

ALASKA LEGISLATURE

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Mary Pagenkopf

HFin 1/22/96 1:40 p.m.

Attachment # 6
1/22/96

THE DEPARTMENT OF LAW

*FY 97 Operating Budget
Overview*

January 1996

DEPARTMENT OF LAW

FY 97 Operating Budget Overview

Narrative of FY 97 Budget Issues 1

Department of Law Summaries:

- BRU Summary, by Fund Source. 7
- FY 1997 Budget Request Summary. 8
- Five Year Funding History, Department of Law. 9
- Position Summary. 10

Criminal Division:

- Section Descriptions 12
- Positions by Location. 14
- Five Year Funding/Caseload History 15

Civil Division:

- Section Descriptions. 17
- Positions by Location 20
- Five Year Funding History 21
- Reimbursable Service Agreements 22

Administrative Services Division:

- Section Descriptions. 27

DEPARTMENT OF LAW

MISSION

The Department of Law's first primary mission is to assure safe and healthy communities by prosecuting and convicting criminal offenders in urban and rural Alaska. The second primary mission is to work in partnership with executive, legislative and judicial agencies by providing legal advice and representing the state in all actions in which it is a party.

Budget Issues in Brief

CRIMINAL DIVISION

- Add prosecutor in Bethel District Attorney's Office, \$114.6 GF, 1 PFT.
- Consolidate criminal components into one to maximize flexibility to deal with the state's ever-increasing caseload.
- Address fiscal impacts of crime bills.

CIVIL DIVISION

- Combine Civil Division into one BRU to improve management control and efficiency of service delivery in response to declining resources.
- Move Federal Relations from capital to operating budget to more appropriately reflect ongoing nature of disputes.

OIL AND GAS LITIGATION

- Decrease oil and gas litigation budget to reflect continuing decline of major oil and gas litigation cases, (\$3,460.2).

Major Goals and Strategies

CRIMINAL DIVISION

Protect the public through effective criminal prosecutions.

- Assist law enforcement agencies with criminal investigations, filing misdemeanor and felony charges.
- Serve as legal advisor to grand juries and represent the state in all phases of criminal trial and appellate proceedings.
- Increase prosecution resources to solve the caseload crisis in Bethel.

CIVIL DIVISION

Provide effective legal advice and representation of the state

- Protect Alaska's children and youth by handling child abuse, neglect, and delinquency cases expeditiously.
- Improve responsiveness to needs of state agencies by implementing suggestions of the management review team for departmental reorganization.
- Limit costly and time-consuming litigation through expanded use of alternative dispute mechanisms and use of preventative law to avoid litigation.
- Resolve questions of state versus federal control of natural resources and land.
- Resolve issues surrounding subsistence use of fish and game.
- Ensure that the state receives its correct share of oil and gas taxes and royalties.
- Increase collections of money owed to the state by businesses and individuals for child support, fines and other unpaid obligations. Reduce fraud in benefit programs.

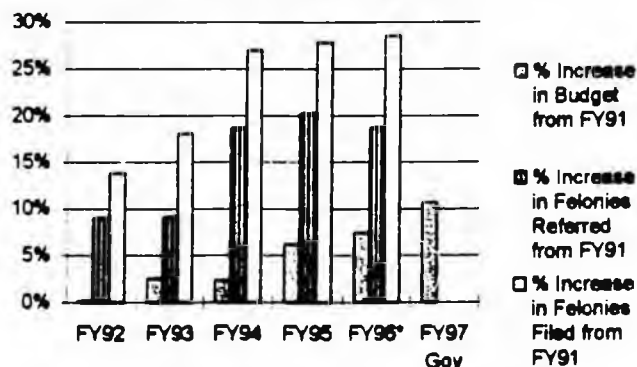
FY 97 Budget Issues

Criminal Division

- Consolidate Criminal Components
- Add Bethel Prosecutor
- Address Fiscal Impact of Crime Bills

Increase in Caseload and Consolidating Components: As Chart 1 below shows, since FY 91, the Criminal Division has seen an 18% increase in felonies sent to its offices by law enforcement agencies. There has also been a 24% increase in misdemeanors. New crimes and probation revocations resulted in over 6,000 felonies and 24,000 misdemeanors handled in FY 95. The increase in new felonies filed approaches 30%.

Chart 1
Percent Increase in Funding, Felony Case Referrals and Filings from FY 91



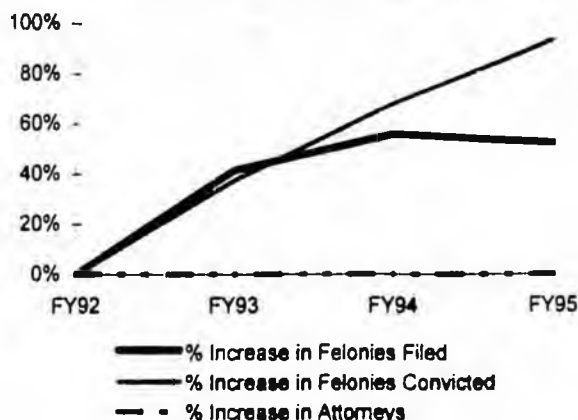
*Case Referral and Case Filed information for FY 96 is projected based on 1/2 year numbers.

Despite this increase in caseload, the Criminal Division budget in FY 96 is only 8% higher than it was in FY 91. The department's FY 97 budget proposes to consolidate the existing six Criminal Division components into one, to allow more flexibility to respond to caseload increases.

Add Bethel Prosecutor: While the caseload increase has been large on a statewide basis, it has been overwhelming in Bethel. As seen

in Chart 2, in the last four years the small Bethel office saw over a 50% increase in felonies filed and over a 90% increase in felony convictions obtained.

Chart 2
Bethel Felony Caseload
Percent Increase from FY 92



The attorney staffing in the Bethel office is the same today as in 1985. The overall felony caseload per attorney in Bethel is much higher than anywhere else in the state. With violent felonies (the most time-intensive cases we handle) each attorney handles more than double the number handled by prosecutors in other offices. (See Charts 3 and 4).

Chart 3
Bethel Caseload Comparison
Violent Felonies

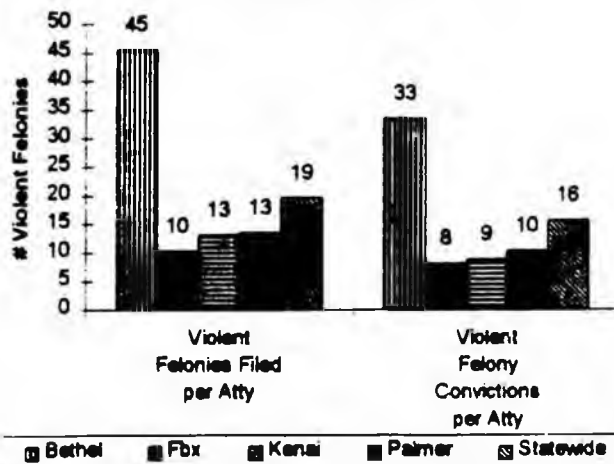
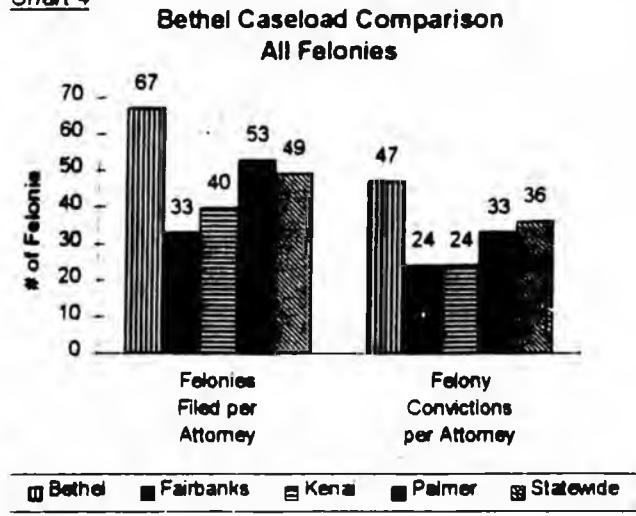


Chart 4



At these levels proper attention cannot be given to cases, and the rate of attorneys "burning out" is increasing. In the past two years, every public defender position, and all but one prosecutor position, has turned over at least once. Thus the state cannot provide adequate service to the people of the Lower Yukon-Kuskokwim area with existing staff.

Fiscal Impacts of Crime Bills: New laws have given enforcers better tools and imposed harsher penalties, but they have also placed significant stress on under-funded criminal justice agencies. Troopers, prosecutors, public defenders, courts, and corrections have not been given adequate funds to implement the statutory changes, such as the new law making third-time DWI offenders prosecutable as felons. Although the legislature recognized that the change would have a predictable fiscal impact, only half-year funding was appropriated for FY 96 because of the effective date of the bill. Twelve-month funding is included in the division's FY 97 adjusted base.

The increasing criminal caseload and new legislation have forced the Criminal Division to set priorities for prosecution. By giving less attention to misdemeanors and non-violent

felonies, the division has concentrated its limited resources on violent crimes and DWI offenses. In increasing numbers of cases, prosecutors have declined to prosecute, reduced charges, made plea bargains, and indicted only the most serious offenders, because there are not enough attorneys to prosecute all offenses referred to the division.

Civil Division

- **Consolidate Civil Division Budget**
- **Bring Federal Relations into Operating Budget**
- **Decrease Oil and Gas Litigation Funding**

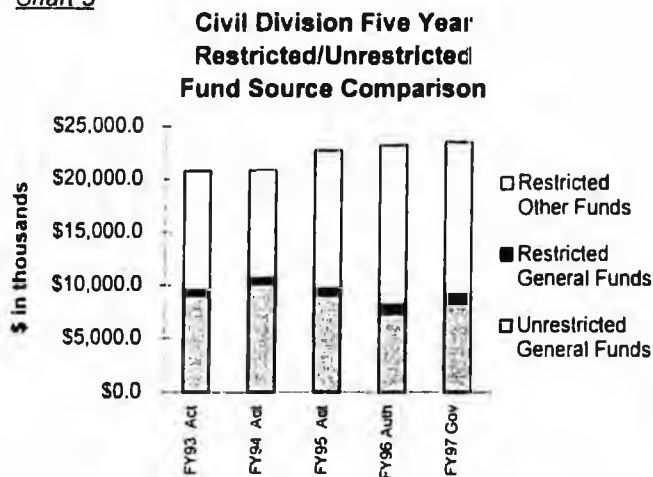
Consolidate Civil Division Budget: Cuts in funding, the prevalence of restricted funds in the Civil Division's budget, and growth in caseloads have all had serious negative effects on the division in recent years. To give managers the ability to make better use of limited resources in dealing with increasing workloads, the FY 97 budget of the Civil Division is presented in a new, consolidated format. The Legal Services, Oil and Gas Special Projects (in-house oil and gas staff), and Environmental Law appropriations, formerly separate, are combined into one Civil Division appropriation that includes all Civil Division staff.

Funding Cuts - General funds for the Civil Division were cut \$1.5 million in FY 96, resulting in a loss of 9.5 general fund attorney positions and 6 paraprofessional and support positions. This cut amounted to 18% of the division's unrestricted general funds, the funds that can be redirected to respond to unexpected legal challenges.

Restricted and Unrestricted Funds - The Civil Division is funded by a mix of unrestricted and restricted funds. Only 32% of the

division's FY 96 Authorized budget is unrestricted general funds, down from 40% in FY 95 and 48% FY 94. (See Chart 5.) The remainder is a mix of match money, program receipts, mental health funds, and interagency receipts that are limited in their use. As a result of these restrictions, it is difficult to make long-term decisions on the most appropriate and efficient allocation of personnel and financial resources and to respond and adjust to changing conditions.

Chart 5



Caseload Increases - While funds have been cut, caseloads have been rising significantly. The most obvious, and distressing, area of increased caseloads is in child protection and juvenile delinquency, which has risen to unmanageable levels in Southcentral and Western Alaska. From FY 91 to FY 95, the number of active child protection and juvenile delinquency cases rose 34%, from 1,077 to 1,453 cases. During the same period, the number of attorneys available to handle these cases decreased 10%, from 10.5 to 9.5. The average caseload for Human Services attorneys in Anchorage is now over 225 cases each.

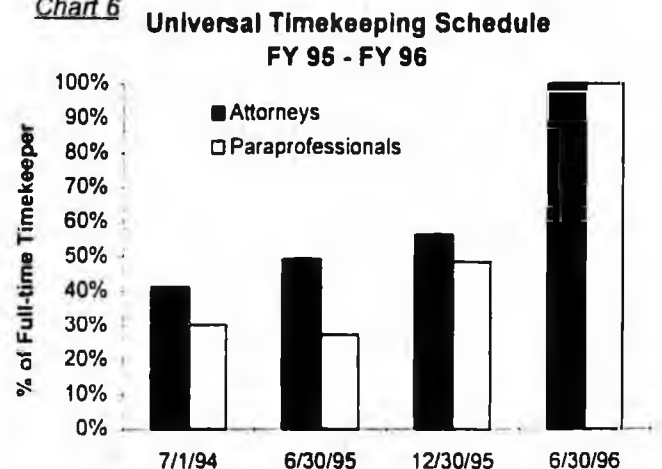
The child protection caseload is, however, only one area of burgeoning caseloads.

Employment litigation is on the rise, the number of collections cases is growing, and new issues and demands for service surface each month.

Budget Management Improvements - The ability to respond to the activities and demands of others, which are the driving factors that determine the nature and level of the workload for any public law practice, is critical for good management of the department's financial and human resources. Consolidating the division's budget will enable managers to adjust more readily to increasing and shifting workloads by giving them greater control of resources and more flexibility to direct those resources to where they are needed most.

Accountability/Timekeeping - Accountability will be retained, and improved, by consolidation of the Civil Division budget, and by instituting universal timekeeping through the division. Consolidation will facilitate timekeeping for all Civil Division attorneys, which will provide more complete

Chart 6

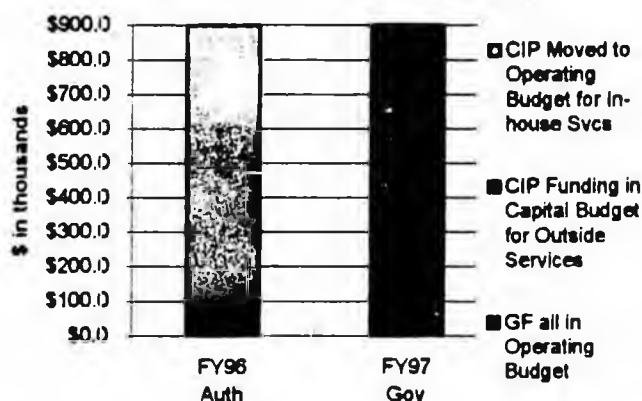


ment information. One appropriation for in-house services will enable all attorney and paralegal time to be easily billed to the account for which it is performed on a single, uniform basis.

Universal timekeeping is an important management tool for tracking resources in a timely manner and for controlling costs.

At present, only attorneys funded by interagency receipts are required to keep track of their time. (See Chart 6 for implementation schedule.) Universal timekeeping will provide more complete information on which types of cases are taking the longest, the relative workload and output of sections, and the costs attributable to attorneys working out of their normal assignments or for multiple clients. It will help managers better assess where resources are being used, give them the ability to redirect their resources to where they are needed, and provide better control of those resources.

Chart 7
Effect of Federal Relations Transfer from Capital to Operating Budget



Federal and Other State Relations: Aggressive efforts to bring and defend cases against the federal government continue. To more appropriately reflect the ongoing nature of the disputes, the department proposes to move Federal Relations funding from the capital into

the operating budget. This is a net zero transfer with no effect on total state expenditures. In FY 96, \$900.0 GF was appropriated in the capital budget for Federal Relations. \$807.7 of that appropriation was moved to the operating budget as CIP receipts and \$92.3 left in the capital budget to pay for outside services such as experts. In FY 97, \$900.0 will be appropriated directly to the operating budget, and the CIP receipts deleted. (See Chart 7.)

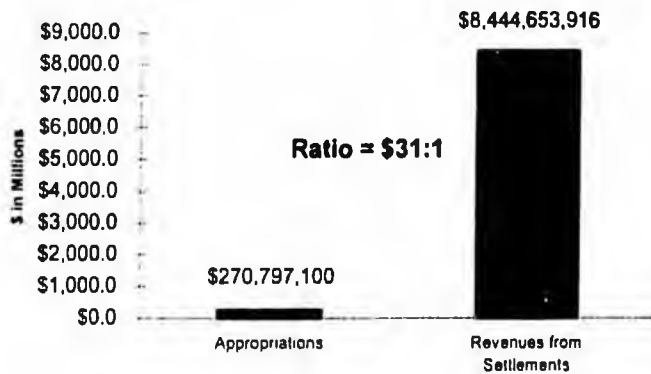
Among other cases that remain active in this area is the *Katie John* subsistence case, which focuses on whether federal fisheries management authority extends to navigable waters in Alaska. It may come before the US Supreme Court in 1996. The question of whether federal fish and wildlife authority can extend to animals migrating across state and private lands may also be litigated in FY 97.

Several other major cases involving state management prerogatives and access to state lands and resources remain to be resolved. The recent attack on the Southeast Alaska chinook fisheries by Washington, Oregon, Canada, and the Northwest Tribes requires ongoing efforts. The issue of whether the tribes are entitled to 50% of the salmon migrating to Alaska is scheduled for trial in the fall of 1996.

Oil and Gas Litigation: To reflect the continuing decline of major oil and gas litigation cases, funding for outside counsel and experts is decreased in FY 97 by nearly \$3.5 million. Funding reached an all-time high of \$31.8 million in FY 94 and has steadily declined to \$20.0 million in FY 96. The reduced FY 97 request is \$16.54 million. Settlement revenues from 1977 to date total over \$8 billion. (See Chart 8.) The Civil Division has also reorganized and beefed-up its in-house oil and gas litigation capabilities to

Chart 8

Oil and Gas Appropriations and Revenues from Settlements 1977 to 1995



handle much of the state's oil and gas work. This has allowed the division to steadily decrease its reliance on the assistance of outside counsel.

A major case involving more than \$1 billion in tax and interest is set for formal hearing in FY 97. Efforts are ongoing to resolve other production and income and excise tax cases with disputed tax and interest totaling over \$100 million. The Civil Division is also litigating pipeline tariff issues, the most significant being whether the costs of repairing electrical code violations on TAPS should be included in the tariff. The division has protested the 1996 TAPS tariff filing, which could potentially make a difference of millions of dollars in state taxes and royalties.

Management Review

In the fall of 1995, the Department of Law undertook a complete management review in cooperation with the Conference of Western Attorneys General and the National Association of Attorneys General. The department is now implementing their recommendations to improve management, serve client agencies more efficiently and responsively, and maximize the use of increasingly limited resources.

Department of Law
1.4% of Total State Operating Budget



Budget Summary	FY 95 Actual	FY 96 Authorized	FY 97 Governor
General Funds - Includes Constitutional Budget Reserve	\$50,288.3	\$36,728.6	\$36,509.5
Federal Funds	391.3	416.5	420.6
Other Funds - State corporation earnings, interagency receipts	25,758.8	18,287.7	15,711.7
TOTAL BUDGET	\$76,438.4	\$55,432.8	\$52,641.8

BRU SUMMARY BY FUND SOURCE

Department of Law

BRU	FY96 Auth	FY97 Adj Base	FY97 Changes	FY97 Gov	Adj Base to Gov
Criminal Division	11,738.7 GF	11,980.9 GF	114.6 GF	12,095.5 GF	1.0%
	458.0 I/AR	464.3 I/AR		464.3 I/AR	0.0%
Subtotal	12,196.7	12,445.2	114.6	12,559.8	
Civil Division	416.5 Fed	420.6 Fed		420.6 Fed	0.0%
	97.4 GFM	98.4 GFM		98.4 GFM	0.0%
	7,388.1 GF	8,360.4 GF		8,360.4 GF	0.0%
	598.2 GF/Prgm	602.6 GF/Prgm		602.6 GF/Prgm	0.0%
	66.2 GF/MH	67.2 GF/MH		67.2 GF/MH	0.0%
	13,491.3 I/AR	13,611.5 I/AR		13,611.5 I/AR	0.0%
	380.0 IA/Oil Hz	381.5 IA/Oil Hz		381.5 IA/Oil Hz	0.0%
	798.4 CIP	807.7 CIP	(807.7) CIP	0.0 CIP	-100.0%
Subtotal	23,236.1	24,349.9	(807.7)	23,542.2	
SUBTOTAL (Operations)	35,432.8	36,795.1	(693.1)	36,102.0	-1.9%
Oil and Gas Litigation	16,840.0 CBR	16,840.0 CBR	(1,554.6) CBR	15,285.4 CBR	-9.2%
	3,160.0 Corp Rcpts	3,160.0 Corp Rcpts	(1,905.6) Corp Rcpts	1,254.4 Corp Rcpts	-60.3%
GRAND TOTAL	55,432.8	56,795.1	(4,153.3)	52,641.8	-7.3%

Source:

CBR Fund	16,840.0	16,840.0	(1,554.6)	15,285.4	-9.2%
Federal Funds	416.5	420.6	0.0	420.6	0.0%
GF Match	97.4	98.4	0.0	98.4	0.0%
General Fund	19,126.8	20,341.3	114.6	20,455.9	0.6%
Program Receipts	598.2	602.6	0.0	602.6	0.0%
GF/MH	66.2	67.2	0.0	67.2	0.0%
Interagency Receipts	13,949.3	14,075.8	0.0	14,075.8	0.0%
Corp Rcpts	3,160.0	3,160.0	(1,905.6)	1,254.4	-60.3%
I-/Oil Hazardous	380.0	381.5	0.0	381.5	0.0%
CIP Receipts	798.4	807.7	(807.7)	0.0	-100.0%

FY 1997 BUDGET REQUEST SUMMARY

Department of Law

	CBR	FED	GFM	GF	GF/ Prgm	GF/MH	I/AR	Corp Rcp'ts	I-A/Oil Hz	CIP	Total
FY96 Authorized	16,840.0	416.5	97.4	19,126.8	598.2	66.2	13,949.3	3,160.0	380.0	798.4	55,432.8
<u>Adjustments</u>											
Move Federal Relations Funding from Capital Budget to Operating				900.0							900.0
Lease Transfer to Dept. of Administration				(14.7)							(14.7)
Annualize half-year funding for DWI legislation (HB 159)				147.0							147.0
Information Services Chargeback Adjustment				(34.4)	(2.1)		(32.7)		(2.4)		(71.6)
Risk Management Adjustment		0.3	0.1	16.8	0.5	0.1	12.0		0.3	0.7	30.8
Salary Adjustments		3.8	0.9	214.8	6.0	0.9	153.7		3.6	8.6	392.3
Remove One-Time Items				(15.0)			(6.5)				(21.5)
<u>Subtotal</u>	0.0	4.1	1.0	1,214.5	4.4	1.0	126.5	0.0	1.5	9.3	1,362.3
FY97 Adjusted Base	16,840.0	420.6	98.4	20,341.3	602.6	67.2	14,075.8	3,160.0	381.5	807.7	56,795.1
<u>Increments/Decrements</u>											
Add Bethel Prosecutor				114.6							114.6
Federal Relations General Funds Moved from Capital Budget to Operating in Adjusted Base; CIP Funding Discontinued										(807.7)	(807.7)
Reduce Oil & Gas Litigation	(1,554.6)							(1,905.6)			(3,460.2)
<u>Subtotal</u>	(1,554.6)	0.0	0.0	114.6	0.0	0.0	0.0	(1,905.6)	0.0	(807.7)	(4,153.3)
FY97 Governor's Request	15,285.4	420.6	98.4	20,455.9	602.6	67.2	14,075.8	1,254.4	381.5	(0.0)	52,641.8

FIVE YEAR FUNDING HISTORY

Department of Law

	FY93 Act	FY94 Act	FY95 Act	FY96 Auth	FY97 Adj Base	FY97 Gov
Criminal Division	11,562.7	11,758.1	12,062.3	12,196.7	12,445.2	12,559.8
Civil Division	20,798.0	20,858.2	22,744.9	23,236.1	24,349.9	23,542.2
<i>Subtotal (Operating Budget)</i>	<u>32,360.7</u>	<u>32,616.3</u>	<u>34,807.2</u>	<u>35,432.8</u>	<u>36,795.1</u>	<u>36,102.0</u>
Judgments/Claims						
Operations	1,507.1	2,173.1	6,018.9	0.0	0.0	0.0
Weiss v. State	1,472.3	2,180.0	1,224.8	0.0	0.0	0.0
Unanticipated RSAs ¹	3,840.3	2,109.2	4,487.5			
Oil and Gas Litigation	19,158.4	31,807.5	29,900.0	20,000.0	20,000.0	16,539.8
Exxon Valdez Litigation	4,881.3	1,402.5	0.0	0.0	0.0	0.0
TOTAL	<u>63,220.1</u>	<u>72,288.6</u>	<u>76,438.4</u>	<u>55,432.8</u>	<u>56,795.1</u>	<u>52,641.8</u>
Fund Sources:						
CBR Fund	0.0	13,837.0	11,250.0	16,840.0	16,840.0	15,285.4
Federal Funds	404.1	441.9	391.3	416.5	420.6	420.6
GF Match	45.0	49.0	55.4	97.4	98.4	98.4
General Fund	38,507.5	34,752.6	37,291.6	19,126.8	20,341.3	20,455.9
Program Receipts	304.3	347.1	400.3	598.2	602.6	602.6
MHTIA/GF	1,535.7	2,243.5	1,291.0	0.0	0.0	0.0
Interagency Receipts ¹						
Administration			1,755.2	1,782.4		1,903.9
Commerce/AIDEA/APUC			1,142.0	1,309.8		1,335.3
Community/Reg'l Aff			87.7	136.3		112.9
Corrections			54.3	74.3		93.1
Education/PSEC/PTPC			89.7	104.2		222.5
Environmental Cons			245.0	339.8		342.7
Fish & Game			153.5	232.9		221.5
Governor			125.5	100.0		101.4
Health/Social Svcs			445.1	444.6		427.2
Labor			224.8	264.5		237.6
Law ²			3,759.1	4,147.7		4,345.2
Military/Veterans Aff			2.8	0.0		0.0
Natural Resources			299.8	263.4		214.9
Public Safety			291.0	291.5		295.5
Revenue/AHFC/APFC			1,578.9	1,985.8		2,002.4
Trans/Pub Fac			2,044.2	2,472.1		2,219.6
Unanticipated RSAs ¹			4,525.5	0.0		0.0
Total Interagency Receipts	<u>15,107.9</u>	<u>12,154.6</u>	<u>16,824.3</u>	<u>13,949.3</u>	<u>14,075.8</u>	<u>14,075.7</u>
GF/MH	0.0	0.0	0.0	66.2	67.2	67.2
Corp Rcpts/PFD Fund	4,950.0	8,112.5	8,050.0	3,160.0	3,160.0	1,254.4
I-A/Oil Hazardous	2,365.6	350.4	482.3	380.0	381.5	381.5
CIP Receipts	0.0	0.0	402.2	798.4	807.7	0.0

¹ See Appendices for detailed listing of RSAs, both Authorized and Unanticipated.

² DOLaw RSAs are intra-agency, and are counted twice in budget totals; e.g., the Oil, Gas & Mining section is funded by I/AR from the Oil & Gas Litigation appropriation of CBR funds and Corporate Rcpts.

POSITION SUMMARY
Department of Law
(See division summaries for detail)

Division/Office	AG	Dep AG	Attorneys	Para- professionals	Support Staff	Adminis- trative	Total
<i>Authorized Positions</i>	1	2	211.5	61	148.5	15.5	439.5
Mandatory Vacant Positions (personal svcs underfunding)		0	-11	-2	-4.5		-17.5
<i>Filled Positions</i>	1	2	200.5	59	144	15.5	422
Criminal Division		1	75	20	56.5		152.5
Civil Division		1	125.5	38	86.5		251
Administrative Services						15.5	15.5
Attorney General	1			1	1		3

The Criminal Division

CRIMINAL DIVISION ORGANIZATION

District Attorney's Offices prosecute all violations of state criminal law in Alaska, with the exception of welfare and Medicaid fraud. In addition to filing criminal charges and conducting criminal trials, the offices give day-to-day advice to all law enforcement agencies in conducting criminal investigations, serve as legal advisor to grand juries, and handle sentence appeals and probation revocation actions. Prosecution services protect the public by convicting criminal offenders and placing them under appropriate controls, and by revoking probation if they do not comply with conditions of supervision. Without these services, Alaskans would not be able to live in safe and healthy communities. The services are delivered as follows:

- **Southeast Alaska:** The Criminal Division provides services to all of Southeast Alaska with seven attorneys in three offices in Juneau, Ketchikan and Sitka. In the fiscal year ending June 30, 1995, over 4,000 criminal cases (750 felony and 3,600 misdemeanor) were referred for prosecution or probation revocation.
- **North/Northwest Alaska:** Services are provided to all of Northern and Northwestern Alaska with three attorneys in three offices in Nome, Kotzebue and Barrow (the Barrow office receives regular assistance from Fairbanks). In the fiscal year ending June 30, 1995, over 2,000 criminal cases (300 felonies and 1,700 misdemeanors) were referred for prosecution or probation revocation.
- **Southcentral/Southwest Alaska:** Southcentral and Southwestern Alaska are served by 25 (four through interagency RSA) attorneys in Anchorage (which includes the Dillingham prosecutor) and 16 attorneys in four offices in Palmer, Kenai, Kodiak, Bethel¹.

In the fiscal year ending June 30, 1995, well over 1,800 new felonies and nearly 500 felony probation revocations were referred for prosecution in the Anchorage office, excluding Dillingham cases. This was an 15% increase in felonies over the previous year, and a 25% increase over two years. In this same period of time, there was no increase in the number of attorneys in the Anchorage office available to handle the vast majority of cases (an additional drug prosecutor was added through

interagency RSA, but this attorney may only handle drug-related cases).

In the same period, 10,000 new criminal cases (1,200 felony and 8,800 misdemeanor) were referred for prosecution in Palmer, Kenai, Kodiak and Bethel. Probation revocations added another 300 felony cases and about twice that number of misdemeanor cases. Between FY 93 and 94, the felony caseload in Palmer skyrocketed 46%, with sexual offenses up 25%, property offenses up 38%, felony assaults up 43% and drug crimes up 100%. The misdemeanor caseload has also increased dramatically, up a third compared to FY 94. The caseload in the Bethel office is far and away the highest in the state per attorney. An increment request for this office is described in the *FY 97 Budget Issues* section of this overview.

- **Central Alaska:** The Central Alaska region is covered by thirteen attorney positions in one office in Fairbanks. In the fiscal year ending June 30, 1995, over 6,000 criminal cases (1,150 felonies and 5,000 misdemeanors) were referred for prosecution or probation revocation. Since FY 91, the felony caseload in Fairbanks has increased 20%, yet there are no more attorneys in the office today than in 1991.

The District Attorneys' Offices provide victim-witness assistance services such as travel and per diem expenses, court-mandated witness fees, information on court procedures required by statute and the Alaska Constitution, and assistance with domestic violence orders and violent crimes compensation procedures. Two-thirds of all travel costs are due to transportation and per diem for witnesses needed for court proceedings. Demands on the victim-witness assistants increased substantially over the last five years as a result of victims' rights laws that passed in 1989 and 1991 and during FY95 as a result of the passage of the Victim's Right Amendment to the Alaska Constitution. Victim-witness services are an indispensable element in the daily operation of the criminal justice system.

The **Office of Special Prosecutions and Appeals** represents the state in all felony appellate proceedings challenging convictions obtained in the trial courts, and handles most state and federal post-conviction and habeas corpus proceedings. These post-trial procedures are constitutionally required; when such actions are filed by convicted criminals the Criminal Division of the Department of Law must respond. Without these

¹ Bethel office total includes one new attorney position requested in FY 96 as an add/delete supplemental and as an increment in the FY 97 Governor's budget.

functions, the efforts of law enforcement to detect and punish crime through investigation, trial, and conviction would be nullified.

The Office of Special Prosecutions and Appeals also:

- prosecutes economic and other complex crimes. In addition to filing criminal charges and conducting criminal trials, this office also gives day-to-day advice to special "white collar" investigation units. These prosecution services protect private investors, small businesses, and government agencies that are the victims of fraud or other wrongdoing.
- prosecutes environmental crimes through a reimbursable services agreement with the Department of Environmental Conservation. These prosecution services protect the state's air and water quality by providing advice and assistance to state environmental investigators and by prosecuting appropriate criminal cases.
- provides services to the entire state with nine appellate attorneys, one "white collar crime" prosecutor and one environmental crimes prosecutor, all based in Anchorage. The number of appeals has once again begun to increase, and the complexity of legal issues has also increased. In addition, there has been a large increase in federal habeas corpus actions. The reorganization of the state trooper white collar crime unit has provided a steady increase in the number of new economic crimes to be prosecuted. The Department of Environmental Conservation has become more active in investigating cases relating to dumping of hazardous materials and water quality.

Criminal Justice Litigation and Legal Services

provides overall administration of the Criminal Division and sets policy for all offices by monitoring and approving budgetary expenditures, setting uniform prosecution policies, maintaining a case management system, and being responsible for personnel matters.

This section advises the Governor and the legislature on criminal justice legislation and provides basic legal services to the Department of Corrections and the Department of Public Safety consisting of verbal and written advice, representation in civil litigation and administrative proceedings, and assistance with drafting legislation, regulations, policies, and procedures.

Services are provided by two attorneys in Anchorage and five in Juneau. Four of the seven attorney positions provide full-time legal services for the Department of

Corrections. Two attorneys provide legal services for the Department of Public Safety, and review and draft proposed criminal justice legislation. One attorney provides administrative supervision and direction for the Criminal Division.

POSITIONS BY LOCATION
Criminal Division

Region	Location	Dep AG	Attorneys	Para-professionals	Clerical	Total
Statewide: Authorized Positions		1	82	21	60	164
Mandatory Vacant Positions (personal svcs underfunding)			-7	-1	-3.5	-11.5
Statewide: Filled Positions¹		1	75	20	56.5	152.5
Southeast	Juneau		3	1	3	7
	Ketchikan		3	1	2.5	6.5
	Sitka		1	0	1	2
	<i>Subtotal</i>		7	2	6.5	15.5
North/Northwest	Nome		1	1	1	3
	Barrow		1	0	1	2
	Kotzebue		1	0	1	2
	<i>Subtotal</i>		3	1	3	7
Southcentral/Southwest	Anchorage		23	6	19	48
	Bethel ¹		4	1	3	8
	Kenai		4	2	3	9
	Kodiak		2	1	1	4
	Palmer		5	2	4	11
	<i>Subtotal</i>		38	12	30	80
Central	Fairbanks		11	3	9	23
Office of Special Prosecutions and Appeals	Anchorage		10	0	5	15
Criminal Justice Litigation and Legal Services	Juneau	1	4	2	3	10
	Anchorage	0	2	0	0	2
	<i>Subtotal</i>	1	6	2	3	12

¹ Filled Positions and Bethel Attorney totals include new position requested as FY96 add/delete supplemental and FY97 increment.

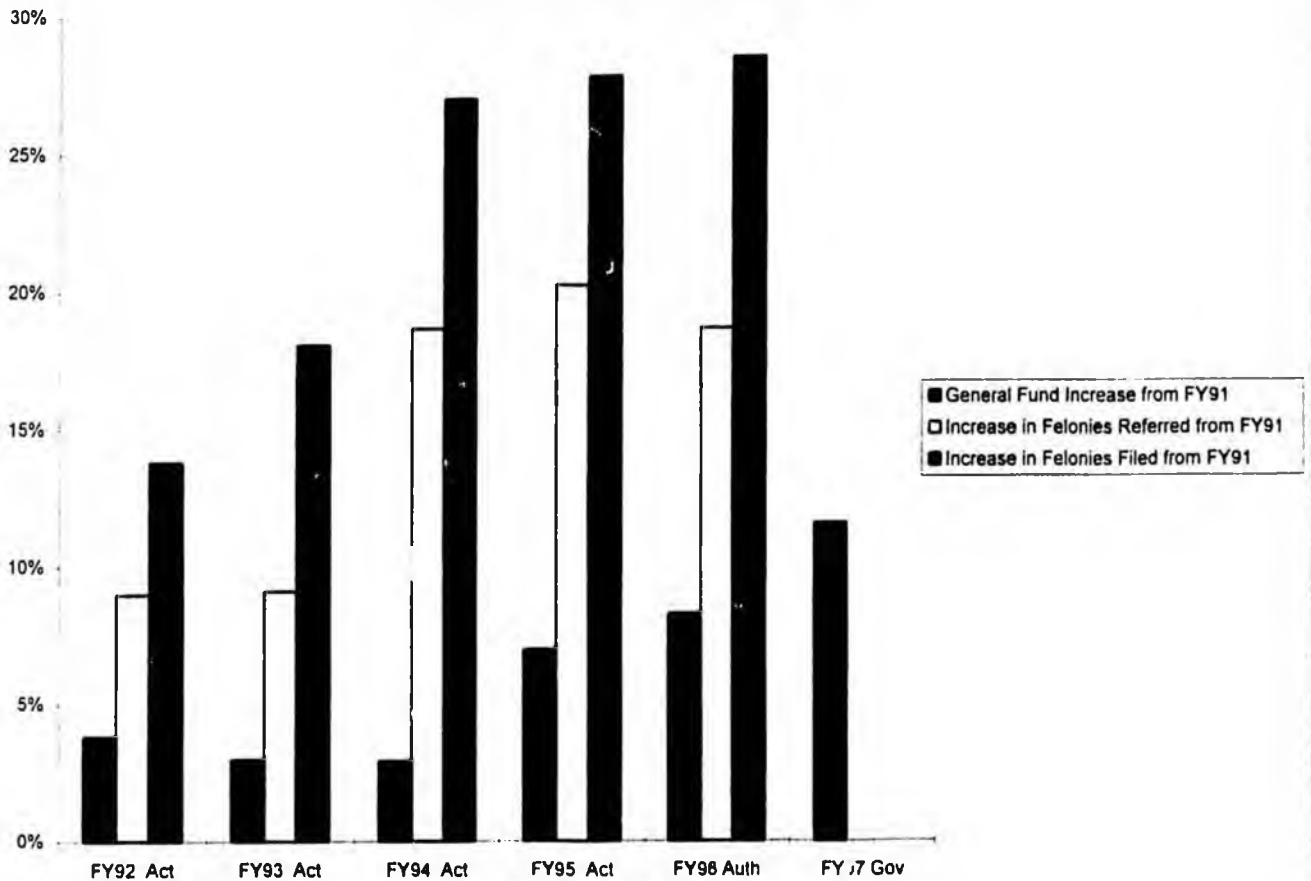
FIVE YEAR FUNDING AND FELONY CASELOAD HISTORY
Criminal Division

FY91 Act	FY92 Act	FY93 Act	FY94 Act	FY95 Act	FY96 Auth	FY97 Adj Base	FY97 Gov
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Criminal Division

Federal Funds	152.8	23.0					
General Fund	10,840.6	11,254.7	11,162.7	11,156.2	11,595.9	11,738.7	12,095.5
Inter-agency Receipts	127.1	234.1	400.0	601.9	466.4	458.0	464.3
Total	11,120.5	11,511.8	11,562.7	11,758.1	12,062.3	12,196.7	12,559.8
Number of Felonies Referred	3,906	4,257	4,262	4,635	4,697	4,636	NA
Number of Felonies Filed	2,292	2,608	2,706	2,911	2,930	2,946	NA
General Fund Increase from FY91		3.82%	2.97%	2.91%	6.97%	8.28%	11.58%
Increase in Felonies Referred from FY91		8.99%	9.11%	18.66%	20.25%	18.69%	NA
Increase in Felonies Filed from FY91		13.79%	18.06%	27.01%	27.84%	28.53%	NA

**Division-wide Percent Increase in Funding,
Case Referrals and Filings from FY 91**



* Case Referral and Case Filed information for FY96 is projected based on 1/2 year numbers.

The Civil Division

CIVIL DIVISION ORGANIZATION

Human Services Section: Provides legal assistance for problems arising from the state's education, health services, social services, and public assistance programs. Initiates action to remove children from abusive or neglectful homes, acts to terminate parental rights for permanent placement of children in state custody, and prosecutes juvenile delinquency cases. Enforces the state's health and safety laws. Provides legal services to the Departments of Education, Health and Social Services, and Labor, Division of Senior Services and Division of Motor Vehicles.

The Human Services caseload has risen dramatically in the last few years, and the number of attorneys available to handle child protection and delinquency issues has dropped due to cuts in the unrestricted general fund portion of the division's budget. The number of active child protection and juvenile delinquency cases rose from 1,077 to 1,438, over 34% from FY 91 to FY 95. The growth in these cases is especially dramatic in the Anchorage office, which covers Southcentral and Western Alaska. Each Human Services attorney in that office is handling an average of over 225 cases.

Collections and Support: Collects unsecured debts owed to the state, including criminal judgments such as fines, costs of appointed counsel and costs of incarceration for DWI, as well as civil judgments and penalties. Handles child support enforcement litigation, including paternity matters, modification of child support orders, employer noncompliance and other enforcement issues, interstate enforcement, and appeals. Provides legal services to Department of Revenue and the Alaska Court System.

In FY 95, the section collected over \$1.8 million on judgments owed to the state, and it is anticipated that the FY 96 total will increase significantly. The section handled the state's case in which the Alaska Supreme Court ruled that a person convicted of a crime must pay, in most cases, for the cost of appointed counsel. From January to September 1995, the child support side of the section established paternity in over 1,100 cases, which means that the state can seek support for the children involved. As a part of the section's enforcement efforts, it prosecuted, and won, Alaska's first federal criminal non-support case.

Commercial Section: Handles legal enforcement associated with the regulation of banking, securities and investments, gaming, corporations, insurance, public

transportation, oil and gas pipelines, the many professions that are licensed by the state, and the Permanent Fund Division. Pursues collection and enforcement under state revenue laws. Provides legal services to the Departments of Commerce and Economic Development and Revenue, the Alaska Housing Finance Corporation, the Alcohol Beverage Control Board, the Employment Security Division, and the Agricultural Revolving Loan Fund.

In FY 96, Commercial Section attorneys helped to protect the public's interest in a variety of cases, including some notable ones involving occupational licensing. Section attorneys assisted the Board of Marine Pilots in deliberations on the licensing of pilots, including the pilot who ran a cruise ship into a marked rock in Southeast Alaska. The Board summarily suspended his license pending a hearing on the incident and the individual's qualifications which is scheduled for mid 1996. In another case, section attorneys facilitated a settlement with a dentist convicted of Medicaid fraud who agreed to surrender his license, which avoided hearings that would have been expensive to the state.

Environmental Law Section (component): Handles litigation arising out of the *Exxon Valdez* oil spill, restoration activities arising out of that litigation, and related matters. It is also responsible for implementation of a systematic approach to other cleanup and cost-recovery litigation related to contaminated sites in the state, enforcement of compliance with air and water quality laws, and defense of environmental claims against the state.

The section serves Alaskans by helping to protect the environment and restore already-damaged sites and by making sure that those who are responsible for environmental damage are required to pay the costs of remediation. Provides legal services to the Department of Environmental Conservation and the *Exxon Valdez* Trustee Council.

Fair Business Practices Section: Enforces the state's antitrust laws and the exercise of the Attorney General's authority under federal antitrust laws. Enforces consumer protection laws and handles legal issues related to regulation of public utilities. Provides legal services to the Alaska Public Utilities Commission, the Alaska Commission on Post-Secondary Education, and the Division of Insurance.

In FY 96, the section settled, for \$2.5 million, a major class action suit against two propane distributors; negotiated an agreement that restored TV service to the Girilwood/Turnagain Arm and southern Kenai Peninsula areas; participated actively with other states in national antitrust litigation involving the insurance and airlines industries; and brought charges against several businesses engaged in unfair and deceptive practices.

Governmental Affairs Section: Provides legal assistance needed for governmental management, including budget, public finance, employment, labor relations, civil rights, procurement, retirement programs, Medicaid rate disputes, and investment of treasury and Permanent Fund Corporation funds. Provides legal assistance for problems associated with institutional relationships within state government, including the separation of powers between the three branches of government and interaction between the state and local governments. Provides legal assistance on issues associated with the conduct of elections. Provides legal services to the Office of the Governor and Lt. Governor, the Division of Elections, the Office of Management and Budget, the Departments of Labor, Military and Veterans' Affairs, Administration and Community and Regional Affairs, the Permanent Fund Corporation, AIDEA, the Alaska Public Offices Commission, the Human Rights Commission, the Medicaid Rate Advisory Commission, and the Alaska Court System.

In the last year, the section assisted the Division of Elections with the 1994 general election, including the initial count, the recount, and defending against a challenge to the gubernatorial election. The section also defended a growing caseload of employment litigation.

Legislation and Regulations Section: Drafts legislation on behalf of the governor for introduction in the legislature, reviews all legislation before the governor takes action on it, and reviews all regulations adopted by executive agencies. Provides legal services to all state agencies, including the Office of the Governor.

In FY 96, the section was actively involved in the efforts of the administration and legislature to reform the regulatory process.

Medicaid Provider Fraud Section (component): Investigates and prosecutes health care providers who commit fraud against the Medicaid Program and investigates complaints of patient abuse or neglect in health care facilities receiving Medicaid funds. It helps protect Alaska's citizens and the financial resources of the Medicaid program against fraud and malfeasance.

Natural Resources Section: Provides legal assistance for land management issues, including state land selection, state land leasing and sales, and maritime boundary resolution. Handles legal issues concerning fish and game management and enforcement, including some fish and game prosecutions, civil forfeiture actions, and commercial fisheries limited entry program. The Juneau and Fairbanks offices include environmental enforcement activities, including compliance and emergency orders and civil penalties (in Anchorage, these activities are handled by the Environmental Section, which is a separate component). Provides legal services to the Departments of Fish and Game and Natural Resources and, in Juneau and Fairbanks, to the Department of Environmental Conservation.

During FY 96, the Natural Resources section facilitated settlement of the long-standing Yakataga timber dispute, worked closely with other state agencies to negotiate and issue permits and land use authorizations for the Ft. Knox gold mine, helped the Department of Natural Resources revise its "best interests" determination process, and was heavily involved in defending challenges to Alaskans' access to salmon in the Pacific Salmon Treaty cases.

Part of the Natural Resources Section, the **Mental Health Lands** component focuses on resolving legal issues concerning the settlement of the Mental Health Lands Trust dispute, providing advice and direction to the newly formed Alaska Mental Health Trust Authority and the Department of Natural Resources as they implement the settlement and move toward management of the trust land, and defending the state against claims for damages and attorney fees in trust-related litigation. The work of this component has made it possible for hundreds of landowners, including private individuals, businesses, and local governments, to gain clear title to lands acquired from the state.

The Natural Resources Section also includes the **Federal Relations** component which is responsible for legal matters involving the federal government, including lawsuits and negotiations on natural resource and land management issues such as subsistence, fish and game management and access, ANILCA challenges, and submerged land title claims. The component helps defend the state against encroachment by the federal government into areas traditionally regulated by the state and litigates complex cases that will have a profound and lasting impact on management of Alaska's natural resources.

Oil, Gas, and Mining Section (component): Litigates oil, gas, and mining resource disputes involving the state. It protects Alaskans' interests by making sure that the state receives the royalty and tax revenues to which it is entitled for current and past production, taking actions to enforce the Statehood Compact, defending against challenges to state oil and gas lease sale programs, and protecting the state's title to resource-rich lands. Provides legal services to the Departments of Revenue and Natural Resources, and to the Alaska Oil and Gas Conservation Commission.

In FY 96, the section successfully prosecuted many cases, including one involving a habitual offender who had defrauded the system for hundreds of thousands of dollars.

Special Litigation Section: Supervises all litigation involving tort claims against the state and state employees and admiralty/personal injury cases. Defends workers' compensation cases in which the state is the employer. Provides legal services to Division of Risk Management and, through it, to all state agencies.

In FY 96, decisions in several Alaska Supreme Court cases handled by the Special Litigation section have established or reaffirmed discretionary immunity for decisions made by state agencies. These include a case in which the Department of Transportation was declared not liable for the design of a highway. Through court decisions such as these, and successful negotiation of settlements, Special Litigation attorneys defend the state against unreasonable claims and save the state money.

Transportation and Public Facilities Section: Provides legal assistance on issues involving construction and operation of the state's public facilities, including ferries, airports, highways, harbors, communications facilities, and buildings. Provides legal service to the Department of Transportation and Public Facilities.

In FY 96, the section successfully defended the position of the Department of Transportation that the merit principle of employment in the Alaska Constitution does not forbid state agencies from seeking to reduce public spending by "privatizing" state jobs, a decision that gives the governor and the legislature a tool to use in dealing with the state's declining state revenue and budget problems. The section also assisted a special commission established to review leasing practices and policies at the state's international airports and helped expedite the development of the new fuel farm and operation and maintenance site contracts at the Anchorage airport.

Welfare Fraud Section: Investigates and prosecutes persons obtaining welfare benefits by fraud. Provides legal services to the Department of Health and Social Services.

POSITIONS BY LOCATION AND SECTION
Civil Division

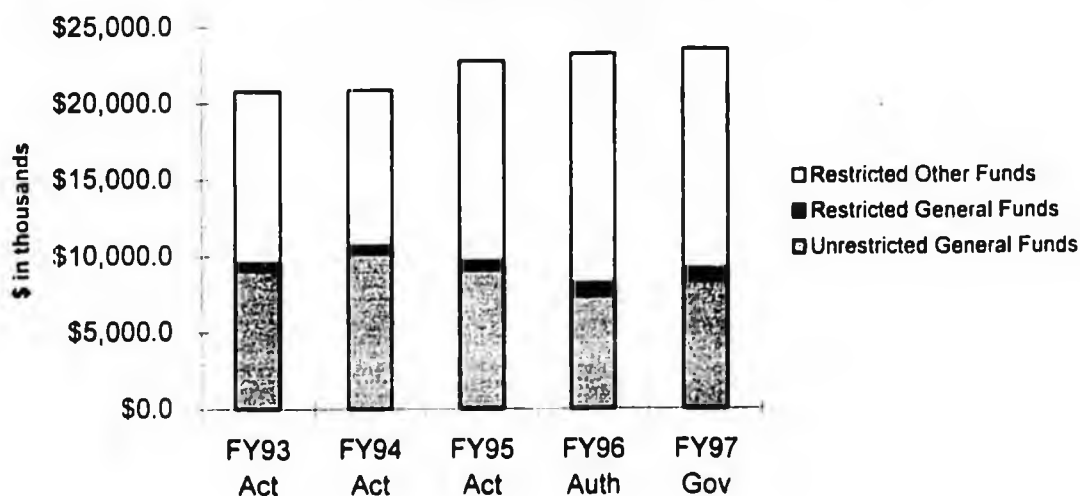
Section	Juneau					Anchorage				Fairbanks				Nome			Statewide			
	DAG	Atty	Para-prof	Support Staff	TOTAL	Atty	Para-prof	Support Staff	TOTAL	Atty	Para-prof	Support Staff	TOTAL	Atty	Support Staff	TOTAL	Atty	Para-prof	Support Staff	TOTAL
<i>Statewide: Authorized Positions</i>	1	34.5	8	26.5	70	82	29	50	161	14	2	10	26	1	1	2	131.5	39	87.5	258
Mandatory Vacant Positions (personal svcs underfunding)		-2			-2	-3	-1		-4			-1	-1				-5	-1	-1	-7
<i>Statewide: Filled Positions</i>	1	32.5	8	26.5	68	79	28	50	157	14	2	9	25	1	1	2	126.5	38	86.5	251
Collec/Child Support		1			1	6	5		11	2	1		3				9	6		15
Commercial		4	1		5	5.5			5.5	1			1				10.5	1		11.5
Environmental						6	1		7								6	1		7
Fair Business Prac						6.5	2		8.5								6.5	2		8.5
Governmental Affrs		6			6	8	1		9								14	1		15
Human Services		5.5	1		6.5	8	2		10	3			3				16.5	3		19.5
Legislation/Regs		1	2		3												1	2		3
Medicaid Fraud						1	3		4								1	3		4
Natural Resources		6			6	15	3		18	2			2				23	3		26
Oil, Gas/Mining		5	3		8	10	6		16								15	9		24
Special Litigation		2	1		3	6	3		9	2	1		3				10	5		15
Transportation		2			2	6	1		7	4			4				12	1		13
Welfare Fraud						1	1		2								1	1		2
General Civil														1	1	2	1		1	2
Clerical Pool				16.5	16.5			50	50			9	10						75.5	75.5
Administrative Support				9	9														9	9
Central Office	1			1	2														1	1

FIVE YEAR FUNDING HISTORY
Civil Division - Operating Sections¹

	FY93 Act	FY94 Act	FY95 Act	FY96 Auth	FY97 Adj Base	FY97 Gov
Civil Division						
Federal Funds	404.1	441.9	391.3	416.5	420.6	420.6
GF Match	45.0	49.0	55.4	97.4	98.4	98.4
General Fund	9,105.7	10,183.2	9,115.8	7,388.1	8,360.4	8,360.4
Program Receipts	304.3	347.1	400.3	598.2	602.6	602.6
MHTIA/GF	63.4	63.6	66.2	0.0	0.0	0.0
Interagency Receipts	10,477.9	9,443.5	11,831.4	13,491.3	13,611.5	13,611.5
GF/MH	0.0	0.0	0.0	66.2	67.2	67.2
I-A/Oil Hazardous	397.6	330.0	482.3	380.0	381.5	381.5
CIP Receipts	0.0	0.0	402.2	798.4	807.7	0.0
	20,798.0	20,858.2	22,744.9	23,236.1	24,349.9	23,542.2

Unrestricted General Funds	9,105.7	10,183.2	9,115.8	7,388.1	8,360.4 ²	8,360.4
Restricted General Funds	412.7	459.7	521.9	761.8	768.2	768.2
Restricted Other Funds	11,279.6	10,215.4	13,107.2	15,086.2	15,221.3	14,413.6
Unrestricted GF as % of Total Funds	43.8%	48.8%	40.1%	31.8%	34.3%	35.5%

**Civil Division Five Year Restricted/Unrestricted
Fund Source Comparison**



¹ Excludes judgments, unanticipated RSAs and Oil/Gas and EVOS Litigation appropriations.

² Includes \$900.0 transfer of Federal Relations funding from Capital to Operating budget.

REIMBURSABLE SERVICE AGREEMENTS

FY 95 Actuals - FY 97 Governor

Department	Description	95 Auth	95 Act	Diff Act/Auth	96 Auth	97 Gov
CRIMINAL DIVISION						
Public Safety	Anti-drug enforcement & prosecution	291.5	291.0	(0.4)	291.5	295.5
DEC	Environmental crimes unit	166.5	137.4	(29.1)	166.5	168.8
	Subtotal, Criminal Division External Budgeted RSAs	457.9	428.4	(29.5)	458.0	464.3
	Subtotal: Criminal Division Unanticipated RSAs (see attached)		38.0	38.0		
	<u>Total Criminal Division RSAs</u>	<u>457.9</u>	<u>466.4</u>	<u>8.5</u>	<u>458.0</u>	<u>464.3</u>
CIVIL DIVISION						
General Legal Services						
Administration	Risk Management: general personal injury litigation	1,656.6	1,667.3	10.8	1,672.5	1,792.7
Administration	Retirement & Benefits advanced legal services	95.4	87.8	(7.5)	109.9	111.2
Commerce	Occupational Licensing: legal services	291.9	280.0	(11.8)	348.5	352.8
Commerce	Investments loan collection	210.8	92.8	(117.9)	160.0	161.8
Commerce	Insurance fraud	246.7	239.1	(7.5)	238.9	242.0
Commerce	Alaska Public Utilities Commission staff counsel	245.8	223.5	(22.2)	253.9	257.0
Commerce	Alaska Public Utilities Commission advanced paralegal services	75.2	74.4	(0.7)	76.0	77.1
Commerce	AIDEA: legal services	93.8	95.0	1.3	97.0	98.4
Commerce	AIDEA, AEA/REO legal services	150.5	136.9	(13.5)	135.5	146.2
Community/Reg'l Aff	Rural energy projects & programs legal services	128.5	87.7	(40.7)	136.3	112.9
Corrections	Community residential center collections	69.4	54.3	(15.0)	74.3	93.1
Education	Education legal services	79.4	89.7	10.4	104.2	105.5
Education	Post-secondary Education Commission legal services		0.0	0.0	0.0	100.0
Education	Professional Teaching Practices Commission legal services		0.0	0.0	0.0	17.0
Environmental Cons	Legal svcs for LUST, federal compliance, Dept. of Defense (funded in Env Law in FY 96)	63.3	18.3	(45.0)		
Environmental Cons	General env law for GF programs (funded in Env Law in FY 96)	196.6	89.2	(107.4)		
Fish/Game	Fish & Game Fund: vessel forfeiture legal services	211.5	153.5	(57.9)	232.9	221.5
Governor	Coastal zone management issues	93.8	125.5	31.8	100.0	101.4
Health/Social Svcs	Welfare Fraud Investigation Unit	433.8	250.0	(183.7)	250.0	230.3
Health/Social Svcs	Medical Assistance, Medicaid Rate Commission legal services	183.4	195.0	11.7	194.6	196.9
Labor	Unemployment insurance collections	92.8	95.0	2.3	100.1	101.3
Labor	Wage/Hour enforcement, Occupational Safety/Health	84.5	129.7	45.3	164.4	136.3
Law	Federal relations (funded in capital budget - CIP rcpts from FY 95)					
Military/Veterans Aff	Emergency Response Comm legal svcs (funded in Env Law in FY96)		2.8	2.8		
Natural Resources	Agricultural Loan Fund collections	250.0	299.8	49.8	263.4	214.9
Revenue	AHFC: legal services including loan collection	198.6	245.6	47.1	256.0	259.3
Revenue	AHFC: public housing projects legal services	125.5	128.0	2.6	131.8	133.4
Revenue	AK Permanent Fund Corporation legal counsel	101.4	97.0	(4.3)	105.0	106.5

REIMBURSABLE SERVICE AGREEMENTS

FY 95 Actuals - FY 97 Governor

Department	Description	95 Auth	95 Act	Diff Act/Auth	96 Auth	97 Gov
Revenue	Charitable Gaming: legal services	45.0	35.0	(9.9)	29.3	29.6
Revenue	Child Support Enforcement Division	464.2	1,029.7	565.6	1,422.6	1,432.0
Revenue	Permanent Fund Dividend Division legal services	87.9	43.4	(44.4)	41.1	41.6
Trans/Pub Fac	International Airports legal services	148.4	233.6	85.3	161.4	163.3
Trans/Pub Fac	Marine Highways legal services	0.0	144.1	144.1	145.2	146.9
Trans/Pub Fac	Statewide projects & programs	2,163.4	1,666.4	(496.9)	2,165.5	1,909.4
	<u>Subtotal, External Budgeted RSAs</u>	<u>8,286.8</u>	<u>8,111.3</u>	<u>(175.5)</u>	<u>9,170.3</u>	<u>9,092.3</u>
	Unanticipated RSAs (See attached)		4,487.5	4,487.5	0.0	0.0
	<u>Total General Legal Services RSAs</u>	<u>8,286.8</u>	<u>12,598.8</u>	<u>4,312.0</u>	<u>9,170.3</u>	<u>9,092.3</u>
Environmental Law						
<u>Interagency Receipts</u>	<i>Env Law I/AR RSAs Budgeted Prior to FY96 in Legal Svcs Ops</i>					
DMVA	Emergency Response Commission legal services			0.0	25.0	25.0
Environmental Cons	Legal services for LUST, federal compliance, Dept. of Defense				63.3	63.3
Environmental Cons	General environmental law for GF programs				85.0	85.6
	<u>Total Environmental Law Interagency RSAs</u>				<u>173.3</u>	<u>173.9</u>
<u>Interagency/Oil & Hazardous Release Response Fund (I-A/Oil Hz)</u>						
Environmental Cons	General programs for oil/haz fund including EVOS	355.0	330.0	(25.0)	330.0	381.5
Environmental Cons	Oil spill legal services	805.2	152.3	(652.9)	50.0	0.0
	<u>Total Environmental Law I-A/Oil Hz RSAs</u>	<u>1,160.2</u>	<u>482.3</u>	<u>(677.9)</u>	<u>380.0</u>	<u>381.5</u>
	Subtotal: Civil Division External Budgeted RSAs (all fund sources)	9,447.0	8,593.7	(853.3)	9,550.3	9,473.8
	Subtotal: Civil Division Unanticipated RSAs (all fund sources)	0.0	4,487.5	4,487.5	0.0	0.0
Department (Criminal and Civil) External Budgeted RSAs (all fund sources)		9,904.9	9,022.1	(882.8)	10,008.3	9,938.1
Department (Criminal and Civil) Unanticipated RSAs (all fund sources)		0.0	4,525.5	4,525.5	0.0	0.0
Internal RSAs (double counted in budget totals: once as original GF/Other appropriation, second as interagency receipts)						
Law	Oil, Gas and Mining section costs (from Oil/Gas Litigation approp)	3,132.9	3,665.3	532.4	3,923.7	3,950.9
Law	Funding for DP/procurement positions (from Criminal/Civil Divisions)	224.0	93.8	(130.2)	224.0	394.3
Law	Funding for Timekeeping section (from Civil Division)	200.3		(200.3)		
	<u>Total Internal RSAs</u>	<u>3,557.2</u>	<u>3,759.1</u>	<u>201.9</u>	<u>4,147.7</u>	<u>4,345.2</u>
Dept (Criminal & Civil) - All Interagency Receipts (External, Internal, Unanticipated)		12,301.9	16,824.3	4,522.4	13,949.3	14,075.7
Dept (Criminal & Civil) - Interagency/Oil & Hazardous Release Response Fund		1,160.2	482.3	(677.9)	380.0	381.5

**UNANTICIPATED REIMBURSABLE SERVICE AGREEMENTS
FY 95 Actuals**

		In-house Costs Law	Outside Counsel & Experts
CRIMINAL DIVISION			
Public Safety	Legal issues related to alcohol and DMV	18.0	0.0
Labor	Criminal prosecution of occupational safety violations, <i>St. v. Houston</i>	0.0	20.0
<i>Subtotal: Criminal Division Unanticipated RSAs (interagency receipts)</i>		18.0	20.0
CIVIL DIVISION			
Administration	Case specific legal services and costs re: DEC lab claims dispute.	9.0	0.0
Administration	Participation in Group Annuity Participants Protection Assoc. (GAPPA) to protect investments w/ Executive Life of California. <u>FY95 expenditures from this multi-year RSA were only \$1,525.00.</u>	0.0	1,197.4
Administration	One time legal services re: GS&S-Monitor federal surplus property requirements by CIRI re: 26 hovercraft.	7.2	0.0
Administration	Outside counsel and experts in litigation related to Executive Life, associated recovery of SBS investments, and prosecution of investment advisor. <u>FY95 expenditures from this multi-year RSA were \$533,661.00.</u>	0.0	1,126.7
Commerce	Expert outside legal counsel to advise AK Science & Technology Foundation re: technology development issues including patent, copyright, and other matters.	0.0	60.0
Commerce	Outside counsel (Texas jurisdiction) travel, and deposition costs re: occ. licensing case, <i>St. v. Lisa C. Routh, M.D.</i>	1.4	10.7
Courts	Outside counsel in <i>Carr Gottstein v. St.</i> re: protest of Anch. Times Bldg. purchase.	0.0	70.0
Courts	General legal advice regarding bid protests and construction claims related to the Anchorage courthouse expansion.	4.2	0.0
Courts	Represent Court System in regard to efforts of IBEW to organize specific groups of Court System employees.	1.9	0.0
Environmental Cons	Outside counsel to undertake expedited review and edit of proposed revisions to clean air regulations.	0.0	25.0
Environmental Cons	Experts and legal advice in ongoing litigation regarding contract claims related to construction of Juneau DEC Lab.	3.9	24.4
Governor	Special project re: Pioneers Home Task Force - review/recommend re: eligibility/residency issues.	1.4	0.0
Natural Resources	Expert review/verification of USFS appraisals in support of habitat protection negotiations on behalf of Exxon Valdez Trustee Council.	0.0	25.0
Natural Resources	Additional review/verification of USFS appraisals in support of habitat protection negotiations on behalf of Exxon Valdez Trustee Council (please note: this second RSA was required due to change in federal fiscal year).	0.0	50.0
Education	Wash. D.C. legal counsel to advise and represent state in the appeal of <i>AkDOE v. USDOE</i> , re: funding for vocational rehabilitation.	0.0	9.1
Education	Postsecondary Education Commission-legal advice re: postsecondary institution regulatory efforts. (<i>Budgeted in FY 97.</i>)	61.9	0.0
Education	Professional Teaching Practices Commission-legal svcs re: teacher certification matters. (<i>Budgeted in FY 97.</i>)	17.0	0.0

Education	Settlement payment, experts, and limited legal services in defense of claims in <i>City of Toksook Bay, et. al. v. Lower Kuskokwim School District and State of Alaska, DOE.</i>	1.7	43.3
Fish/Game	Expert outside legal counsel to advise state attorneys regarding defense of Commercial Fisheries Entry Commission in appeal of <i>Carlson v. CFEC</i> before the Alaska Supreme Court.	0.0	4.2
Governor	Ak Coastal Management Program project-report on federal laws exempting federal agencies from federal consistency requirements.	1.1	0.0
Health/Social Svcs	Case specific legal services and experts related to a Medicaid provider fraud case, <i>St. v. McConnell</i> (please note: due to federal funding restrictions this case could not be billed against the budgeted Medicaid Fraud RSA).	36.2	22.7
Health/Social Svcs	Outside counsel to undertake expedited review and edit of minor revisions to Medicaid audit regulations.	0.0	2.2
Health/Social Svcs	Expert legal counsel (Wash. D.C.) to advise and represent state on issues related to federal public assistance programs including Medicaid, AFDC, Food Stamps, federal welfare reform, and associated block grant proposals.	0.0	57.6
Health/Social Svcs	Participation in Public Assistance Joint-State advisory service to obtain ongoing legal advice on federal public welfare programs.	0.0	5.0
Health/Social Svcs	Assessment of federal welfare reform with regard to state's new responsibilities under federal block grants.	0.8	0.0
Natural Resources	Legal services related to RS2477 lands. <u>FY95 expenditures from this multi-year RSA were \$32,065.00.</u>	43.4	0.0
Natural Resources	Court-mandated expert appraisal and analysis of sustained yield and allowable cut for the Yakataga Forest.	0.0	12.9
Revenue	Contracts with six expert outside legal firms for advice and/or representation of AHFC in various areas.	0.0	350.0
Revenue	Expert outside legal counsel to advise the Alaska Permanent Fund Corporation on matters related to the Corporation's investment activities.	0.0	874.3
Revenue	Hire expert to advise the state on specific tax-related questions.	0.0	25.0
Trans/Pub Fac	Outside legal counsel to advise and represent Anchorage and Fairbanks international airports in MarkAir bankruptcy proceedings.	0.0	9.9
Trans/Pub Fac	Expert outside legal counsel to advise and represent Alaska Marine Highway System in contract claims disputes related to refurbishment of the MV's MALASPINA and TUSTUMENA. <u>FY95 expenditures from this multi-year RSA were \$93,029.00.</u>	0.0	125.0
<i>Subtotal: Interagency Receipts</i>		191.1	4,130.4
<u>Interagency/Oil & Hazardous Release Response Fund</u>			
Environmental Cons	Additional Response Fund legal services that exceeded annual, budgeted RSA authorization. Not a "new" RSA.	166.0	
<i>Subtotal: Civil Division Unanticipated RSAs (all fund sources)</i>		357.1	4,130.4
Department (Criminal & Civil) - Interagency Receipts		209.1	4,150.4
Department (Criminal & Civil) - Interagency/Oil & Hazardous Release Response Fund		166.0	0.0

The Administrative Services Division

ADMINISTRATIVE SERVICES DIVISION ORGANIZATION

The **Administrative Services Division** performs the following functions for the department:

Budgeting: Preparing and implementing the annual budget for the entire department; managing the day-to-day finances of the department during the course of the fiscal year.

Timekeeping: Developing and implementing federally-approved cost allocation plans and the department's attorney and paraprofessional rate structure; managing the Civil Division's full-time attorney and paraprofessional time reporting system; generating client billings.

The Department of Law will have universal timekeeping for the Civil Division by the end of FY 96. At present, only interagency receipt funded attorneys are required to keep track of their time. The department fully agrees with the Management Review Team's comments on this issue:

Information available from the timekeeping system should enable the department to determine where its resources are being utilized, agency by agency, case by case. Ultimately, it should provide objective measures to determine the true cost of legal services to support state government programs and activities, who actually is using those services and to what extent.

A sound timekeeping system allows increased cost recovery in certain types of litigation, keeps client agencies informed, improves information needed by the Legislature and the Department of Law for its budget presentations and gives management the tools to prioritize work.¹

Personnel and Payroll Support: Day-to-day personnel and payroll management; training in personnel management; assisting managers and supervisors with employee relations and position review and classification; monitoring and providing advice about compliance with personnel rules and labor relations rulings.

Accounting: Performing all accounting functions for the department with centralized accounts payable/receivables; review and payment of professional services contracts; federal grant and sub-grant reporting.

Procurement: Managing the procurement process for outside legal counsel and expert contracts as well as for property control and centralized supply purchases.

Data Processing: Programming maintenance for large computerized databases used by staff of the Civil Division in the pursuit of major litigation involving many millions of dollars in potential future revenue to the state treasury; maintaining the departmental databases used for case management, timekeeping, brief indexing and constitutional minutes; and supporting 450 plus individual users of personal computers and the department's LAN/WAN systems interconnecting all PC users in the department.

Information technology in the Department of Law was a priority to the Management Review Team as a way to improve productivity in the face of increasing workloads and decreasing budgets. The review team stressed the need for improved automation planning and active involvement in that process by top managers. The team also stressed the need for the department to speed up its transition to distributed computing power.²

The department is responding to these concerns by increasing the role of the internal Information Management Committee, expanding training opportunities, and strengthening management of the data processing section. The Attorney General has reiterated his insistence that this remain of the highest priority to the department.

While increasing data processing staff would improve and accelerate the process of moving to a completely distributed process, this is not possible given the department's budget constraints. The division is reorganizing its data processing section to use its existing resources to respond to the concerns of the Review Team.

¹ Conference of Western Attorneys General, *Alaska Management Team Report to Attorney General Bruce Botelho and the Alaska Department of Law*, November 1995, p. 33-34.

² *Ibid.*, pp. 30-32.

1/22/96



State of Alaska
Department of Administration

FY 97 Budget Overview

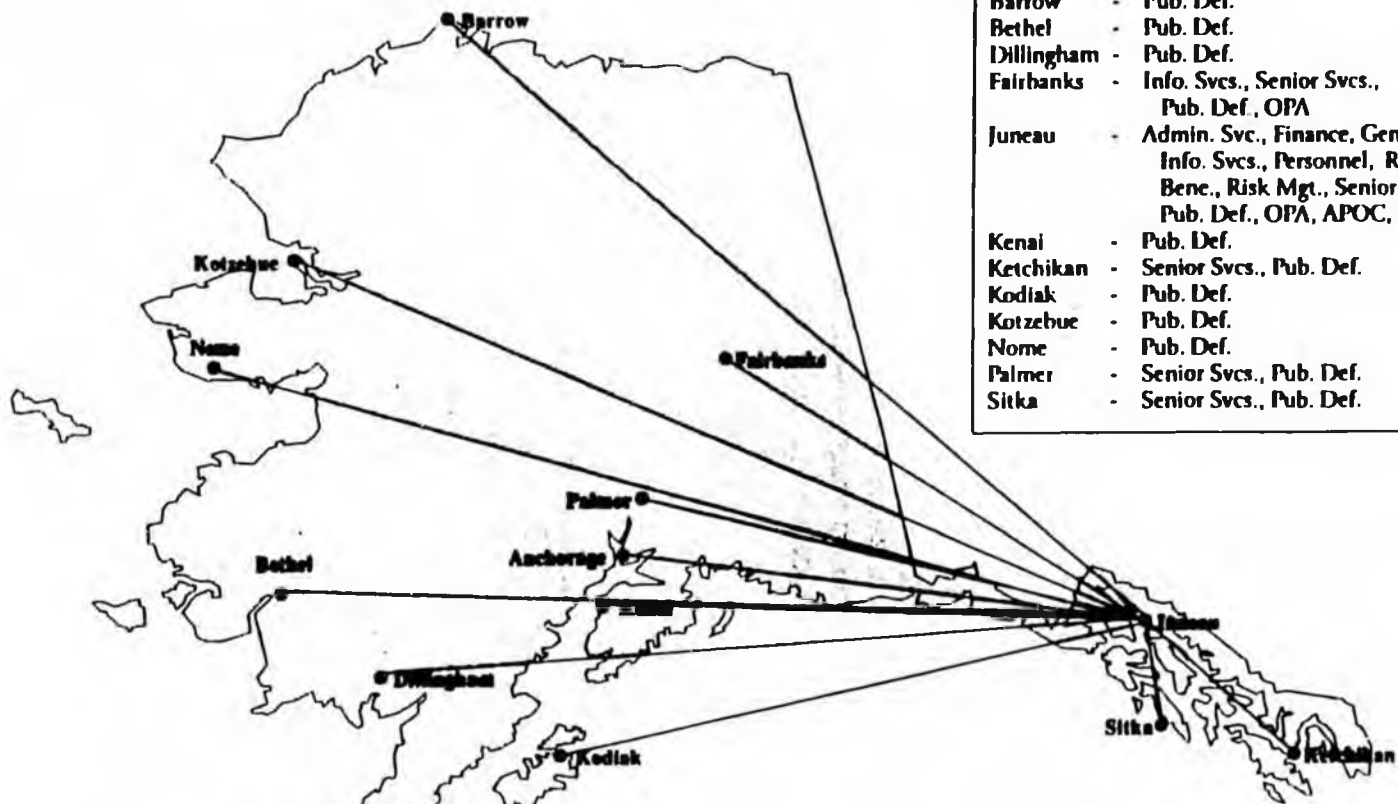


January 1996

Tony Knowles, Governor
Mark Boyer, Commissioner

Table of Contents

	Page
ORGANIZATION CHART	1
FUNCTIONAL ORGANIZATION	2
FUNCTIONAL ORGANIZATION CONTACTS	3
FY 97 OPERATING BUDGET CHARTS	
FY 97 General Fund Operating Budget Comparison	4
FY 97 Operating Budget by Service Category—GF	5
FY 97 Operating Budget Comparison by Program—All Funds	6
FY 86-96 Core Operations GF Comparison	7
FY 96-97 Operating Budget Summary	8
 FY 97 MAJOR ISSUES	 10
DIVISION OVERVIEWS	
Office of the Commissioner	14
Office of Labor Relations	16
Administrative Services	18
Personnel	20
Finance	22
General Services	24
Retirement and Benefits	26
Risk Management	28
Information Services	30
Public Communications Services	32
Senior Services	36
Public Defender Agency	42
Office of Public Advocacy	44
Alaska Public Offices Commission	46
Alaska Oil and Gas Conservation Commission	48
 APPENDICES	
1 Five-Year Comparison—Total Funds	52
2 FY 96 Authorized/FY 97 Governor's Request	53
3 Procurement Streamlining Initiative	58
4 Public Communications	60
5 Labor Contract Summary	61
6 Information Services Fund Update	68
7 Fee Schedule	70
 STAFFING CHARTS	 73

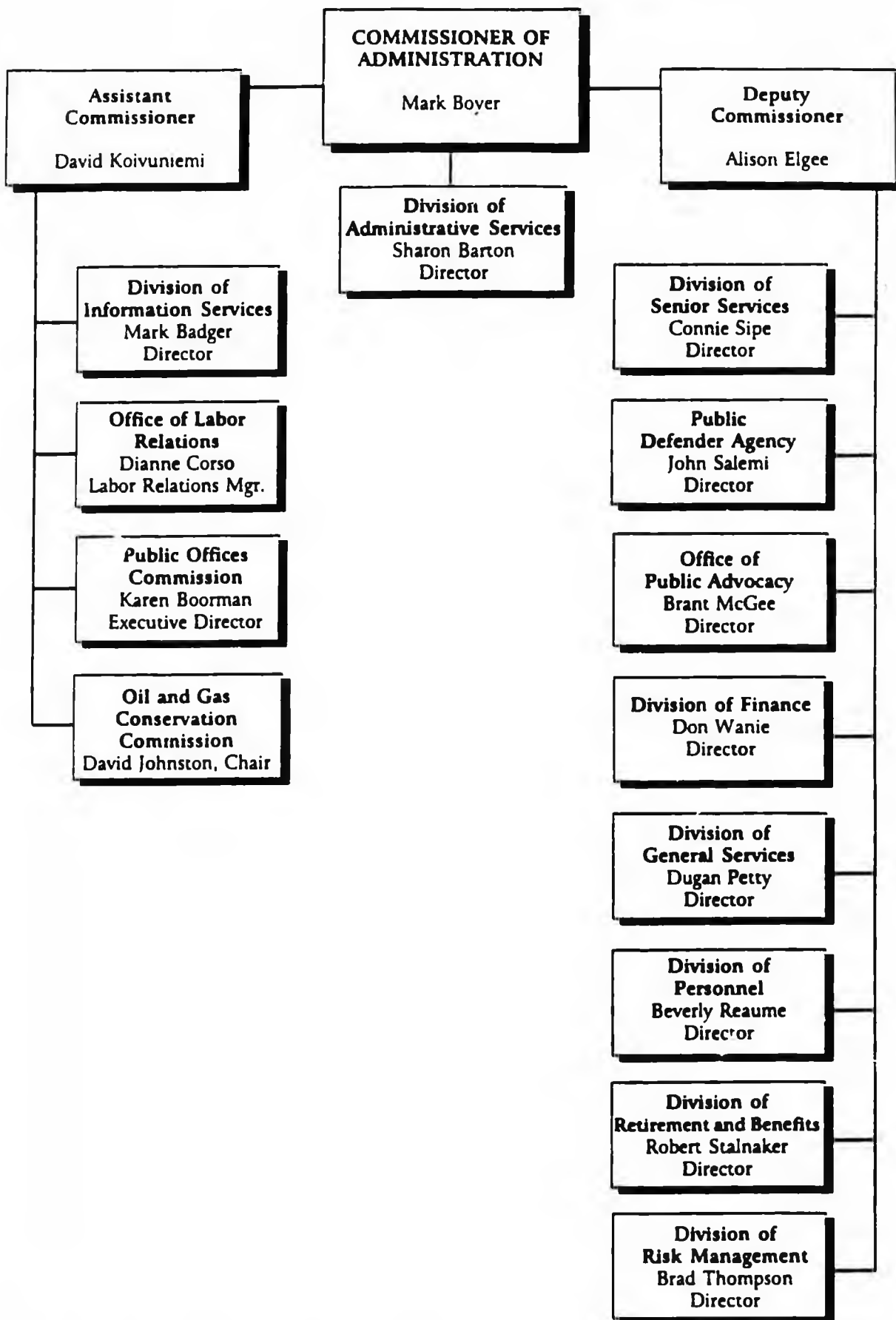


City	Divisions
Anchorage	- Gen. Svcs., Info. Svcs., Personnel, Ret. & Bene., Senior Svcs., Pub. Def., OPA, APOC, AOGCC
Barrow	- Pub. Def.
Bethel	- Pub. Def.
Dillingham	- Pub. Def.
Fairbanks	- Info. Svcs., Senior Svcs., Pub. Def., OPA
Juneau	- Admin. Svcs., Finance, Gen. Svcs., Info. Svcs., Personnel, Ret. & Bene., Risk Mgt., Senior Svcs., Pub. Def., OPA, APOC, APBC
Kenai	- Pub. Def.
Ketchikan	- Senior Svcs., Pub. Def.
Kodiak	- Pub. Def.
Kotzebue	- Pub. Def.
Nome	- Pub. Def.
Palmer	- Senior Svcs., Pub. Def.
Sitka	- Senior Svcs., Pub. Def.

STATE OF ALASKA
Department of Administration
Office Locations

INTRODUCTION

**DEPARTMENT OF ADMINISTRATION
ORGANIZATION CHART**



**DEPARTMENT OF ADMINISTRATION
Functional Organization**

Division Director and Phone #	Services to State Agencies	Services to the Public	Services Internal to the Department
Commissioner's Office Mark Boyer 465-2200	Budget Review Committee State Bond Committee Student Loan Corp. Correctional Industries Telecom. Info. Council	Public Information Older Alaskan Commission/ Grants	Department Management
Labor Relations Dianne Corso 465-4403	Contract Administration Grievance arbitration Contract Negotiations Investigations and Training		
Administrative Services Sharon Barton 465-2277		Municipal Grants Hearing Officer	Departmental, Personnel, Fiscal, Payroll, Property, Procurement, Publications
Personnel Beverly Reaume 465-4433	Eligible Hire Lists Classification and Pay EEOC Complaint Investigations Productivity Improv. Center (PIC) Personnel Board	Recruitment	
Finance Don Wanie 465-2240	Payroll Accounting Systems Management	Annual Financial Report 1099s, W-2s	
General Services Dugan Petty 465-5685	Purchasing Property Control Leasing and Facilities Central Duplication and Mail	Surplus Property Sales Vendor Lists Bid Offerings Surplus Fed. Property Distribution	Mail Delivery and Pickup
Retirement and Benefits Robert F. Stalnaker 465-4470	Employee Health Insurance Retirement Programs SBS Benefits Group Health Insurance Deferred Compensation PERS/TRS Boards Supplemental Annuity Plan		
Risk Management J. Brad Thompson 465-2180	Property Insurance Liability Insurance Self-Insurance	Claims Administration	
Information Services Mark Badger 465-5766	Customer Services Computer Services Telecommunication Services	Public Communication Services	
Public Broadcasting Commission Robert Jenkins 465-2846		Grants and Technical Assistance to Public Radios/TV Grantees	
Senior Services Connie Sipe 465-4791 563-5654		Pioneers' Homes Longevity Bonus Grants and Technical Assistance to Seniors' Organizations LTC Ombudsman Adult Protective Services CHOICE for the Elderly	
Public Defender John Salemi 264-4400		Defense for Indigents	
Office of Public Advocacy Brant McGee 274-1684		Defense for Indigents Guardians Ad Litem Conservator Services	
Public Offices Commission Karen Booman 276-4176		Regulation of Campaign Finance Conflict of Interest Lobbying Legislative Financial Disclosure	
Oil and Gas Conservation Commission David Johnston Chairman 279-1433		Oil and gas development and production	

DEPARTMENT OF ADMINISTRATION
Functional Organization Contacts*

Administrative Services

Budget - Eric Swanson (5654)
Fiscal - Chris Parce (5653)
Hearing Officer - Keith Gilmore (5667)
Human Resources - Mary Wanie (5658)
Municipal Grants - Lena Simmons (5647)
Payroll - Judy Elphic (5661)
Property - Robin Robinson (5651)
Procurement - Robin Robinson (5651)
Publications Center - Tania Zolotareff (5644)

Commissioner's Office

Budget Review Committee - Mark Boyer (2200),
Alison Elgee (2200)
Correctional Industries - Mark Boyer (2200)
Department Management - Mark Boyer (2200),
Alison Elgee (2200)
Public Information - Mark Boyer (2200),
Alison Elgee (2200)
State Bond Committee - Mark Boyer (2200)
Student Loan Corporation - Mark Boyer (2200)
Telecom. Info. Council - Mark Boyer (2200)

Finance

Accounting - Weldon Blackwell (5614)
Payroll - Mark Minthorn (5599)
Annual Financial Report - Joe Thomas (5616)
Systems and Programming Mgt. - David Essary
(5615)
System Administration and Security - Debbie Bump
(5603)
W-2s/1099s - Jim Barnes (5590)

General Services

Central Duplication - Charlie Wolfe (2282)
Leasing and Facilities - Faye Bain (5689)
Purchasing - Vern Jones (5684)
Property Control - Diane Kochendorfer (279-0596)
Surplus Property - Diane Kochendorfer (279-0596)
Vendor Lists - Vern Jones (5684)
Central Mail - John Schauwecker (2259)

Information Services

Public Communication Services - Mark Badger
(2220)
Customer Services - Karen Morgan (5794)
Computer Services - Ron Hensley (5789)
Telecommunication Services - John Morrone
(269-5744)

Labor Relations

Contract Negotiations - Dianne Corso (4403)
Contract Administration - Dianne Corso (4403),
Mila Doyle (3812),
Lee Powelson (3798)
Grievance/arbitration - Mila Doyle (3812),
Lee Powelson (3798)

Investigations - Dianne Corso (4403)
Training - Mila Doyle (3812)

Retirement and Benefits

Deferred Compensation - Anselm Staack (5703)
Group Health and Life Insurance - Janet Parker (4473)
Supplemental Annuity Plan - Anselm Staack (5703)
PERS/TRS Boards - Robert Stainaker (4470)
Retirement Programs - Bill Church (5700)
SBS Benefits - Janet Parker (4473)

Oil and Gas Conservation Commission

General Information - David Johnston (279-1433)

Office of Public Advocacy

Guardian/Conservator Services - Margaret Carey
(274-1684)
Defense for Indigents - Leslie Hiebert (274-1684)
Guardians Ad Litem - Barbara Malchick (274-1684)

Personnel

Classification and Pay - Patty Judson (4425)
Eligible Hire Lists - Adrienne Snow (3849)
Productivity Improvement Ctr. - Arlene Abbott (3412)
Personnel Board - Mike McMullen (4431)
Recruitment - Elaine Williams (4054)
EEOC Complaints - Phyllis Schmidt (563-0226)

Public Broadcasting Commission

General Information - Bob Jenkins (2846)

Public Defender

General Information - John Salemi (264-4400)

Public Offices Commission

Campaign Finance - Greg Granquist (276-4176),
Chris Ellingson (276-4176)
Conflict of Interest - Nancy Freeman (276-4176)
Lobbying - Brooke Miles (4864)
Legislative Financial Disclosure - Nancy Freeman
(276-4176)

Risk Management

Property Insurance - Lou Edwards (2183)
Claims Administration - Ted Lehrbach (5724)
Liability Insurance - Bill Chisham (2184)
Self-Insurance - Brad Thompson (5723)

Senior Services

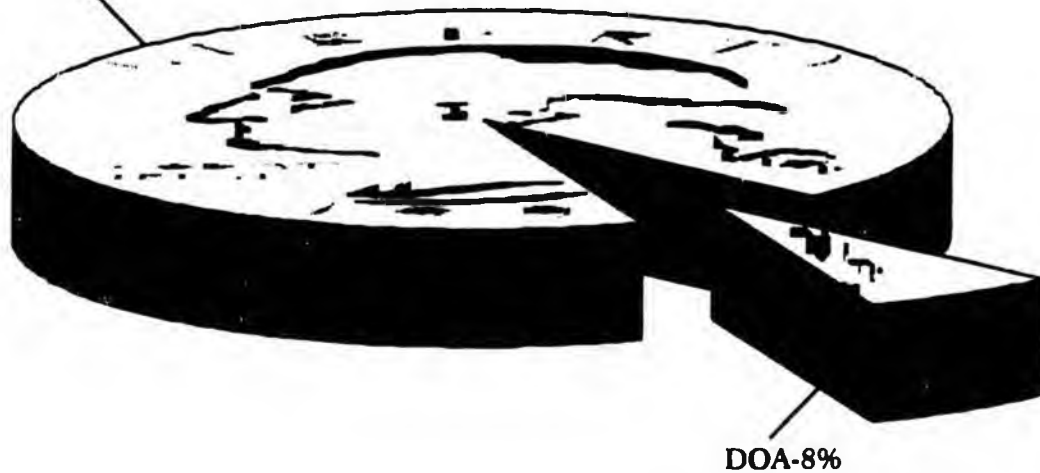
Adult Protective Services - Connie Sipe (563-5654)
Grants and Technical Assistance
to Seniors' Organizations - Jane Demmert (4400)
Longevity Bonus - James Kohn (4400)
LTC Ombudsman - Jane Demmert (4400)
Pioneers' Homes - James Kohn (4400)
CHOICE for the Elderly - Connie Sipe (563-5654)

* All telephone numbers are 465 prefixes unless specified

Department of Administration

FY 97 General Fund Operating Budget Comparison

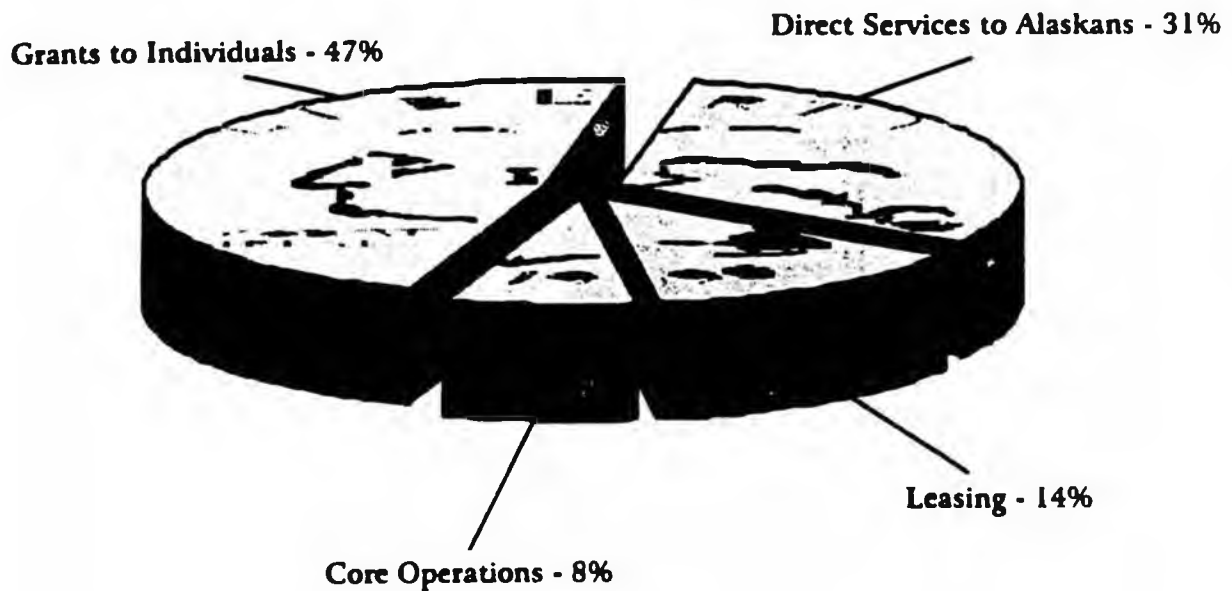
All Other State Agencies - 92%



All Other State Agencies	\$2,052,234.7
DOA	\$ 173,233.7
Total State Operating Budget	\$2,225,468.4

Department of Administration

FY 97 General Fund Operating Budget by Service Category

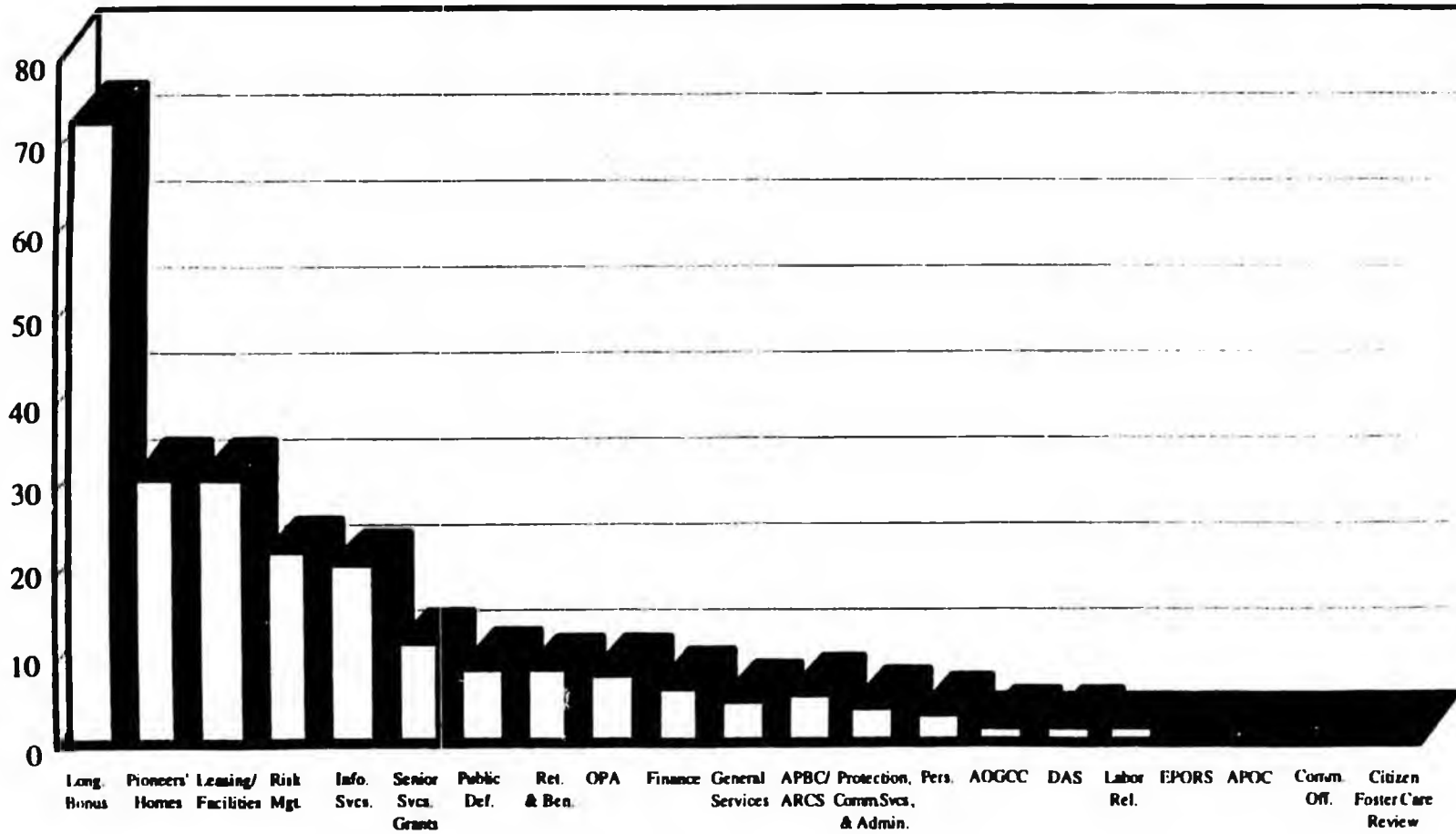


Grants to Individuals	\$ 82,212.4
Direct Services to Alaskans	\$ 53,506.2
Leasing	\$ 24,177.6
Core Operations	\$ 13,337.5
Total DOA GF Budget	\$173,233.7

Grants to Individuals	Direct Services to Alaskans	Leasing	Core Operations
Commission on Aging Longevity Bonus Public Communications	Pioneers' Homes Protection, Community Svcs., and Administration Public Defender Citizens Foster Care Review Office of Public Advocacy Alaska Public Offices Commission Public Communications Administration EPORS ARCS AOGCC		Office of the Commissioner Administrative Services Personnel Labor Relations Finance General Services

DEPARTMENT OF ADMINISTRATION

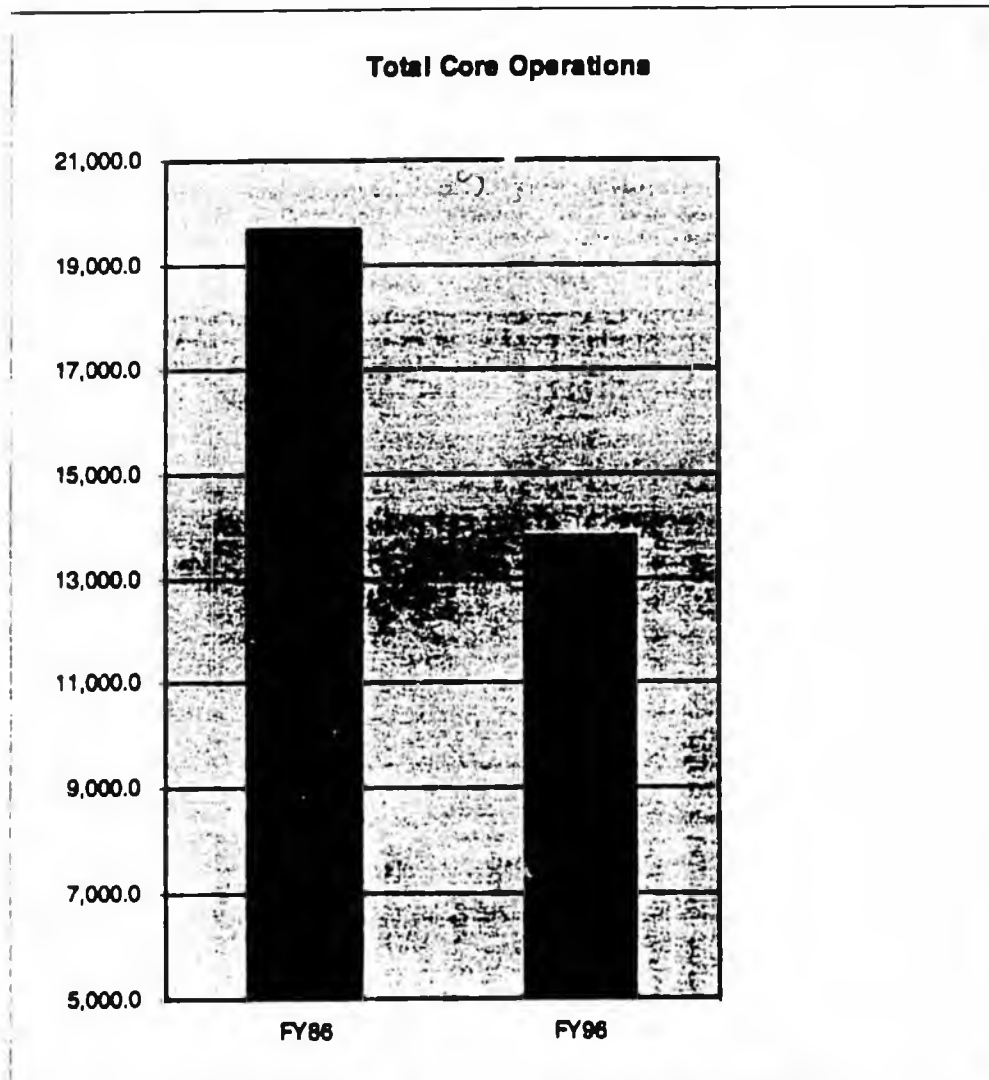
FY 97 Operating Budget Comparison by Program—All Funds
(Millions)



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FY 86-96 Core Operations GF Comparison (1996 Dollars)

Core Operations	FY 86 GF Actual	FY 96 GF Auth
Office of the Commissioner	1,030.5	378.5
Administrative Services	2,668.6	1,007.5
Personnel	3,800.3	2,155.5
Labor Relations	1,313.2	1,178.3
Finance	7,665.3	6,384.0
Purchasing	2,055.1	1,664.5
Property Management	451.5	626.2
Central Duplicating & Mail	711.6	398.3
Total Core Operations (FY 86 Nominal \$14,636.7)	19,696.1	13,792.8



DEPARTMENT OF ADMINISTRATION
FY 96-97 Operating Budget Summary
 (For additional budget summaries, see Appendices 1 and 2, pages 52 and 53)

<u>Component</u>	<u>FY 96 Authorized</u>		<u>FY 97 Governor</u>		<u>Variance</u>	
	<u>GF</u>	<u>Total</u>	<u>GF</u>	<u>Total</u>	<u>GF</u>	<u>Total</u>
Longevity Bonus Grants	72,152.6	72,152.6	72,152.6	72,152.6	0.0	0.0
Pioneers' Homes	29,842.3	29,842.3	31,038.7	31,038.7	1,196.4	1,196.4
Protection, Community Services, and Administration	2,041.0	3,569.9	2,108.0	3,691.8	67.0	121.9
Nutrition, Transportation & Supplies	1,691.1	5,505.1	1,646.1	5,505.1	(45.0)	0.0
Senior Employment	198.3	1,752.3	198.3	1,752.3	0.0	0.0
Home & Community Based	2,687.2	2,732.2	2,982.2	2,982.2	295.0	250.0
Senior Residential	1,015.0	1,015.0	933.8	933.8	(81.2)	(81.2)
Public Defender	8,253.1	8,253.1	8,641.1	8,641.1	388.0	388.0
Public Advocacy	7,199.6	7,239.6	7,535.3	7,605.6	335.7	366.0
Commissioner's Office	378.5	493.5	383.7	498.8	5.2	5.3
Foster Care Review	138.0	138.0	138.3	138.3	2.3	2.3
Labor Relations	1,178.3	1,178.3	1,080.2	1,080.2	(98.1)	(98.1)
Administrative Services	1,007.5	1,539.5	915.5	1,494.5	(92.0)	(45.0)
Personnel	2,155.5	2,301.2	2,201.7	2,421.7	46.2	120.5
PIC	130.1	719.0	128.0	708.2	(2.1)	(10.8)
Finance	6,384.0	6,384.0	5,919.0	5,940.8	(465.0)	(443.2)
General Services	2,689.0	4,554.7	2,654.4	4,532.1	(34.6)	(22.6)
Retirement and Benefits	0.0	8,133.9	0.0	8,109.5	0.0	(24.4)
EPORS	891.1	891.1	391.1	891.1	0.0	0.0
AOGCC	1,658.7	1,758.7	1,679.0	1,779.0	20.3	20.3
APOC	633.8	633.8	642.0	642.0	8.2	8.2
Risk Management	0.0	18,579.7	0.0	21,966.8	0.0	3,387.1
Information Services	55.0	21,586.5	55.0	20,407.4	0.0	(1,179.1)
ARCS	794.8	953.7	772.8	913.5	(22.0)	(40.2)
Public Communications Services	4,436.5	4,436.5	4,359.3	4,359.3	(77.2)	(77.2)
Leases	23,171.0	28,302.0	24,177.6	30,547.2	1,006.6	2,245.2
Total	170,780.0	234,644.2	173,233.7	240,733.6	2,453.7	6,089.4

FY 97 Major Issues

◆ Core Services Funding

The core service operations of the Department of Administration have been substantially reduced in terms of real dollars over the past ten years. A comparison of FY 86 actual expenditures to FY 96 authorized expenditures (adjusted for changes in fund sources and stated in 1995 dollars) indicates that the core service operations have been reduced 30 percent in terms of real purchasing power over the ten year period: FY 86-\$19,696.1; FY 96-\$13,792.8. These reductions have been accomplished with little diminishment in the services offered state agencies, because of improvements in technological program support. Future reductions in any of the core service programs will result in a significant loss of government operations support for all state agencies, and will jeopardize the continued oversight necessary for fiscal program compliance. (See Core Operations GF Comparison, page 7.)

◆ Procurement Streamlining Initiative

The department has begun an initiative to change state procurement culture, working with all stakeholders to develop best solutions and practices for efficient and economical acquisition of the supplies, services, and equipment that support state program operations. (See Appendix 3, page 58.)

◆ Examination of Public Employee Benefit Plans

The administration is reviewing the benefits provided by public employers to attract and retain qualified individuals for public service at the most reasonable cost to the employer. The administration is working with collective bargaining groups to discuss the current structure of retirement and health benefits, keeping the above-stated purpose in mind.

◆ Pioneers' Homes Rates

After the 1995 annual fall visit to the homes, the Pioneers' Homes Advisory Board recommended that the program begin the process of charging for the full cost of resident care. The recommendation calls for rates equal to full-cost of care by FY 2003. The first phase of the rate increase will be implemented in FY 97 and is expected to result in approximately \$2.8 million in revenue. GF and GF/Program Receipts have been realigned in the Pioneers' Homes FY 97 budget as a result of the proposed rate increase.

◆ A New Model for Public Telecommunications

Out of the mix of severe budget reductions, dramatic technological developments, strong constituent support, and new partnerships, a new model for public communications has emerged. The new approach reduces costs while significantly improving service to all Alaskan communities. (See Appendix 4, page 60.)

◆ Longevity Bonus Income Cap

During the 1996 legislative session, the Governor will introduce legislation to place an "income maximum" for recipients in the Longevity Bonus program. In addition, the legislation will provide for a 180-day maximum period of absence from the state in any 12-month period. Exceeding the 180-day maximum will result in permanent disqualification from the program. These changes would produce significant cost savings.

◆ **Reengineering of Personnel Systems**

Many changes have occurred in the 36 years since the original personnel systems were put in place. These include modifications and additions to federal regulations (for example, FLSA, ADA, FMLA); collective bargaining for Alaska's public employees; the rise and now falling state revenue stream; centralization and decentralization of traditional merit system functions; and technological changes in the office environment. Current systems are labor-intensive and not responsive to the needs of today's managers. Preliminary research is being conducted during FY 96 on how other states, municipalities, and the private sector have streamlined and improved human resources services and whether these new systems might be appropriate for Alaska. The reengineering of personnel systems will concentrate on practices that will deliver results to agencies and the public in a more efficient and cost-effective manner. The focus will include redesigning the way we classify jobs, test applicants, recruit and hire for state positions, and how we train employees. It will take approximately 18 months to design and fully implement changes. (See Personnel Update, page 21.)

◆ **Improving Cost Effectiveness and Efficiency of Labor Contract Administration**

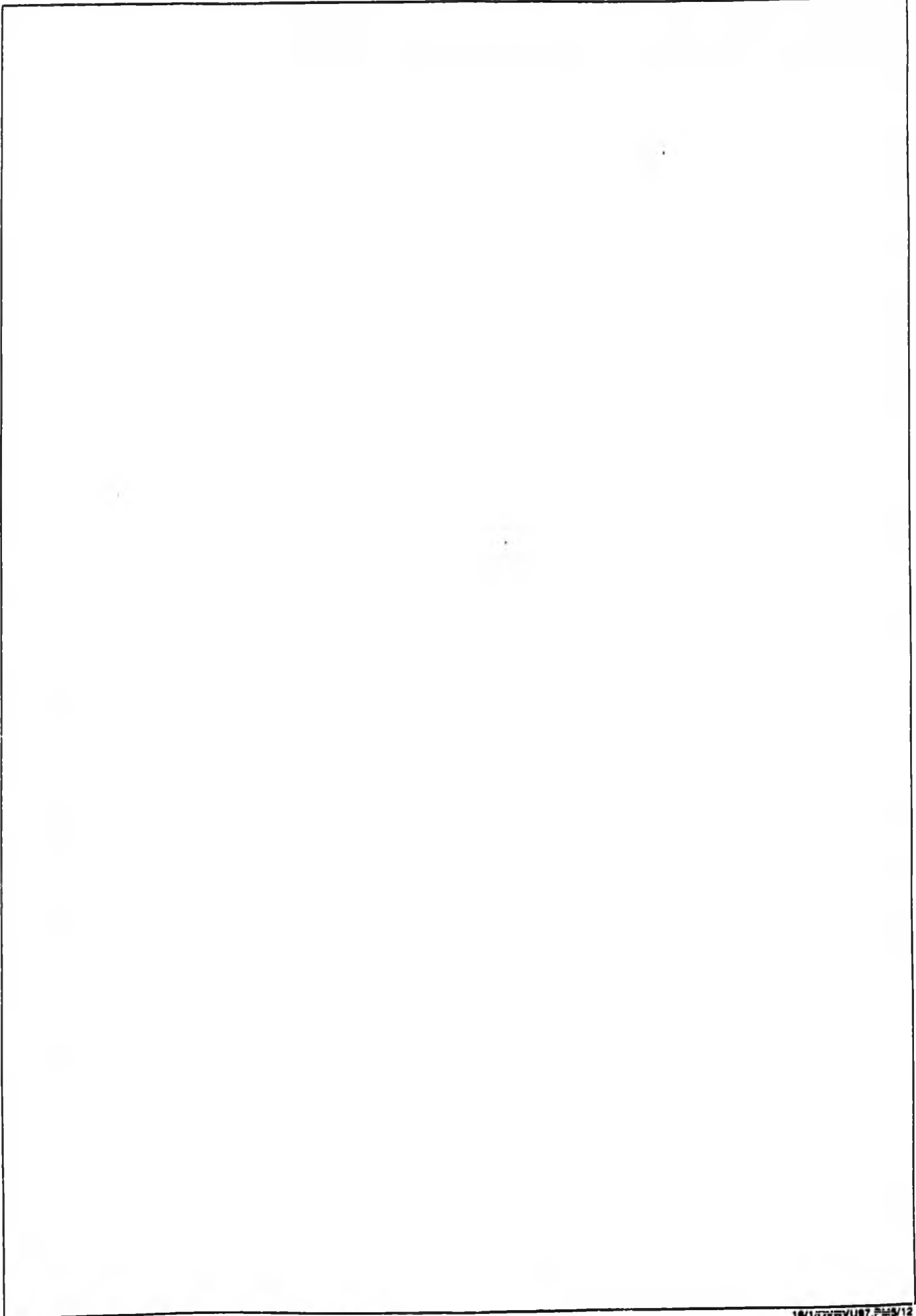
The Office of Labor Relations has initiated an effort to reduce costs and improve the effectiveness of the state's labor contract administration processes. Based on FY 96 discussions with client agencies, efforts will be focused on two areas: 1) improving the information exchange between Labor Relations and the agencies, and improving labor relations training opportunities for human resource, managerial, and supervisory staff; and 2) implementing streamlined grievance and dispute resolution procedures, and increasing use of alternate dispute resolution procedures. (For labor contract updates, see Appendix 5, page 61.)

◆ **Review of Eligibility Criteria for OPA and PD Court Referrals**

The directors of the Office of Public Advocacy and the Public Defender Agency are participating with the court system in an indigency standards review project that may make the court referral process more fair and uniform. It is the intent of the group to: 1) review/revise the definition of "indigency" as it applies to requests for public counsel services; 2) review the fee schedule which is used to recoup some cost of state-appointed lawyers; and 3) explore development of eligibility criteria to standardize appointments across the state. The work of this group is expected to be completed by April of this year. Project participants may propose legislative changes to statutory definitions regarding eligibility for public counsel services. Further, the group will develop proposed rule changes for consideration by the Alaska Supreme Court.

◆ **Long-term Care Strategy**

The Division of Senior Services is currently working with an interdepartmental team to review Alaska's long-term care system and make recommendations for the future. The group has hired a consultant to work with them on this process. The effect of funding changes at both the state and federal level will have a major impact on the study.



**DIVISION
OVERVIEWS**

DIVISION OVERVIEWS



Department of Administration

Office of the Commissioner

Mark Boyer, Commissioner

Mission

To provide management oversight and policy direction to departmental programs, and to interface with the judicial, legislative, and executive branches of government to assure the effective, efficient, and economical delivery of public services to Alaskans.

Primary Services

Provide policy direction and leadership for departmental programs

Provide inter/intra-agency coordination as necessary

Customers

The public

The Governor

The legislature

State agencies

Departmental programs

FY 97 Initiatives

Secure legislative approval and funding of all negotiated labor agreements

Streamline the administrative functions of government

Create customer service environments where services are being provided to other governmental organizations

Complete the reengineering of computer and telecommunications services

Complete all outstanding labor negotiations and refocus labor relations to training, grievance resolution, and contract administration

Funding Summary

Commissioner's Office Component

	FY 96 Authorized	FY 97 Governor's Request
General Fund	378.5	383.7
I/A Receipts	115.0	115.1
Total Funds	493.5	498.8
PFT Positions	6.0	5.0

FY 97 Update

Structural Changes

Two organizational changes were made in the Commissioner's Office in FY 96. The Labor Relations unit was transferred into the Commissioner's Office from the Division of Personnel and appears as a component in the Commissioner's Office BRU. The Citizens' Foster Care Review program was transferred to the Division of Senior Services and will be moved to the Senior Services BRU in the Governor's Amended Budget.



Department of Administration

Office of Labor Relations

Dianne Corso, Manager



Mission

To achieve the purposes of the Public Employment Relations Act by acting as the executive branch representative in contract negotiations and contract administration matters.



Primary Services

Represent the Administration in contract negotiations

Respond to grievances and complaints on behalf of the Commissioner of the Department of Administration

Represent the State of Alaska in arbitration, mediation, and other dispute resolution procedures

Represent the State of Alaska at Alaska Labor Relations Agency hearings regarding unfair labor practices, unit clarification, and other matters

Provide training and consultative services to managerial and supervisory personnel on contract negotiation and administration

Establish and administer labor management committees



Customers

Executive branch departments and administrators

Human resources personnel

Supervisors and managers



FY 97 Initiatives

Complete outstanding negotiations within parameters established

Implement approved collective bargaining agreements

Establish effective Labor Management Committee procedures

Increase efficiency of the dispute resolution and grievance-arbitration processes

Develop new and revised materials for supervisory training

Funding Summary

Labor Relations Component

	FY 96 Authorized	FY 97 Governor's Request
	<i>(As part of the Personnel Component)</i>	
General Fund	1,178.3	1,080.2
Total Funds	1,178.3	1,080.2
PFT Positions	15.0	14.0

FY 97 Update

Structural Change

The Labor Relations Office was removed from the Division of Personnel/OEEO and placed in the Office of the Commissioner on July 1, 1995.

Budget Reduction

This component is reduced by \$98.1 and one position.

Labor Contract Administration

See Major Issues, page 10.

Labor Contracts Status

See Appendix 5, page 61.



Department of Administration

Division of Administrative Services

Sharon Barton, Director

Mission

To facilitate delivery of all DOA programs by providing efficient and cost-effective business management support, to effectively administer state municipal grants programs, and to provide fair and impartial adjudication of appeals and claims against the state as provided by law.

Primary Services

Provide administrative training to DOA support team

Develop and implement the department budget

Provide personnel and payroll management support

Oversee departmental procurement

Distribute and administer Municipal and Matching Grants

Analyze and make recommendations on administrative appeals

Provide departmentwide publications services

Customers

Department of Administration program managers and employees

Private sector vendors

Office of Management and Budget

Legislature

Incorporated municipalities and organized boroughs (Municipal and Capital Matching Grants)

FY 97 Initiatives

Implement a comprehensive training program for all DOA administrative staff

Improve management reporting for all DOA revenue generating programs

Develop improved checks and balances in the department's procurement procedures

Upgrade the computer skills of all division staff

Funding Summary

Administrative Services Component

	FY 96 Authorized	FY 97 Governor's Request
General Fund	1007.5	915.5
I/A Receipts	532.0	579.0
Total Funds	1,539.5	1,494.5
PFT Positions	25.0	24.0

FY 97 Update

Budget Reduction

The FY 97 budget includes a decrement of \$100.0 GF and two full-time positions. Staff efficiencies in the grants unit make possible the reduction of one position, and the second is eliminated from the Publications Center by transferring certain kinds of word processing work back to the divisions.

The FY 97 budget also includes an interagency receipt increase of \$47.0 and one PFT position for department cc:Mail and LAN support.



Department of Administration

Division of Personnel

Beverly Reaume, Director

Mission

Administer a human resources system to develop and implement policies that will result in a qualified, productive, and diversified work force to fulfill the state's responsibilities to the people of Alaska.

Primary Services

Develop policies to ensure compliance with all relevant statutory and regulatory requirements

Protect and promote diversification of the state work forces

Fairly, efficiently, and cost-effectively provide a pool of qualified applicants to the executive branch departments

Develop policies to increase employee productivity and foster employee growth

Customers

Executive branch departments

Employees

Applicants for state positions (all working-age residents are potential applicants)

FY 97 Initiatives

Reengineer the hiring system to increase efficiency and responsiveness to departments' needs

Reengineer the classification and pay system to increase efficiency and responsiveness to departments' needs

Implement the imaging of state applications

Funding Summary

Personnel Components

(Personnel and Productivity Improvement Center)

	FY 96 Authorized (Less Labor Relations)	FY 97 Governor's Request
General Fund	2,155.5	2,201.7
I/A Receipts	734.6	800.2
GF Designated Prog. Rcpts.	0.0	128.0
GF Program Receipts	130.1	0.0
Total Funds	3,020.2	3,129.9
PFT Positions	44.0	41.0

FY 97 Update

Program Changes

During FY 96, the Division of Personnel significantly changed its method of operation through a series of individual agreements with executive branch agencies. The goal was to improve the overall service to state agencies. First, nine agencies took all or partial delegation of individual classification actions. For its part, Personnel agreed to undertake a complete overhaul of the class specifications, training, and rating devices. Many class specifications and rating devices have not been reviewed in 10 to 20 years. Personnel has scheduled the study of 60 class series, including all Labor, Trades and Crafts classes over the next two years. Each class series covers anywhere from 12 to 450 positions.

Second, six agencies took all or partial delegation of application examining. This delegation allowed Personnel to schedule, beginning in July 1995, the opening of most job classes at least once a year. Most classes were closed to open recruitment since June 1992. This new system proved very popular with the public and initially resulted in large examining backlogs. As scheduled recruitments began to meet agency needs, the turnaround time of examining applications has improved.

In late FY 96, Personnel will begin two long-awaited projects: First, a demonstration project that will lead to full implementation of imaging state applications during FY 97 (pending FY 97 CIP funding), and second, laying of the groundwork to reengineer the hiring process. This project will include defining how and when applications are submitted to the state; how, when, and where the applications are scored; and how lists are maintained and distributed to agencies. These two projects will work hand-in-hand to create a more efficient and less cumbersome process for applicants and hiring managers.

Structural Changes

In 1996, the Labor Relations unit was transferred to the Commissioner's Office from the Division of Personnel. The FY 97 budget reflects this change.



Department of Administration

Division of Finance

Don Wanie, Director

Mission

To uphold the public's trust in the safety, soundness, integrity, and stability of the state's financial systems through effective and efficient policies and through compliance with statutory/regulatory fiscal procedures and generally-accepted accounting principles.

Primary Services

- Centralized statewide accounting
- Centralized statewide payroll; all branches of government
- Financial systems security
- Financial policy and procedures development
- Travel policy and procedures development
- Accounting and payroll training

Customers

- State agencies; all three branches of government
- Employees and former employees
- Retirees
- Vendors

FY 97 Initiatives

- Complete the update and distribution of the AKPAY section of the Administrative (policy) Manual and AKPAY User (procedure) Manual and update the state-wide training program
- Implement statewide purchasing card program for small purchases
- Expand the state's use of electronic commerce including payment transactions
- Install new releases for payroll and financial reporting software packages
- Release FY 96 Comprehensive Annual Financial Report concurrent with Legislative Auditor's Opinion and apply for Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting

Funding Summary

Finance Component

	FY 96 Authorized	FY 97 Governor's Request
Interagency Funds	0.0	21.8
General Fund	6,384.0	5,919.0
Total Funds	6,384.0	5,940.8
PFT Positions	45.0	45.0

FY 97 Update

State of Alaska Payroll, Accounting, and Financial Reporting at a Glance

Payroll (AKPAY)

Authorized users	840
Current employee payroll	15,200
seasonal variation	14,000 to 26,000 employees
W-2s forms issued annually	19,478
Payrolls processed	
Semimonthly	24
Biweekly AMHS	26
Paychecks issued annually	438,150
Electronic deposit participants	7,699
Total FY 95 payroll (including benefits)	866,411,424

Accounting (AKSAS)

Authorized AKSAS users	3,154
Number of vendors	55,475
Number of vendor payments	465,058
1099s issued	5,465
Other warrants processed (PFD, Longevity Bonus, etc.)	1,193,311

Comprehensive Annual Financial Report

Each year, the Division of Finance prepares and publishes the state's Comprehensive Annual Financial Report (CAFR). The CAFR includes financial information on all funds of the state as well as the various state corporations such as Alaska Housing Finance Corporation, Alaska Industrial Development Authority, etc. Additional statistical information, which includes selected financial and demographic data, is also presented in the CAFR. The report, including the Legislative Auditor's opinion, is published and distributed by mid-December each year. Approximately 600 reports are distributed annually. Distribution normally includes the Governor and the cabinet, the legislature, financial institutions, brokerage firms, municipalities, public libraries, and some private individuals. Consideration is being given to include all or selected parts of the CAFR on the Internet.



Department of Administration

Division of General Services

Dugan Petty, Director



Mission

To provide procurement, property management, duplicating, office leasing, and mail handling services that help state agencies accomplish their public mission.



Primary Services

Provide procurement leadership through training, consultation, and guidance to customer agencies

Provide policies and procedures that foster a competitive acquisition process and guide efficient property management

Acquire supplies, services, and leased office space that meet statewide procurement needs

Acquire individual agency needs when centralized purchasing can add value to the process

Manage and dispose of state property

Facilitate statewide reutilization of surplus federal property

Provide duplicating and quick copy services to state agencies in Anchorage and Juneau

Provide central mail processing and distribution in Juneau

Provide AKSAS, payroll, and permanent fund warrant processing



Customers

State agencies

Alaska vendors

Political subdivisions

Commercial property owners

Nonprofit organizations qualified to receive surplus federal property

Minority businesses qualified to receive surplus federal property

Food banks

Citizens of the state



FY 97 Initiatives

Streamline and reengineer procurement practices in conjunction with the Procurement Advisory Council

- Support "One Stop Career Center" consolidation
- Reduce office lease expenses through consolidation, building purchases, and efficient use of space
- Replace expiring leases with best-value RFP procurement when appropriate, in cooperation with customer agencies
- Empower agency procurement staff through effective training and direct policy guidance, consultation, and oversight
- Add value, efficiency, and cost-savings to the procurement process
- Manage large allocations of excess property resulting from military downsizing by providing an increased level of service to customer agencies and efficiently administering operational compliance

Funding Summary

General Services Components

(Purchasing, Central Duplicating and Mail, Property Management)

	FY 96 Authorized	FY 97 Governor's Request
GF Program Receipt	582.8	584.1
General Fund	2,106.2	2,070.3
I/A Receipts	1,590.9	1,564.0
Surplus Property	274.8	313.7
Total Funds	4,554.7	4,532.1
PFT Positions	54.0	53.0

Leasing Component

	FY 96 Authorized	FY 97 Governor's Request
General Fund	23,171.0	24,177.6
I/A Receipts	5,131.0	6,369.6
Total Funds	28,302.0	30,547.2

FY 97 Update

Program Changes

See Major Issues, page 10, and Appendix 3, page 58.

Budget Reduction

The Purchasing Component is reduced by \$58.6 GF and one PFT position. The deleted position is a Purchasing Agent III. As a result of the funding reduction and position deletion, authority for most single-agency purchasing will be delegated to the agencies.

The total PFT position count remains at 23 as a position was transferred via revised program from Central Duplicating and Mail in late FY 95.



Department of Administration

Division of Retirement and Benefits

Robert Stalnaker, Director

Mission

To develop, manage, and administer programs to attract and retain qualified state employees and to extend those services to certain political subdivisions in an effective, efficient, and secure manner.

Primary Services

Administer the comprehensive public employee benefit components of the state's personnel system and member political subdivisions

Provide record keeping services for member accounts

Counsel members to better understand and use the retirement and benefit plans

Make timely and accurate payment of benefits to eligible individuals

Customers

Two hundred and twelve employer members in the Public Employees', Teachers', Judicial, Elected Public Officers, and National Guard and Naval Militia Retirement Systems

Persons employed by the 212-member employers in the Public Employees', Teachers', Judicial, Elected Public Officers, and National Guard and Naval Militia Retirement Systems and their beneficiaries

Employees of the State of Alaska and 36 political subdivisions participating in the Group Health and Life Insurance Plan

Employees of the State of Alaska and 13 political subdivisions participating in the Supplemental Annuity Plan and Supplemental Benefits System

FY 97 Initiatives

Develop flexibility in the state benefits plans; develop an environment for more employee participation and involvement in the benefits they receive

Implement the new retirement information processing systems

Expand the content of communication materials to both employers and employees about issues related to planning for retirement

Funding Summary

Retirement and Benefits Component

	FY 96 Authorized	FY 97 Governor's Request
FICA Administrative Fund	90.8	91.7
Benefits System Receipts	3,959.9	3,886.7
Public Employees' Retirement	2,225.7	2,250.2
Teachers' Retirement	1,785.2	1,807.7
Judicial Retirement	39.2	39.7
National Guard Retirement	33.1	33.5
Total Funds	8,133.9	8,109.5
PFT Positions	71.0	72.0

Elected Public Officials Retirement System Component

	FY 96 Authorized	FY 97 Governor's Request
General Fund	891.1	891.1
Total Funds	891.1	891.1

FY 97 Update

Position Increase

One Accounting Technician position funded via Revised Program in FY 96, is added in this component for Dependent Care (SBS) record keeping.

Participant-Directed SBS

The method of investing participant funds in the Supplemental Annuity Plan changed from sponsor-directed investing to participant-directed investing as of February 1, 1996. This major change to the plan now permits participants to direct the investment of their own account. The transition effort will continue into FY 97 as participants, division staff, and the contracted record keeper learn the plan.

Combined Retirement Computer System

After many years of planning, the division is implementing a new computer database for participants of all state-sponsored retirement plans, the Combined Retirement System. Fiscal year 1997 will be the first full year of operation.

Budget Outlook

The number of participants in the division's defined benefit and defined contribution plans, and the size of the fund assets under division management, constantly increases. Some expenses of the division are tied to plan asset levels. While no increases are requested in FY 97, increased budget authority will be required in the



Department of Administration

Division of Risk Management

Brad Thompson, Director

Mission

To effectively mitigate the state's risk of financial loss by educating, insuring, and defending state department operations, assets, and employees from accidental loss and injury.

Primary Services

Claims Administration—property, workers' compensation, general liability, professional errors and omissions, aviation, and marine

Safety—develop reports showing injury trends and patterns to assist departments in workplace safety and loss control programs

Insurance Advisors—assist state departments in contract agreements, insurance, and indemnification clauses

Premium Allocation—risk management protection is charged to state departments based on prior claims experience and future loss exposure

Customers

State Departments—operations protected from fiscal impact in the event of physical damage to buildings or equipment

State Employees—injured during state employment; medical expenses and disability benefits are paid

Alaskans—who contract with state departments or who claim the state is liable for their damages or injuries

FY 97 Initiatives

Realign financing of state self-insured risk to correct prior practice of funding routine claims from the Catastrophe Reserve Account

Continue to upgrade billing system to generate premium breakouts by divisional unit, specific institution, or facility to demonstrate true cost of risk incurred to assist agencies in accounting for indirect expenses

Refine quarterly claims reports to each agency providing additional detail of claim trends (cause, severity, injury body part, etc.) with comparisons to historical loss and other relative benchmarks.

Funding Summary

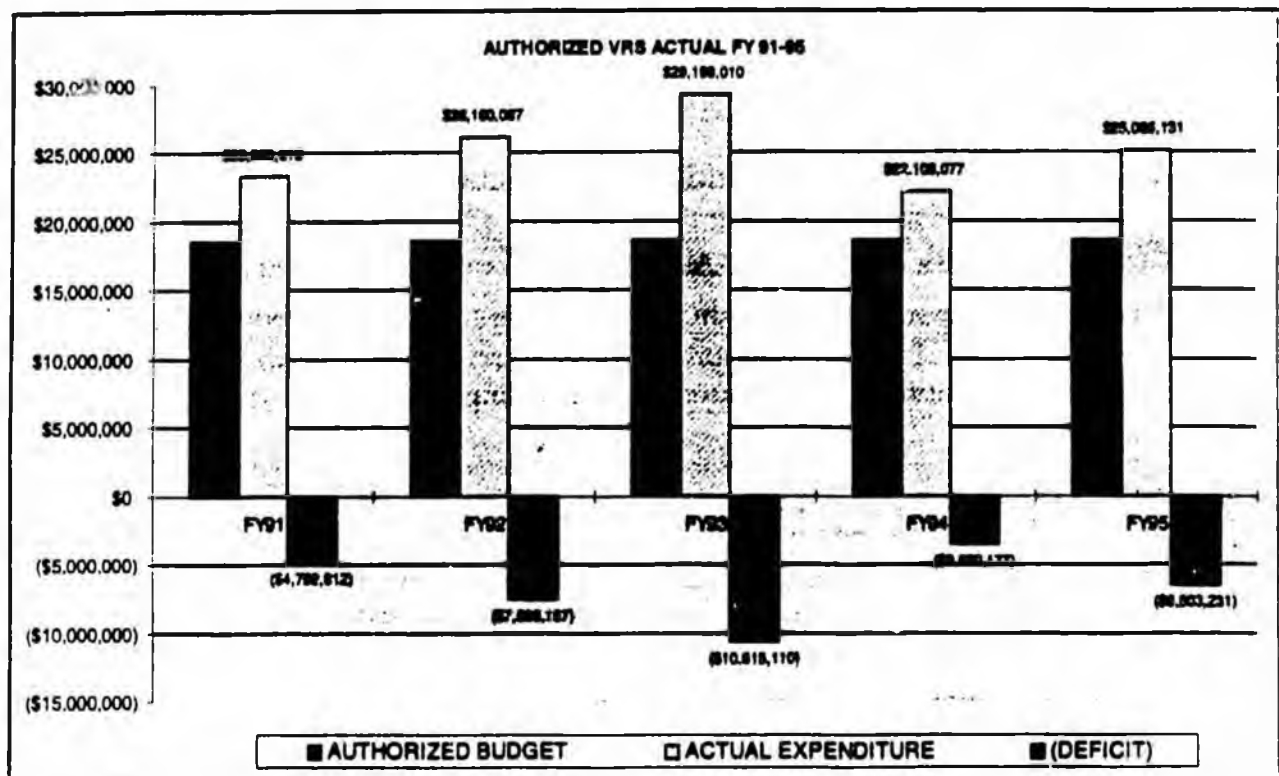
Risk Management Component

	FY 96 Authorized	FY 97 Governor's Request
I/A Receipts	18,579.7	21,966.8
Total Funds	18,579.7	21,966.8
PFT Positions	7.0	7.0

FY 97 Update

Funding Increase

Funding is increased in this component by \$3,387.1 to eliminate the practice of funding routine claims from the Catastrophe Reserve Account. All agency budgets are adjusted accordingly.



From FY 91 through FY 95, over \$33 million has been withdrawn from the catastrophe reserve fund to pay claim settlements. Authorized under AS 37.05.289, this fund is limited to a maximum of \$5 million and is replenished first by any lapsing Risk Management funds, then by other lapsing appropriations. When created, this fund was intended for use to pay only the rare large loss. More recently, the use of this account has been required in order to pay the more frequent smaller claims when Risk Management appropriation was depleted.



Department of Administration

Division of Information Services

Mark Badger, Director

Mission

To provide the state with the planning, operation, and management of communication technologies which will promote the interchange of information between state government and the citizens of Alaska and to work with state agencies to provide reliable and cost-effective oversight of this valuable state resource.

Primary Services

Information Services—telecommunications and computing

Customers

Primarily other state agencies, including the executive, legislative, and judicial branches of state government

Rural communities through the Alaska Rural Communication Service (ARCS)

Indirectly, other governmental entities; local governments, the federal government, local schools, libraries, nonprofit entities, and individual citizens who rely on communication infrastructure or information provided through computing facilities

FY 97 Initiatives

Advance statewide telecommunication policy initiatives

Full implementation of network study report recommendations to provide a single consolidated network

Integrate public telecommunication infrastructure by employing digital compression technology

Restructure services to ensure the state's information resources serve the best interest of the public, based upon determinations made through aggressive self-evaluation

Continued emphasis on client-server technology

Support efforts to enhance public access to electronic information

Provide reliable, dependable, cost-effective operation and management of the centralized telecommunication/computing systems necessary to ensure all citizens are provided essential state services

Ensure state is positioned to take advantage of continuing revolution in information technology and remains cognizant of dynamic trends and cutting edge technologies

Funding Summary

Information Services Component

	FY 96 Authorized	FY 97 Governor's Request
Information Services Funds	21,586.5	20,407.4
Total Funds	21,586.5	20,407.4
PFT Positions	145.0	141.0

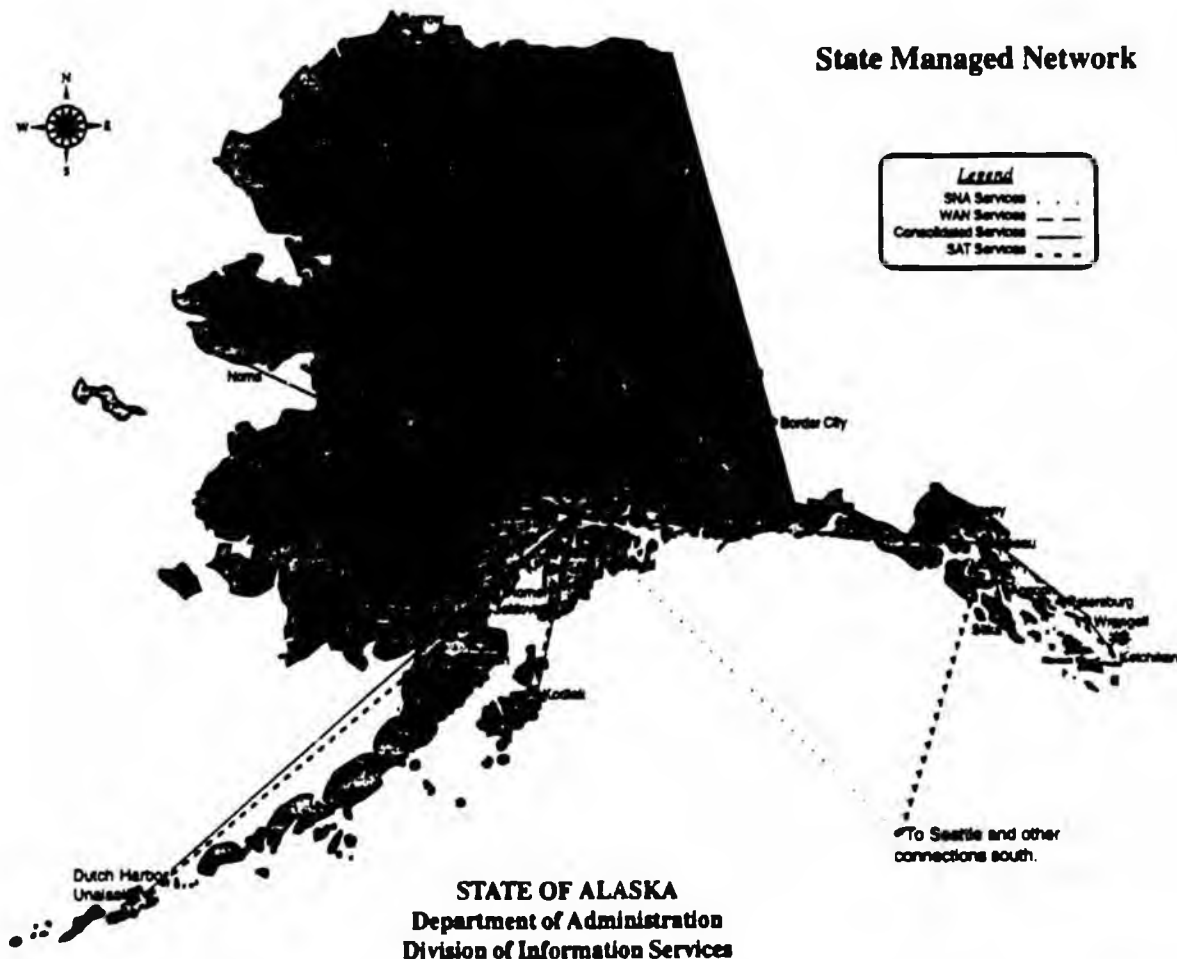
FY 97 Update

Structural Changes

In the FY 97 budget, the Telecommunications and Computer Services Components have been combined into a new Information Services Component reflecting functional and organizational changes of the past few years.

Budget Reduction

The component is reduced by \$1,179.1 and four permanent full-time positions as a result of rate reductions and service realignment. See Appendix 6, page 68.





Department of Administration

Public Communications Services

Robert Jenkins, Executive Director, APBC



Mission

Public Communications Services integrates the reengineered Public Broadcasting Services and the Alaska Rural Communications Services (ARCS), which succeeded the Rural Alaska Television Network (RATNet), to provide for the most efficient and effective use of new digital satellite signaling technology. Public Communications Services will deliver and ensure maximum coordination of state-supported broadcast telecommunications services.



Primary Services

Create links between the Alaska Public Broadcasting Commission (APBC), the Alaska Rural Communications Services (ARCS), state agencies, schools, local communities, citizens, and public broadcasting services

Allocate appropriated funds to public radio and television facilities ensuring public broadcasting services are delivered to all Alaskans in the most efficient and cost-effective manner

Provide a telecommunications service for rural Alaska, delivering public, educational, and other television programming to remote areas of the state



Customers

People of Alaska

Alaska's educators

Alaska's children

Corporation for public broadcasting and other national public broadcasting agencies and organizations

Communities and municipalities

The Governor and his administration

The Legislature

FY 97 Initiatives

Vigorously pursue funding mechanisms which will reduce the reliance on state general funds

Allocate funds in a manner that assure the survival of public radio and television stations which provide the sole broadcast service to one or more communities

Reduce state funding requirements to the lowest possible point by capitalizing on digital technology

Continue providing broadcast telecommunication services to rural areas which are not served by commercial facilities

Continue reengineering efforts which result in coordinated regional, statewide, and public/private partnerships for the delivery of telecommunications services

Funding Summary

See Appendix 1, page 52, for five-year funding comparison.

Public Communications Administration Component

	FY 96 Authorized	FY 97 Governor's Request
General Fund	111.5	59.9
Total Funds	111.5	59.9
PFT Positions	2.0	1.0

Public Broadcasting Radio Component

	FY 96 Authorized	FY 97 Governor's Request
General Fund	2,950.0	2,950.0
Total Funds	2,950.0	2,950.0

Public Broadcasting TV Component

	FY 96 Authorized	FY 97 Governor's Request
General Fund	1,375.0	1,349.4
Total Funds	1,375.0	1,349.4

Alaska Rural Communication Service Component

	FY 96 Authorized	FY 97 Governor's Request
General Fund	779.8	757.8
GF Program Receipts	15.0	15.0
Gifts/Grants	158.9	140.7
Total Funds	953.7	913.5

FY 97 Update

Public Communications Services integrates the Alaska Rural Communications Service (ARCS) and Public Broadcasting to ensure the most efficient and effective use of Alaska's satellite-based infrastructure. This new structure reflects the technical interdependence of these digital, satellite-based systems created by the use of new cost-saving technologies and the need for a single umbrella organization to coordinate them.

The Alaska Rural Communications Service replaces the Rural Alaska Television Network (RATNet) and embodies a new approach to providing services to rural Alaskans. Programming for distribution on ARCS originates from public television station KYUK, located in Bethel. They assemble a unique blend of programming for distribution on ARCS, with a major focus on Alaskan programming. ARCS also carries educational, PBS, syndicated, and commercial programming. With the delivery of telecourses on ARCS, it is possible to obtain college credit, and even complete an Associate of Arts degree.

The reengineering of public broadcasting ensures that broadcast services to rural Alaskans will continue, and even improve, with services including:

- ◆ *Regional radio networks* - regionally interconnected radio stations will share programming allowing individual stations to use their resources to address community needs
- ◆ *Alaska One* - provides a common public television program stream to Bethel, Fairbanks, and Juneau. With full implementation digital satellite signaling, Alaska One will be available to many other communities willing to invest in reasonably-priced receiving and retransmission equipment.
- ◆ *Alaska Two* - provides C-span-type television coverage of the Alaska Legislature through collaborative efforts of public broadcasters and Alaska's cable industry.
- ◆ *Alaska Three* - while this service is not yet fully defined, Alaska Three provides the infrastructure for a full-time educational television service.

- ◆ *Alaska Four* - delivers public, educational, and other television programming to remote areas of the state. *Alaska Four* is the programming service delivered on ARCS.

With this restructuring, the Public Communications Service is a model of how increased efficiency is possible with the implementation of new technology and the careful coordination of its use. (See Appendix 4, page 60.)



Department of Administration

Division of Senior Services

Connie Sipe, Director

≡ Mission

To ensure the dignity, security, and independence of Alaska seniors by providing direct financial payments, coordinating a full continuum of services ranging from home and community-based care to assisted living to institutional care, and protecting vulnerable adults who may be subject to abuse or who are consumers of assisted living and nursing home services.

≡ Primary Services

Development of an aging services network for present and future generations of seniors

Long-term institutional care for Alaska seniors

Home and community-care service plans as alternatives to institutional care

Cash bonus program for Alaska seniors

Grants administration, monitoring, and services development

Protective services for vulnerable adults

Licensing of assisted living homes for seniors

≡ Customers

Alaska seniors and their families

Representatives of Alaska seniors, including the legislature and Governor

Communities in which senior services are provided

Senior organizations

Senior service provider agencies

≡ FY 97 Initiatives

Seek approval of Mental Health Trust Funding for remodeling and construction of the proposed special dementia care unit in the Fairbanks Pioneers' Home; finish the day therapy room addition to the Palmer special unit

Maintain 80 percent training level of all Homes' staff in both the Mandt aggression control and the Alzheimer's "successful living" training curricula

- Continue licensing newly-built assisted living homes in the private sector under the Assisted Living regulations; continue training for facility operators on the regulations and on maintaining quality of care in Assisted Living homes
- Take the CHOICE Medicaid home care project to full capacity, serving 400 seniors statewide with community care alternatives to nursing home placement; apply for federal renewal of three-year waiver which ends mid-FY 96
- Continue cross-training of division staff from the protective services unit with the Pioneers' Home staff and local community providers on topics of mutual concern
- Increase availability of care coordination/case management and brokered services in the Kenai Peninsula, the Mat-Su Valley, Southeast, and Anchorage areas

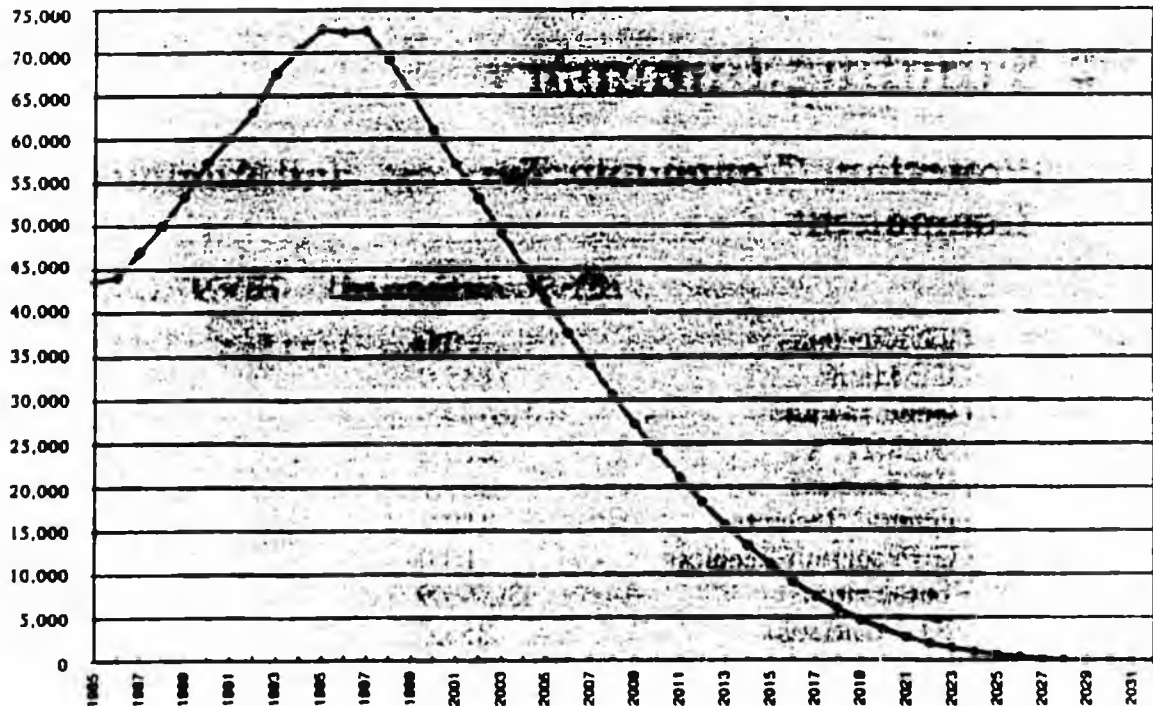
≡ Funding Summary

Longevity Bonus Component

	FY 96 Authorized	FY 97 Governor's Request
General Fund	72,152.6	72,152.6
Total Funds	72,152.6	72,152.6

≡ FY 97 Update

Longevity Bonus Program, As Currently Structured, Phase-Out Forecast
(Amounts from FY 85 - FY 95 are actual expenditures - in thousands)



Funding Summary

Pioneers' Homes Component

	FY 96 Authorized	FY 97 Governor's Request
GF Mental Health	414.0	420.8
General Fund	24,304.8	22,669.4
GF Program Receipts	5,123.5	7,948.5
Total Funds	29,842.3	31,038.7
PFT Positions	477.0	477.0
PPT Positions	85.0	82.0
Nonperm Positions	66.0	66.0

FY 97 Update

Rate Increase

Institute first phase of Pioneers' Homes rate increases designed to arrive at the full cost of resident care at each level by FY 2003.

Continue emphasis on moving Pioneers' Homes to assisted living care, with special emphasis on care for those with Alzheimer's Disease & Related Disorders (ADRD).

Open second ADRD care units at the Anchorage, Palmer, and Juneau homes.

Funding Summary

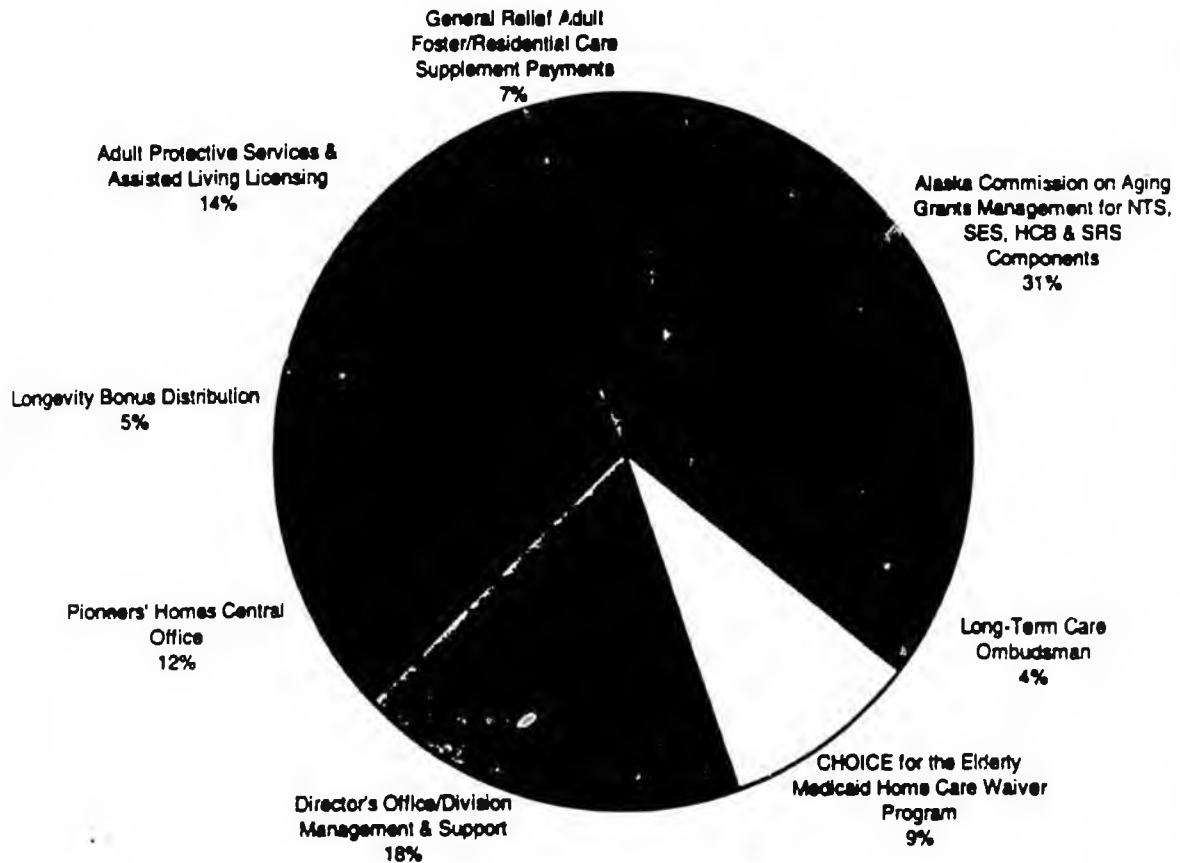
Protection, Community Services, and Administration Component

	FY 96 Authorized	FY 97 Governor's Request
CIP Receipts	0.0	52.9
GF Match	145.9	146.9
General Fund	1,674.9	1,741.6
GF/MHTIA	210.2	209.5
I/A Receipts	209.7	211.0
Federal Receipts	1,319.2	1,319.9
GF Program Receipts	10.0	10.0
Total Funds	3,569.9	3,691.8
PFT Positions	38.0	42.0

FY 97 Update

Protection, Community Services, and Administration

Funding Allocation



Funding Summary

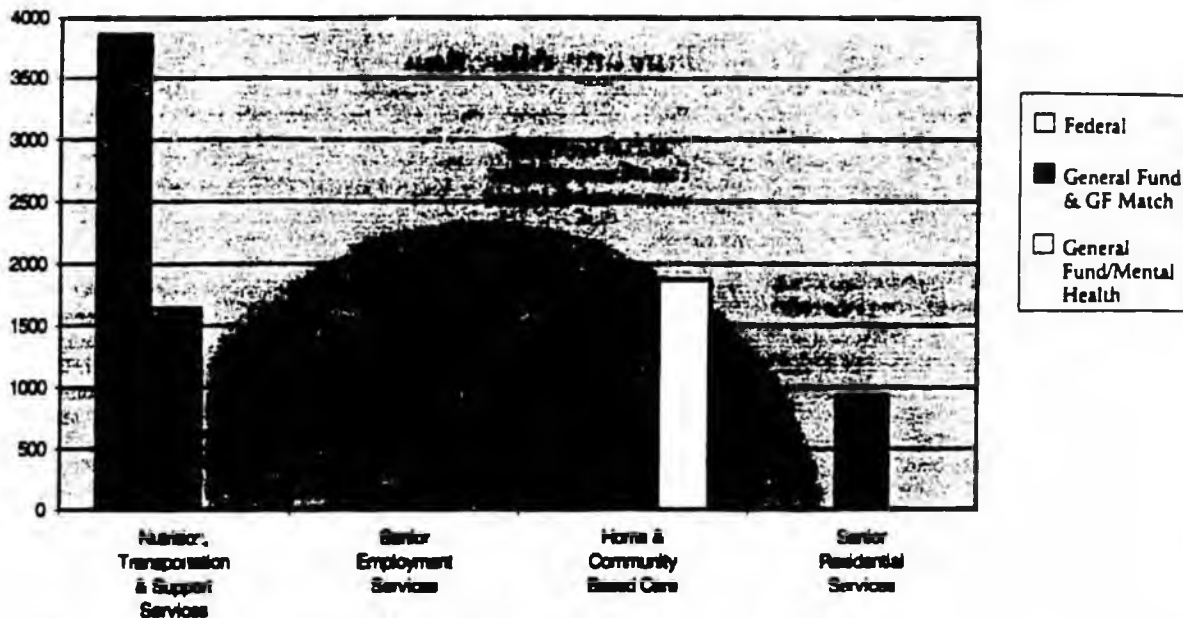
Senior Services Grants

(Nutrition, Transportation and Support; Senior Employment Services; Home and Community Based Care; Senior Residential Services)

	FY 96 Authorized	FY 97 Governor's Request
GF Match	842.7	842.7
General Fund	3,127.3	3,046.1
GF/MHTIA	1,621.6	1,871.6
Federal Receipts	5,413.0	5,413.0
Total Funds	11,004.6	11,173.4

FY 97 Update

Grants Components Funding Sources



The NTS program serves 101 communities statewide, with over 330,000 meals served to seniors in FY95.
 The Sr. Employment program provides funding for 47 grantees statewide employing approximately 180 low-income seniors.
 The HCB program provides adult day care, respite care and care coordination services to approximately 3,200 clients.
 The Sr. Residential program provides funding to Meritq Association and the City of Tanana for long-term residential care for elders.

Funding Summary

Citizens' Foster Care Review Component

	FY 96 Authorized	FY 97 Governor's Request
General Fund	136.0	138.3
Total Funds	136.0	138.3
PFT Positions	3.0	3.0

FY 97 Update

Foster Care Review

The Foster Care Review Program (formerly the Citizen's Review Panel for Permanency Planning) is charged with ensuring that children do not remain in out-of-home placement longer than necessary, and that reunification with the child's family or placement in a secure, permanent home takes place as expeditiously as possible. The program is based on research from other states which shows that reviews external to the child placement agency result in shorter out-of-home placements. The program uses volunteer review panels to examine cases and make recommendations.

During FY 94 and FY 95, 263 cases of individual children were reviewed by volunteer panels for appropriateness of foster care placement.

During FY 96, 200 cases will be reviewed in the Anchorage area.

During FY 97, the program will continue to review cases using volunteers, and will proceed with plans to expand the program statewide as the budget allows. This includes selecting and training panelists in preparation for the operations of review panels in all judicial districts.

An evaluation of the program is also planned for FY 97, measured by the length of time children remain in foster care, and by savings associated with children no longer being part of the foster care system. The current perception among panelists, staff, and children's social workers is that the program is successful in consistently reviewing placements and making social workers more aware and accountable in their placement decisions regarding children, but a more formal evaluation is necessary to more accurately determine program effectiveness.



Department of Administration

Alaska Public Defender Agency

John Salemi, Director

Mission

To provide quality legal service, consistent with constitutional guarantees, to indigent persons who are parties in certain kinds of state court litigation.

Primary Services

Provide legal representation to financially-disadvantaged people who are engaged in certain types of state court litigation

Customers

Individuals accused of crimes

Parents whose children have been taken into custody of the state

Juveniles who are facing petitions of delinquency

Individuals who have mental illnesses and who are being held against their will in state mental facilities

Individuals who face contempt proceedings for violating court orders

FY 97 Initiatives

Stabilize funding base to adequately meet the demands of an increasing caseload

Enhance utilization of computer network and caseload management system as a means of realizing staff efficiencies and enhancing administrative capacity

Establish caseload standards for staff attorneys and a method for "referring out" cases when caseloads exceed acceptable levels

Funding Summary

Public Defender Agency Component

	FY 96 Authorized	FY 97 Governor's Request
GF Program Receipts	187.6	189.1
General Fund	8,065.5	8,452.0
Total Funds	8,253.1	8,641.1
PFT Positions	103.0	105.0

FY 97 Update

Funding and Position Increase

Funding is increased in this component to cover full-year cost for the fiscal note to HB 150, Ch 80 SLA 95; and for a new staff attorney in Bethel. Two permanent part-time positions were changed to permanent full-time via revised programs in FY 96.

Public Defender Eligibility Review Criteria

See Major Issues, page 10.



Department of Administration

Office of Public Advocacy

Brant McGee, Director

Mission

To protect the rights of vulnerable Alaskans by providing excellent, cost-effective legal and guardian representation to abused and neglected children, incapacitated adults, and others.

Primary Services

Legal and guardian representation to some 10,000 clients throughout the state when appointed by the courts

Customers

Abused and neglected children involved in legal proceedings

Incapacitated adults who need assistance in protecting their social, financial, and medical interests

Indigent criminal defendants when the Public Defender Agency has a conflict of interest

FY 97 Initiatives

Expand the volunteer children's advocate program to the Kenai and Palmer areas

Complete implementation of the public guardian cost recoupment program

Maintain and improve cost containment measures through the new case management system

Increase the level of full-time volunteers to five

Funding Summary

Office of Public Advocacy Component

	FY 96 Authorized	FY 97 Governor's Request
GF Program Receipts	95.0	96.2
General Fund	6,493.5	6,819.3
GF/MHTIA	611.1	619.8
Federal Receipts	15.0	15.3
I/A Receipts	25.0	55.0
Total Funds	7,239.6	7,605.6
PFT Positions	36.0	35.0

FY 97 Update

Anticipated Shortfall

In spite of a General Fund increment of \$300.0 in this component, the Office of Public Advocacy (OPA) anticipates a shortfall in contractual services in FY 97 of \$373.8. This projection is based on both caseload and cost increases. OPA projects a 6 percent increase in overall caseload. This estimate is a straight-line projection and, therefore, very conservative. Other data and factors suggest that the caseload increase could be substantially higher. For example, the Alaska Court System reports that there has been a 15 percent increase in child-in-need-of-aid filings during the first three months of FY 96 as compared with a like period in FY 95. With respect to criminal defense representation, OPA opened over 65 percent more cases in November 1995 than in November 1994. By December 1995, Anchorage will have added a total of 70 new police officers. As a result, arrest rates will skyrocket and OPA, like other criminal justice agencies, and the Alaska Court System will be severely impacted. Finally, changes in the focus of criminal prosecutions to crimes involving more than one person, like drug distribution rings, will create more conflict of interest cases in which OPA must undertake representation. Drug arrests are now occurring at a rate that is more than twice that of the first quarter of FY 96.

Office of Public Advocacy Eligibility Review Criteria

See Major Issues, page 10.



Department of Administration

Alaska Public Offices Commission

Karen Boorman, Director

Mission

Promote fairness and openness in elections, minimize the effect of undisclosed influences on public decision-making, and encourage participation in democracy so that the public may have confidence in state and local government.

Primary Services

Inform the electorate by providing disclosed information
Ensure that disclosed information is accurate and complete
Encourage citizen participation in government
Investigate and adjudicate complaints of reporting and conduct violations

Customers

Individual members of the public
Public and private interest groups
Elected and appointed officials
Political action committees, political parties, and large contributors
Lobbyists and employers of lobbyists
News media
Other state and federal agencies

FY 97 Initiatives

Improve quality of and access to the disclosed information for the public
Emphasize compliance assistance to filers
Support changes to APOC statutes to achieve consistency among the laws, facilitate filing by those subject to the law, and reduce inefficiencies while continuing to protect the public's interest in disclosure
Implement filing of campaign disclosure reports by computer

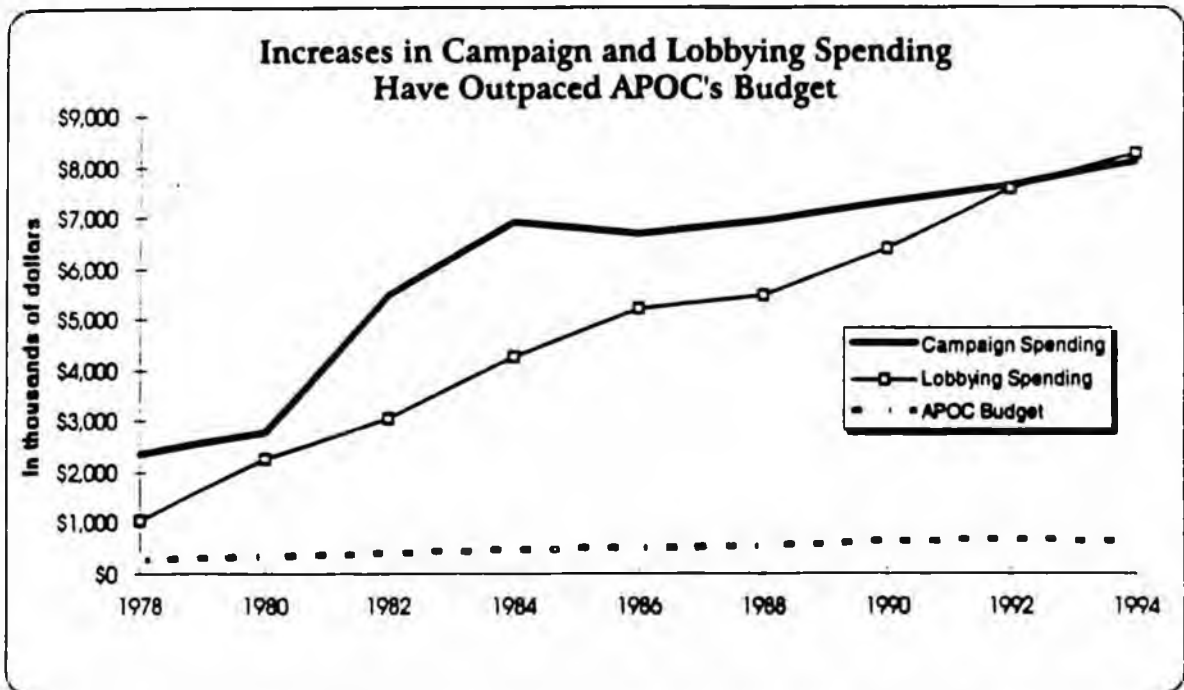
≡ Funding Summary

Alaska Public Offices Commission Component

	FY 96 Authorized	FY 97 Governor's Request
GF Program Receipts	53.6	54.2
General Fund	580.2	567.8
Total Funds	633.8	642.0
PFT Positions	9.0	9.0

≡ FY 97 Update

APOC workload is directly related to lobbying and campaign spending; increased lobbying and campaign spending results in increased numbers of APOC disclosure filings and more public inquiries. As the following chart demonstrates, lobbying and campaign spending have increased dramatically since 1978 compared to the APOC budget.





Department of Administration

Alaska Oil and Gas Conservation Commission

David Johnston, Commissioner/Chair

Mission

An independent, quasi-judicial agency of the state, funded by the Oil and Gas Conservation Tax, working to promote the conservation and efficient production of Alaska's oil and natural gas while protecting health, safety, and environment.

Primary Services

Inspect oil field drilling, production, and metering activities

Approve drilling and workover operations

Approve oil pool development rules

Adjudicate disputes between owners

Administer Alaska's Underground Injection Control program for oil and gas wells

Maintain state production records

Maintain well history files and well log records

Constituents

Oil and gas industry

Concerned citizens and organizations

Alaska Department of Natural Resources

Alaska Department of Revenue

United States Department of the Interior

United States Environmental Protection Agency

FY 97 Initiatives

Conduct in-depth investigation of conservation issues associated with Natural Gas Liquids and Miscible Injectant production from the Prudhoe oil pool

Conduct in-depth investigation of existing Prudhoe Bay operating agreements to determine the need for more complete unitization and integration of interests in the Prudhoe Bay reservoir

Adopt new oil and gas drilling and development regulations to reflect new technologies and to foster efficient and safe production of Alaska's oil and gas

Funding Summary

Oil and Gas Conservation Commission Component

	FY 96 Authorized	FY 97 Governor's Request
General Fund	1,658.7	1,679.0
Federal Receipt	100.0	100.0
Total Funds	1,758.7	1,779.0
PFT Positions	21.0	20.0

FY 97 Update

Commission Funding

The Oil and Gas Conservation Tax (4 mills per barrel of oil and per 50 mcf of gas) was established to fund AOGCC programs. Estimated FY 97 tax revenue is about \$2 million; AOGCC's proposed budget is approximately \$1.7 million (General Funds).

Staff Reduction

The commission proposes to eliminate one clerical position to accommodate increased personnel costs in FY 97.

Unitization Issue

The commission is examining the possibility of ordering compulsory unitization, in the absence of voluntary integration, to form a common equity between gas and oil within the Prudhoe oil pool. Currently, two equities exist: one for the gas cap, another for the oil rim. Competition now exists between production of gas and production of oil. A more complete integration of interests may be necessary to prevent waste, protect correlative rights, and ensure a greater ultimate recovery.

