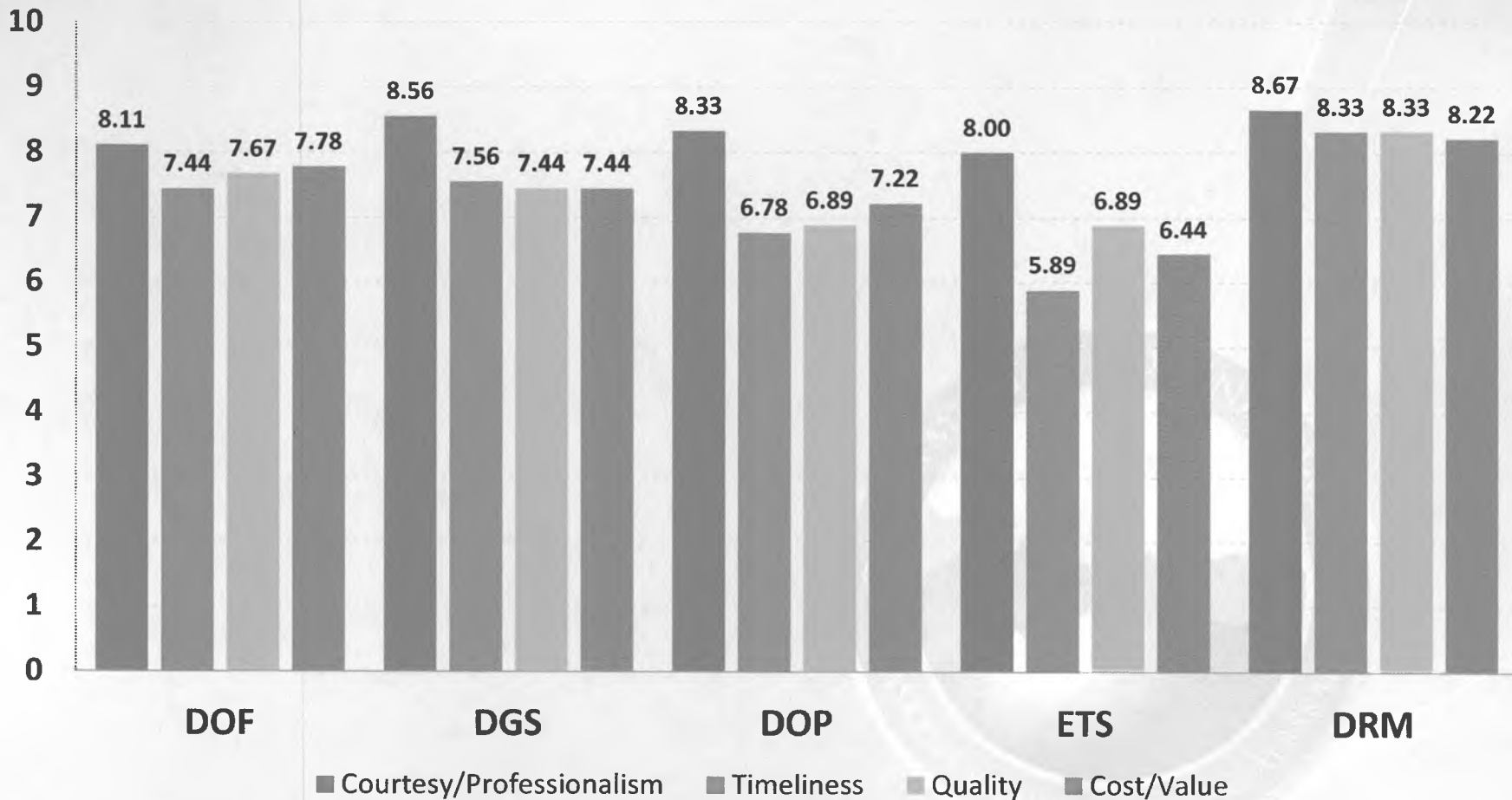
A3: Target #2

Customer Service Satisfaction - Internal DOA Customers



DEPARTMENT LEVEL RESULTS

Customer service survey results for “Internal Services” agencies:

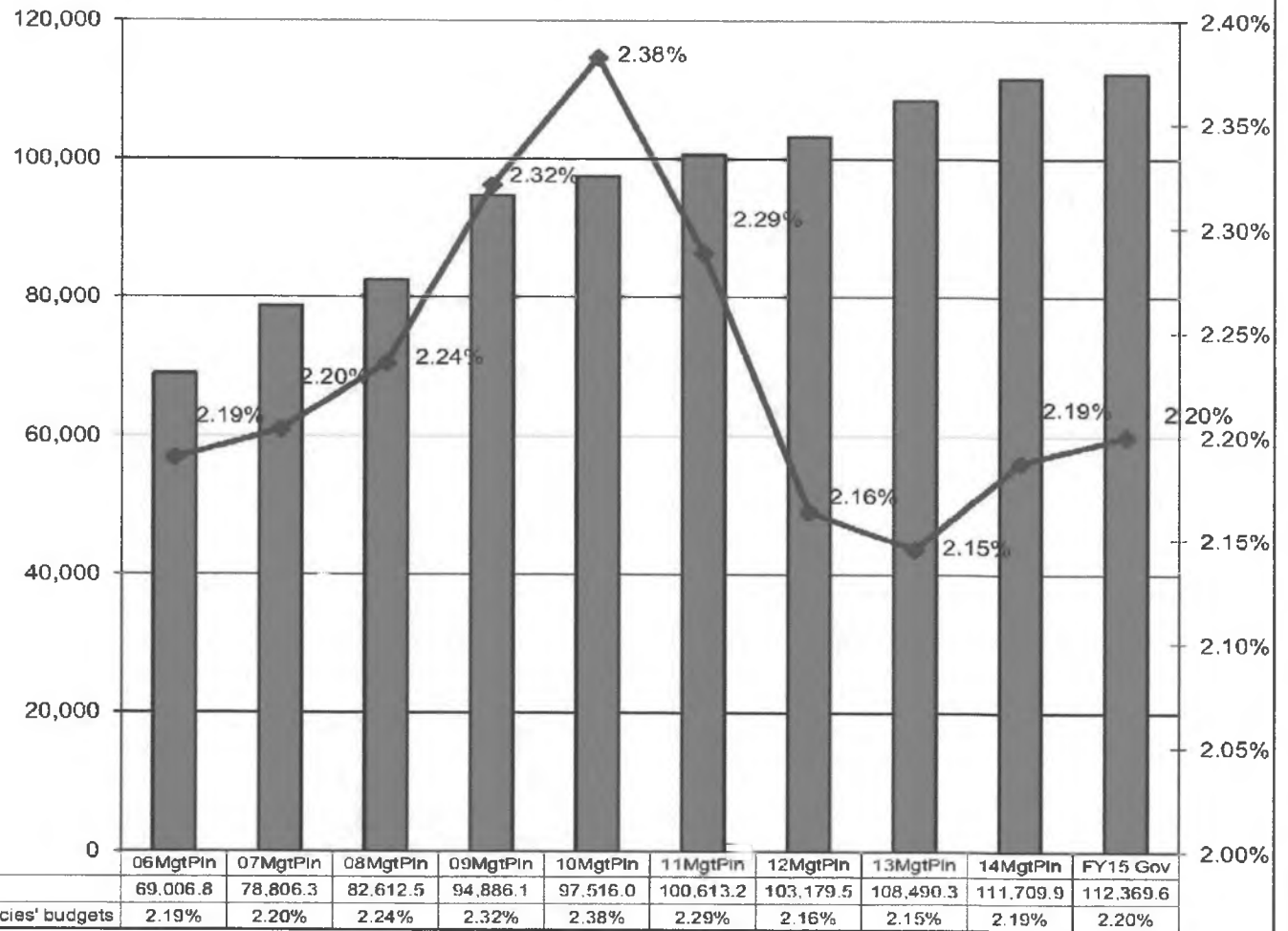


Very Satisfied = 10, Very Unsatisfied = 0, results from a September 2013 internal survey

DOF – Division of Finance, DGS – Division of General Services, DOP – Division of Personnel, ETS – Enterprise Technology Services, DRM – Division of Risk Management

SHARE OF TOTAL AGENCY OPERATIONS

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

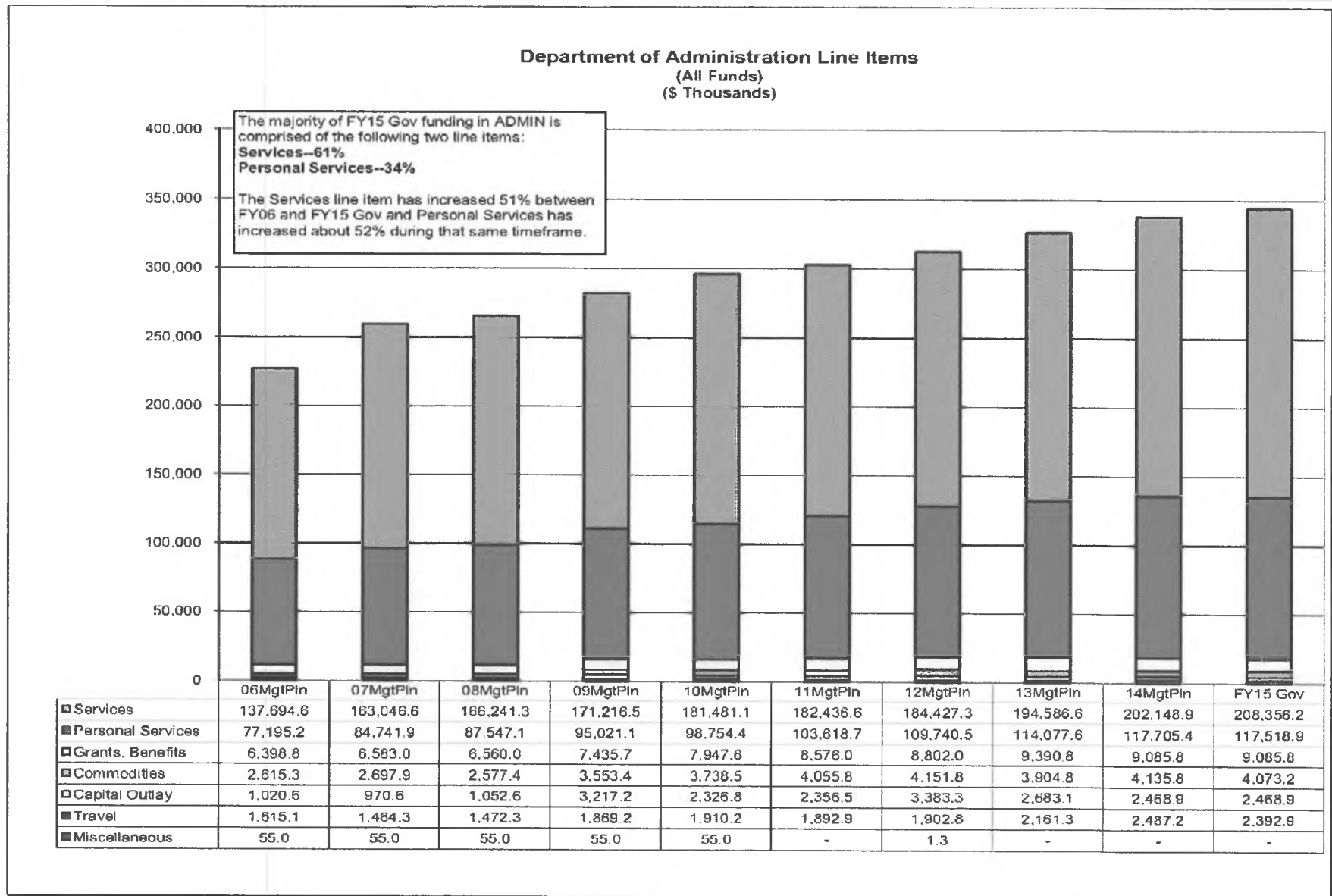


The department's GF budget grew over \$43 million (62.8%) between FY06 and the FY15 Governor's Request-an average annual growth rate for that period of 5.6%.

The department's total FY15 GF budget request equals \$339 per resident worker.*

* According to the Department of Labor and Workforce Development, there were 331,081 resident workers in Alaska in 2011.

LINE ITEMS



1/29/2014

Legislative Finance Division

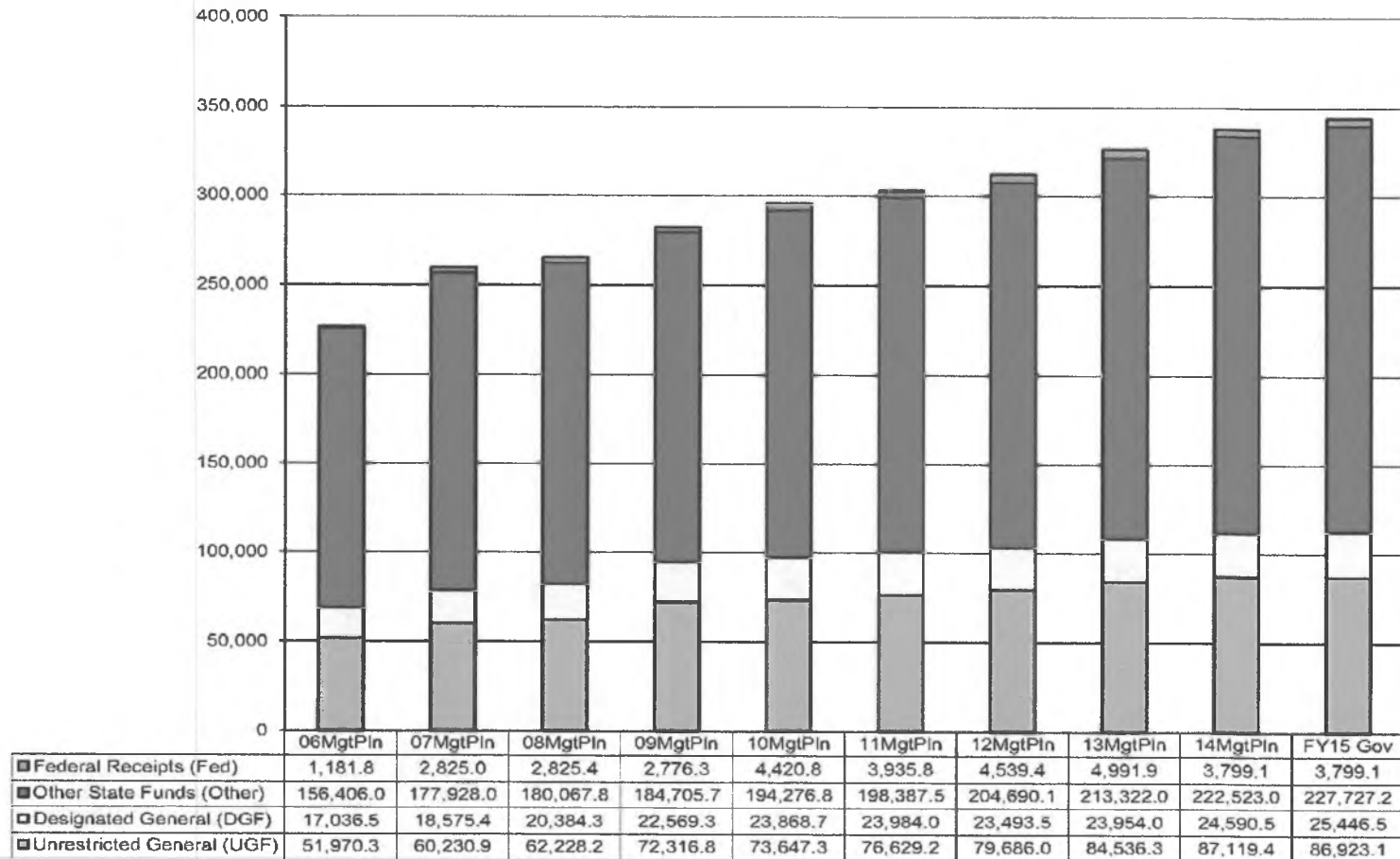
2 of 11

SOURCE: Legislative Finance

TOTAL FUNDING COMPARISON BY FUND GROUP

Between FY06 & FY15 Gov:
 --UGF Increased by \$35.0 million (67%)
 --DGF Increased by \$8.4 million (49%)
 --Other Funds Increased by \$71.3 million (46%)
 --Federal Receipts increased by \$2.6 million (221%)

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



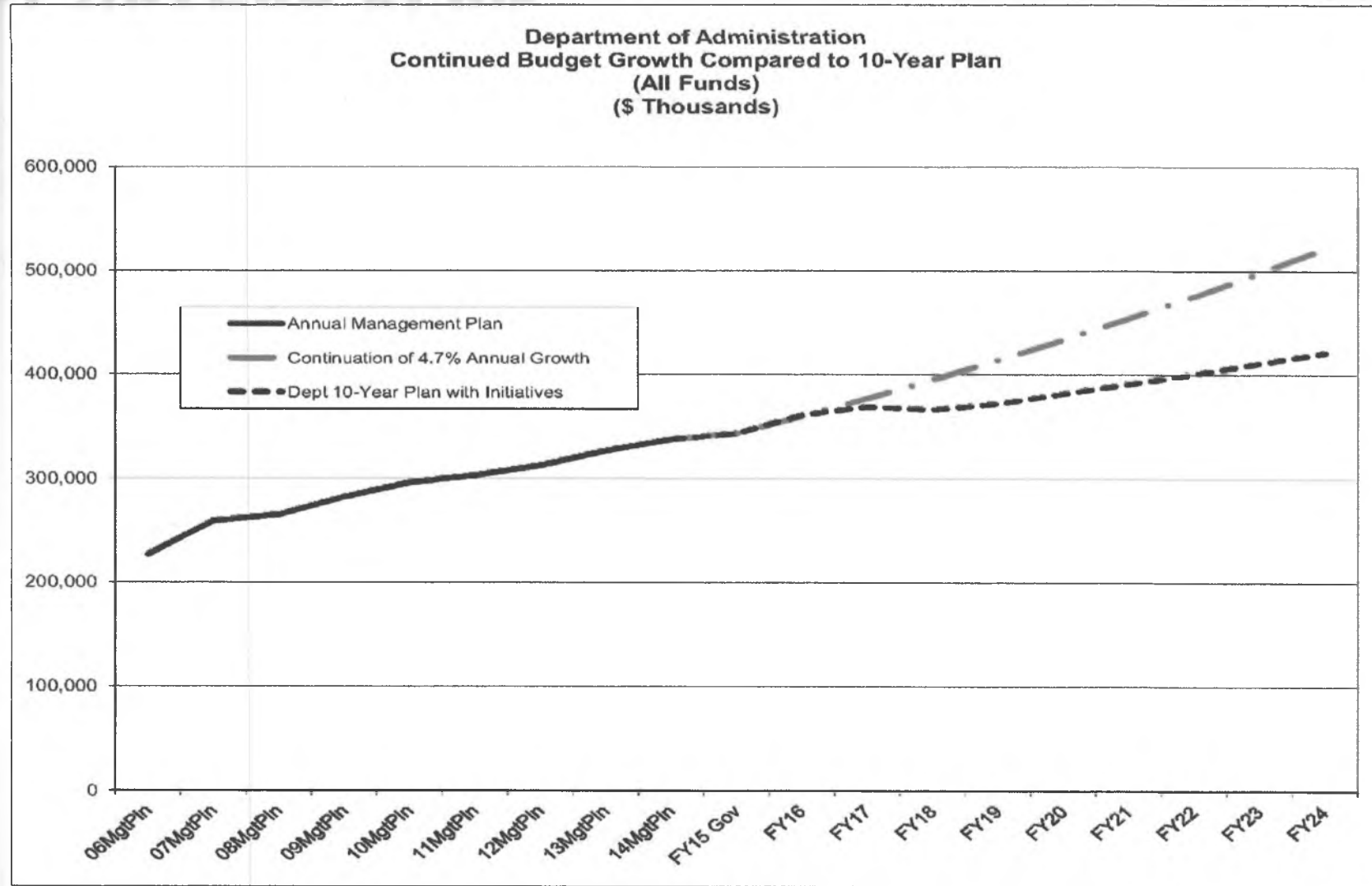
1/29/2014

Legislative Finance Division

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SOURCE: Legislative Finance

CONTINUED BUDGET GROWTH COMPARED TO 10-YEAR PLAN

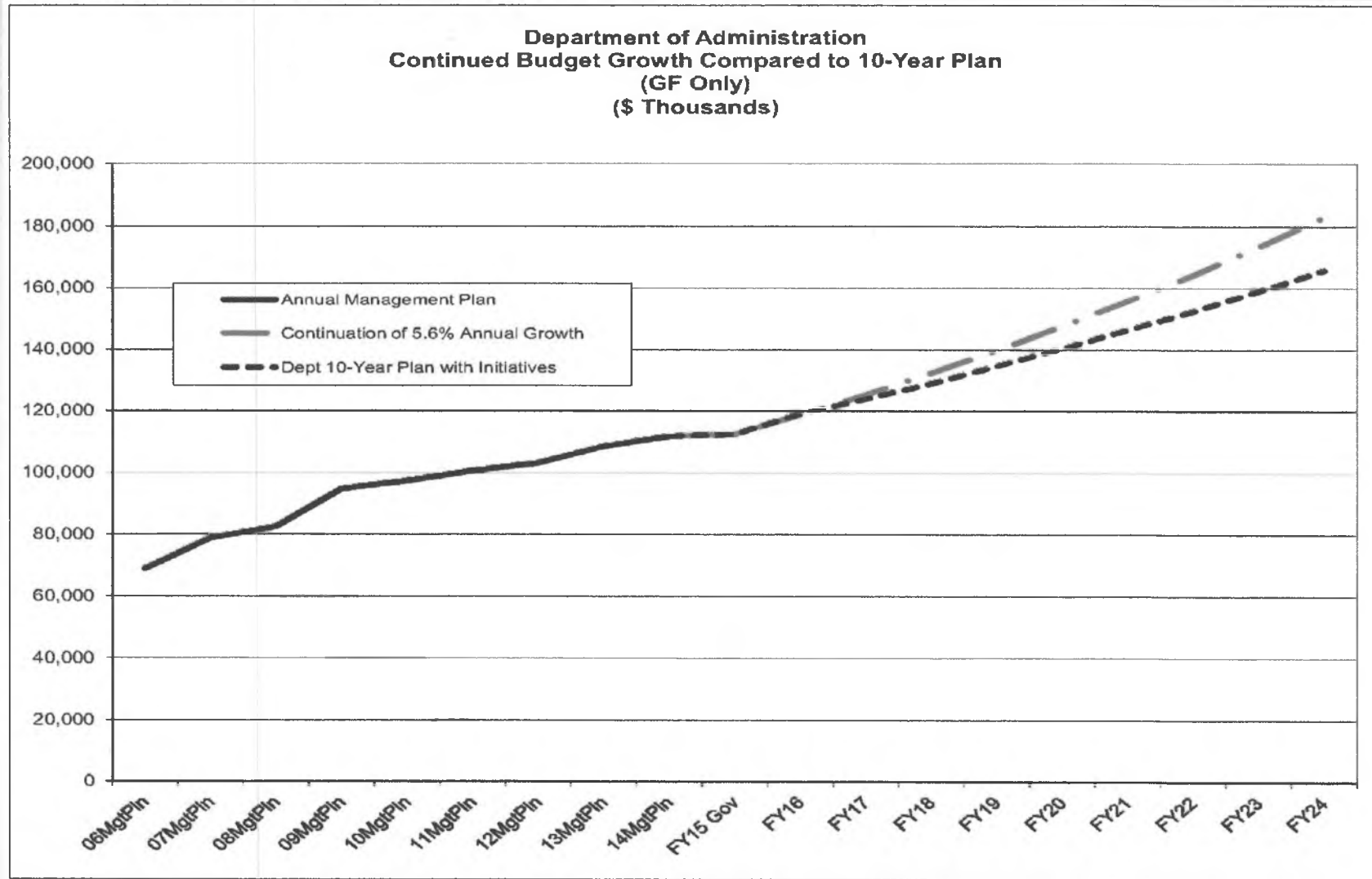


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CONTINUED BUDGET GROWTH COMPARED TO 10-YEAR PLAN



1/29/2014

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FOCUS ON COST AVOIDANCE

- **Labor Contracts – reasonable contracts**
- **Health Care Spend – reduce the rate of growth**
- **Reduction of Unfunded Liability – lower future costs**
- **Utilization of Space – better use our space**
- **Procurement Savings – lower costs for what we already buy**



AVERAGE YEARLY BASE SALARY FOR FY 13

	Yearly Average Pay*
AVTECTA - Alaska Vocational Technical Teachers Association	\$75,876.24
IBU – Inlandboatmen’s Union of the Pacific	\$51,334.92
MEBA - Marine Engineers’ Beneficial Association	\$73,228.68
MMP - Masters, Mates and Pilots	\$85,077.00
PSEA - Public Safety Employees Association.....	\$84,632.40 (AA), \$70,169.52 (AP)
ACOA - Alaska Correctional Officers Association	\$61,716.48
LTC - Public Employees, Local 71	\$54,697.80
TEAME – Teachers’ Education Association of Mt. Edgecumbe	\$64,363.20
ASEA - Alaska State Employees Association	\$57,087.72
APEA - Alaska Public Employees Association	\$82,825.68
CEA - Confidential Employees Association	\$58,096.20
Non-Covered – Exempt, Partially Exempt and Excluded	\$99,474.48

Average employee benefits percentage is 49%

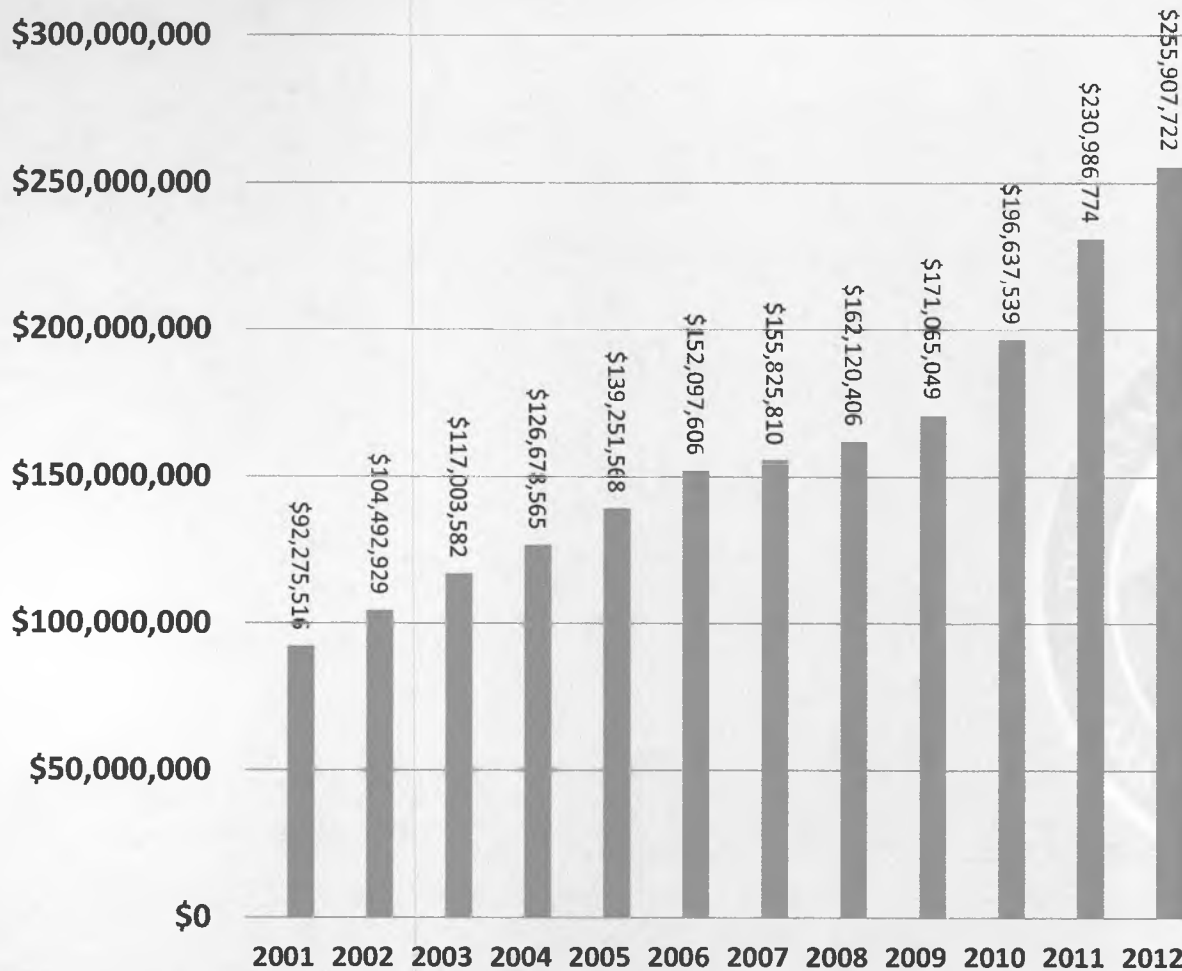
** Includes geographic differential*

AA – DPS; AP – DOTPF

SOURCE: Bargaining Unit Profiles, collected June 30, 2013

BENEFITS

State of Alaska Contributions to Active Employee Health Plans



Contributions to:

Group Health and Life Benefits Fund (AlaskaCare)

ASEA Health Trust

LTC 51 Health Trust

PSEA (3rd party insurance)

MMP Health Trust

ASCEA and TEAME (terminated in 2010)

NEW TPA – AETNA AND MODA

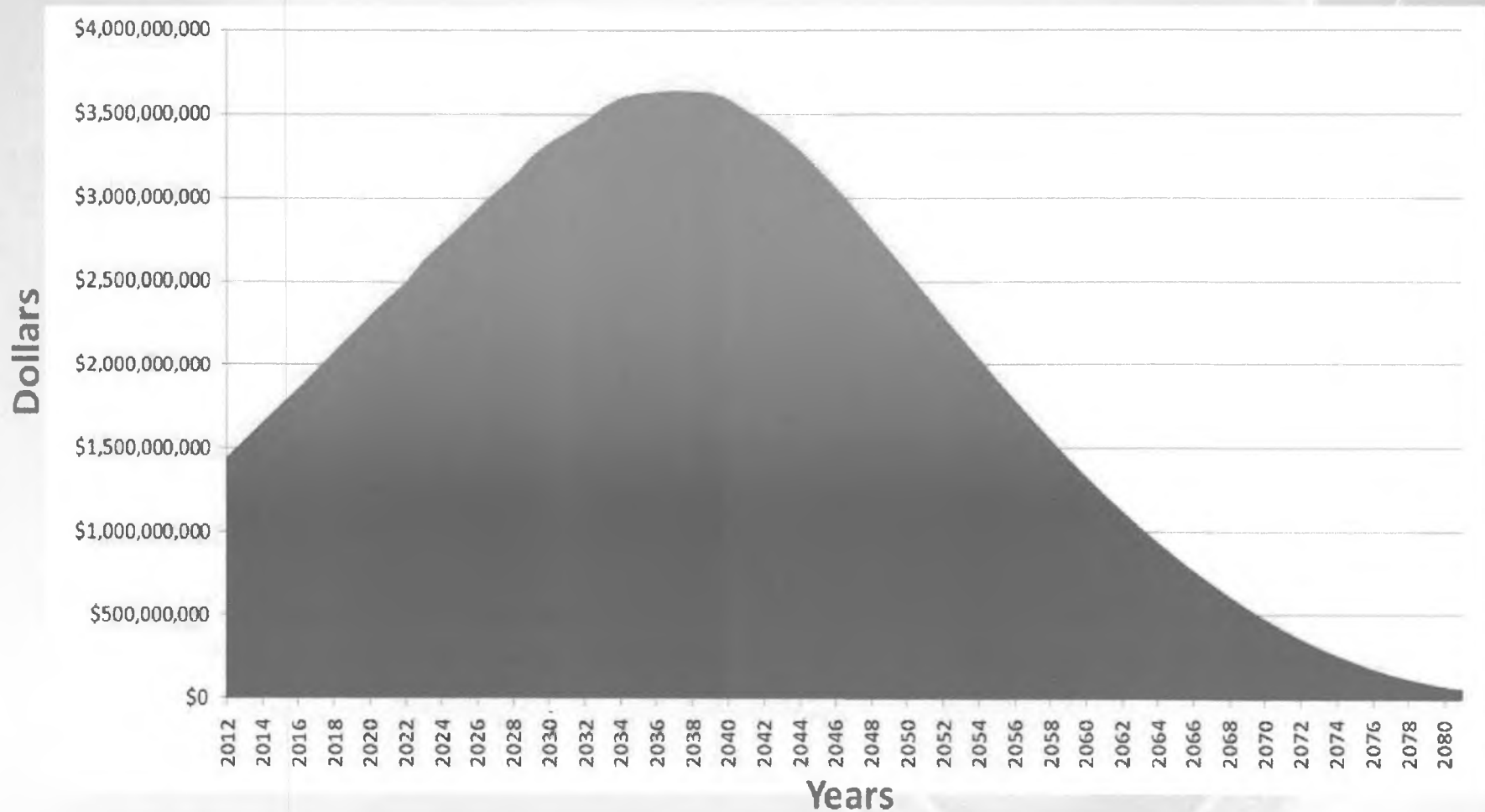
aetnaSM

moda
HEALTH

 **ActiveHealth**
MANAGEMENT.

- AlaskaCare -- 84,000 covered lives (active + retiree)
- FY13 claim costs: \$600mm
- RFP split into 4 major components awarded 3 to Aetna and one to Moda
- New networks: estimated savings of \$50mm/yr
- Introduction of a dental network
- Revising and updating plan booklets
- Use of data warehouse to inform plan decisions
- Single point of contact concierge team
- **Goal:** high quality health care at sustainable and reasonable cost

BENEFITS: PERS/TRS



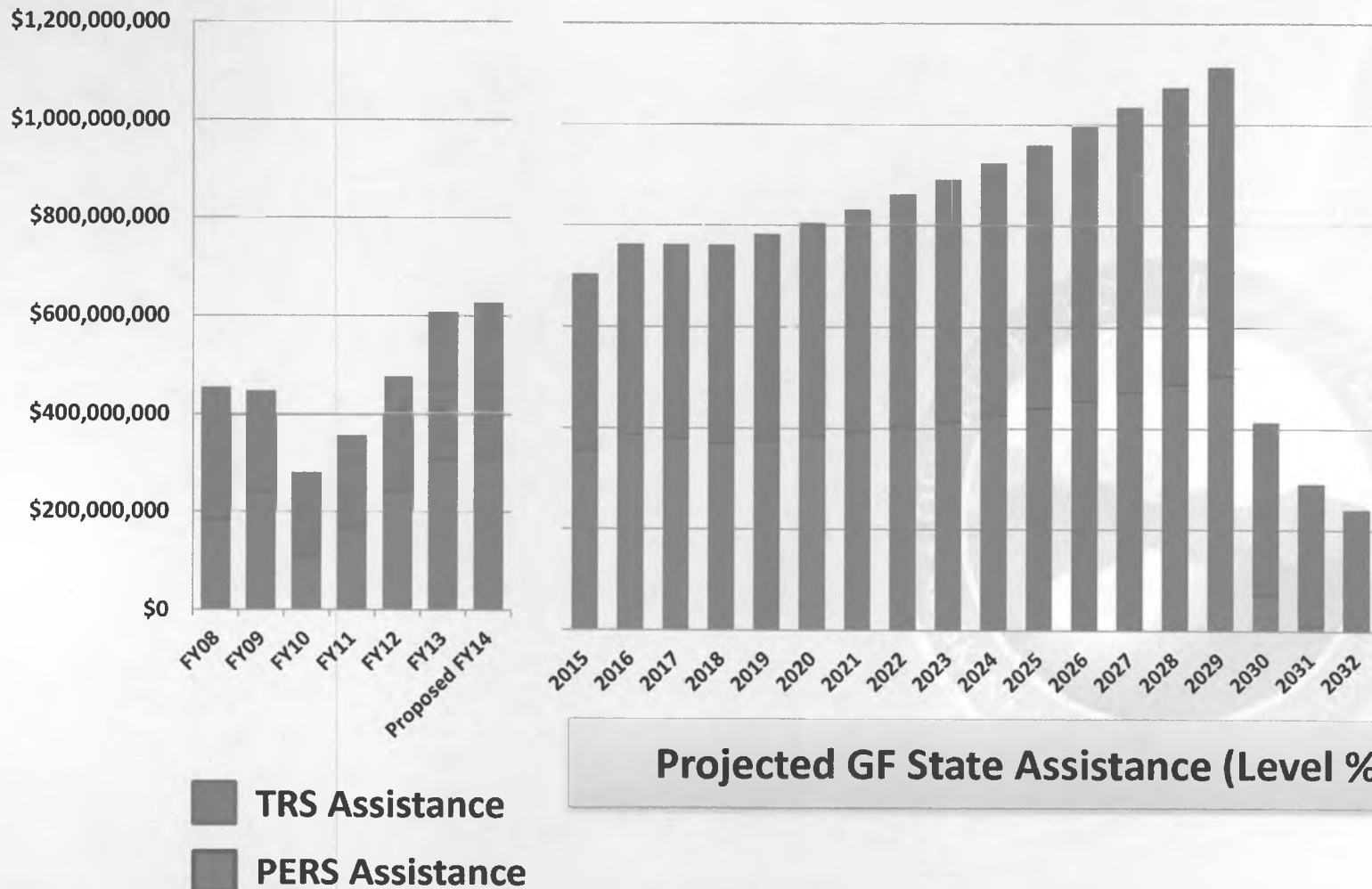
Pay \$140 billion in benefits payments over next 70 years

Current PERS/TRS account balance: \$16.8 billion

Unfunded Liability: approx \$11.9 billion

BENEFITS: PERS/TRS

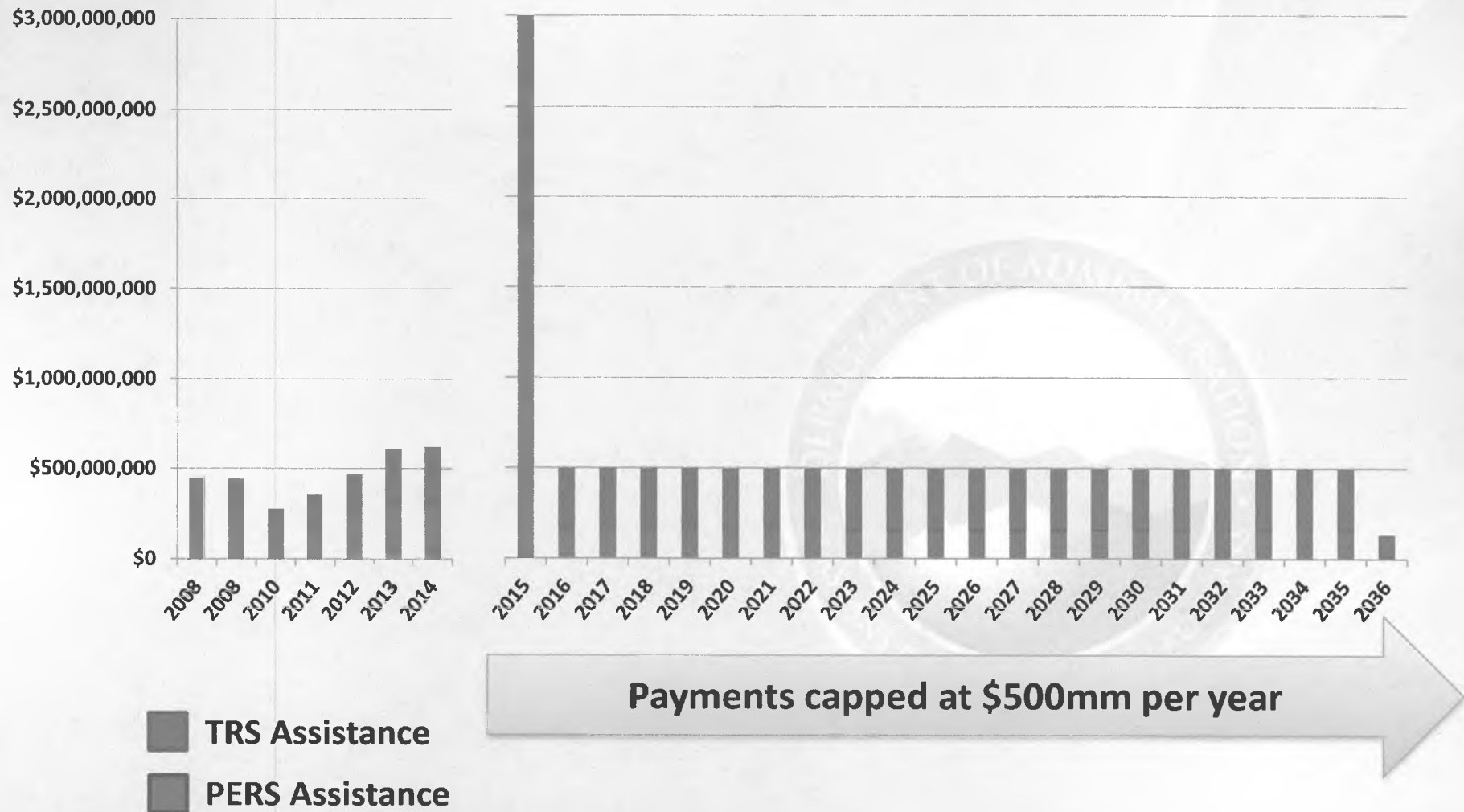
PERS/TRS GF State Assistance (SB125)



Projected GF State Assistance (Level % of Pay)

BENEFITS: PERS/TRS

Governor's Proposal



NEW UNIVERSAL SPACE STANDARDS

Why space standards?

- Save the state over \$125 million the next 20 years in reduced lease costs.
- Through WSCA contract the state saves significantly on systems furniture
- New space will be better for teamwork and collaboration among “neighborhoods”
- Better airflow with fewer walls
- Natural light for everyone with private offices toward core of building
- Shared printers, scanners and copiers reduce the cost of individual units
- Employees can move from one office to another and have the same working experience in any department or agency
- Clean desk policy addresses need for document privacy in agencies



Before New Standards

After New Standards



WHAT WE USE TO HAVE...



Most of the larger buildings the state owns or leases were built with an “Open Office Concept”, as you can see in these circa 1970’s photos above; new standards below.



PURCHASING - FY 13 SAVINGS

The Division of General Services (DGS) awards multi-department contracts for use by all Executive Branch agencies and various political subdivisions of the state.

The total savings realized by DGS for FY13 is \$56,691,337, with \$43,258,568 being saved by state agencies and the remaining \$13,553,567 being saved by political subdivisions of the state.

Some examples of state savings:

- PC Contracts (WSCA-NASPO) – annual savings \$7,918,550
- Office Supplies - annual savings \$7,276,928
- Travel - annual savings \$6,994,179
- Software - annual savings \$5,613,726
- Fuel: Heating, Diesel, Unleaded, Jet A, etc. - annual savings \$5,031,115
- Systems Furniture – annual savings \$2,727,574

OPERATING INCREMENTS

- APOC: Program receipts for lobbyist registration, \$75.2 GF/PR
- AOGCC: Petroleum Measurement Technical Support, \$750.0 AOGCC receipts
- DRB/HPA: Third Party Administrator Contract Costs, \$5.5M DRB Funds
- DGS Lease Admin: Transition from GF to I/A, \$130.4 GF --> I/A
- DGS Facilities: Transition from I/A to GF, \$130.4 I/A --> GF
- DGS Facilities: Transfer Nome SOB from DOT, \$201.1 GF
- DGS NPBF Facilities: Transfer I/A receipts for General Services Facilities Maintenance Component, \$39.7 I/A
- DGS Facilities Maintenance: Transfer out I/A receipts, -\$39.7 I/A
- DMV: Vehicle Identification Number Decoder, \$28.0 GF/PR
- DMV: Knowledge Test System Maintenance, \$50.0 GF/PR
- OPA: Training for Defense Attorneys, \$15.0 MHTAAR
- PDA: Social Services Specialist, \$138.8 MHTAAR

DEFERRED MAINTENANCE

- DGS: Deferred Maintenance Public Building Fund, \$3,250.0 GF, \$3,000.0 other
- DGS: Deferred Maintenance Non-Public Building Fund, \$1,000.0 GF
- ETS: SATS Deferred Maintenance year 5 of 5, \$3,000.0 GF

CAPITAL REQUESTS

- DMV: Replace Outdated information Technology Infrastructure, \$900.0 GF/PR
- DMV: Real Time Driving Records, \$350.0 GF/PR
- ETS: UPS Replacement for Juneau Data Center, \$1,200.0 GF

OTHER ISSUES

- Bargaining Unit Negotiations
 - Marine Units
 - Masters, Mates and Pilots (MMP)
 - Inlandboatmen's Union of the Pacific (IBU)
 - Marine Engineers' Beneficial Association (MEBA)
 - Public Safety Employees Association (PSEA)
 - Alaska Vocational Technical Teachers Association (AVTECTA)
- Legal & Advocacy Appropriation
 - Plea Policy Change
- IRIS Transition
- Broadband access in rural Alaska

Thank you!

Visit www.DOA.alaska.gov

for more information about our department.

Questions?

