

State of Alaska
FY2010 Governor's Operating Budget

Department of Law
Civil Division
Results Delivery Unit Budget Summary

Civil Division Results Delivery Unit

Contribution to Department's Mission

The mission of the Civil Division is to protect the human, financial and natural resources of the state.

Core Services

- The Civil Division provides legal counsel to the executive branch in civil actions. The division defends and prosecutes all civil litigation to which the state is a party, and handles legal matters and - upon request and agreement - the legislative and judicial branches; reviews regulations prepared by executive agencies; drafts legislation for introduction by the governor; and reviews all legislation before it is acted upon by the governor.
- Activities of the Civil Division help protect the financial and natural resources of the state, defend Alaskans' access to the state's land and natural resources, and ensure that the laws and regulations that govern businesses, individuals, and government agencies are constitutional.
- The Deputy Attorney General's Office supports the Attorney General and the department in carrying out its statutorily prescribed functions. The deputy serves as the chief operating officer for the division and is responsible for leading, managing, and coordinating the activities of the attorneys and paraprofessionals in each of the sections in the seven locations of the division.
- The Collections and Support section provides advice and representation to the Child Support Services Division (CSSD) of the Department of Revenue to assist it in the performance of its functions. The section is also responsible for collecting judgments owed to the State of Alaska and restitution on behalf of victims of crimes and delinquent acts.
- The Commercial and Fair Business Section enforces consumer protection and antitrust laws, which are aimed at protecting the public. The section provides advice and representation to numerous departments and agencies of state government to assist them in the performance of their functions including fifteen different divisions, commissions and corporations within the Departments of Revenue, Education and Early Development, and Commerce, Community, and Economic Development.
- The Environmental Law Section provides advice and representation to several agencies, including primarily the Department of Environmental Conservation (DEC), to assist them in the performance of their duties related to environmental matters. The section's representation includes enforcement and recovery of costs and damages as well as defense of the state with respect to its role in a contaminated site or in carrying out its regulatory function.
- The Child Protection and Human Services sections provide advice and representation to the Department of Health and Social Services and to the Office of Children's Services (OCS) to assist that agency in the performance of its functions.
- 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 including providing 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 Legislation and Regulations Section provides legal advice and assures compliance with legal standards regarding legislation and regulations that implement executive branch policy directives.
- The Natural Resources Section provides legal advice and representation to state departments, boards and commissions that regulate Alaska's lands, waters, fish, game, and other renewable natural resources.
- The Oil, Gas and Mining Section provides legal advice and representation to state departments, boards, and commissions to insure that the state receives the maximum benefit from development of its oil, gas, and mining resources.
- The Opinions, Appeals and Ethics Section provides specialized legal services and representation to state government on all legal opinions, civil appeals in state and federal court, all executive branch ethics, public finance matters, and Indian law.
- The Regulatory Affairs and Public Advocacy Section exercises the Attorney General's responsibility to represent the public interest in regulatory affairs by performing the public advocacy function in utility and pipeline carrier matters before the Regulatory Commission of Alaska and providing policy analysis on related matters.
- The Statehood Defense component funds the Natural Resource Section to provide advice and representation to

- state agencies on issues raised by conflicts between state and federal jurisdiction.
- The Timekeeping and Support staff provides law office management and case management services for all seven offices in the Civil Division. Billings for legal services rendered to client agencies are also an aspect of this component's contribution to the mission.
- The Torts and Workers' Compensation Section provides legal defense and advice in personal injury lawsuits filed against state agencies and state employees. It also provides advice and training to state agencies and represents the State as employer before the Workers Compensation Board and the Alaska Workers Compensation Appeals Commission.
- The Transportation Section provides advice and legal representation to state agencies on all aspects of the construction and operation of the state's public facilities, including highways, airports, ferries, buildings, harbors, and other public works. The Department of Transportation and Public Facilities (DOT&PF) generates a high percentage of the section's work.

End Result	Strategies to Achieve End Result
<p>A: Improve Client-Agency Decision Making</p> <p><u>Target #1:</u> 5% reduction per year in legal challenges to final agency decisions in which the state does not prevail.</p> <p><u>Status #1:</u> In FY 2008, the state reduced the number of legal challenges to final agency decisions in which the state does not prevail by 25%. Three of the six cases the state did not prevail on were included even though the state won on parts of the challenge.</p>	<p>A1: Increase agency training</p> <p><u>Target #1:</u> Provide one training per agency per year.</p> <p><u>Status #1:</u> The Department provided 30 trainings to agencies throughout the year but not all training is pertinent to all agencies.</p> <p>A2: Implement review of existing agency regulations to ensure clarity and statutory consistency</p> <p><u>Target #1:</u> 2 reviews per year.</p> <p><u>Status #1:</u> The Department exceeded their target again in FY 2008. In FY 2009 the Department will consider changing this target.</p> <p>A3: Reduce time for legal reviews of agency approved regulations</p> <p><u>Target #1:</u> 100% on-time response.</p> <p><u>Status #1:</u> The department delivered within the mutually agreed upon timelines 98% of the time.</p> <p>A4: Increase public awareness of agency regulation adoption process</p> <p><u>Target #1:</u> Hold 1 informational meeting for the public per year.</p> <p><u>Status #1:</u> The Legislation and Regulations Section frequently provides information on the agency regulations adoption process to state agencies, state boards and commissions, legislative committees as well as the general public.</p> <p>A5: Encourage and facilitate agency use of alternative dispute resolution</p> <p><u>Target #1:</u> Train two agencies in alternate dispute resolution use per year.</p> <p><u>Status #1:</u> The Department provided one training in the alternative dispute resolution process.</p>

	<p>A6: Increase communication between client agencies and Department of Law</p> <p><u>Target #1:</u> Implement annual senior staff meetings with each agency. <u>Status #1:</u> Many meetings with senior staff were held.</p> <p>A7: Enhance compliance with state ethics laws</p> <p><u>Target #1:</u> Train 3 agencies in ethics per year. <u>Status #1:</u> No agency training sessions occurred in FY 2008; however, in FY 2007 we trained a total of six.</p> <p><u>Target #2:</u> Achieve a 5% increase in informal advice to agencies on ethics. <u>Status #2:</u> With the recent passage of ethics legislation, we have been asked about various ethics issues with respect to post-state employment and conflicts of interest. 100% of the responses were delivered within mutually agreed timeframes.</p>
End Result	Strategies to Achieve End Result
<p>B: Enhance the Welfare of Children</p> <p><u>Target #1:</u> Increase the percentage of cases in which a permanent legal resolution is obtained for children in the custody of the Department of Health and Social Services, Office of Children's Services (OCS). <u>Status #1:</u> Currently data is not available to measure this end result. However, full implementation of the division's new case management system should enable tracking of this data.</p> <p><u>Target #2:</u> Increase the percentage of Child in Need of Aid cases that are eligible for federal reimbursement. <u>Status #2:</u> The section has consistently been achieving their goal of maximizing the Title IV E of the Social Security Act funding available.</p> <p><u>Target #3:</u> Increase the percentage of child support cases successfully resolved. <u>Status #3:</u> We currently do not have data to track this measure. However, the section did open over 1,600 support cases in FY 2008 and closed over 1,500. In FY 2007, the section opened almost 1,400 child support cases and closed over 1,500.</p>	<p>B1: Increase the number of Petitions for Termination of Parental Rights or Petitions for Guardianship when a child has been in the custody of the department for 15 of the most recent 22 months when adoption or guardianship is the plan for the child</p> <p><u>Target #1:</u> Two training sessions per year for Attorney General Office (AGO) staff and Office of Children's Services (OCS) staff. <u>Status #1:</u> We had one meeting at our Continuing Legal Education (CLE) in January 2008 and will have additional training in November 2008 to ensure attorneys are aware of the Title IV-E requirements.</p> <p><u>Target #2:</u> File Petitions for Termination of Parental Rights within the timeframe mandated by statute in the cases in which the filing of such petitions is statutorily required. <u>Status #2:</u> This information is not readily available. It is hoped that our new case management system, ProLaw, will produce this kind of information.</p> <p><u>Target #3:</u> File Petitions for Guardianship with 60 days in the cases in which guardianship has been identified as the permanent goal for the child. <u>Status #3:</u> Currently we are unable to report on the percentage of petitions filed within 60 days after guardianship has been identified as the permanent goal.</p> <p>B2: Increase the number of child support orders that comply with state child support guidelines</p>

Target #1: Take action in 90% of child support modification files within 30 days of receipt of file from CSSD.

Status #1: Based on the information we have, the % of modification files in which action was taken within 30 days decreased by 1%.

B3: Improve administrative decision-making at the administrative review and formal hearing level

Target #1: Complete one training session per year for establishment and modification personnel at the Child Service's Support Division (CSSD).

Status #1: No formal training sessions were conducted in FY 2008. Each assistant attorney general provided informal training to caseworkers and supervisors on specific issues that arose in individual cases.

Target #2: Hold one annual meeting with the Child Support Services Division's (CSSD) senior staff.

Status #2: One annual meeting was held with CSSD's senior staff.

Target #3: Provide monthly report to the Child Support Services Division (CSSD) summarizing Supreme Court decisions relating to child support and recommending changes to CSSD regulations, policies, or procedures as a result of those decisions.

Status #3: CSSD was provided 7 reports throughout the year. This target will need to be revised because Supreme Court decisions related to CSSD may not occur every month.

B4: Increase the use of civil enforcement remedies in cases where routine administrative collection actions have failed

Target #1: Conduct four meetings with Child Support Services Division's (CSSD) enforcement personnel each year to discuss screening and investigating cases for complex civil enforcement remedies.

Status #1: No meetings occurred during FY 2008.

Target #2: Increase the number of cases accepted for complex civil enforcement action including civil contempt, fraudulent transfers, piercing the corporate veil, seek work orders, or license enforcement by 2% per year.

Status #2: The number of cases selected was 11, a 22% decrease from the previous year.

B5: Increase in number of cases in which appropriate judicial findings are contained in the initial court order and in permanency orders in Child-in-Need of Aid cases

Target #1: Complete two training sessions per year for Attorney General Office (AGO) staff and Office of

	<p>Children's Services (OCS) staff.</p> <p><u>Status #1:</u> Although the topic is routinely included in general staff meetings with OCS, we did not conduct any formal training sessions in FY 2008.</p> <p><u>Target #2:</u> 100% Quality assurance review of all initial court orders prepared by Attorney General Office (AGO) staff occur within 5 business days of receipt.</p> <p><u>Status #2:</u> The Child Protection Section Chief or her designee personally reviews the initial court orders prepared by new Assistant Attorneys General (AAG) staff for 2-3 months after the employment of a new AAG.</p> <p><u>Target #3:</u> 100% of deficient court orders are remedied within 30 days of notification by the Department of Health and Social Services (DHSS).</p> <p><u>Status #3:</u> The Section Chief kept track of deficient court orders and believes this goal has been met.</p>
End Result	Strategies to Achieve End Result
<p>C: Enhance The Protection of Victims of Crimes and Delinquent Acts</p> <p><u>Target #1:</u> Reduction in complaints from victims of crimes and delinquent acts submitted to the Office of Victims Rights, the Attorney General's Office, the State Ombudsman, or the Office of the Governor.</p> <p><u>Status #1:</u> In FY 2008 we had one more complaint that we did in FY 2007.</p>	<p>C1: Increase collection of restitution on behalf of victims</p> <p><u>Target #1:</u> Request disbursement of 90% of all restitution payments to victims within 10 business days after receipt of the payment, excluding the 30-day hold for personal checks.</p> <p><u>Status #1:</u> Currently, this data is not available. The goal for the Department is to track this data when the new collections database, RevQ, is fully operational.</p> <p><u>Target #2:</u> Increase the overall restitution collections by 5% each year.</p> <p><u>Status #2:</u> In FY 2008, the amount in total restitution collections decreased just under 5% compared to the amount collected in FY 2007.</p> <p><u>Target #3:</u> Increase by 10% the use of civil enforcement remedies in cases where permanent fund dividend attachments have failed.</p> <p><u>Status #3:</u> Data is not currently tracked or readily available but the Department anticipates the deployment of the Department's new case management system, ProLaw, will provide this information.</p> <p><u>Target #4:</u> Increase by 10% the use of civil enforcement remedies in cases where permanent fund dividend attachments have failed.</p> <p><u>Status #4:</u> Data is not currently tracked or readily available but the Department anticipates the deployment of the Department's new case management system, ProLaw, will provide this information.</p>
End Result	Strategies to Achieve End Result
D: Enhance Consumer Protection in Alaska	D1: Increase consumer education

<p><u>Target #1:</u> Increase effective consumer protection enforcement through successful resolution of consumer complaints, enforcement actions and consumer education.</p> <p><u>Status #1:</u> The consumer protection unit met its target strategies for enhancing consumer protection for 2008.</p>	<p><u>Target #1:</u> Complete at least 4 consumer education initiatives per year.</p> <p><u>Status #1:</u> 7 consumer education initiatives were completed during FY 2008.</p> <p>D2: Develop stronger consumer protection laws and regulations</p> <p><u>Target #1:</u> Propose two consumer protection or antitrust legislative initiatives or regulations per year.</p> <p><u>Status #1:</u> The Consumer Protection (CP) Section proposed two legislative initiatives relating to the use of promotional checks and to the regulation of sellers of travel.</p> <p>D3: Effective enforcement</p> <p><u>Target #1:</u> 5% increase in investigations and prosecutions.</p> <p><u>Status #1:</u> The number of investigations and prosecutions actually decreased in FY 2008, largely because the Zyprexa enforcement matter went to trial, which required substantial attorney time and resource in preparing for trial, being in trial, and in negotiating the largest settlement in Alaska's consumer protection history.</p> <p>D4: Effective antitrust enforcement</p> <p><u>Target #1:</u> Participate in multistate antitrust matters and investigate local matters implicating antitrust issues.</p> <p><u>Status #1:</u> In FY 2008, the state participated in multistate antitrust matters and investigated local matters 8 times, which is consistent with FY 2007.</p> <p>D5: Effective implementation of registration laws</p> <p><u>Target #1:</u> 100% of annual registration applications processed within one year.</p> <p><u>Status #1:</u> In FY 2008, all charitable organization, paid solicitor, telephonic solicitation, business opportunity registrations were reviewed in a timely matter.</p> <p>D6: Effective consumer complaint resolution</p> <p><u>Target #1:</u> Increase % of consumer complaints resolved through informal complaint process.</p> <p><u>Status #1:</u> Although the number of complaints resolved through the informal complaint process grew by 23, the percentage decreased. The increased complaints have made it more difficult to move them through the process because of limited resources.</p>
<p>End Result</p>	<p>Strategies to Achieve End Result</p>
<p>E: Improve Regulatory Advocacy On Behalf Of The</p>	<p>E1: Increase effectiveness of AG's advocacy of</p>

<p>Public</p> <p><u>Target #1:</u> 70% success rate in representing the public interest before the Regulatory Commission of Alaska (RCA).</p> <p><u>Status #1:</u> The department has experienced an 82% success rate in representing the public interest before the RCA.</p>	<p>public interest in RCA dockets</p> <p><u>Target #1:</u> 5% increase in success rate in representing public interest.</p> <p><u>Status #1:</u> The Division achieved a 4% increment over 2007.</p> <p>E2: Enhance operational expertise</p> <p><u>Target #1:</u> Provide one training opportunity a year for Assistant Attorneys General (AAG) and Regulatory Affairs and Public Advocacy (RAPA) analyst staff.</p> <p><u>Status #1:</u> Achieved the target for all personnel the target is intended for.</p> <p>E3: Enhance public awareness of public advocacy role</p> <p><u>Target #1:</u> Publish Public Advocate Advisories for cases significantly affecting the public interest.</p> <p><u>Status #1:</u> Three Advisories were issued in FY 2008 by Regulatory Affairs and Public Advocacy (RAPA), successfully meeting the target.</p>
End Result	Strategies to Achieve End Result
<p>F: Enhance State Revenue From Mineral Resources</p> <p><u>Target #1:</u> Increase state revenue from mineral resource development by 20% (adjusted for changes in oil and gas prices) over current baseline projections, over the next ten years.</p> <p><u>Status #1:</u> We currently do not have data to track this measure.</p>	<p>F1: Assist state agencies in achieving a project to market Alaska's North Slope Gas</p> <p><u>Target #1:</u> Within seven years have a transportation system completed to carry North Slope gas to market.</p> <p><u>Status #1:</u> The Alaska Gasline Inducement Act (AGIA) license received approval for issuance to TransCanada Alaska. The TransCanada project schedule anticipates conducting an open season by 2009 and shipping initial gas in the pipeline by 2017. A competing project, the Denali project, appears to be gearing up for permit approvals. The Denali project anticipates conducting an open season in 2010 and shipping initial gas by 2017.</p> <p>F2: Defend non-discriminatory inter-state TAPS tariff</p> <p><u>Target #1:</u> Achieve non-discriminatory TransAlaska Pipeline System (TAPS) tariff.</p> <p><u>Status #1:</u> The state prevailed at the Federal Energy Regulatory Commission hearing. The case is presently on appeal with the Washington DC Circuit of US Court of Appeals.</p>

FY2010 Resources Allocated to Achieve Results

FY2010 Results Delivery Unit Budget: \$48,128,800

Personnel:

Full time	292
Part time	6
Total	298

Performance

A: Result - Improve Client-Agency Decision Making

Target #1: 5% reduction per year in legal challenges to final agency decisions in which the state does not prevail.

Status #1: In FY 2008, the state reduced the number of legal challenges to final agency decisions in which the state does not prevail by 25%. Three of the six cases the state did not prevail on were included even though the state won on parts of the challenge.

Appeals in Which the State Did Not Prevail

Year	YTD Total
2008	6 -25%
2007	8

Analysis of results and challenges: The Commercial and Fair Business Section handled approximately 13 legal challenges to final agency decisions during FY 2008, including four Alaska Supreme Court appeals. One superior court decision ruled against the state in one part of its decision. All other legal challenges were decided in favor of the state.

The Labor and State Affairs Section successfully won 31 out of 34 appeals from administrative decisions. Only 19 of these included the issuance of a decision, losing 3 of those.

The Natural Resource Section prevailed in all challenges to final agency decisions except for 2 cases (predator control and Tier II subsistence criteria) where we won on some issues and lost on others.

The Transportation Section had 2 challenges decided, and the state prevailed on both.

A1: Strategy - Increase agency training

Target #1: Provide one training per agency per year.

Status #1: The Department provided 30 trainings to agencies throughout the year but not all training is pertinent to all agencies.

Fiscal Year	YTD Total
FY 2008	30
FY 2007	24
FY 2006	15

Methodology: Does not include Court System, University, Railroad, or Legislature

Analysis of results and challenges: The Legislation and Regulations Section conducted a new ethics class for assistant attorneys general on time management in regulations projects.

The Natural Resource Section attorneys conducted 16 training sessions for agency personnel.

The Torts and Workers Compensation Section conducted 4 formal agency trainings.

The Transportation Section conducted 9 formal trainings to the Department of Transportation and Public Facilities.

A2: Strategy - Implement review of existing agency regulations to ensure clarity and statutory consistency

Target #1: 2 reviews per year.

Status #1: The Department exceeded their target again in FY 2008. In FY 2009 the Department will consider changing this target.

Regulation Review

Fiscal Year	YTD Total	Target	Variance
FY 2008	43	2	41
FY 2007	41	2	39
FY 2006	5	2	3

Analysis of results and challenges: The Legislation and Regulations Section reviews existing agency regulations for clarity and statutory consistency in conjunction with each regulation project completed.

The Natural Resource Section conducted 14 reviews of existing regulations for clarity and consistency.

The Transportation Section conducted 2 reviews in FY 2008.

A3: Strategy - Reduce time for legal reviews of agency approved regulations

Target #1: 100% on-time response.

Status #1: The department delivered within the mutually agreed upon timelines 98% of the time.

Regulation Review On Time

Fiscal Year	YTD Total	Target	Variance
FY 2008	98%	100%	2%
FY 2007	97%	100%	3%
FY 2006	95%	100%	5%

Analysis of results and challenges: All Natural Resource Section regulation projects were completed within established timelines.

A4: Strategy - Increase public awareness of agency regulation adoption process

Target #1: Hold 1 informational meeting for the public per year.

Status #1: The Legislation and Regulations Section frequently provides information on the agency regulations adoption process to state agencies, state boards and commissions, legislative committees as well as the general public.

Analysis of results and challenges: The Legislation and Regulations Section frequently provides information on the agency regulations adoption process to state agencies, state boards and commissions, legislative committees as well as the general public.

A5: Strategy - Encourage and facilitate agency use of alternative dispute resolution

Target #1: Train two agencies in alternate dispute resolution use per year.

Status #1: The Department provided one training in the alternative dispute resolution process.

Alternative Dispute Resolution

Fiscal Year	YTD Total	Target	Variance
FY 2008	1	2	-1
FY 2007	0	2	-2
FY 2006	2	2	0

A6: Strategy - Increase communication between client agencies and Department of Law

Target #1: Implement annual senior staff meetings with each agency.

Status #1: Many meetings with senior staff were held.

Analysis of results and challenges: Collections and Support Section reported 1 meeting during FY 2008.

Human Services Section chief and senior Assistant Attorneys General (AAGs) met with senior Office of Children's Services (OCS) staff once per month while the Anchorage and Fairbanks AAGs met with OCS supervisors every other month.

The Commercial and Fair Business Section met numerous times with senior staff of each agency. The section represents 15 different agencies as well as gives advice to 21 occupational boards and commissions. In particular, the section 1) had at least 12 in-person meetings with senior management at the Department of Revenue regarding permanent fund dividend related matters; 2) had weekly telephonic meetings with senior staff at Alaska Housing Finance Corporation (AHFC) and attended 10 AHFC board meetings; 3) attended four board meetings of the Alaska Commission on Postsecondary Education and the Alaska Student Loan Corporation; 4) attended and gave advice at approximately 30 regularly scheduled board meetings of various occupational boards including the State Medical Board, Board of Nursing, the Real Estate Commission, the Board of Marine Pilots, the Board of Public Accountancy, the Board of Dental Examiners, and the Professional Teaching Practices Commission; 5) attended approximately 20 bi-monthly meetings with senior staff of the Division of Insurance and approximately 40 weekly meetings with Division of Insurance investigators; 6) had approximately 40 meetings with investigators and senior staff of the Division of Corporations, Business and Professional Licensing regarding discipline matters, license denials, public records requests, and statutes and regulations; and 7) attended and gave advice to the Regulatory Commission of Alaska at approximately 48 adjudication meetings, 22 public meetings, and 22 informal conferences with individual Commissioners and senior staff.

The Labor and State Affairs Section represents a large number of agencies and the attorneys reported frequent senior staff meetings that include advice on specific subjects, litigation, and attendance at board and commission meetings.

The Natural Resource Section met with senior staff at least 600 times per year.

The Opinions, Appeals and Ethics Section met with agencies 38 times.

The Torts and Workers Compensation Section had several meetings with agency senior staff to either discuss specific cases or to debrief the agency concerning cases where litigation had concluded.

The Transportation Section held a retreat during which all its lawyers met with Department of Transportation and Public Facilities (DOT/PF) senior managers, and with managers and staff of selected DOT/PF programs. The Transportation Section participated in DOT/PF's annual construction manager's conference. The chief of the Transportation Section began attending DOT/PF's monthly senior managers meetings.

A7: Strategy - Enhance compliance with state ethics laws

Target #1: Train 3 agencies in ethics per year.

Status #1: No agency training sessions occurred in FY 2008; however, in FY 2007 we trained a total of six.

Increased Ethics Training

Fiscal Year	YTD Total	Target
FY 2008	0	3
FY 2007	6	3
FY 2006	1	3

Target #2: Achieve a 5% increase in informal advice to agencies on ethics.

Status #2: With the recent passage of ethics legislation, we have been asked about various ethics issues with respect to post-state employment and conflicts of interest. 100% of the responses were delivered within mutually agreed timeframes.

B: Result - Enhance the Welfare of Children

Target #1: Increase the percentage of cases in which a permanent legal resolution is obtained for children in the custody of the Department of Health and Social Services, Office of Children's Services (OCS).

Status #1: Currently data is not available to measure this end result. However, full implementation of the division's new case management system should enable tracking of this data.

Analysis of results and challenges: The Department of Law has a role in increasing the number of cases in which a permanent legal resolution is obtained for children in state custody by moving forward with termination and guardianship petitions once that specific goal has been identified by the client agency. While OCS is able to provide statistics on the percentages of children achieving permanency, there is no database or mechanism in place that tracks when a permanency goal is changed versus when that permanency goal was achieved. Therefore, it is difficult to quantify improvement or lack thereof in this area at this time. However, our new case management system, ProLaw, will produce this kind of information. On a general practice level, our office will continue to strive to file timely motions once the permanency goal of adoption or guardianship has been identified.

Target #2: Increase the percentage of Child in Need of Aid cases that are eligible for federal reimbursement.

Status #2: The section has consistently been achieving their goal of maximizing the Title IV E of the Social Security Act funding available.

Analysis of results and challenges: The Department of Law has a role in increasing the number of children in foster care who are eligible for federal aid by obtaining specific judicial findings at various points in the case. At the very first hearing, attorneys must obtain a finding that it is "contrary to the welfare of the child to remain in the home". Failure to obtain such a finding will keep the Office of Children's Services (OCS) from ever receiving federal foster care reimbursement for that child through Title IV E of the Social Security Act. Over the last few years our section has consistently been meeting this goal.

In addition, our section has implemented the use of form orders that are completed and submitted simultaneously with certain hearings. The use of these form orders has improved the timeliness with which initial and permanency orders are submitted to the court for signature. Use of the form orders has expanded outside of Anchorage to include Nome, Kotzebue, Juneau and surrounding southeast areas.

Our section continues to improve when it comes to obtaining a finding that "reasonable efforts have been made to achieve the permanent plan for the child" within 12 months after the child enters foster care and every 12 months thereafter. This is a topic of discussion at collaborative agency meetings. With the court, Office of Public Advocacy, OCS and the Department of Law working together, an effort is made to schedule these necessary hearings at 10 months instead of 12, increasing the number of cases in compliance and assuring the cases could be

counted in a federal audit.

Target #3: Increase the percentage of child support cases successfully resolved.

Status #3: We currently do not have data to track this measure. However, the section did open over 1,600 support cases in FY 2008 and closed over 1,500. In FY 2007, the section opened almost 1,400 child support cases and closed over 1,500.

Analysis of results and challenges: We currently do not have data to track this measure. However, the section did open over 1,600 support cases in FY 2008 and closed over 1,500. In FY 2007, the section opened almost 1,400 child support cases and closed over 1,500.

B1: Strategy - Increase the number of Petitions for Termination of Parental Rights or Petitions for Guardianship when a child has been in the custody of the department for 15 of the most recent 22 months when adoption or guardianship is the plan for the child

Target #1: Two training sessions per year for Attorney General Office (AGO) staff and Office of Children's Services (OCS) staff.

Status #1: We had one meeting at our Continuing Legal Education (CLE) in January 2008 and will have additional training in November 2008 to ensure attorneys are aware of the Title IV-E requirements.

Target #2: File Petitions for Termination of Parental Rights within the timeframe mandated by statute in the cases in which the filing of such petitions is statutorily required.

Status #2: This information is not readily available. It is hoped that our new case management system, ProLaw, will produce this kind of information.

Analysis of results and challenges: This information is not readily available. It is hoped that our new case management system, ProLaw, will produce this kind of information. However, in both internal and agency partner meetings, specific attention has been given to the issue of timely filing. The court generally inquires when a petition for termination or guardianship might be filed if the 15 month mark is approaching. On a general practice level, it appears that there may be some improvement. Maintaining full staffing levels is also necessary to effectively meet statutory deadlines.

Target #3: File Petitions for Guardianship with 60 days in the cases in which guardianship has been identified as the permanent goal for the child.

Status #3: Currently we are unable to report on the percentage of petitions filed within 60 days after guardianship has been identified as the permanent goal.

Analysis of results and challenges: This information is not readily available to date but we anticipate that our new case management system will produce this kind of information. However, in both internal and agency partner meetings, specific attention has been given to the issue of timely filing. The court also appears to be making it routine to inquire when a petition for termination or guardianship might be filed if the 15 month mark is approaching. So on a general practice level; it appears that there may be some improvement. Maintaining full staffing is also necessary to effectively meet statutory deadlines.

B2: Strategy - Increase the number of child support orders that comply with state child support guidelines

Target #1: Take action in 90% of child support modification files within 30 days of receipt of file from CSSD.

Status #1: Based on the information we have, the % of modification files in which action was taken within 30 days decreased by 1%.

Modification Files Opened

Year	YTD Total
2008	685
2007	691
2006	817

Analysis of results and challenges: Complete data is not readily available.

B3: Strategy - Improve administrative decision-making at the administrative review and formal hearing level

Target #1: Complete one training session per year for establishment and modification personnel at the Child Service's Support Division (CSSD).

Status #1: No formal training sessions were conducted in FY 2008. Each assistant attorney general provided informal training to caseworkers and supervisors on specific issues that arose in individual cases.

Year	YTD Total	Target	Variance
2008	0	1	-1
2007	0	1	-1
2006	1	1	0

Analysis of results and challenges: No formal training sessions were conducted in FY 2008. Each assistant attorney general provided informal training to caseworkers and supervisors on specific issues that arose in individual cases.

Target #2: Hold one annual meeting with the Child Support Services Division's (CSSD) senior staff.

Status #2: One annual meeting was held with CSSD's senior staff.

Meetings Held With CSSD Senior Staff

Year	YTD Total	Target	Variance
2008	1	1	0
2007	1	1	0
2006	1	1	0

Target #3: Provide monthly report to the Child Support Services Division (CSSD) summarizing Supreme Court decisions relating to child support and recommending changes to CSSD regulations, policies, or procedures as a result of those decisions.

Status #3: CSSD was provided 7 reports throughout the year. This target will need to be revised because Supreme Court decisions related to CSSD may not occur every month.

Supreme Court Summary Reports Prepared for CSSD

Year	YTD Total
2008	7
2007	7
2006	5

Methodology: Supreme Court rulings relevant to child support and CSSD are not released every month therefore a summary report may not be needed. We have issued summary reports in all months where relevant rulings were released.

B4: Strategy - Increase the use of civil enforcement remedies in cases where routine administrative collection actions have failed

Target #1: Conduct four meetings with Child Support Services Division's (CSSD) enforcement personnel each year to discuss screening and investigating cases for complex civil enforcement remedies.

Status #1: No meetings occurred during FY 2008.

Meetings with Enforcement Personnel

Fiscal Year	YTD Total	Target	Variance
FY 2008	0	4	-4
FY 2007	3	4	-1
FY 2006	5	4	1

Target #2: Increase the number of cases accepted for complex civil enforcement action including civil contempt, fraudulent transfers, piercing the corporate veil, seek work orders, or license enforcement by 2% per year.

Status #2: The number of cases selected was 11, a 22% decrease from the previous year.

Increase CSSD Complex Civil Enforcement Cases

Fiscal Year	YTD Total
FY 2008	11
FY 2007	14
FY 2006	27
FY 2005	9

B5: Strategy - Increase in number of cases in which appropriate judicial findings are contained in the initial court order and in permanency orders in Child-in-Need of Aid cases

Target #1: Complete two training sessions per year for Attorney General Office (AGO) staff and Office of Children's Services (OCS) staff.

Status #1: Although the topic is routinely included in general staff meetings with OCS, we did not conduct any formal training sessions in FY 2008.

Analysis of results and challenges: Although the topic is routinely included in general staff meetings with OCS, we did not conduct any formal training sessions in FY 2008. Further, the form orders, first implemented on February 14, 2007 in Anchorage, that contain all the necessary findings, have expanded in use to include Nome, Kotzebue, Juneau and surrounding southeast areas. It is anticipated the form orders will expand to the Mat-Su Valley and Fairbanks areas this winter.

Target #2: 100% Quality assurance review of all initial court orders prepared by Attorney General Office (AGO) staff occur within 5 business days of receipt.

Status #2: The Child Protection Section Chief or her designee personally reviews the initial court orders prepared by new Assistant Attorneys General (AAG) staff for 2-3 months after the employment of a new AAG.

Analysis of results and challenges: The Child Protection Section Chief or an experienced attorney designated by the section chief endeavors to review the initial court orders that are not form orders prepared by new Assistant Attorneys General (AAG) staff to make sure they will qualify for federal reimbursement. Generally, the orders are reviewed for 2-3 months after the employment of a new AAG.

Target #3: 100% of deficient court orders are remedied within 30 days of notification by the Department of Health and Social Services (DHSS).

Status #3: The Section Chief kept track of deficient court orders and believes this goal has been met.

C: Result - Enhance The Protection of Victims of Crimes and Delinquent Acts

Target #1: Reduction in complaints from victims of crimes and delinquent acts submitted to the Office of Victims Rights, the Attorney General's Office, the State Ombudsman, or the Office of the Governor.

Status #1: In FY 2008 we had one more complaint than we did in FY 2007.

Complaints from Victims

Year	YTD Total
2008	2
2007	1
2006	1

C1: Strategy - Increase collection of restitution on behalf of victims

Target #1: Request disbursement of 90% of all restitution payments to victims within 10 business days after receipt of the payment, excluding the 30-day hold for personal checks.

Status #1: Currently, this data is not available. The goal for the Department is to track this data when the new collections database, RevQ, is fully operational.

Analysis of results and challenges: Currently, this data is not available. The goal for the Department is to track this data when the new collections database, RevQ, is fully operational.

Target #2: Increase the overall restitution collections by 5% each year.

Status #2: In FY 2008, the amount in total restitution collections decreased just under 5% compared to the amount collected in FY 2007.

Increase in Collections

Fiscal Year	YTD Total	Target	Variance
FY 2008	2,032,525	2,363,767	4.9% Decrease
FY 2007	2,251,207	647,207	41.6% Increase
FY 2006	1,554,055	1,604,000	1.5% Decrease
FY 2005	1,580,055	Baseline	0

Methodology: Variances from year to year are primarily the result of the size of the Permanent Fund Dividend (PFD) because the PFD is the primary source of funds.

Target #3: Increase by 10% the use of civil enforcement remedies in cases where permanent fund dividend attachments have failed.

Status #3: Data is not currently tracked or readily available but the Department anticipates the deployment of the Department's new case management system, ProLaw, will provide this information.

Target #4: Increase by 10% the use of civil enforcement remedies in cases where permanent fund dividend attachments have failed.

Status #4: Data is not currently tracked or readily available but the Department anticipates the deployment of the Department's new case management system, ProLaw, will provide this information.

Analysis of results and challenges: Data is not currently tracked or readily available but anticipate deployment of the Department's new case management system ProLaw will provide this information.

D: Result - Enhance Consumer Protection in Alaska

Target #1: Increase effective consumer protection enforcement through successful resolution of consumer complaints, enforcement actions and consumer education.

Status #1: The consumer protection unit met its target strategies for enhancing consumer protection for 2008.

D1: Strategy - Increase consumer education

Target #1: Complete at least 4 consumer education initiatives per year.

Status #1: 7 consumer education initiatives were completed during FY 2008.

Consumer Education Initiatives

Fiscal Year	YTD Total	Target	Variance
FY 2008	7	4	0
FY 2007	4	4	0
FY 2006	4	4	0

Analysis of results and challenges: In FY 2008, the Consumer Protection (CP) Section continued to participate in two-day seminars, in conjunction with the American Association of Retired Persons (AARP) and the Division of Banking, that were developed to educate consumers around the state about consumer and financial fraud. Assistant Attorneys General's (AAG's) from the CP Section traveled to Dillingham, Kodiak, Barrow, and Bethel to give presentations on Identity Theft, Common Scams and Frauds, Auto Fraud, Investment Fraud, and Telemarketing Fraud.

In addition to the above education seminars, attorneys in the CP Section completed the following consumer education initiatives in FY 2008:

1. Gave a presentation at the annual meeting of the National Auto Dealers Association regarding changes to Alaska law that affect the auto industry;
2. Gave a presentation to the Association of IT Professionals on consumer fraud in Alaska focused on the use of computers to perpetrate fraud;
3. Designed and produced a brochure, entitled "Consumer Protection in Alaska" that provides an overview of Alaska laws that protect consumers and that provide remedies to consumers;
4. Drafted a section on consumer issues for the publication "Seniors & the Law: A Guide for Senior Citizens in the Last Frontier", a project of the Elder Law Section and the Young Lawyers Section of the Alaska Bar Association;
5. Gave presentations at the Sitka Alaska Native Art Summit and the Alaska Federation of Natives conference in Anchorage regarding counterfeit Alaska Native art and distributed over 25,000 Alaska Native Art brochures throughout the state and on cruise ships that provide information on how to identify original and counterfeit Alaska Native art;
6. Issued 7 consumer education press releases and posted 10 consumer alerts on the Consumer Protection web page containing warnings of scams and other relevant information.

D2: Strategy - Develop stronger consumer protection laws and regulations

Target #1: Propose two consumer protection or antitrust legislative initiatives or regulations per year.

Status #1: The Consumer Protection (CP) Section proposed two legislative initiatives relating to the use of promotional checks and to the regulation of sellers of travel.

Stronger Consumer Laws

Fiscal Year	YTD Total	Target	Variance
FY 2008	2	2	0
FY 2007	2	2	0
FY 2006	2	2	0

Analysis of results and challenges: The CP Section proposed two legislative initiatives relating to the use of promotional checks and to the regulation of sellers of travel. The CP Section worked closely with the Legislature in getting the promotional check legislation passed in the 2008 legislative session. The CP Section continued to work very closely with the Legislature and bill sponsors on a comprehensive bill to regulate the use of personal information, which also passed in the 2008 legislative session.

D3: Strategy - Effective enforcement

Target #1: 5% increase in investigations and prosecutions.

Status #1: The number of investigations and prosecutions actually decreased in FY 2008, largely because the Zyprexa enforcement matter went to trial, which required substantial attorney time and resource in preparing for trial, being in trial, and in negotiating the largest settlement in Alaska's consumer protection history.

Effective Enforcement

Year	Investigations	Prosecutions	YTD Total	Target
2008	37	10	47	40
2007	39	28	67	40
2006	25	12	37	38
2005	26	10	36	Baseline

Analysis of results and challenges: Fewer prosecutions were initiated than in the prior year in large part because the Zyprexa enforcement matter went to trial, which required substantial attorney time and resource in preparing for trial, being in trial, and in negotiating the largest settlement in Alaska's consumer protection history. Other actions included sending 75 letters to certain retailers in Southeast Alaska advising them of complaints of unfair or deceptive retail practices, which, if true, would violate Alaska's Unfair Trade Practices and Consumer Protection Act. Stores in two communities that displayed deceptive advertising were contacted again and it is anticipated that will result in at least two enforcement actions in 2009.

D4: Strategy - Effective antitrust enforcement

Target #1: Participate in multistate antitrust matters and investigate local matters implicating antitrust issues.

Status #1: In FY 2008, the state participated in multistate antitrust matters and investigated local matters 8 times, which is consistent with FY 2007.

Antitrust Cases Joined or Investigated

Year	YTD Total
2008	8
2007	8
2006	10

Analysis of results and challenges: The Consumer Protection (CP) Section is actively involved in two multistate antitrust matters including the Ovcon pharmaceutical investigation and the DRAM case. The unit continues to monitor three other multistate matters. On the local level, the CP Section opened an investigation into the Hawaiian Airlines/Alaska Airlines merger, and completed a review of the Maruha/Nichiro merger. The unit also opened an investigation of a proposed merger between two small airlines operating out of Bethel and Dillingham.

D5: Strategy - Effective implementation of registration laws

Target #1: 100% of annual registration applications processed within one year.

Status #1: In FY 2008, all charitable organization, paid solicitor, telephonic solicitation, business opportunity registrations were reviewed in a timely matter.

Implementation of Registration Laws

Fiscal Year	YTD Total	Target	Variance
FY 2008	100%	100%	0
FY 2007	100%	100%	0
FY 2006	100%	100%	0

Methodology:

D6: Strategy - Effective consumer complaint resolution

Target #1: Increase % of consumer complaints resolved through informal complaint process.

Status #1: Although the number of complaints resolved through the informal complaint process grew by 23, the percentage decreased. The increased complaints have made it more difficult to move them through the process because of limited resources.

Consumer Complaint Resolution

Fiscal Year	Complaints Received	Resolved	% Resolved
FY 2008	411	232	56.4%
FY 2007	341	209	61.2%
FY 2006	353	203	57.5%
FY 2005	369	91	24.6%

Analysis of results and challenges: The Consumer Protection (CP) Section saw a notable increase in the number of consumer complaints received. The unit is averaging approximately 35 to 40 complaints a month up from of about 25 complaints a month. This increased volume has made it more difficult to move complaints through the informal mediation process because of limited staff. As a consequence, there were a lower percentage of resolved complaints in 2008 compared to the prior year.

E: Result - Improve Regulatory Advocacy On Behalf Of The Public

Target #1: 70% success rate in representing the public interest before the Regulatory Commission of Alaska (RCA).

Status #1: The department has experienced an 82% success rate in representing the public interest before the RCA.

Improve Regulatory Advocacy

Fiscal Year	YTD Total	Target	Variance
FY 2008	82%	70%	12%
FY 2007	82%	70%	12%
FY 2006	88%	70%	18%

Methodology: In FY 2008 there were 17 dockets with final decisions, 3 in which the Regulatory Affairs and Public Advocacy (RAPA) position was not adopted. In FY 2007 there were 9 dockets with final decisions, 2 in which the RAPA position was not adopted.

E1: Strategy - Increase effectiveness of AG's advocacy of public interest in RCA dockets

Target #1: 5% increase in success rate in representing public interest.

Status #1: The Division achieved a 4% increment over 2007.

E2: Strategy - Enhance operational expertise

Target #1: Provide one training opportunity a year for Assistant Attorneys General (AAG) and Regulatory Affairs and Public Advocacy (RAPA) analyst staff.

Status #1: Achieved the target for all personnel the target is intended for.

E3: Strategy - Enhance public awareness of public advocacy role

Target #1: Publish Public Advocate Advisories for cases significantly affecting the public interest.

Status #1: Three Advisories were issued in FY 2008 by Regulatory Affairs and Public Advocacy (RAPA), successfully meeting the target.

F: Result - Enhance State Revenue From Mineral Resources

Target #1: Increase state revenue from mineral resource development by 20% (adjusted for changes in oil and gas prices) over current baseline projections, over the next ten years.

Status #1: We currently do not have data to track this measure.

F1: Strategy - Assist state agencies in achieving a project to market Alaska's North Slope Gas

Target #1: Within seven years have a transportation system completed to carry North Slope gas to market.

Status #1: The Alaska Gasline Inducement Act (AGIA) license received approval for issuance to TransCanada Alaska. The TransCanada project schedule anticipates conducting an open season by 2009 and shipping initial gas in the pipeline by 2017. A competing project, the Denali project, appears to be gearing up for permit approvals. The Denali project anticipates conducting an open season in 2010 and shipping initial gas by 2017.

F2: Strategy - Defend non-discriminatory inter-state TAPS tariff

Target #1: Achieve non-discriminatory TransAlaska Pipeline System (TAPS) tariff.

Status #1: The state prevailed at the Federal Energy Regulatory Commission hearing. The case is presently on appeal with the Washington DC Circuit of US Court of Appeals.

Analysis of results and challenges: The state prevailed at the Federal Energy Regulatory Commission hearing. The case is presently on appeal with the Washington DC Circuit of US Court of Appeals.

Key RDU Challenges**RECRUITMENT AND RETENTION**

The Civil Division is experiencing major challenges in the recruitment and retention of qualified staff to serve as Assistant Attorneys General. This is true in both urban and rural offices. The primary reason for this serious problem is that the state's salaries for attorneys are not competitive with similar jobs in both the private and public sector. Law school graduates often have large student loans and cannot afford to take state legal positions when other public and private sector employers pay higher entry salaries. We are also losing experienced attorneys with many years of state service to jobs with higher pay in other public and private offices. The division needs to address this

problem. The hiring and retention of qualified, skilled attorneys directly impacts the state's ability to achieve legal results beneficial to the state.

TECHNOLOGY UPGRADE

The Department continues work on a several-tiered project to enhance the organization and efficiency of legal work through the use of technology. The division has entered into a contract to implement the software application ProLaw for timekeeping, case management, document management, as well as to replace and unify our beleaguered collections and restitution databases. Deployment of the case management, timekeeping and billing system is continuing and the document management and the collections component have been initiated but will not be fully operational prior to FY 2010.

OTHER CHALLENGES

Collection and Child Support: The primary challenge for the child support unit will be addressing the emergence of federally funded IV-D tribal child support agencies within Alaska. In March 2007, the federal Office of Child Support approved the Tlingit and Haida Indian Tribes application to operate an IV-D child support agency. It is anticipated the federal government will approve the Aleutian Pribilof Islands Association, Inc.'s application to operate an IV-D tribal child support agency beginning October 2008. Due to the unique legal landscape in Alaska concerning native law, the child support unit is providing additional assistance to the Alaska Child Support Services Division (CSSD) to address legal issues related to tribal child support agencies.

Adult restitution cases have increased from 800 in 2002 to 4,000 in 2007. Only one Associate Attorney handles all 4,000 of these cases. This caseload only accounts for cases entered into our database. We currently have a back log of approximately 1,500 restitution cases that have not been entered into our database. We frequently have to bring in temporary help to prevent the growth of the back log of cases and to assure restitution payments are sent to victims in a timely manner. It takes the collections unit over two months to forward the payment request to fiscal.

Commercial and Fair Business: Alaska is a target state for many types of consumer fraud. Under the authority of the Consumer Protection Act (AS 45.50.471 et seq.), the Commercial and Fair Business Section investigates and brings enforcement action against businesses that engage in unfair or deceptive trade practices. Given the current funding and staffing level and the large areas of enforcement the office is responsible for, the section is still forced to turn away many legitimate cases of consumer fraud. Enforcement activities are directed to situations affecting a large number of consumers or involving large dollar amounts, and often there are not enough resources for even those cases.

Environmental Law: The Environmental Law Section will investigate and pursue appropriate legal actions to hold British Petroleum (BP) and others accountable for oil spills from pipeline corrosion and the resulting partial shutdown of the Prudhoe Bay field. The section hopes to resolve the Exxon Valdez oil spill re-opener issue.

The section will partner with the Department of Environmental Conservation (DEC) to develop a program and detailed regulations to implement provisions of Ballot Measure 2 (the "Cruise Ship Initiative") approved by the voters in the August 2006 primary elections.

Human Services and Child Protection: Statutory changes at the state and federal level have necessitated changes in how long children may remain in the child protection legal system. These changes move cases to conclusion faster to ensure that when reunification with the family is not in the child's best interest the child can be made legally eligible for placement in a permanent home more quickly. The changes also mandate additional court proceedings in order to ensure that the department is quickly moving to achieve a permanent plan for the child. The accelerated schedules, additional hearings, and appropriate document preparation mean that each attorney carries a significant caseload. Statewide, attorneys continue to prosecute approximately 3,000 ongoing Child-In-Need-Of-Aid (CINA) cases, carrying an average of 141 plus cases, significantly higher than the 100 cases per full time attorney suggested by the U.S. Department of Health and Human Services, Administration for Children and Families.

One AAG is located in Kenai and carries a caseload of 214 children. In addition, there are up to 70 children's cases in Homer that would be logically serviced out of Kenai, but are now handled out of Anchorage as a stopgap measure

to alleviate the heavy caseload in Kenai. This case transfer comes at a sacrifice to costs (primarily travel) and effectiveness (it is more difficult to talk to witnesses and other relevant individuals). Thus there are a total of up to 284 children that either are, or should be serviced out of Kenai. Federal guidelines say that the caseload should be 100 cases per attorney. Our statewide average is currently 141 per attorney and is increasing. Last year's average was 125 cases per attorney.

Labor and State Affairs: 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 conducted a hearing on this issue in FY 2009. The section will need to support the Department of Education and Early Development's efforts to expand oversight of the school districts in response to the court's action. In addition, an appeal requiring additional legal services is anticipated.

The section will need to address the increased demand for litigation support to respond to electronic discovery requests. These require time consuming searches and reviews of electronic files responsive to the request.

The section will need to address an increase in the workload concerning Alaska's public official and legislative financial disclosure, campaign finance, and lobbying laws that the Alaska Public Offices Commission administers. It will need to support the commission's efforts to change its regulations to implement legislative changes in recent years and to collect unpaid penalty assessments.

The division will pursue an action on behalf of the state and the benefit trust funds concerning the breach of the professional duties of the state's former actuary.

Natural Resources: The section advises the Alaska Department of Fish and Game (ADF&G) regarding Endangered Species Act (ESA) issues and the North Pacific Fisheries Management Council. The section anticipates that legal work in the area of ESA application will increase significantly.

The section will continue to be involved in litigation concerning Alaska's right to charge nonresidents higher annual fees to participate in the state's commercial fisheries. Plaintiffs in the case are seeking millions of dollars in refunds and interest. The Alaska Supreme Court ruled that the state must calculate the permissible differential on an individual basis.

Oil, Gas and Mining: Matters of significance for this section include:

Oil and Gas Pipeline Related Matters - The Oil, Gas, and Mining section will continue to expend substantial efforts to monitor the TransAlaska Pipeline System (TAPS) tariffs and to monitor and participate where appropriate in state and federal regulatory oversight of the tariffs of all common carrier oil and gas pipelines operating in the state. This vigilance can earn the state millions of dollars in royalties and production taxes each year. Further, as production of oil and gas from current developments declines in Alaska, the state's participation in tariff regulation is becoming more important in encouraging additional producers to invest in exploration of new areas in the state, by ensuring fair transportation rates and access to existing pipeline infrastructure for production from new fields.

During FY 2010 the Oil, Gas and Mining section will be briefing and participating in post-hearing proceedings and appeals stemming from the decision by the Federal Energy Regulatory Commission (FERC) on the TAPS 2005 and 2006 tariffs, and continue the litigation process in protest of the 2007 and 2008 TAPS tariffs. The State will also examine the TAPS carriers' proposed 2010 tariffs and consider whether we will file a protest. The State will continue renegotiation efforts on the TAPS Interstate and Intrastate Settlement Agreements that were executed in 1985 and expire by their terms in 2011. Finally, the State's protest of expenditures by the TAPS' carriers on the Strategic Reconfiguration project will proceed through discovery and hearing processes at the FERC through FY 2010.

North Slope Gas Pipeline-Related Issues - The section will continue to assist in arrangements to construct a gasline to transport Alaska North Slope gas to market. The known gas resource on Alaska's North Slope is huge. The potential gas resource on unexplored lands on the North Slope is much larger. Developing this resource is one of the

most promising opportunities to strengthen and support Alaska's economic future. This section will continue to work closely with the Governor's Office and the Departments of Natural Resources and Revenue to provide legal assistance in implementation of the Alaska Gasline Inducement Act (AGIA) license, including providing analysis on relevant constitutional and other state law issues.

Tax Cases - The section is pursuing millions of dollars in past-due taxes and interest that are owed by oil and gas producers to the state. In some cases, hundreds of thousands of documents are being examined, many potential witnesses must be interviewed or deposed, and experts retained in order to prepare for hearing. These hearings can last for several weeks. At this time, there is a major corporate income tax case and a number of smaller tax cases before the Office of Administrative Hearings. A major production tax case, which is at the informal conference stage, is an appeal of the Department of Revenue's decision to aggregate properties within the Prudhoe Bay Unit for purposes of determining the Economic Limit Factor (ELF). The ELF appeal stems from a January 2005 decision by the Department of Revenue to aggregate six satellite producing areas with the Prudhoe Bay producing areas for purposes of calculating the ELF. The effect of this decision was to increase North Slope production taxes significantly. The impact of this decision was limited to a total of 14 months because the ELF was repealed by the amendments made to the state's production tax laws in 2006.

The section also provides support and represents the Department of Revenue in appeals from the annual oil and gas property tax assessments, including the valuation of TAPS for taxes due. The section is representing the Department of Revenue in a trial before the Alaska superior court over the State Assessment Review Board's 2006 and 2007 property tax valuation of TAPS. The trial is scheduled for February 2009.

Opinions, Appeals and Ethics: Indian law issues continue to impact virtually every area of state government's responsibilities. This section is working to provide advice on a wide variety of issues including civil and criminal jurisdiction and authority, Indian gaming, waivers of sovereign immunity, Indian country, tribal status, the Indian Child Welfare Act, Public Law 280, and many more. We anticipate this area of law and legal services to be a continuing challenge for the section.

Statehood Defense: This component provides funding for the Natural Resources Section for Statehood Defense. Section staff will participate in the Endangered Species process as it relates to decisions or proposals to polar bears, Cook Inlet beluga whales, other species and management of Pacific salmon and to ensure adherence to the Pacific Salmon Treaty. Included in the FY 2010 budget is a \$187.0 increment to maintain the same staffing level as FY 2009. The FY 2006 budget reduced the Department's general fund budget because carry-forward funding was available to fund a position. This request will re-establish the funding for the position in the operating budget.

Significant Changes in Results to be Delivered in FY2010

The Collections unit continues their efforts to increase the types of judgments, fines and costs collected on behalf of the State of Alaska. The goal is to implement the new collections database and begin collecting other judgments, fines and costs, specifically the Correctional Facility Surcharge and Police Training Surcharge, owed to the State of Alaska that are not currently collected by the unit due to the limited database and limited staff.

The division anticipates an increase in services to be delivered to the Department of Commerce, Community and Economic Development (DCCED) related to HB 162 that was passed in 2007. This legislation requires the licensing and regulation of persons originating, lending, or brokering mortgage loans and became effective July 1, 2008. In the fiscal note for the bill, DCCED provided for increased contractual costs to Law to help draft legal documents, to represent the division at administrative hearings resulting from licensing, revocation, or disciplinary action, and to enforce orders resulting from investigations.

With the passage of expanded ethics legislation in 2007 the ethics attorneys have recently begun a training program for all other state executive branch departments and boards, and is developing an interactive training program for the Department of Law website. This effort will continue into 2009. The division expects a sharp increase in ethics related inquiries and investigations due to the 2007 legislation.

Major RDU Accomplishments in 2008

Collections and Support: The Collections and Support Section collected over \$6.8 million in FY 2008, an increase of over \$1 million from FY 2007. These collections included criminal fines, cost of appointed counsel, cost of imprisonment, civil judgments owed to the State of Alaska, and victim restitution. Of this amount, the unit collected and disbursed to victims over \$2 million in restitution. The section resolved and closed over 1,500 child support files in FY 2008.

Commercial and Fair Business: The Commercial and Fair Business Section processed 411 consumer complaints, of those, 232 were resolved through the informal complaint process resulting in either direct or indirect assistance to consumers, launching of a formal investigation, or referral to other appropriate state and federal agencies.

With the assistance of outside counsel, the section successfully investigated, prosecuted and settled the largest consumer protection action in Alaska history that was brought against a major pharmaceutical company for violations of Alaska's Consumer Protection Act. The state achieved a record setting settlement of \$15 million for damages and penalties.

The section participated in settlement of six multi-state consumer protection cases in which the state obtained injunctive relief prohibiting conduct in violation of our consumer protection and antitrust statutes, restitution for consumers, and payments to the state of approximately \$1.9 million for costs, attorney's fees and consumer protection enforcement and education.

Environmental Law: In FY 2008 the Environmental Law component recovered approximately \$7.9 million for state costs and penalties related to violations of state environmental laws and obtained cleanup agreements with polluters with an estimated value of over \$57.6 million for a total benefit to the state of approximately \$65.5 million.

The state intervened in a court challenge by environmental groups to the federal permits for tailings disposal at the Kensington Mine. The federal District Court upheld the permits, but on appeal the Ninth Circuit Court of Appeals reversed, invalidating the permits and halting further construction at the mine. Both the state and Coeur Alaska, Inc., owner of the mine, petitioned the U.S. Supreme Court for certiorari review, and the Court granted those petitions in June 2008. The case is now in the briefing stage and will be argued on January 12, 2009.

The component assisted DEC in the continuing investigation of the 2006 BP pipeline spills and shutdowns due to corrosion.

Child Protection Section: The Child Protection Section continued to prosecute approximately three thousand ongoing child-in-need-of-aid (CINA) cases statewide, moving toward the goal of achieving permanency for children, whether it is reunification with their parents or other permanent placements, such as adoption or guardianship.

The section represented the Department of Health and Social Services (DHSS), Office of Children's Services (OCS), in a lawsuit filed by four Alaska Native villages alleging violations of the Indian Child Welfare Act, the Multi-Ethnic Placement Act, and the Adoption and Safe Families Act.

The section also represented DHSS, OCS in a lawsuit filed by four other Alaska Native villages challenging the advice given to OCS in a 2004 Attorney General's Opinion regarding tribal jurisdiction over child protection cases.

The section represented DHSS, OCS in a lawsuit filed in federal court by the Native Village of Kaltag and two individuals. The main issue raised by the case is whether tribal courts of Alaska Native villages without reservations have the legal authority to initiate child protection cases that can lead to the termination of parental rights and to issue adoption orders entitled to be given full faith and credit by the state.

Labor and State Affairs: The Labor and State Affairs Section prevailed in a constitutional challenge to a law expanding a property tax exemption to non-secular educational institutions.

The Section continued to represent the Department of Education and Early Development in court proceedings (including mediation) in *Moore v. State*, in which a number of school districts and individuals challenged the adequacy of educational services under the state constitution.

Natural Resources: The Natural Resources Section continued to successfully defend the state's predator control program.

The section assisted the Board of Agriculture and Conservation in collections, foreclosures, and management of fund assets including Mt. McKinley Meat & Sausage and Matanuska Maid Dairy.

The section successfully defended the University lands bill in superior court.

The section successfully defended the State's ownership and control of the Alaska Grown logo.

Oil, Gas and Mining: The Oil, Gas and Mining Section assisted the Governor's office and the Departments of Natural Resources and Revenue in implementing the Alaska Gas Inducement Act (AGIA). The section assisted the departments with reviewing license applications for compliance with AGIA and the Request for Applications, developing the Commissioners' Findings and Determination, and obtaining legislative approval to issue the AGIA license. Also in FY 2008, section attorneys began considering the legal issues that will be involved in implementing the license.

The section represented the Department of Natural Resources (DNR) in court proceedings which affirmed key components of the agency decisions for Point Thomson Unit and assisted in remand proceedings to the agency for additional consideration of remedy. The section assisted in the DNR decisions on remand. During the period Lessees paid the state \$20 million for failure to drill and will relinquish approximately 29,000 acres of leases. The section also testified before the Alaska Oil and Gas Conservation Commission (AOGCC) on behalf of the Department of Natural Resources and filed a motion to dismiss ExxonMobil's application for compulsory unitization.

The FERC issued a final Opinion and Order in the TAPS interstate tariff litigation. The Department of Revenue estimates that the resulting refunds will benefit the State in an amount exceeding \$200 million.

The section assisted the Department of Revenue in negotiating a settlement with a major oil and gas producer that resulted in the producer paying over \$379 million in additional corporate income tax and interest to the state.

The section assisted the Department of Revenue in property tax hearings before the State Assessment Review Board that resulted in the owners of the TransAlaska Pipeline System owing \$127 million in additional oil and gas property tax, of which the state would receive \$58.7 million and the municipalities and unincorporated boroughs throughout the state would receive the remainder.

Opinions, Appeals and Ethics: The Opinions, Appeals and Ethics Section provided legal advice on over 380 ethics issues, provided nearly 40 ethics trainings, rendered several ethics opinions and memoranda of advise on topics such as outside employment, post-state employment, gifts, contracts and investigations.

In FY 2008, the section had 21 Children In Need of Aid (CINA) appeals pending before the Alaska Supreme Court. The section prevailed on 14, had six dismissed and lost one.

Regulatory Affairs and Public Advocacy: The Regulatory Affairs and Public Advocacy (RAPA) Section, on behalf of the Attorney General (AG), issued three "Public Advocate Advisories" and on behalf of the Attorney General the section filed comments or briefs in 13 dockets and pre-filed 16 sets of direct testimony in 12 dockets: two electric utility rate cases, five water/sewer utility rate cases, a refuse utility rate case, two statewide natural gas utility cases, a gas pipeline rate case, and one local exchange carrier telecommunications rate case. RAPA also participated in five evidentiary rulemaking and consumer input hearings, and two public workshops.

Some examples of notable actions in support of rate payers include:

Anchorage Water and Wastewater Utility (AWWU): The RAPA filed expert testimony analyzing the revenue requirement and rates of AWWU's second rate case filing in as many years. The parties entered into a stipulation in which the municipal water utility agreed to a 7% rate increase, as opposed to its proposed 14.5% rate increase. Similarly, the sewer utility agreed to a rate increase of 9.5%, reduced from its proposed 13% rate increase.

Bethel Utilities Corporation (BUC): The electric utility filed for a 9.8% rate increase. RAPA's analysis and pre-filed testimony identified a smaller rate increase of 3.74%. The parties settled on a rate increase of 5.48% which resulted in refunds to ratepayers.

Statehood Defense: This component provides funding for the Natural Resources Section for Statehood Defense. Section members attended numerous Federal Subsistence Board meetings and meetings of the North Pacific Fishery Management Council to assist ADF&G with issues impacting state fish and wildlife management. The section filed a number of requests for reconsideration of decisions by the Federal Subsistence Board, including customary and traditional use findings and rural determinations on the Kenai Peninsula. With ADF&G, the section persuaded the Federal Subsistence Board to reject a proposal to impose gear limitations on state fisheries in the Yukon River.

With ADF&G, the section developed comments on numerous proposed listings under the Endangered Species Act (ESA), including comments on the proposals for polar bear and Cook Inlet beluga whales, and also prepared for litigation and obtained outside counsel to assist with a challenge to the listing of polar bear as threatened under the ESA.

The section assisted DNR and ADF&G with new and existing applications to the Bureau of Land Management (BLM) for Recordable Disclaimers of Interest (RDI) for lands underlying navigable waters. The state has received a number of RDIs from BLM. The state has continued to educate landowners about the public's right to use state navigable waters.

Transportation: The section assisted with development of infrastructure projects such as prison construction and expansion projects in the Mat-Su Borough and Seward, Knik Arm Crossing, Anchorage and Fairbanks International Airports concourse and airfield renovations, parking garages in downtown Anchorage and Juneau, the new Kenai River Bridge, Juneau Access, Fairbanks and Anchorage fish hatcheries, the Department of Public Safety Crime Laboratory, and a DHSS McLaughlin Youth Center Expansion as well as acquisition of property for roadways around the state.

Contact Information

Contact: Craig Tillery, Deputy Attorney General
Phone: (907) 269-5100
Fax: (907) 278-7022
E-mail: craig.tillery@alaska.gov

**Civil Division
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2008 Actuals				FY2009 Management Plan				FY2010 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Formula Expenditures None.												
Non-Formula Expenditures												
Dep. Attny General's Office	4,224.3	0.0	0.0	4,224.3	433.8	0.0	0.0	433.8	748.1	0.0	239.5	987.6
Collections and Support	760.1	0.0	1,623.8	2,383.9	919.0	0.0	1,684.2	2,603.2	938.0	0.0	1,745.7	2,683.7
Commercial and Fair Business	1,185.2	0.0	2,794.7	3,979.9	1,258.7	0.0	3,218.0	4,476.7	1,431.3	0.0	3,303.1	4,734.4
Environmental Law	577.1	0.0	4,583.5	5,160.6	1,058.8	0.0	980.9	2,039.7	1,104.2	0.0	993.7	2,097.9
Human Services/Child Protection	5,330.0	0.0	2,055.6	7,385.6	5,471.3	0.0	1,453.9	6,925.2	5,153.2	0.0	1,502.0	6,655.2
Labor and State Affairs	2,099.1	0.0	2,601.8	4,700.9	2,385.9	0.0	3,333.9	5,719.8	2,446.7	0.0	3,364.6	5,811.3
Legislation/Regulations	532.9	0.0	250.5	783.4	591.5	0.0	187.7	779.2	625.7	0.0	192.9	818.6
Natural Resources	1,247.5	0.0	425.1	1,672.6	908.9	0.0	349.9	1,258.8	937.3	0.0	363.0	1,300.3
Oil, Gas and Mining	3,334.3	0.0	1,477.0	4,811.3	9,837.3	0.0	1,477.0	11,314.3	9,802.4	0.0	1,477.0	11,279.4
Opinions, Appeals and Ethics	169.5	0.0	107.0	276.5	1,280.1	0.0	441.4	1,721.5	1,322.3	0.0	458.6	1,780.9
Reg Affairs Public Advocacy	0.0	0.0	1,327.4	1,327.4	0.0	0.0	1,498.3	1,498.3	0.0	0.0	1,536.8	1,536.8
Statehood Defense	869.0	0.0	0.0	869.0	1,186.9	0.0	0.0	1,186.9	1,066.8	0.0	0.0	1,066.8
Timekeeping & Litigation Support	0.0	0.0	659.7	659.7	365.8	0.0	1,243.5	1,609.3	305.6	0.0	1,289.4	1,595.0

**Civil Division
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2008 Actuals				FY2009 Management Plan				FY2010 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Torts and Workers' Compensation	0.0	0.0	3,032.0	3,032.0	47.1	0.0	3,183.8	3,230.9	47.1	0.0	3,325.9	3,373.0
Transportation Section	0.0	0.0	1,962.1	1,962.1	38.9	0.0	2,295.5	2,334.4	38.9	0.0	2,369.0	2,407.9
Totals	20,329.0	0.0	22,900.2	43,229.2	25,784.0	0.0	21,348.0	47,132.0	25,967.6	0.0	22,161.2	48,128.8

Civil Division
Summary of RDU Budget Changes by Component
From FY2009 Management Plan to FY2010 Governor

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2009 Management Plan	25,784.0	0.0	21,348.0	47,132.0
Adjustments which will continue current level of service:				
-Dep. Attny General's Office	74.8	0.0	0.0	74.8
-Collections and Support	19.0	0.0	61.5	80.5
-Commercial and Fair Business	172.6	0.0	85.1	257.7
-Environmental Law	45.4	0.0	12.8	58.2
-Human Services/Child Protection	-318.1	0.0	48.1	-270.0
-Labor and State Affairs	60.8	0.0	30.7	91.5
-Legislation/Regulations	34.2	0.0	5.2	39.4
-Natural Resources	28.4	0.0	13.1	41.5
-Oil, Gas and Mining	-6,394.1	0.0	0.0	-6,394.1
-Opinions, Appeals and Ethics	42.2	0.0	17.2	59.4
-Reg Affairs Public Advocacy	0.0	0.0	38.5	38.5
-Statehood Defense	-307.1	0.0	0.0	-307.1
-Timekeeping & Litigation Support	-60.2	0.0	45.9	-14.3
-Torts and Workers' Compensation	0.0	0.0	142.1	142.1
-Transportation Section	0.0	0.0	73.5	73.5
Proposed budget increases:				
-Dep. Attny General's Office	239.5	0.0	239.5	479.0
-Oil, Gas and Mining	6,359.2	0.0	0.0	6,359.2
-Statehood Defense	187.0	0.0	0.0	187.0
FY2010 Governor	25,967.6	0.0	22,161.2	48,128.8