

State of Alaska FY2004 Governor's Operating Budget

Department of Law Governmental Affairs Section Component Budget Summary

Component: Governmental Affairs Section

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Component Mission

Mission statement is included at the department summary level.

Component Services Provided

Attorneys working in the Governmental Affairs section are some of the department's most senior and experienced staff. The 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. The section 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. It also provides legal assistance on issues associated with the conduct of elections.

Legal services are provided to the Departments of Administration, Health and Social Services, Labor and Workforce Development, Community and Economic Development, Military and Veteran's Affairs; the Offices of the Governor and Lieutenant Governor, the Governor's Office of Management and Budget, and the Alaska Court System; as well as to quasi government entities such as the Alaska Permanent Fund Corporation and AIDEA.

Component Goals and Strategies

The section provides a central core of attorneys experienced in government organization law to advise other Department of Law staff and agencies not served directly as client agencies.

Representation and legal advice is provided to client agencies, department staff, and others as assigned by the attorney general, including making or defending claims for violation of fiduciary obligations owed to the state, rural education attendance areas, or a municipality.

Advice and representation regarding the management interests of state agencies is provided as they deal with collective bargaining and other employment issues or disputes, including advice to the division of personnel and other agencies relating to negotiations, grievances, arbitrations, unfair labor practices, benefits, and resulting court proceedings.

The section advises the state personnel board as it carries out its quasi-judicial function.

It defends the state in procurement bid protests and appeals not involving construction.

The Lt. Governor's Office, Division of Elections is advised concerning the conduct of state and local elections supervised by that division.

Advice is provided to the Local Boundary Commission regarding incorporation, annexation, detachment, and other related boundary changes, including court proceedings instituted to review actions of the commission.

Attorneys in the section serve as chief counsel to AIDEA, the Alaska Energy Authority, and the Alaska Permanent Fund Corporation, including the supervision of specialized contract counsel for these public corporations.

The section advises the Department of Military and Veteran's Affairs, Division of Emergency Services as it performs functions related to disaster preparedness and disaster management.

Advice is provided to the Division of Retirement and Benefits as it performs the function of sponsor of the state's 6 public employee and teacher retirement systems and other benefits.

Key Component Issues for FY2003 – 2004

The Governmental Affairs section is representing the state in two major cases with potential significant budget impacts. The first case involves a claim that the state discriminated against rural school districts in the manner used to fund school facilities. This case also involves claims that the state breached fiduciary obligations when it changed the public school trust from a land-based trust to a money-based trust. The second case involves a sweeping claim by tribal organizations that the state has discriminated against 165 isolated Native villages in the way in which it provides police protection through the Alaska State Troopers and village public safety officer program. The latter case was decided favorably to the state in the trial court and it is expected that an appeal to the Alaska Supreme Court will be briefed, argued and decided during the upcoming fiscal year. The section is also devoting substantial time to advising the terrorism policy cabinet.

The section has experienced a growth in caseload associated with its work on behalf of the Medical Assistance Division of the Department of Health and Social Services. Hospitals are increasingly challenging limits on Medicaid Rates for reimbursement for health care services.

Major Component Accomplishments in 2002

- The governmental affairs section assisted the redistricting board counsel in defending various redistricting plans adopted by the board. The section also successfully defended the state at trial in the rural police protection case.
- The section represented the Division of Retirement and Benefits before the PERS and TRS boards on benefit appeals that are increasing in number and complexity. The outcome of these cases may materially affect the cost of health care benefits to the state and other covered employers.
- Attorneys of the section represented the state in trials involving cases brought alleging employment-related claims and obtained just results.
- Attorneys in the section advised and represented the division of elections during the conduct of the primary and general elections. This representation involved litigation that was highly visible and fast paced.
- The section is defending legal challenges to a ballot measure to move the legislature.
- The section provided legal advice to the Department of Corrections relating to the financing of new correctional facilities.
- The state's new primary election system was implemented for the first time and was closely monitored by attorneys of the section.
- After the events of September 11, 2001, the section provided substantial legal advice to the Terrorism Disaster Policy Cabinet relating to analysis of terrorism threats in Alaska and the State's current capability and plans to meet any threats identified.
- The section provided legal advice to the Department of Military and Veteran's Affairs, Division of Emergency Services on disaster related legal issues including the interior flooding disaster of 2002.
- The section represented the Department of Labor and Workforce Development, Labor Standards and Safety Division before the OSHA Review Board on a number of complex workplace safety cases, some of which involved fatalities.

Statutory and Regulatory Authority

AS 44.23.020

Governmental Affairs Section
Component Financial Summary

All dollars in thousands

| | FY2002 Actuals | FY2003 Authorized | FY2004 Governor |
|--|----------------|-------------------|-----------------|
| Non-Formula Program: | | | |
| Component Expenditures: | | | |
| 71000 Personal Services | 1,990.8 | 1,940.8 | 1,984.6 |
| 72000 Travel | 61.6 | 20.7 | 20.7 |
| 73000 Contractual | 1,376.7 | 1,553.3 | 1,553.3 |
| 74000 Supplies | 27.7 | 37.0 | 37.0 |
| 75000 Equipment | 16.4 | 0.0 | 0.0 |
| 76000 Land/Buildings | 0.0 | 0.0 | 0.0 |
| 77000 Grants, Claims | 0.0 | 0.0 | 0.0 |
| 78000 Miscellaneous | 0.0 | 0.0 | 0.0 |
| Expenditure Totals | 3,473.2 | 3,551.8 | 3,595.6 |
| Funding Sources: | | | |
| 1004 General Fund Receipts | 1,068.9 | 1,033.6 | 1,067.3 |
| 1007 Inter-Agency Receipts | 2,404.3 | 2,193.2 | 2,203.3 |
| 1108 Statutory Designated Program Receipts | 0.0 | 325.0 | 325.0 |
| Funding Totals | 3,473.2 | 3,551.8 | 3,595.6 |

Governmental Affairs Section

Proposed Changes in Levels of Service for FY2004

No service changes.

Summary of Component Budget Changes

From FY2003 Authorized to FY2004 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2003 Authorized | 1,033.6 | 0.0 | 2,518.2 | 3,551.8 |
| Adjustments which will continue current level of service: | | | | |
| -From Fair Business Practices to adjust vacancy by fund source ADN# 0330132 | 18.5 | 0.0 | 0.0 | 18.5 |
| -Annualize FY2003 COLA Increase for GG/GP/SS Bargaining Units | 0.0 | 0.0 | 1.8 | 1.8 |
| -\$75 per Month Health Insurance Increase for Non-covered Staff | 6.8 | 0.0 | 8.3 | 15.1 |
| -From Legislation/Regulations to adjust vacancy by fund source | 8.4 | 0.0 | 0.0 | 8.4 |
| FY2004 Governor | 1,067.3 | 0.0 | 2,528.3 | 3,595.6 |

Governmental Affairs Section

Personal Services Information

| | Authorized Positions | | Personal Services Costs | |
|---------------|------------------------------------|----------------------------------|----------------------------------|------------------|
| | <u>FY2003</u> <u>Authorized</u> | <u>FY2004</u> <u>Governor</u> | | |
| Full-time | 22 | 22 | Annual Salaries | 1,623,919 |
| Part-time | 1 | 1 | Premium Pay | 0 |
| Nonpermanent | 0 | 0 | Annual Benefits | 465,141 |
| | | | <i>Less 5.00% Vacancy Factor</i> | (104,453) |
| | | | Lump Sum Premium Pay | 0 |
| Totals | 23 | 23 | Total Personal Services | 1,984,607 |

Position Classification Summary

| Job Class Title | Anchorage | Fairbanks | Juneau | Others | Total |
|-------------------------|-----------|-----------|-----------|----------|-----------|
| Assoc Attorney I | 0 | 0 | 1 | 0 | 1 |
| Attorney III | 0 | 0 | 1 | 0 | 1 |
| Attorney IV | 6 | 0 | 4 | 0 | 10 |
| Attorney V | 3 | 0 | 2 | 0 | 5 |
| Attorney VI | 1 | 0 | 0 | 0 | 1 |
| Law Office Assistant I | 2 | 0 | 1 | 0 | 3 |
| Law Office Assistant II | 1 | 0 | 1 | 0 | 2 |
| Totals | 13 | 0 | 10 | 0 | 23 |