

**State of Alaska
FY2017 Governor's Operating Budget**

**Department of Law
Oil, Gas and Mining
Component Budget Summary**

Component: Oil, Gas and Mining

Contribution to Department's Mission

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.

Core Services

- Provides legal advice and assistance to the state on oil, gas, and mining related disputes. The section advises state agencies on oil and gas royalty, net profit share, and corporate, property, and production tax issues. The section monitors and protests tariffs charged for pipeline transportation, and provides legal advice to state agencies concerning the development of state oil, gas, and mineral resources.
- Provides legal services related to development of a gas pipeline, and development in the National Petroleum Reserve of Alaska and on Alaska's outer continental shelf.
- Contracts and collaborates with outside counsel and expert consultants on large or complex oil and gas cases as well as issues related to lease sales, drafting and interpreting oil and gas statutes and regulations, pipeline right-of-way, oil and gas conservation, development, and reservoir engineering.

Major Component Accomplishments in 2015

- Represented the Department of Natural Resources (DNR) in matters relating to development of the Point Thomson Unit (PTU). The lessees are developing an initial production system (IPS), and production in the unit is expected by the winter season of 2015-2016. The IPS will produce approximately 10,000 barrels per day of condensate, which will ship to the TAPS in a new common carrier pipeline built by the PTU lessees. The dry gas produced will be re-injected into the reservoir.
- Advised DNR in audits of oil and gas royalties relating to North Slope and Cook Inlet fields.
- The section spent a significant amount of time helping DNR evaluate a major dispute over production allocation worth tens of millions of dollars at the Northstar Unit. The section participated in a one-week hearing involving the dispute and received a favorable decision from the DNR hearing officer.
- Assisted the Department of Revenue (DOR) at informal conference and before the Office of Administrative Hearings (OAH) in complex litigation against major oil and gas producers regarding the department's decision to aggregate properties for calculating the taxpayers' production tax. The OAH issued a decision favorable to DOR, which was upheld on appeal to superior court. The case is now before the Alaska Supreme Court.
- Represented DOR in negotiating settlement of a number of corporate income tax, production tax and property tax disputes, which resulted in a total of about \$50 million in additional taxes, penalties, and interest in FY2015.
- Defended DOR's 2015 TransAlaska Pipeline System (TAPS) property tax valuation methodology before the State Assessment Review Board in May of 2015. The section also represented the DOR in litigation over the TAPS 2006 through 2014 property tax assessments. The state has received tens of millions of dollars in additional property taxes as a result of the superior court decisions in the 2006-2009 tax appeals, which have resulted in favorable Alaska Supreme Court decisions.
- Assisted DOR and DNR in the 2015 legislative session. Provided assistance to DOR in drafting implementing regulations. The section also assisted DOR and DNR with implementation of a major liquefied natural gas (LNG) gasline bill, passed by the Alaska Legislature as Senate Bill 138, empowering the Alaska Gasline Development Corporation to participate in a liquefied natural gas (LNG) pipeline project with the major North Slope oil and gas companies and TransCanada.

Key Component Challenges

- Expending substantial efforts to monitor the 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. Furthermore, 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.
- Ongoing cases involving disputes between TAPS shippers, TAPS carriers, and the state over the valuation of crude oil under the TAPS Quality Bank, which is a system for adjusting crude oil values to account for the different qualities of crude oil and refinery return streams that are commingled in the TAPS common stream. These cases concern decisions of the FERC and RCA and the section currently awaits action by FERC on remand from a decision of the United States Court of Appeals for the D.C. Circuit. The section provides legal support for and represents the Pipeline System Integrity Office (PSIO), which oversees the maintenance of facilities, equipment, and infrastructure for the sustained production and transportation of oil and natural gas resources in Alaska, in cooperation with other state and federal agencies.
- Providing legal support for and representing the State Pipeline Coordinator's Office (SPCO), which monitors and facilitates the development and sound operation of pipelines on state land.
- North Slope gas pipeline-related issues are a priority for this section, including providing legal support to assist in arrangements to construct a gas line to transport Alaska North Slope gas to markets in and out of Alaska. The known gas resource on Alaska's North Slope is huge but 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. The section also continues to work closely with the Office of the Governor as well as DNR and DOR to provide legal assistance in negotiating and entering into new commercial agreements with TransCanada, AGDC and the three major North Slope producers to engage in preliminary front-end engineering and design work (Pre-FEED) for an LNG project. Provide legal support for proposed commercial and financial arrangements, matters related to fiscal certainty, confidentiality issues and analysis on constitutional and other state law issues and federal permit and licensing issues.
- Pursuing hundreds of millions of dollars in past-due taxes, interest, and penalties that are owed by oil and gas producers and other corporate taxpayers to the state. A major production tax case, which is before the Alaska Supreme Court, is an appeal of DOR'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 DOR to aggregate satellite producing areas with the Prudhoe Bay producing areas for purposes of calculating the ELF. Representing DOR in a number of confidential tax disputes at the administrative level.
- Supporting and representing DOR in appeals from annual oil and gas property tax assessments, including assessments based on valuation of TAPS for 2006-2009. The case involving the 2006 TAPS property tax assessment, in which Judge Gleason affirmed DOR's assessment methodology, was decided in DOR's favor by the Alaska Supreme Court on February 19, 2014. The case involving the 2007-2009 assessment, in which Judge Gleason affirmed DOR's methodology and, based on new cost and North Slope oil reserves studies presented at trial, significantly increased the TAPS value to \$8.94 billion for tax year 2007, \$9.64 billion for 2008, and \$9.25 billion for 2009, was upheld by the Alaska Supreme Court in August 2015.
- Providing legal assistance to DOR to develop regulations requiring detailed reporting of expenditures related to production tax credits designed to further encourage the development of oil and gas reserves. The section will also assist DOR as it reviews the current Mineral Licensing Tax and the current mining license regulations to determine if changes are needed to address new technologies for resource extraction techniques.
- Representing DNR in royalty disputes and working with DNR in royalty negotiations to ensure that the state receives its fair share of royalties and net profit share from production of Alaska oil and gas resources. This work includes handling related development and production sharing disputes. Much of the work is transactional in nature and concerns negotiating modifications to existing Royalty Settlement Agreements, audits, and claims.

Yet the section must litigate or arbitrate some claims in order to recover the amount due to the state and to defend against unreasonable claims. Litigation and arbitration inevitably involve developing expert opinions, which require a long lead time. The section also manages expert witnesses that analyze transportation costs, allowances for return on capital, sales data, and royalty settlements, markets, destination values, development issues, and reservoir modeling.

- Resolving disputes and providing legal advice to DNR on a variety of issues that are related to royalty and net profit share, such as confidentiality requirements, contract construction, whether payments meet legal requirements, and implementation of lease valuation provisions. The state has Royalty Settlement Agreements with all the major producers that cover most of the Alaska North Slope DL-1 leases in production as of the early 1990s. These Royalty Settlement Agreements all contain formulas for determining the state's royalty share. These formulas may be modified through an arbitration proceeding called a reopener. Typically there are several reopeners a year. The Royalty Settlement Agreements also provide for arbitration proceedings to resolve disputes about whether past payments were consistent with the then existing applicable agreement.
- Assisting DNR in its efforts to develop and produce from state oil and gas leases. This involves a number of different issues associated with unitization, participating area formation, farm-out agreements, and lease and tract operations. This work often requires negotiations and may result in appeals.
- Assisting DNR in a variety of leasing issues, from lease sales and protests to drafting and negotiating lease terms. The section also assists DNR with natural gas storage leasing, including litigation relating to the CINGSA gas storage lease in Kenai.
- Assisting DNR in litigation regarding mineral royalties, mining rights and rights regarding surface occupancy of mining claims. Assisting DNR in complying with federal statutes regulating surface mining, including legal review for the use of reclamation funds, and drafting agreements with operators to insure compliance with state and federal reclamation requirements. Advising and assisting the Division of Mining in drafting bonding agreements, permits, leases, best interest findings, proposed legislation, and regulations.
- Advising and representing the Alaska Oil and Gas Conservation Commission (AOGCC) with respect to all aspects of the Commission's oversight of oil and gas drilling, development, production, and metering and reservoir depletion. The oversight is intended to prevent waste, maximize ultimate recovery, protect correlative rights, and protect underground freshwater. Continuing to work with AOGCC on matters involving proposed statutory and regulatory amendments, the issuance of orders and decisions, and the conduct of hearings and enforcement actions. Representing AOGCC in judicial challenges to AOGCC actions.

Significant Changes in Results to be Delivered in FY2017

Effective in FY2016, the functions of the Oil, Gas and Mining section began to be merged into the existing activities of the Natural Resources and Regulatory Affairs and Public Advocacy sections. The department anticipates that this restructure will be completed in FY2017.

Statutory and Regulatory Authority

AS 44.23.020

Contact Information
Contact: Martin T. Schultz, Chief Assistant Attorney General Phone: (907) 269-5100 Fax: (907) 269-8644 E-mail: martin.schultz@alaska.gov

**Oil, Gas and Mining
Personal Services Information**

Authorized Positions			Personal Services Costs	
	<u>FY2016 Management Plan</u>	<u>FY2017 Governor</u>		
			Annual Salaries	0
Full-time	25	0	Premium Pay	0
Part-time	0	0	Annual Benefits	0
Nonpermanent	0	0	<i>Less 0.00% Vacancy Factor</i>	(0)
			Lump Sum Premium Pay	0
Totals	25	0	Total Personal Services	0

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
No personal services.					
Totals	0	0	0	0	0

Component Detail All Funds
Department of Law

Component: Oil, Gas and Mining (2091)
RDU: Civil Division (35)

Non-Formula Component

	FY2015 Actuals	FY2016 Conference Committee	FY2016 Authorized	FY2016 Management Plan	FY2017 Governor	FY2016 Management Plan vs FY2017 Governor	
71000 Personal Services	3,221.6	3,386.4	3,147.8	3,209.1	0.0	-3,209.1	-100.0%
72000 Travel	63.8	63.2	62.3	62.3	0.0	-62.3	-100.0%
73000 Services	6,591.3	5,521.5	7,184.9	7,134.9	0.0	-7,134.9	-100.0%
74000 Commodities	59.9	28.5	24.7	24.7	0.0	-24.7	-100.0%
75000 Capital Outlay	10.2	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	9,946.8	8,999.6	10,419.7	10,431.0	0.0	-10,431.0	-100.0%
Fund Sources:							
1004Gen Fund (UGF)	3,119.4	6,268.7	7,688.8	7,677.7	0.0	-7,677.7	-100.0%
1007I/A Rcpts (Other)	3,512.8	153.3	153.3	175.7	0.0	-175.7	-100.0%
1061CIP Rcpts (Other)	737.0	0.0	0.0	0.0	0.0	0.0	0.0%
1105PFund Rcpt (Other)	2,577.6	2,577.6	2,577.6	2,577.6	0.0	-2,577.6	-100.0%
Unrestricted General (UGF)	3,119.4	6,268.7	7,688.8	7,677.7	0.0	-7,677.7	-100.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	6,827.4	2,730.9	2,730.9	2,753.3	0.0	-2,753.3	-100.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	26	26	26	25	0	-25	-100.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios with Descriptions
Department of Law

Component: Oil, Gas and Mining (2091)
RDU: Civil Division (35)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2016 Conference Committee To FY2016 Authorized *****												
FY2016 Conference Committee												
	ConfCom	8,999.6	3,386.4	63.2	5,521.5	28.5	0.0	0.0	0.0	26	0	0
1004 Gen Fund		6,268.7										
1007 I/A Rcpts		153.3										
1105 PFund Rcpt		2,577.6										
Reimbursement for Legal Services Provided to the Alaska Oil and Gas Conservation Commission												
	Unalloc	-225.0	-195.1	-0.9	-25.2	-3.8	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-225.0										
The Department of Law will enter into an unbudgeted reimbursable services agreement with the Alaska Oil and Gas Conservation Commission for legal services it has been utilizing consistently since its inception to replace this general fund authority.												
Personal Services Cost Savings Due to Extended Employee Absences												
	Unalloc	-43.5	-43.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-43.5										
A number of employees throughout several sections within the Civil Division will be out of the office in leave without pay (LWOP) status for a period of time during FY2016. In lieu of hiring a non-permanent employee during this time, the Civil Division will use the savings from these budgeted positions in LWOP status to account for a portion of the additional unallocated reduction. Although these employee absences are temporary, the Division plans to manage vacancies to maintain their personal services budget, or find other efficiencies to withstand this reduction.												
Outside Counsel and North Pole Remedial Action Sec17c Ch18 SLA2014 P104 L23 (SB119) (FY13-FY17)												
	CarryFwd	1,688.6	0.0	0.0	1,688.6	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		1,688.6										

Multi-year funding for Oil, Gas & Mining Outside Counsel and Experts and the state's share of interim remedial actions in the North Pole area - AR 14940

Sec17(c) Ch18 SLA2014 (SB119) - amended to include the state's share of interim remedial actions to protect the health, safety, and welfare of the people in the North Pole area for the fiscal years ending June 30, 2015, June 30, 2016, and June 30, 2017. Sec52 Contingencies (d) this Act is contingent on the execution of an agreement to share the cost of interim remedial actions to protect the health, safety, and welfare of the people in the North Pole area by the state, Flint Hills Resources Alaska, LLC, and Williams Alaska Petroleum, Inc. Effective April 20, 2014.

Reappropriated per Sec12(c) Ch16 SLA2013 (SB18) - the unexpended and unobligated balance, not to exceed \$2,000,000, of the appropriation made in sec. 30(a), ch. 5, FSSLA 2011, as amended by sec. 24(a), ch. 17, SLA2012 (Department of Law, BP corrosion, outside counsel, document management, experts, and litigation in the British Petroleum Exploration (Alaska) Inc., corrosion case - \$13,550,000) is reappropriated to the Department of Law, civil division, oil, gas, and mining, for outside counsel and experts for the fiscal year ending June 30, 2014. This Act takes effect June 30, 2013.

Sec30(a) Ch5 FSSLA2011 (SB46), as amended by
 Sec24(a) Ch17 SLA2012 (SB160), as re-appropriated by

Change Record Detail - Multiple Scenarios with Descriptions
Department of Law

Component: Oil, Gas and Mining (2091)
RDU: Civil Division (35)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
Sec12(c) Ch16 SLA2013 (SB18), as amended by Sec17(c) Ch18 SLA2014 (SB119)												
Subtotal		10,419.7	3,147.8	62.3	7,184.9	24.7	0.0	0.0	0.0	26	0	0
***** Changes From FY2016 Authorized To FY2016 Management Plan *****												
Transfer to Legislation/Regulations to Comply with Vacancy Factor Guidelines												
	Trout	-15.6	-15.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-15.6										
Transfer budget authority to Legislation/Regulations to align authority with anticipated expenditure levels for personal services. There are no impacts on services associated with this transfer.												
Align Authority to Comply with Vacancy Factor Guidelines												
	LIT	0.0	50.0	0.0	-50.0	0.0	0.0	0.0	0.0	0	0	0
This purpose of this line item transfer is to align authority within the Natural Resources component in order to comply with vacancy factor guidelines.												
Transfer from Torts and Workers' Compensation to Comply with Vacancy Factor Guidelines												
	Trin	2.4	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts		2.4										
Transfer budget authority from Torts and Workers' Compensation to align authority with anticipated expenditure levels for personal services. There are no impacts on services associated with this transfer.												
Transfer from Human Services to Comply with Vacancy Factor Guidelines												
	Trin	18.6	18.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		18.6										
Transfer budget authority from Human Services to align authority with anticipated expenditure levels for personal services. There are no impacts on services associated with this transfer.												
Transfer from Environmental Law to Comply with Vacancy Factor Guidelines												
	Trin	39.1	39.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		19.1										
1007 I/A Rcpts		20.0										
Transfer budget authority from Environmental Law to align authority with anticipated expenditure levels for personal services. There are no impacts on services associated with this transfer.												
Transfer from Collections and Support to Comply with Vacancy Factor Guidelines												
	Trin	46.1	46.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail - Multiple Scenarios with Descriptions
Department of Law

Component: Oil, Gas and Mining (2091)
RDU: Civil Division (35)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
1004 Gen Fund		46.1										
Transfer budget authority from Collections and Support to align authority with anticipated expenditure levels for personal services. There are no impacts on services associated with this transfer.												
Transfer from Child Protection to Comply with Vacancy Factor Guidelines												
1004 Gen Fund	Trin	55.0	55.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Transfer budget authority from Child Protection to align authority with anticipated expenditure levels for personal services. There are no impacts on services associated with this transfer.												
Transfer Attorney III (03-0030) to Natural Resources for Required Legal Expertise												
1004 Gen Fund	Trout	-134.3	-134.3	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
Transfer Attorney III (03-0030) from Oil, Gas and Mining to Natural Resources to accommodate the required level of legal expertise within the section.												
Department of Law attorney positions are partially exempt (PX) and flexibly-ranged positions. Attorney I-VI positions are transferred in accordance with attorney salary placement, allowing positions to be sub-filled at lower levels. Positions are also transferred to accommodate promotions. Because of constant movement of positions to keep up with demand, funding is not always transferred with the position. Budget authority is evaluated and aligned between components as needed.												
Subtotal		10,431.0	3,209.1	62.3	7,134.9	24.7	0.0	0.0	0.0	25	0	0
***** Changes From FY2016 Management Plan To FY2017 Governor *****												
Reverse Outside Counsel and North Pole Remedial Action Sec17c Ch18 SLA2014 P104 L23 (SB119) (FY13-FY17)												
1004 Gen Fund	OTI	-1,688.6	0.0	0.0	-1,688.6	0.0	0.0	0.0	0.0	0	0	0
Reverse FY2016 amount of multi-year funding for Oil, Gas & Mining outside counsel and experts and the state's share of interim remedial actions in the North Pole area.												
Reverse Legal Services and Oversight of Alaska Natural Gas Pipeline Project												
1004 Gen Fund	OTI	-700.0	0.0	0.0	-700.0	0.0	0.0	0.0	0.0	0	0	0
Reverse FY2016 funding for attorneys and specialized outside counsel to advise the Alaska Natural Gas Pipeline Project office, Governor's Office and the commissioners of Department of Natural Resources (DNR) and Department of Revenue (DOR) to construct a gas treatment plant, gas pipeline and a liquid natural gas (LNG) plant to transport Alaska North Slope gas to markets in and out of Alaska.												
Reverse Outside Counsel for Specialized Expertise in Oil, Gas and Mining Issues												
	OTI	-3,000.0	0.0	0.0	-3,000.0	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail - Multiple Scenarios with Descriptions
Department of Law

Component: Oil, Gas and Mining (2091)
RDU: Civil Division (35)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
1004 Gen Fund		-3,000.0										
Reverse one-time funding from FY2016 for representation of the Department of Revenue and the Department of Natural Resources in disputes relating to the collection of oil and gas taxes and royalties, using both department personnel and outside counsel.												
Transfer to Regulatory Affairs and Public Advocacy for Gas and Oil Pipeline Issues												
1004 Gen Fund	Trout	-375.0	0.0	0.0	-375.0	0.0	0.0	0.0	0.0	0	0	0
The Civil Division has determined it is appropriate for the Regulatory Affairs and Public Advocacy section (RAPA) to address matters coming before the Regulatory Commission of Alaska (RCA) involving oil and gas pipeline tariff and other proceedings that were previously handled by the Oil, Gas and Mining section (OGM) and funded by general funds. In order to continue to fund this activity, a \$600.0 reduction to the division's general funds will be matched by an offsetting increment in RCA receipts due to the increased activity in RAPA. This increase will be within the statutory limitations established in AS 42.06.286(a) and AS 42.05.254(a).												
Transfer Associate Attorney I (03-0239) to Child Protection for Restructuring Purposes												
1004 Gen Fund	Trout	-105.6	-105.6	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
Transfer one support staff position from Oil, Gas and Mining to Child Protection to accommodate the workload and section demands.												
As part of a broader restructuring of a few components within the Department of Law that will allow the department to operate with greater efficiency and efficacy, the positions are listed below will be transferred from Oil, Gas and Mining to Child Protection:												
- Associate Attorney I, 03-0239, range 17, Anchorage												
Transfer Eighteen Personnel to Natural Resources for Restructuring Purposes												
1004 Gen Fund	Trout	-931.7	-2,648.9	0.0	0.0	0.0	0.0	0.0	0.0	-18	0	0
1007 I/A Rcpts		-71.2										
1105 PFund Rcpt		-1,646.0										

Transfer twelve attorney positions and six support staff positions from Oil, Gas and Mining to Natural Resources to consolidate the efforts of the two sections.

As part of a broader restructuring of a few components within the Department of Law that will allow the department to operate with greater efficiency and efficacy, the positions listed below will be transferred from Oil, Gas and Mining to Natural Resources:

- Attorney V, 03-0005, range 25, Juneau
- Attorney VI, 03-0024, range 26, Anchorage
- Attorney V, 03-0092, range 25, Anchorage
- Associate Attorney II, 03-0157, range 19, Anchorage
- Attorney V, 03-0158, range 25, Anchorage
- Paralegal II, 03-0185, range 16, Anchorage
- Attorney III, 03-0199, range 22, Anchorage

Change Record Detail - Multiple Scenarios with Descriptions
Department of Law

Component: Oil, Gas and Mining (2091)
RDU: Civil Division (35)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
<ul style="list-style-type: none"> - Attorney IV, 03-0207, range 24, Anchorage - Law Office Assistant I, 03-0208, range 11, Anchorage - Attorney IV, 03-0216, range 24, Juneau - Attorney III, 03-0226, range 22, Juneau - Attorney IV, 03-0263, range 24, Anchorage - Law Office Assistant II, 03-0318, range 13, Anchorage - Attorney IV, 03-0337, range 24, Anchorage - Attorney III, 03-0349, range 22, Anchorage - Attorney V, 03-0395, range 25, Anchorage - Paralegal II, 03-1121, range 16, Anchorage - Associate Attorney I, 03-1246, range 17, Juneau 												
Transfer Attorney IV (03-0134) to Regulatory Affairs and Public Advocacy for Restructuring Purposes												
	Trout	-225.0	-195.1	-0.9	-24.5	-4.5	0.0	0.0	0.0	-1	0	0
1004 Gen Fund		-225.0										
Transfer one attorney position from Oil, Gas and Mining to Regulatory Affairs and Public Advocacy to consolidate the efforts of the two sections, utilizing the Department of Law's timekeeping spread for its Civil Division attorneys.												
As part of a broader restructuring of a few components within the Department of Law that will allow the department to operate with greater efficiency and efficacy, the position listed below will be transferred from Oil, Gas and Mining to Regulatory Affairs and Public Advocacy:												
- Attorney IV, 03-0134, range 24, Anchorage												
Transfer Attorney V (03-0141) to Special Litigation for Restructuring Purposes												
	Trout	-242.4	-154.3	-2.7	-76.5	-8.9	0.0	0.0	0.0	-1	0	0
1004 Gen Fund		-242.4										
Transfer one attorney position from Oil, Gas and Mining to Special Litigation to seed the new component with experienced, specialized staff, utilizing the Department of Law's timekeeping spread for its Civil Division attorneys.												
As part of a broader restructuring of a few components within the Department of Law that will allow the department to operate with greater efficiency and efficacy, the position listed below will be transferred from Oil, Gas and Mining to Special Litigation:												
- Attorney V, 03-0141, range 25, Anchorage												
Transfer Four Personnel to Administrative Services for Restructuring Purposes												
	Trout	-367.3	-367.3	0.0	0.0	0.0	0.0	0.0	0.0	-4	0	0
1004 Gen Fund		-265.2										
1007 I/A Rcpts		-102.1										
Transfer four support staff positions from Oil, Gas and Mining to Administrative Services. These positions are administrative in nature and are supervised by managers in the Administrative Services component.												

Change Record Detail - Multiple Scenarios with Descriptions
Department of Law

Component: Oil, Gas and Mining (2091)
RDU: Civil Division (35)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
As part of a broader restructuring of a few components within the Department of Law that will allow the department to operate with greater efficiency and efficacy, the positions listed below will be transferred from Oil, Gas and Mining to Administrative Services: - Accounting Clerk, 03-0144, range 10, Juneau - Procurement Officer, 03-0164, range 18, Juneau - Micro/Network Specialist I, 03-0177, range 18, Anchorage - Analyst/Programmer V, 03-0323, range 22, Anchorage												
Align Authority in Order to Complete Dissolution of Oil, Gas and Mining Component												
	LIT	0.0	262.1	0.0	-262.1	0.0	0.0	0.0	0.0	0	0	0
This purpose of this line item transfer is to align authority within the Oil, Gas and Mining component in order to complete the dissolution of the component.												
Transfer Remaining Balance of Funds to Natural Resources for Restructuring Purposes												
	Trout	-1,078.2	0.0	-58.7	-1,008.2	-11.3	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-144.2										
1007 I/A Rcpts		-2.4										
1105 PFund Rcpt		-931.6										
As part of the broader restructuring throughout the department, many of the activities that were once under the purview of the Oil, Gas and Mining section will now be handled by the Natural Resources section.												
Transfer Out FY2016 One-Time Salary Reductions to Unallocated in FY2017												
	SalAdj	70.3	70.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		70.3										
Restore UGF FY2016 Salary Increases because cuts taken in other expenditure lines.												
Reverse FY2016 One-Time Unrestricted General Fund Salary Adjustments in FY2017 Budget Request												
	SalAdj	-70.3	-70.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-70.3										
Cost of living adjustment for certain bargaining units: \$73.4												
Year three cost of living adjustment for non-covered employees - 2.5%: \$59.6												
Year three cost of living adjustment for Alaska State Employees Association/General Government Unit - 2.5%: \$10.3												
Year three cost of living adjustment for Alaska Public Employees Association/Supervisory Unit - 2.5%: \$3.5												
Totals		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Personal Services Expenditure Detail
Department of Law

Scenario: FY2017 Governor (12995)
Component: Oil, Gas and Mining (2091)
RDU: Civil Division (35)

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column.
[No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

Line Item Detail
Department of Law
Travel

Component: Oil, Gas and Mining (2091)
RDU: Civil Division (35)

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
72000	Travel		63.8	62.3	0.0
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
72000 Travel Detail Totals			63.8	62.3	0.0
72110	Employee Travel (Instate)	Travel to represent the state concerning oil and gas and other natural resources cases. Frequent trips out-of-state to represent the state in federal court and to gather evidence at owner company facilities.	12.0	12.0	0.0
72120	Nonemployee Travel (Instate Travel)	Travel costs for witnesses to testify in court.	3.0	3.0	0.0
72410	Employee Travel (Out of state)	Out of state travel for attorneys and professional staff to attend conferences, meetings and training.	48.8	47.3	0.0

Line Item Detail
Department of Law
Services

Component: Oil, Gas and Mining (2091)
RDU: Civil Division (35)

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
73000	Services		6,591.3	7,134.9	0.0
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
73000 Services Detail Totals			6,591.3	7,134.9	0.0
73075	Legal & Judicial Svc	Depositions, research costs, expert witnesses and consultants/outside counsel who have expertise in specialized Oil, Gas and Mining issues.	6,083.4	6,102.1	0.0
73150	Information Technlgy	Training, consulting and software licensing/maintenance	0.0	0.0	0.0
73156	Telecommunication	Local Service, long distance toll charges and cellular phones paid to third party telephone utilities.	0.6	0.6	0.0
73225	Delivery Services	Freight and messenger services. Movement of materials, exhibits, legal documents and courier services.	1.9	1.9	0.0
73650	Struc/Infstruct/Land	Rentals/Leases - records and evidence storage.	51.1	50.0	0.0
73675	Equipment/Machinery	Rentals/Leases and Repairs/Maintenance of office equipment - copiers and postage meters.	0.3	0.3	0.0
73750	Other Services (Non IA Svcs)	Cost transfers and costs associated with litigation.	384.7	375.0	0.0
73756	Print/Copy/Graphics	Printing forms, briefs and legal notices.	0.0	0.0	0.0
73805	IT-Non-Telecommunication	Administrative Services RSA Law, Administration, Information services and procurement support (includes MS Exchange).	13.3	13.3	0.0
73805	IT-Non-Telecommunication	Enterprise Technology Services RSA Administration, ETS, Computer Services - EPR.	0.0	0.5	0.0
73806	IT-Telecommunication	Enterprise Technology Services RSA Administration, ETS, Telecommunication - EPR.	6.7	6.7	0.0
73808	Building Maintenance		-0.1	0.0	0.0
73809	Mail	Central Mail RSA Administration, Central Mailroom.	0.3	4.7	0.0
73810	Human Resources	Administrative Services RSA Law, Human Resource position.	0.7	8.7	0.0

Line Item Detail
Department of Law
Services

Component: Oil, Gas and Mining (2091)

RDU: Civil Division (35)

Expenditure Account		Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
73000 Services Detail Totals				6,591.3	7,134.9	0.0
73811	Building Leases	Leases	RSA Administration, GS&S - leased office space.	47.8	512.4	0.0
73814	Insurance	Risk Management	RSA Administration, Risk Management.	0.1	2.0	0.0
73815	Financial	Administrative Services	RSA Law, Timekeeping administration and litigation support.	0.0	4.0	0.0
73815	Financial	Finance	RSA Administration, Finance Chargeback (AKSAS/AKPAY).	0.2	3.2	0.0
73816	ADA Compliance	Personnel	RSA Administration, Personnel - Americans With Disabilities Act.	0.0	49.0	0.0
73819	Commission Sales (IA Svcs)	State Travel Office	Travel fees.	0.3	0.5	0.0

Line Item Detail
Department of Law
Commodities

Component: Oil, Gas and Mining (2091)
RDU: Civil Division (35)

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
74000	Commodities		59.9	24.7	0.0
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
		74000 Commodities Detail Totals	59.9	24.7	0.0
74200	Business		59.9	24.7	0.0

Line Item Detail
Department of Law
Capital Outlay

Component: Oil, Gas and Mining (2091)
RDU: Civil Division (35)

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
75000	Capital Outlay		10.2	0.0	0.0
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
75000 Capital Outlay Detail Totals			10.2	0.0	0.0
75830	Info Technology	Computer equipment, printers and modems.	10.2	0.0	0.0

Unrestricted Revenue Detail
Department of Law

Component: Oil, Gas and Mining (2091)
RDU: Civil Division (35)

Master Account	Revenue Description				FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
68515	Unrestricted Fund				21.1	0.0	0.0
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
64090	Legal Sevices Judgement & Settlement awards for attorney fees and legal costs.		03209986	11100	21.1	0.0	0.0

Restricted Revenue Detail
Department of Law

Component: Oil, Gas and Mining (2091)
RDU: Civil Division (35)

Master Account	Revenue Description				FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51015	Interagency Receipts				3,512.8	175.7	0.0
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
59040	Revenue Legal services provided for Oil & Gas Production Tax matters.	Tax Division	03209575	11100	3.1	0.0	0.0
59100	Natural Resources Legal services for DNR, Gas Pipeline Project, Pipeline Taxes.	Gas Pipeline Project	03209583	11100	400.0	175.7	0.0
59100	Natural Resources Unbudgeted RSA, SPCO Multiple Projects.	State Pipeline Coordinator	03209610	11100	109.7	0.0	0.0
59100	Natural Resources Unbudgeted RSA, DNR, N.Slope Gas Pipeline Project outside counsel.	Gas Pipeline Project	03209619	11100	3,000.0	0.0	0.0

Restricted Revenue Detail
Department of Law

Component: Oil, Gas and Mining (2091)
RDU: Civil Division (35)

Master Account	Revenue Description				FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51200	Capital Improvement Project Receipts				737.0	0.0	0.0
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
59081	CIP Rcpts from Community & Ec Dev AGDC Outside Counsel.	AK Gasline Development Corp	03207637	11100	683.8	0.0	0.0
59101	CIP Rcpts from Natural Resources Oil & Gas Lease Boundary Cap.	Oil & Gas	3209605	11100	53.2	0.0	0.0

Restricted Revenue Detail
Department of Law

Component: Oil, Gas and Mining (2091)
RDU: Civil Division (35)

Master Account	Revenue Description				FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51373	Permanent Fund Earnings Reserve Account				2,577.6	2,577.6	0.0
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
51373	Permanent Fund Earnings Oil and Gas litigation efforts.	APFC Operations	03209001	11100	2,577.6	2,577.6	0.0

Interagency Services
Department of Law

Component: Oil, Gas and Mining (2091)
RDU: Civil Division (35)

Expenditure Account		Service Description	Service Type	Servicing Agency	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
73805	IT-Non-Telecommunication	RSA Law, Administration, Information services and procurement support (includes MS Exchange).	Inter-dept	Administrative Services	13.3	13.3	0.0
73805	IT-Non-Telecommunication	RSA Administration, ETS, Computer Services - EPR.	Inter-dept	Enterprise Technology Services	0.0	0.5	0.0
73805 IT-Non-Telecommunication subtotal:					13.3	13.8	0.0
73806	IT-Telecommunication	RSA Administration, ETS, Telecommunication - EPR.	Inter-dept	Enterprise Technology Services	6.7	6.7	0.0
73806 IT-Telecommunication subtotal:					6.7	6.7	0.0
73808	Building Maintenance		Inter-dept		-0.1	0.0	0.0
73808 Building Maintenance subtotal:					-0.1	0.0	0.0
73809	Mail	RSA Administration, Central Mailroom.	Inter-dept	Central Mail	0.3	4.7	0.0
73809 Mail subtotal:					0.3	4.7	0.0
73810	Human Resources	RSA Law, Human Resource position.	Intra-dept	Administrative Services	0.7	8.7	0.0
73810 Human Resources subtotal:					0.7	8.7	0.0
73811	Building Leases	RSA Administration, GS&S - leased office space.	Inter-dept	Leases	47.8	512.4	0.0
73811 Building Leases subtotal:					47.8	512.4	0.0
73814	Insurance	RSA Administration, Risk Management.	Inter-dept	Risk Management	0.1	2.0	0.0
73814 Insurance subtotal:					0.1	2.0	0.0
73815	Financial	RSA Law, Timekeeping administration and litigation support.	Intra-dept	Administrative Services	0.0	4.0	0.0
73815	Financial	RSA Administration, Finance Chargeback (AKSAS/AKPAY).	Inter-dept	Finance	0.2	3.2	0.0
73815 Financial subtotal:					0.2	7.2	0.0
73816	ADA Compliance	RSA Administration, Personnel - Americans With Disabilities Act.	Inter-dept	Personnel	0.0	49.0	0.0
73816 ADA Compliance subtotal:					0.0	49.0	0.0
73819	Commission Sales (IA Svcs)	Travel fees.	Inter-dept	State Travel Office	0.3	0.5	0.0
73819 Commission Sales (IA Svcs) subtotal:					0.3	0.5	0.0
Oil, Gas and Mining total:					69.3	605.0	0.0
Grand Total:					69.3	605.0	0.0