

Change Record Detail With Description
Department of Administration

Scenario: FY2010 Supplemental (7955)
Component: Office of Administrative Hearings (2771)
RDU: Centralized Administrative Services (13)

| Scenario/Change Record Title | Trans Type | Totals | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants, Benefits | Miscellaneous | Positions | | |
|--|------------|-------------|-------------------|------------|-------------|-------------|----------------|------------------|---------------|-----------|----------|----------|
| | | | | | | | | | | PFT | PPT | NP |
| FY2010 Supplemental | | | | | | | | | | | | |
| Tax Appeals Case Cost Increase | | | | | | | | | | | | |
| | Suppl | 85.0 | 55.0 | 0.0 | 30.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund | | 85.0 | | | | | | | | | | |
| <p>Additional funding is needed to pay for increased costs associated with tax appeal cases. In FY2010 the Office of Administrative Hearings (OAH) is seeing increased numbers of tax appeal cases, and cases which are more complex. Currently the OAH has 27 open tax appeal cases, 15 of which came in during calendar year 2009. Of the 15 most recent appeals, two-thirds are complex, many involving oil and gas production tax or exploration credit and similar issues. The increase in the number and complexity of the caseload is occurring primarily because sufficient time has elapsed since the Department of Revenue (DOR) Tax Division has audited tax returns from the early-to-mid 2000s tax years, or has made other decisions, that more cases in number and cases with more complex issues have worked their way through the DOR informal conference process—a prerequisite to the taxpayer filing a formal appeal to OAH. The result of this increased workload is the need to keep Administrative Law Judge positions filled, as there is no reasonable way the OAH can defer action on these cases. Expenditure projections indicate the need for an additional \$85,000 to keep the current staff in place and to pay all costs to complete the necessary tax appeal casework.</p> | | | | | | | | | | | | |
| Component Totals | | 85.0 | 55.0 | 0.0 | 30.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |

Change Record Detail With Description
Department of Administration

Scenario: FY2010 Supplemental (7955)
Component: Elected Public Officers Retirement System Benefits (964)
RDU: Special Systems (299)

| Scenario/Change Record Title | Trans Type | Totals | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants, Benefits | Miscellaneous | Positions | | |
|--|------------|--------------|-------------------|------------|------------|-------------|----------------|------------------|---------------|-----------|----------|----------|
| | | | | | | | | | | PFT | PPT | NP |
| EPORS Benefit Increases | | | | | | | | | | | | |
| 1004 Gen Fund | Suppl | 250.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 250.0 | 0.0 | 0 | 0 | 0 |
| | | 250.0 | | | | | | | | | | |
| <p>The Elected Public Officers Retirement System currently has 38 members (24 Retirees and 14 Survivors), all of whom are receiving a benefit. Increased costs are due to mandatory benefit increases which are based on the salaries of the position from which a member retires at the time each retirement payment is made. Benefit payments for EPORS retirees are adjusted in conjunction with any salary changes of the position from which the members retire. The total projected cost for FY2010 is \$250,000 over the amount currently appropriated.</p> | | | | | | | | | | | | |
| Component Totals | | 250.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 250.0 | 0.0 | 0 | 0 | 0 |

Change Record Detail With Description
Department of Administration

Scenario: FY2010 Supplemental (7955)
Component: Office of Public Advocacy (43)
RDU: Legal and Advocacy Services (11)

| Scenario/Change Record Title | Trans Type | Totals | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants, Benefits | Miscellaneous | Positions | | |
|------------------------------|------------|--------|-------------------|--------|----------|-------------|----------------|------------------|---------------|-----------|-----|----|
| | | | | | | | | | | PFT | PPT | NP |

Court Appointed Special Advocate (CASA) Program

| | | | | | | | | | | | | |
|----------------|-------|------|-----|-----|------|-----|-----|-----|-----|---|---|---|
| | Suppl | 27.6 | 0.0 | 0.0 | 27.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1002 Fed Rcpts | | 27.6 | | | | | | | | | | |

Supplemental authorization is needed to accept and spend federal grant funds for the Court Appointed Special Advocate (CASA) program, awarded to the Office of Public Advocacy after the end of the last legislative session.

Increased Operational Costs

| | | | | | | | | | | | | |
|---------------|-------|-------|-----|-----|-------|-----|-----|-----|-----|---|---|---|
| | Suppl | 865.0 | 0.0 | 0.0 | 865.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund | | 865.0 | | | | | | | | | | |

During FY 2010, OPA has experienced a significant spike in case assignments throughout the state. In the first two quarters of this fiscal year, the agency has seen a 21% increase in case assignments over the same time period in FY 2009. The most notable areas of increase are as follows: criminal defense representation, 47%; child advocacy representation in Child in Need of Aid (CINA) cases, 20%; parental representation in CINA cases, 30%. This amounts to 869 more new cases than over the same time period last year.

Due to unexpectedly high growth in the guardianship caseload of 13.6% in FY 2009, the agency added a public guardian position during this fiscal year. Also during FY 2010, to meet the needs of abused and neglected children in the Yukon-Kuskokwim Delta, the agency is issuing a contract for additional guardian ad litem services due to an 18.5% increase in CINA cases during FY 2009.

Reduce FY2010 Supplemental Request

| | | | | | | | | | | | | |
|---------------|-------|--------|-----|-----|--------|-----|-----|-----|-----|---|---|---|
| | Suppl | -315.0 | 0.0 | 0.0 | -315.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1004 Gen Fund | | -315.0 | | | | | | | | | | |

The Department of Administration, Office of Public Advocacy, has determined that the General Fund supplemental request for FY2010 can be reduced from \$865.0 to \$550.0.

The Office of Public Advocacy (OPA) has taken measures during FY2010 to limit the cost increases associated with the large increase in case assignments. It is very difficult to predict the costs associated with this caseload increase particularly for those cases handled by private contractors. At the point in the year when we first estimated our supplemental need, we provided a worst case scenario of our case costs. We did anticipate costs climbing more rapidly than they have, and we have been pleased that this has not come to pass. There are a variety of factors that have resulted in case costs lower than initially anticipated.

OPA has focused in particular on keeping high level felony cases anticipated to involve a high degree of litigation with in-house staff since these cases tend to have the highest costs associated with them when handled by contract attorneys. For example, for high level Anchorage felony cases, when our local staff is unable to handle these cases due to conflicts of interest, we look to other staff offices (Palmer and sometimes Fairbanks) to determine if they are able to handle these cases before sending them out to a contractor.

OPA had anticipated issuing contracts for GAL services for Kenai and Bethel earlier in the fiscal year. For Kenai, we were unable to issue a contract based upon the RFP, and for Bethel, we just issued the contract at the end of February. As a result, a number of Kenai cases that would have been handled by a contractor are instead being handled by staff. There have been some other changes with contractors that have also impacted current year costs. For

Change Record Detail With Description
Department of Administration

Scenario: FY2010 Supplemental (7955)
Component: Office of Public Advocacy (43)
RDU: Legal and Advocacy Services (11)

| Scenario/Change Record Title | Trans Type | Totals | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants, Benefits | Miscellaneous | Positions | | |
|---|------------|--------------|-------------------|------------|--------------|-------------|----------------|------------------|---------------|-----------|----------|----------|
| | | | | | | | | | | PFT | PPT | NP |
| <p>example, one of our contractors handling Kenai Public Defender Agency (PDA) conflict cases moved out of state at the end of 2009. Rather than reassigning the cases to another contractor, many of his cases were taken over by a staff attorney.</p> <p>Over the course of the last year and a half, the agency has worked more closely with the contractors to provide services more efficiently. At the administrative level, this has meant a more careful review of bills and the contractors' explanation for the charges for services that are submitted to the agency for payment. We believe that our track record of carefully scrutinizing contractor bills has had a beneficial impact on the billing the agency has seen during this time of increased caseloads.</p> <p>The agency is now also predicting lower personal services costs than were anticipated in January. This is the result of the agency keeping some vacant positions open longer than originally anticipated and some unanticipated vacancies.</p> | | | | | | | | | | | | |
| Federal Court Appointed Special Advocate Program | | | | | | | | | | | | |
| 1002 Fed Rcpts | Suppl | 17.0 | 0.0 | 8.0 | 9.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| <p>The Office of Public Advocacy has been awarded an additional National Court Appointed Special Advocate (CASA) grant of \$17.0 for FY 10 for expansion of the CASA program to Bethel. These grant funds will be used to recruit and train CASA volunteers in the Yukon-Kuskokwim Delta to advocate for the best interests of abused and neglected children in the state's child protection system.</p> | | | | | | | | | | | | |
| Component Totals | | 594.6 | 0.0 | 8.0 | 586.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |

Change Record Detail With Description
Department of Administration

Scenario: FY2010 Supplemental (7955)
Component: Public Defender Agency (1631)
RDU: Legal and Advocacy Services (11)

| Scenario/Change Record Title | Trans Type | Totals | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants, Benefits | Miscellaneous | Positions | | |
|------------------------------------|------------|--------------|-------------------|------------|------------|-------------|----------------|------------------|---------------|-----------|----------|----------|
| | | | | | | | | | | PFT | PPT | NP |
| Increased Operational Costs | | | | | | | | | | | | |
| 1004 Gen Fund | Suppl | 800.0 | 800.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| Component Totals | | 800.0 | 800.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |

Current projections indicate the Public Defender Agency (PD) will require supplemental funding in the amount of \$800.0 to operate through FY2010.

The PD has experienced significant increases in caseloads throughout the state in all types of cases in the first and second quarters of FY2010 as compared to the same period in FY2009. All cases statewide are up approximately 10%, felonies are up 15%, and misdemeanors are up 11%. Anchorage felonies are up 16% and misdemeanors are up 8%. Northern Region cases are up 25%, felonies are up 37%, and misdemeanors are up 30%. Overall that means there are 1,000 more new cases assigned already this year than for the same period last year.

To manage the case load increases and minimize case costs by using cheaper staff attorneys and managing other variable costs, the PD filled several vacant positions at the start of FY2010 in an effort to keep pace with the dramatic increases. Several more positions were filled in the middle of the second quarter as case loads continued to grow.

The PD is actively reviewing all assigned cases and moving to withdraw from cases it believes assigned inappropriately by the Court. Use of contractors is being focused in the appellate unit where the increased costs of contractors is more predictable because the agency can set a flat rate for an appeal.

Change Record Detail With Description
Department of Administration

Scenario: FY2010 Supplemental (7955)
Component: Motor Vehicles (2348)
RDU: Division of Motor Vehicles (265)

| Scenario/Change Record Title | Trans Type | Totals | Personal Services | Travel | Services | Commodities | Capital Outlay | Grants, Benefits | Miscellaneous | Positions | | |
|--|------------|--------------|-------------------|------------|--------------|-------------|----------------|------------------|---------------|-----------|----------|----------|
| | | | | | | | | | | PFT | PPT | NP |
| National Motor Vehicle Title Information System Programming Improvements | | | | | | | | | | | | |
| | Suppl | 100.0 | 0.0 | 0.0 | 100.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1002 Fed Rcpts | | 100.0 | | | | | | | | | | |
| <p>In 1992, Congress passed the Anti-Car Theft Act to prevent and deter auto theft. The National Motor Vehicle Title Information System was put into place by the federal government to help states manage the program and to meet federal requirements associated with the program. The final rule implementing the program came out on January 20, 2009, which gave the states until January 1, 2010 to come into full compliance. DMV applied for and received a Department of Justice grant to make the final programming improvements needed to meet the requirements and provide connectivity to the federal system. These funds will be used for that purpose.</p> | | | | | | | | | | | | |
| Digital Drivers License Printers | | | | | | | | | | | | |
| | Suppl | 191.8 | 0.0 | 0.0 | 0.0 | 0.0 | 191.8 | 0.0 | 0.0 | 0 | 0 | 0 |
| 1002 Fed Rcpts | | 191.8 | | | | | | | | | | |
| <p>Digital driver licenses were implemented by the DMV in Alaska in 2004. The printers purchased at that time to produce the licenses were expected to have a useful life of four years, and are now obsolete. Several of the printers are no longer repairable, and parts are getting more difficult to obtain. Consequently, it is becoming increasingly more frequent that a spare printer is not available when one malfunctions.</p> <p>In August of 2009 the DMV was notified that federal funding, in the amount of \$191.8, was awarded to the State of Alaska for improvements to systems related to Commercial Driver Licenses and that the funding could be used to purchase digital printers. This funding will enable the DMV to purchase much needed new printers.</p> | | | | | | | | | | | | |
| Component Totals | | 291.8 | 0.0 | 0.0 | 100.0 | 0.0 | 191.8 | 0.0 | 0.0 | 0 | 0 | 0 |