

Discussion Points

OFFICE OF ADMINISTRATIVE LAW

1. For FY 2009 and 2010 combined, the Governor's FY 2010 budget incorporates an estimated \$5.183 billion in **federal stimulus funding** provided by the American Recovery and Reinvestment Act (ARRA) of 2009. Of this amount, the State will use \$3.074 billion (\$854 million in FY 2009 and \$2.220 billion in FY 2010) for budget relief to offset revenue shortfalls (Budget-in-Brief, Appendix II, page 12), and \$2.109 billion to fund new or expanded programs or initiatives. The ARRA allocates funds to states both by formula and by competitive awards. The Governor's FY 2010 Budget includes \$107.9 million from ARRA for the Department of Treasury (\$36 million in FY 2009 and \$71.9 million in FY 2010, as displayed on page C-25 of the Governor's FY 2010 budget). All of the funding, however, is for two programs operated by the Board of Public Utilities.

- **Questions:** Please itemize the federal stimulus funding, other than portions of the \$3.074 billion allocated for budget relief, included in the Office of Administrative Law's budget, by fiscal year and federal program, setting forth program goals and eligible uses together with the amount for state administrative expenses and the amount for allocation to local public and private recipients, respectively. Please identify intended and actual recipients and the process by which the department determines recipients and funding awards. Are there ARRA funds that flow through the department for which the State has no discretion? Please also set forth the timetable for obtaining federal approval of funding, obligation and allocation of funding to recipients, and use by recipients. Could any of this funding be used to offset other State appropriations, and if so, what programs and in what amount? What additional positions, if any, have been and will be hired with these funds? If this money is being used for new or expanded activities, will the new or expanded activities be continued in FY 2011? If so, how will they be funded?
- In addition to funding incorporated in the Governor's FY 2010 budget, what specific competitive grant opportunities has the department identified that it is eligible to pursue, has applied for, and has been awarded, respectively?

Not applicable. The Office of Administrative Law {OAL} is not receiving stimulus funding and has no grant opportunities.

2. Attrition, a hiring freeze, and an early retirement program have shrunk the Executive Branch workforce by almost 4,000 since FY 2007, producing an annualized \$312 million in cost savings (FY 2010 Budget-in-Brief, page 73). The Governor's FY 2010 budget proposal envisions continuation of the **hiring restrictions coupled with possible furloughs or layoffs**.

- **Questions:** In general terms and by means of specific examples, how has the reduction in staffing affected the Office of Administrative Law's operations? What strategies has the department employed to deal with staff reductions? What projects, work products or functions has the department scaled back, discontinued or deferred because of declining staffing levels?

In order to accommodate the reduction in staff, the OAL has significantly streamlined its processes during the last two years. For example, we gradually eliminated making a back-up office file for every case file that came to the office, having determined that the benefit was not

Discussion Points (Cont'd)

greater than the work required to maintain the office file. This reduces the use of resources for this office and also other agencies, since agencies no longer need to provide this office with two copies of their transmitted cases. The OAL studied the number of steps required to accept, docket, assign, hear, and move high-volume files such as welfare, and cut the number of steps involved file by a third.

The OAL is e-mailing initial decisions to the agencies to both speed up the process and eliminate unnecessary clerical work. As of May 1, 2009, we are e-mailing the decisions to the parties if they all have e-mail addresses. If we cannot obtain e-mail addresses for all parties, a hard copy of the decision is mailed to all parties.

OAL has discontinued using several special forms and converted the forms we need to an electronic format that can be e-mailed to the necessary internal unit. This saves printing costs and time.

Since the OAL only performs two statutorily required functions, hearing contested cases and promulgating rules, there is no option to scale back, discontinue, or defer projects or functions.

- **Would the department be able to accommodate furloughs in FY 2010 without increasing spending for overtime or temporary workers? In which programmatic areas would layoffs occur, if any? Please comment on the likely impact of the planned furlough program and contemplated employee cuts on department operations and services. Would the department be ceasing certain activities, programs, or services? Would the downsizing cause the department to reassess its priorities and reassign staff accordingly among its programs? If so, please describe the internal reorganization.**

OAL could accommodate furloughs in FY 2010 without increasing spending for overtime or temporary workers.

- **How many employees was the department authorized to hire in FY 2009 despite the hiring freeze? Please indicate for which activities these hires were crucial.**

OAL was authorized to backfill one critical position crucial to the OAL's ability to utilize technology and reduce its staff.

3. The FY 2009 Appropriations Act anticipated that executive departments would achieve \$25 million in **procurement savings**. A chart on page 75 of the FY 2010 Budget-in-Brief categorizes those savings and indicates that they will continue into FY 2010. The Governor's FY 2010 budget includes another \$25 million in savings from "smarter procurements" (Budget-in-Brief, page 54).

- **Questions:** Please indicate the FY 2009 amount of procurement savings achieved by the Department of the Treasury, by the categories set forth in the referenced table, and the sources of those savings by department program. What is the annual amount of these savings as continued into FY 2010? How have these reductions affected the department? What projects, work products or functions has the department scaled back, discontinued or deferred in order to achieve these savings?
- Please list the projected contributions of the Department of the Treasury to the \$25 million in savings from "smarter procurements" budgeted in the Governor's FY 2010 budget proposal. How would these reductions affect the department? What

Discussion Points (Cont'd)

projects, work products or functions would the department scale back, discontinue or defer in order to achieve these savings?

OMB is providing the response to this question on behalf of all agencies statewide.