

**DEPARTMENT OF ADMINISTRATION  
FY16- Increment/ Decrement Status**

**Governor's Budget Items Approved as Requested**

Item #	Appropriation/ Allocation	Description	Amount/Fund Source	FY16 CC Book Comment	GF Dec?	LFD Notes/ Questions	Agency Comments
1	Motor Vehicles/ Motor Vehicles	Comply with Commercial Driver License Federal Requirements and Train Commission Agents	Total: \$80.0 GF/Program Receipts (DGF)	<p>The legislature approved the Governor's request for \$80.0 in additional GF/Program Receipts for the Division of Motor Vehicles. This increment will fund the following two items:</p> <p>(1) \$60.0 for additional travel to perform federally required auditing of businesses and facilities that provide Commercial Driver License (CDL) testing and training in the state as required by the Code of Federal Regulations (CFR), Title 49, Part 384.229. The division is required to audit businesses, employees, and facilities conducting CDL testing or training at least once every two years. Failure to comply could result in decertification of Alaska's CDL program, prohibiting DMV from issuing, renewing, transferring, or upgrading licenses for commercial drivers. In FY16, DMV auditors will be required to travel to Juneau, Haines, Sitka, Ketchikan, Bethel, Barrow, Dillingham, Fairbanks, Skagway, Soldotna, and Unalaska to perform audits; and</p> <p>(2) \$20.0 for training for 17 commission agents in rural communities where a single person is contracted to provide DMV services. Commission agents begin their week-long training in Anchorage, but more training is needed to perform the full scope of the job. DMV staff must return with the commission agents to their community to provide on-the-job training in their home location. Failure to provide additional training could result in paperwork errors, which may require recall of titles or erroneously-issued identifications.</p>		<p>(1) How many audits have been performed to date? What is the schedule of audits for the remainder of the year? Are these funds sufficient/ insufficient to accomplish the task?</p> <p>(2) Please provide the status of training/ funds expended on travel for this purpose to date/ schedule for the remainder of the year.</p>	<p>We have audited 12 examiners and 2 facilities since July 1, 2015. There are 79 examiners that still need to be audited. By June 30, 2016 we plan to audit 40 examiners that are located outside the Anchorage area. Many of these examiners work at seasonal school and tour bus companies, therefore the audits may only be conducted at specific times of the year. The additional 39 examiners will be audited by September 30, 2016 (FY2017). Travel is very expensive in rural Alaska, however we believe these funds are adequate as we plan to combine site visits as much as possible.</p> <p>Only 5 of the audits that have been conducted were located outside of the Anchorage area for a total travel cost of \$3,817.49. We have allocated approximately \$20,000 for the remaining audits to be conducted by June 30, 2016. We have spent \$5,679.81 on CDL training for new and existing employees. We have another \$3,600 allocated for these services which will be used for audits if needed as all of our current employees received CDL certification in calendar year 2015.</p>

**Legislative Deletion**

2	Executive Branch-Wide Unallocated Reduction	Executive branch-wide unallocated reduction of \$29.8 million UGF	(\$29.8) million UGF total-- Preliminary allocation to Dept of Administration is (\$1,216.6) UGF	<p>HB 2001 includes a \$29.8 million UGF unallocated reduction that will be spread among Executive Branch agencies.</p> <p>Although the final distribution of the unallocated reduction may change, as of July 1, 2015, the share of the reduction allocated to the Department of Administration is \$1,216,600. OMB has instructed the departments to minimize layoffs and to look for efficiencies and program reductions. How the reduction will be allocated within the agency is currently unavailable.</p> <p>When this reduction is combined with other legislative budget actions, non-formula UGF has <i>decreased</i> by \$10,862,900 (-12.6%) from the FY15 Management Plan.</p>		<p>Please provide an update of the DOA (\$1.2 million) UGF unallocated reductions.</p> <p>The Department has indicated that the cut will be spread in five areas: (1) Restructuring of delivered services; (2) Reductions in travel, supply and equipment purchases; (3) Increased vacancy; (4) Furlough options for eligible staff; and (5) Reduced AIRRES Grant. Please provide a detailed update.</p>	<p>The department has completed a modest restructure in the Office of Administrative Hearings which has led to a modest rate reduction to state agencies that utilize their service. Additionally, the Office of Public Advocacy is in the process of restructuring that will allow them to keep more cases in house rather than sending cases to contract attorneys, which is more costly to the agency. Additional savings will be achieved through furloughs, contract reductions, travel reductions where possible.</p> <p>The department has reduced spending in all divisions through a reduction in travel, supply, and equipment purchases; through contract restructuring, renegotiation, and cancellation.</p> <p>The department increased vacancy by not filling some mission critical positions immediately and through a review of the positions duties prior to filling. In some cases, positions have been reclassified down and the workload shifted to reduce costs. Work is at times being shifted to existing staff and extended hours for some overtime ineligible employees.</p> <p>As of December 31, 2015 most PX/EX staff have taken two furlough days achieving a savings of 2,895 hours. The department has additional furloughs planned for the remainder of the year.</p> <p>The state has found that the services the AIRRES grant performs are available through other avenues/providers. At this time, the grant has been reduced by 15%.</p>
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