

**DEPARTMENT OF ADMINISTRATION
FY17- Increment Status**

Governor's Budget Items Approved as Requested

Item #	Appropriation/ Allocation	Description	Amount/Fund Source	FY17 CC Book Comment	GF Dec?	LFD Notes/ Questions	Agency Comments
1	Centralized Administrative Services/ Administrative Services	Shared Services Consolidated Function for Accounts Receivable	\$750.0 GF/Program Receipts (DGF)	The legislature accepted the Governor's amendment to add \$750.0 in GF/Program Receipt authority to fund one new consolidated function and to implement savings for prompt payment of state contracts. The Department is planning to bundle and outsource agency accounts receivables to increase collections--compensating the vendor for a percent of the actual collections, retaining a percent for the Department's shared services initiative, and returning the net to state agencies. In addition, the Department is moving forward to add a "fast-pay" term to state contracts, providing an incentive for payments received in 10-15 days.		Please provide the status of GF/Program Receipt collections to date as well as the current transitional status of the Shared Services processes in FY17. What is the status of "fast-pay"? Is this currently part of state contracts?	Vendor administrative fee implemented. 1st quarter received. Depending on the amount of collections, revenue will be used to partially fund shared services initiatives. Initiated negotiations with vendors for prompt payment reductions. Range from 1-5% on payments made within 10 to 15 days. Eleven contractors have agreed to amend existing contracts. Payables pilot begins in spring of 2017. Until then savings will accrue in agencies. Signed Contract to collect on delinquent accounts receivable for the state. Transmitting the first state agencies accounts. Once transitioned fees will be collected.
2	Centralized Administrative Services/ Finance	Statewide Single Audit Contract Increase with the Division of Legislative Audit	\$450.0 UGF	An amendment for \$450.0 UGF submitted by the Governor to increase funding for the Statewide Single Audit performed by the Division of Legislative Audit was approved by the legislature. The billing for this service had been \$300.0 annually for at least the past ten years.		Is this a singular billing? What is the total paid to date in FY17?	The payment to the Division of Legislative Audit totaling \$750,000 is absolute. The Division of Finance typically receives an estimated billing and a final billing prior to the end of the fiscal year. Neither have been received to date but there is no question the total bill will be \$750,000.
3	Centralized Administrative Services/ Retirement and Benefits	Ongoing Actuarial Costs	\$73.5 UGF	The Division of Retirement & Benefits uses its allocation of state general funds to pay expenses that cannot be paid by the retirement and health trust funds. This is in compliance with the Exclusive Benefit Rule found in AS 39.35.011, AS 39.35.900, AS 14.25.181, AS 14.25.500, Supplemental Benefit System Article VII(C), and Deferred Compensation Program Article VII (C). The legislature approved the Governor's request of \$73.5 UGF for actuarial work that cannot be paid for with trust funds.		Please provide the UGF payout to date for these actuarial services.	Actuarial expenditures to date are \$9.0. Most of the actuarial expenditures are incurred in the second half of the fiscal year. We are projecting to need and spend all of the \$73.5 increment.
4	Legal and Advocacy Services/ Office of Public Advocacy (OPA)	Increase Public Guardian Fees	\$500.0 GF/Program Receipts (DGF)	The Governor's request also included increased receipt authority for public guardian fees. Currently, OPA serves approximately 1,500 wards statewide, in most cases managing all areas of a ward's life, including all medical and financial decisions. Public guardian fees have not been increased since the Office of Public Advocacy was created in 1984, despite significant cost increases. Fee increases will help maintain the current level of service, given the FY17 UGF reductions. (The GF/PR will only offset the UGF reduction to the extent that those revenues are actually collected.)		Are these particular Public Guardian fees being realized? Current status?	The Office of Public Advocacy anticipates fully collecting the FY2017 total Public Guardian fee authorization. In the first half of FY2017 OPA has collected \$720.6 in Public Guardian fees. The total authorization, which includes the \$500.0 increase, is \$1.2 million.
5	Legal and Advocacy Services/ Office of Public Advocacy and Public Defender Agency	Increased Receipts for Appointed Counsel	Total: \$760.0 GF/Program Receipts (DGF)	Per Alaska Rule of Criminal Procedure 39, fees are assessed to reimburse the costs of appointed counsel. The fees are charged to clients on a schedule depending upon the outcome of their case as specified in the rule. According to the Department, the approval of these increments will allow for the maximization of Rule 39 receipt authority in the Legal and Advocacy Services appropriation. The split between the two allocations is as follows: - Office of Public Advocacy - \$250.0 GF/PR (an increase of 191% over the FY17 Adj Base); and - Public Defender Agency - \$510.0 GF/PR (an increase of 163% over the FY17 Adj Base).		What is the status of the collection of these fees (and reimbursements) split out by allocation.	The Office of Public Advocacy has Criminal Rule 39 authorization totalling \$380.7, which includes the FY2017 increase of \$250.0. First quarter collections totalled only \$9.6. If this collection rate continues the agency will undercollect and will not come close to using the increased authorization. The Public Defender Agency has Criminal Rule 39 authorization totalling \$827.1, which includes the FY2017 increase of \$510.0. First quarter collections totalled only \$15.7. The agency is currently projecting an overall undercollection of approximately \$450.0.