



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Administration

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February 13, 2017

The Honorable Jason Grenn, Chair
House Finance Subcommittee
Alaska Capitol Building, Room 418
Juneau, Alaska 99801

Dear Representative Grenn,

Thank you for the opportunity to present overviews of the Department of Administration budget to the House Finance subcommittee. During our presentations, there were questions brought up that we did not immediately have the answer to. Here are those responses:

1. **Rep. Wool:** What is the Governor's current salary?

Answer: \$145,000 annual

2. **Rep. Kreiss-Tomkins:** How are the wages and benefits of the Courts determined?

Answer: Nancy Meade of the Alaska Court System provided the following explanation:

The court system establishes its own salary schedule. This stems from Article IV, section 16 of the Alaska Constitution, which specifies that the court's Administrative Director shall "*supervise the administrative operations of the judicial system,*" and has been ensconced in AS 22.20.037 since 1971. That statute says "*Judicial employees shall be employed subject to classification and wage plans based on the merit principle and adapted to the special needs of the judiciary, as determined by the administrative director of the Alaska Court System.*" AS 22.20.037(a). (The administrative director must also ensure that the judicial salaries are consistent with those paid to other state employees. Subsection (c).)

The Rules of Administrative Procedure, Rule 2(b), further refines this: "*Employees in the partially exempt and classified service are entitled to receive compensation in accordance with the salary and classification plan adopted by the administrative director under the personnel rules. The administrative director with the approval of the chief justice shall appoint and fix compensation of such assistants as are necessary to the exercise and performance of the powers and duties vested in the administrative director.*" It is pursuant to these rules, statutes, and constitutional provision that the court creates its salary schedules.

As for benefits, AS 22.20.037 also states that "Except as otherwise provided by law, employees of the Alaska Court System and the judicial council are subject to the general state law regarding leave, retirement, and travel."

The court system, unlike the executive branch, does not have any regulations. Instead, the state constitution provides that "*The supreme court shall make and promulgate rules governing the administration of all courts.*" That is the authority for the Alaska Rules of Court.

3. **Rep. LeDoux:** Isn't judicial pay constitutionally guaranteed?

Answer: Nancy Meade of the Alaska Court System provided the following explanation:

Yes, Article IV, section 13 of the state constitution provides that the salaries of justices and judges are set by the legislature in statute. It further provides “Compensation of justices and judges shall not be diminished during their terms of office, unless by general law applying to all salaried officers of the State.” The legislature may not decrease the statutorily-set salaries of judges.

4. Rep. LeDoux: Has OPA seen an increase in child abuse charges that corresponds with the significant increase in Child in Need of Aid (CINA) filings?

Answer: OPA has seen no increase in child abuse cases in the past five years. Conversely, OPA’s CINA cases are up over 50% in the past three years.

5. Rep. Tilton: What percentage of revenue generated by DMV comes from Business Partners (BPs)?

Answer: In FY16, BPs generated \$9.5 million in revenue, which is 17% of the total revenue.

6. Rep. Knopp: Will HB 16 impact the exemptions issued for disabled persons?

Answer: HB 16 is not anticipated to impact the registration fee waivers for disabled persons. HB 16 allows for placement of a voluntary decal on a driver’s license to alert law enforcement of a “hidden disability” that could impact interactions between an officer and the driver. It does not provide for fee waivers. The statutes authorizing registration waivers and specialty plates specifically apply to people in wheelchairs or otherwise unable to walk.

7. Rep. Tilton: Can DMV provide a breakdown of the 5,543 beneficiaries of the discounted registration fee authorized in statute for vehicles owned by municipal governments, charitable or non-profit organizations, church/religious organizations, and Alaska Tribal Village Councils?

Answer: DMV does not track vehicle registrations by organization type. The authorized discount is applied with one fee code. However, DMV does issue a different plate for government agencies, so we can provide the number of registrations by government versus charitable (includes churches).

It is important to note that the 5,543 “Number of Beneficiaries” listed in Legislative Finance’s Indirect Expenditures Report reflects vehicles registered, not individual agencies. The report is issued annually, whereas registrations are issued biannually.

DMV has 11,247 vehicles currently registered under this discounted fee provision:

| | |
|-------------------------------------|--------------|
| Government passenger | 1,892 |
| Government passenger - personalized | 6 |
| Government exempt pickup | 3,888 |
| Government exempt bus | 502 |
| Total | 6,288 |
| Exempt passenger - charitable | 2,225 |
| Exempt pick up - charitable | 2,359 |
| Exempt bus - charitable | 375 |
| Total | 4,959 |

DMV requires proof of tax-exempt status for churches and nonprofit organizations. Alaska Tribal Village Councils are required to be federally recognized and must submit an affidavit stating the vehicle is used only to conduct Village business. Municipal government vehicles must be registered in the name of the municipality.

8. Rep. LeDoux: How does removal of the Organ Donor Registration indirect expenditure impact that program:

Answer: DMV still registers organ donors on behalf of Life Alaska Donor Services. However, as of FY14, DMV no longer hosts that organization's server as an in-kind donation, so the indirect expenditure is now zero. DMV continues to provide donor registration to the organization.

We appreciate the opportunity to discuss these issues. If there is anything else we can provide the committee, please do not hesitate to contact my office.

Sincerely,

A handwritten signature in blue ink, appearing to read 'S. Fisher', is positioned above the printed name.

Sheldon Fisher
Commissioner

cc: Darwin Peterson, Legislative Director, Governor Bill Walker