

State of Alaska FY2009 Governor's Operating Budget

Department of Law Labor and State Affairs Component Budget Summary

Component: Labor and State Affairs

Contribution to Department's Mission

The Labor and State Affairs section provides advice and representation to various departments and agencies of state government to assist them in the performance of their functions.

Core Services

Attorneys working in the Labor and State Affairs section are some of the department's most senior and experienced staff. The section provides legal assistance needed for governmental management, including budget, public finance, employment, labor relations, civil rights, procurement, retirement programs, Medicaid rate disputes, investment of treasury and Permanent Fund Corporation funds, and homeland security. 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 voter initiatives and the conduct of elections and election campaigns, as well as education, child care licensing, occupational safety, employment rights, and revocation of driver licenses.

Legal services are provided to virtually every department of state government. The recipients of the majority of the legal services include the Departments of Administration, Education and Early Development, Health and Social Services, Labor and Workforce Development, Community and Economic Development, and Military and Veteran's Affairs; the Offices of the Governor and Lieutenant Governor; the Governor's Office of Management and Budget; the Alaska Court System; and to quasi-government entities such as the Alaska Permanent Fund Corporation and the Alaska Industrial Development and Export Authority (AIDEA).

FY2009 Resources Allocated to Achieve Results		
FY2009 Component Budget: \$5,547,900	Personnel:	
	Full time	31
	Part time	0
	Total	31

Key Component Challenges

The Labor and State Affairs section will represent the state in challenges to state election and ballot practices based on the federal Voting Rights and Help America Vote Acts. The claims are that the state is providing inadequate assistance to voters who are Native language speakers and that voting machines should be programmed to provide ballot choices in Native Alaska languages and dialects.

The section will continue to represent the state in two education cases with potentially 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 education case is a challenge under the Alaska Constitution that public education is inadequately funded and seeks significant additional funds for education. The court issued its decision in the second case in FY 2007, and the state prevailed on most issues. The court retained jurisdiction on one issue—the sufficiency of state oversight of the school districts—and is expected to schedule a hearing on this issue in FY 2009. In addition, an appeal, requiring additional legal services, is anticipated.

The section will continue to address the workload from the Department of Administration, Division of Retirement and Benefits, that continues to increase with the growing number of retired public employees making claims against the

public employee benefits systems. The section will pursue an action on behalf of the state and the benefits trusts funds concerning the breach of the professional duties of the state's former actuary.

The section will continue to assist the Department of Health and Social Services and the Department of Administration, Division of General Services, with issues arising from the purchase of information technology systems and computer hardware, including representation in litigation when necessary. The need for assistance in breach of contract and procurement disputes continues to grow and require substantial legal resources.

In addition, the number of voter initiative petitions is increasing in anticipation of the election in 2008, requiring review and, in many instances, involving litigation, and increased need for assistance to the Division of Elections. Some of the litigation may carry into FY2008.

The federal anticorruption investigation has disclosed weaknesses in Alaska's public official financial disclosure, campaign finance, and lobbying laws that the section will need to address by providing support to the Alaska Public Offices Commission for legislative and regulatory changes and for the enforcement of those laws.

Significant Changes in Results to be Delivered in FY2009

The section does not anticipate significant changes in results to be delivered in FY2008.

Major Component Accomplishments in 2007

Attorneys of the section represented the state in court and administrative proceedings involving employment-related claims and obtained just results.

The section provided legal advice to the Department of Military and Veteran's Affairs, Division of Homeland Security and Emergency Management on disaster-related legal issues.

The section represented the state in court and administrative proceedings involving disputes over the procurement of services and equipment (typically, in bid protests and in breach of contract actions), obtaining in one case, for example, a reversal of a superior court award of a substantial attorney fee to a bid protestor, a limitation on damages to the award of bid preparation costs, and the elimination of the state's exposure to liability to the successful bidder.

The section assisted with the representation of the state in a securities fraud action against Qwest Communications International resulting in the recovery of 19 million dollars for the state.

Statutory and Regulatory Authority

AS 44.23.020

Contact Information

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**Labor and State Affairs
Component Financial Summary**

All dollars shown in thousands

	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	3,539.4	3,314.6	3,473.0
72000 Travel	122.3	28.2	28.9
73000 Services	2,723.0	1,865.7	1,953.7
74000 Commodities	62.9	65.1	68.4
75000 Capital Outlay	20.5	16.2	23.9
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	6,468.1	5,289.8	5,547.9
Funding Sources:			
1004 General Fund Receipts	1,801.1	2,148.6	2,331.6
1007 Inter-Agency Receipts	4,251.6	2,933.6	3,008.7
1029 Public Employees Retirement System Fund	299.1	0.0	0.0
1034 Teachers Retirement System Fund	116.3	0.0	0.0
1108 Statutory Designated Program Receipts	0.0	207.6	207.6
Funding Totals	6,468.1	5,289.8	5,547.9

Estimated Revenue Collections

Description	Master Revenue Account	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Interagency Receipts	51015	4,251.6	2,933.6	3,008.7
Statutory Designated Program Receipts	51063	0.0	207.6	207.6
Public Employees Retirement Fund	51065	299.1	0.0	0.0
Teachers Retirement System Fund	51090	116.3	0.0	0.0
Restricted Total		4,667.0	3,141.2	3,216.3
Total Estimated Revenues		4,667.0	3,141.2	3,216.3

**Summary of Component Budget Changes
From FY2008 Management Plan to FY2009 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Management Plan	2,148.6	0.0	3,141.2	5,289.8
Adjustments which will continue current level of service:				
-I/A Receipt Authority to Labor and State Affairs	0.0	0.0	71.3	71.3
-FY 09 Health Insurance Increases for Exempt Employees	2.5	0.0	2.3	4.8
-FY 09 Bargaining Unit Contract Terms: General Government Unit	8.7	0.0	1.5	10.2
Proposed budget increases:				
-New Indian Law and Ethics Attorney	171.8	0.0	0.0	171.8
FY2009 Governor	2,331.6	0.0	3,216.3	5,547.9

**Labor and State Affairs
Personal Services Information**

Authorized Positions		Personal Services Costs		
FY2008 Management Plan		FY2009 Governor		
Full-time	30	31	Annual Salaries	2,394,369
Part-time	0	0	COLA	9,245
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	1,087,645
			<i>Less 0.52% Vacancy Factor</i>	(18,259)
			Lump Sum Premium Pay	0
Totals	30	31	Total Personal Services	3,473,000

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Assoc Attorney I	2	0	1	0	3
Attorney III	2	0	0	0	2
Attorney IV	7	0	3	0	10
Attorney V	4	0	5	0	9
Attorney VI	1	0	0	0	1
Division Director	1	0	0	0	1
Law Office Assistant I	2	0	1	0	3
Law Office Assistant II	1	0	1	0	2
Totals	20	0	11	0	31