

**DEPARTMENT OF ADMINISTRATION
FY18 - Increment Status Report**

Governor's Budget Items Approved as Requested

Item #	Appropriation/ Allocation	Description	Amount/Fund Source	FY18 CC Book Comment	GF Dec?	LFD Notes/ Questions	Agency Comments
1	Centralized Administrative Services/ Office of Administrative Hearings	Increase GF/PR Receipt Authority for Mediation Service Fee Charges to Municipalities and School Districts	\$50.0 GF/PR (DGF)	The Office of Administrative Hearings (OAH) is actively marketing its services to municipalities and school districts as a low-cost option for mediation services. To date, service agreements have been activated with three entities. The legislature approved the Governor's request to double the existing program receipt authority in this allocation (with this change, the FY18 budgeted amount is \$100.0 GF/PR).	No	Please provide the status of GF/Program Receipt collections to date.	OAH has marketed these savings in a variety of venues. Thus far the agency has collected \$30,028.80. Two major cases involving municipalities have recently begun, and casework involving a school district is being planned.
2	Shared Services of Alaska/ Accounting	Shared Services of Alaska Implementation	\$5,259.6 I/A Rcpts (Other)	In order to provide internal services at a reduced cost, the Executive Branch will implement phased consolidation of cross-department services such as travel, accounts payable, P-Cards, procurement, facilities management, collection of delinquent accounts, and centralized mail and print services. Departments transferred a total of 77 positions to SSoA (including 3 from within the Department of Administration) and decremented a total of \$763.8 (\$332.8 UGF) in the FY18 budget (which represents a 10% cut related to transferred positions). The funding needed for these positions and the overall implementation of SSoA will come from Reimbursable Services Agreements with the agencies. The legislature added over \$5.2 million in I/A Receipt authority to provide the new consolidated Accounting allocation services.	No	Is this a singular billing per department? Have the Reimbursable Services Agreements been set up? Are the RSAs similar to the initial FY18 budget plan?	The division is currently processing about 30% of Executive Branch travel, with a goal of 80% by June 30, 2018. The Accounts Payable Initiative is in the testing phase and staff should start transferring into SSOA in the near future. 38 filled positions have transferred so far with the Travel Initiative and RSAs have been initiated with 12 departments for a total of \$2,527.7. The remaining positions are still working in their "source" department until additional functions are transferred to SSOA. RSA amendments will be initiated as more travel and A/P functions and positions are transferred. This is consistent with the initial FY2018 budget plan
3	Shared Services of Alaska/ Business Transformation Office	Add Four Program Managers and Authority for Shared Services of Alaska Implementation	\$712.0 I/A Rcpts (Other) 4 PFT Positions	Based upon the Governor's request, four new Program Manager positions (two in Anchorage/ two in Juneau) were approved by the legislature to provide leadership for transitioning services from agencies to the new Shared Services of Alaska division. These positions are created within the new Business Transformation Office allocation.	No	Have all of these positions been filled? Do the budgeted I/A Receipts meet the need? Please provide a current status of the Business Transformation Office.	The Business Transformation Office (BTO) consists of the director of the combined General Services/Shared Services division, and 4 Program Managers (PM). Two of the PMs have been filled and are leading initiative efforts for Travel, Accounts Payable, and Collections. They have also been involved in process reviews for Classification and Payroll functions in the Division of Personnel. The 2 remaining PMs may be filled this fiscal year. I/A Receipts and GF/PR will be used to fund the BTO.
4	Shared Services of Alaska/ Purchasing	Add GF/PR Receipt Authority to Allow for Collection of New Vendor Administrative Fees Charged on Cooperative Contracts	\$281.5 GF/PR (DGF)	The legislature approved the addition of \$281.5 in GF/Program Receipt authority for the new vendor administrative fee that has been included on all cooperative contracts administered by the Purchasing allocation. As part of the overall SSoA process, the use of these fees is needed to support personnel who are negotiating and administering statewide agreements on behalf of all branches of state government as well as local governments and other political subdivisions of the State.	No	Please provide the status of GF/Program Receipt collections to date. How many cooperative contracts are being administered by the Purchasing personnel?	This is part of the total GF/PR for the component of \$1,250.8. UGF was eliminated from the component in FY2017. FY2018 YTD collections: \$863,085.88. The number of cooperative contracts that are being administered by Purchasing personnel, and are paying vendor administrative fees: 219. Vendor fees are negotiated with each contract renewal.

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5	Office of Information Technology/ Alaska Division of Information Technology	STRUCTURE CHANGE 1) With added receipt authority; and 2) Reductions due to restructuring	Total: \$7,809.1 (\$500.0) CIP Rcpts (Other) (\$600.0) Info Svc (Other) \$8,909.1 I/A Rcpts (Other) (3) PFT Positions	The Office of Information Technology restructuring encompasses three transactions, all of which were approved by the legislature: (1) Decrement - (\$500.0) CIP Rcpts (Other) - reducing capital improvement project funding as a result of a change in Enterprise Technology Services rate methodology; (2) Decrement - (\$600.0) Info Svc (Other) (3 PFT positions) - elimination of the ETS Call Center with a redistribution of services to a self-serve portal and the redirection of MyAlaska support inquiries to the Departments of Revenue and Labor & Workforce Development; (3) Increment - \$8,909.1 Interagency Receipts (Other) - for the creation of a centralized Office of Information Technology (IT) in order to better align the State of Alaska's IT organizations. The purpose of this centralization is to deliver the lowest cost for commodity services by leveraging the purchase power of the State as a single organization, and realigning department IT organizations under a Chief Information Officer (CIO) responsible for all technology-related strategy and operations within the State.	No	What is the status of this change and the collection of these fees? Has the elimination of the ETS Call Center presented problems? Please provide a brief status of the centralization and cost savings measures to date.	(1) OIT is developing new rates that reflect services and core functions being centralized in OIT. Rate development methodology will continue to evolve through FY19. (2) Some underutilized services were eliminated. Some responsibilities were reassigned to other teams. The remaining functions deemed critical have roled into OIT's new Customer Service section. (3) OIT is completing the first phase of centralization this fiscal year. The OIT leadership team was assembled without increasing the OIT rates to other departments. Phase 1 of OIT Staff Transition underway: Commodity IT Staff from DOA, DOR, DEC, DNR, DEED, DOC, DPS and LAW transitioned to the OIT. Staff from the remaining departments scheduled to transition by June 30, 2018. OIT is creating first year-over-year IT spending report and cost baselines to determine the current state of IT including expenditures, staffing, and operations. Centralizing commodity services (and PCNs) will result in cost savings through economies of scale and more efficient delivery of common department IT services and need for fewer PCNs.
6	Public Communications Services/ Various Allocations	Maintain Communications Services at the FY17 Level of Support	\$635.6 UGF	The legislature approved the Governor's request to maintain Public Broadcasting at the FY17 level of support by replacing one-time FY17 money with base funding in FY18. The following increments (as part of the Adjusted Base) continue this funding: - Public Broadcasting Commission -- Grant Funding for Oversight of Public Radio and Television: \$2.3 UGF (IncM). Allows for administrative operating expenses in support of the public radio and television grantees. - Public Broadcasting -- T.V. -- Grant Funding for Public Television: \$633.3 UGF (IncM). Supports statewide public television services including Gavel to Gavel, 360North, and UATV.	No	Please provide a brief status of Public Communications Services based on the current funding.	The increments restored funding to FY2017 levels and made them part of the base funding. Support continues at the FY2017 level.