

State of Alaska
FY2023 Governor's Operating Budget

Department of Law
Civil Division (Excludes Janus)
Results Delivery Unit Budget Summary

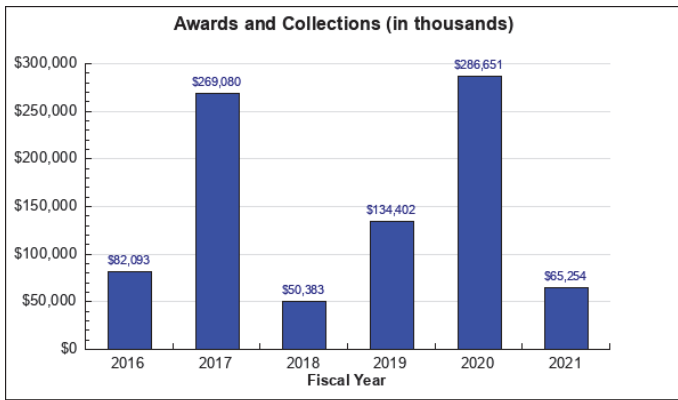
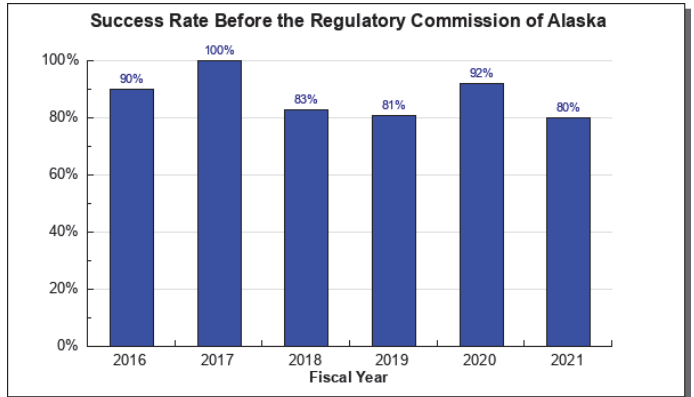
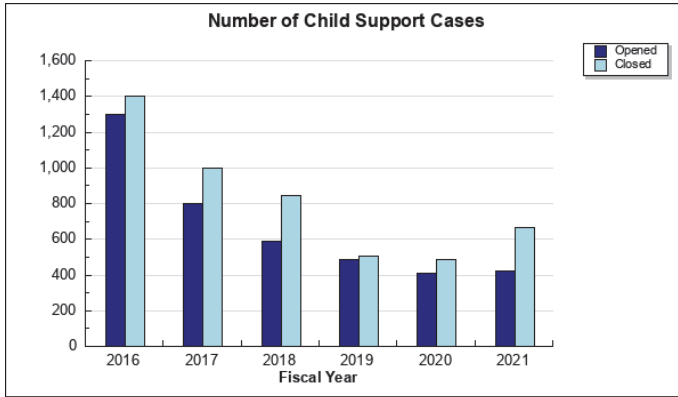
Civil Division (Excludes Janus) Results Delivery Unit

Contribution to Department's Mission

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

Results

(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)



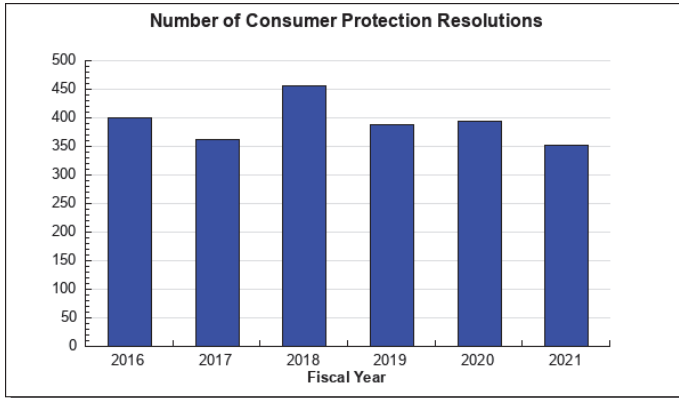
Core Services

- Protecting the safety and physical and financial well-being of Alaskans
- Maximize tax and royalty claims
- Promoting good governance

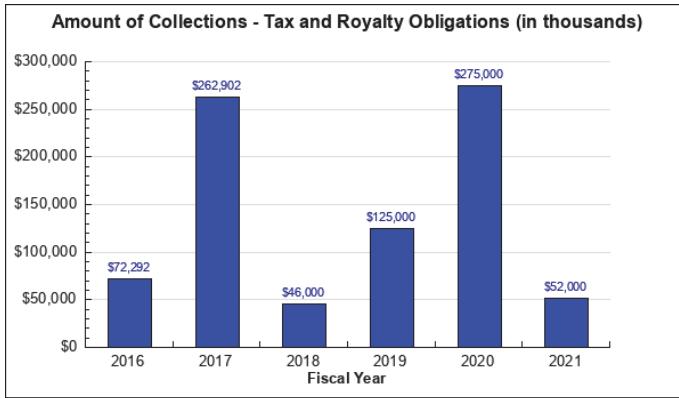
Measures by Core Service

(Additional performance information is available on the web at <https://omb.alaska.gov/results>.)

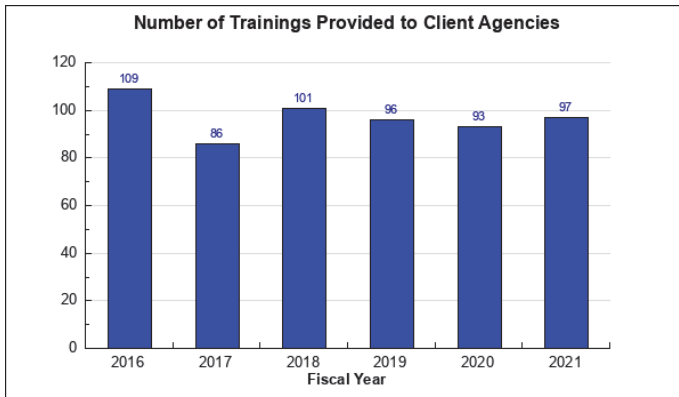
1. Protecting the safety and physical and financial well-being of Alaskans



2. Maximize tax and royalty claims



3. Promoting good governance



Major RDU Accomplishments in 2021

Protecting the Safety and Physical and Financial Well-being of Alaskans

- Child Protection. In FY2021, the section managed very substantial Child-In-Need-of-Aid (CINA) caseloads while working to improve the child protection system and foster state-tribal relations to better protect children. The section primarily litigates cases at the trial court level with 25 attorneys to handle approximately 3,100 individual CINA cases.

- Human Services. The section continued to advise DHSS on the implementation of Ch. 25 SLA 2016 (SB 74, Medicaid Reform), including the implementation of the 1115 Waiver to transform the behavioral health system in Alaska, estimated to save the state millions of general fund dollars in the coming fiscal years. The section also handled many contested evidentiary hearings statewide related to guardianships, conservatorships and mental commitments.
- Commercial and Fair Business Practices. The attorneys in this section successfully prosecuted or negotiated settlements in 25 professional discipline, license denial, license reinstatement, and unlicensed activity matters. These cases resulted in various actions including revocation, surrender, fines, reprimand, suspension, license conditions, or denial of a license.
- Regulatory Affairs and Public Advocacy (RAPA). The section's advocacy yielded approximately \$1.5 million in quantifiable consumer benefits in FY2021. This figure is based on refunds issued or the difference between the amounts requested by utilities in their respective revenue requirement proposals and the amounts ultimately awarded to them by the Regulatory Commission of Alaska.

Fostering the Conditions for Economic Opportunity and Responsible Development and Use of Alaska's Natural Resources

- Labor and State Affairs. The section assisted the Alaska Industrial Development and Export Authority on issues about development of the Ambler Mining District industrial access road and the West Susitna access road, and Section 1002 Arctic National Wildlife Refuge.
- Natural Resources. Section attorneys litigated against federal agencies to challenge National Park Service and U.S. Fish and Wildlife Service regulations that prohibit the state from exercising its full authority to manage fish and game within federal parks and refuges.
- Transportation. Section attorneys are providing legal support for the Department of Transportation and Public Facilities land acquisition for highway and airport projects throughout Alaska, and in right-of-way acquisitions for major projects on the Parks, Glenn, Seward, and Richardson Highways, Knik-Goose Bay Road, and in the City of Fairbanks.

Protecting the Fiscal Integrity of the State

- Torts and Workers' Compensation. The section defended the state (as an employer) in numerous workers' compensation matters before the Alaska Workers' Compensation Board and the Alaska Workers' Compensation Appeals Commission, and defended the state, its agencies, and its employees in numerous state and federal court tort cases.
- Natural Resources. In FY2021, the section's work resulted in the collection of over \$52 million in additional tax and royalty payments, and attorney's fees.
- Labor and State Affairs. Section attorneys provided extensive legal advice and representation to the Department of Administration, Division of Retirement and Benefits, in numerous health and benefits appeals and coverage issues under the state's health care plans, and on proposed state health and pension plan changes.
- Transportation. Section attorneys defended multiple contractor claims filed against the Department of Transportation and Public Facilities. Included among the larger cases were claims arising from road construction and airport projects in the Central and Southeast regions.

Promoting and Defending Good Governance

- Labor and State Affairs. The section advised the Office of the Lieutenant Governor on issues, litigation, legislation, and regulations stemming from the 2020 election cycle and implementation of the ranked choice voting initiative.

- Opinions, Appeals and Ethics. The section promoted and enforced compliance with the Alaska Executive Branch Ethics Act by advising individuals and agencies on ethics questions, presenting ethics trainings, drafting ethics opinions and memoranda of advice, and investigating and resolving ethics complaints against former or current state employees.
- Opinions, Appeals and Ethics. The section filed an amicus brief in the U.S. Supreme Court in support of Alaska Native Corporations' ability to receive CARES Act funds.
- Legislation and Regulations. Coordinated and drafted legislative bills on behalf of the administration for the 32nd legislative session, including four special sessions.
- Labor and State Affairs. Along with other attorneys in the department, advised the Office of the Governor, the Department of Administration, the Department of Commerce, Community, and Economic Development, the Office of Management and Budget, and other agencies regarding application of the Disaster Act during the pandemic and the distribution of federal funds to the state to mitigate impacts from the pandemic.

Key RDU Challenges

Protecting children, vulnerable adults and consumers is at the core of the Civil Division's mission to protect both the physical and financial well-being of Alaskans.

- Child Protection. Shrinking division resources and increasing caseloads on a statewide basis are presenting significant challenges for the section. High attorney caseloads and shrinking resources increase costs to the state and lead to longer stays in foster care for children who could otherwise find permanency in their "forever home." The limited resources and growing caseloads could also negatively impact the amount of federal Title IV-E dollars the state is entitled to receive in reimbursement for eligible legal services performed in CINA cases, thereby increasing the amount of general funds needed to perform the work.
- Consumer Protection. 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 state section investigates and brings enforcement action against businesses that engage in unfair or deceptive trade practices. Because of vacancies and current budget constraints, the department's consumer protection enforcement capacity has been significantly limited in the last few years. Collaboration between the Commercial and Fair Business section and the Special Litigation section to increase its consumer protection enforcement functions continues.
- Human Services. Due to budget contractions, the section anticipates a significant increase in the number and complexity of regulations projects designed to address budget reductions and to create additional efficiencies in the administration of all Department of Health and Social Services programs. These regulation projects will likely generate litigation as change to programs and funding streams are implemented in the coming fiscal year.

Fostering the Conditions for Economic Opportunity and Responsible Development and Use of Natural Resources

- Environmental Law. Position reductions have resulted in a drop in cost recovery for Department of Environmental Conservation oversight and cleanup costs of spill response and contaminated sites. Reductions have also limited the ability to pursue cleanup of "lingering contaminated sites" where there is no responsible party undertaking a cleanup.
- Natural Resources. Defending the state's interests and goals from increasing restrictions under federal statutes and regulations continues to expand the section's caseload and requires strategically selecting the cases for litigation that are most likely to achieve the state's goals.

Protecting the Fiscal Integrity of the State

- Labor and State Affairs. Prior to the pandemic, the section's attorneys already had full workloads, and the pandemic has only increased these workloads and required a lot of urgent work in areas such as emergency

regulations, health mandates, administrative orders, etc. These higher workloads are likely to continue in light of the ongoing pandemic and uncertainty on when it might end.

- Natural Resources. The section is pursuing hundreds of millions of dollars in past-due taxes, interest and penalties owed by oil and gas producers and other corporate taxpayers. Representing the Department of Natural Resources in royalty disputes and negotiations to ensure that the state receives the appropriate share of royalties and net profit share from production continues to be a challenge with reduced staffing.
- Natural Resources. Defending the state's interests and goals from increasing restrictions under federal statutes and regulations as well as lawsuits from environmental groups to broaden the reach of federal laws continues to expand the section's caseload, and requires strategically selecting those cases for litigation that are most likely to achieve the state's goals.

Promoting and Defending Good Governance

- Information and Project Support. A key challenge for the section is advising and training personnel on protecting confidential and protected information for various agencies across the state. As programs are reduced or eliminated and staffing cuts pose a workload issue, it is a major challenge to provide guidance to state agencies on how to appropriately evaluate records and other materials for confidential or protected information prior to retention or disposal actions. Additionally, in the age of electronic communication, the number of records responsive to Public Records Act requests has exponentially increased, resulting in a much heavier workload for this section and agencies reviewing records.
- Opinions, Appeals and Ethics. A key challenge for the section is to lend its expertise in appellate briefing and argument to all Civil Division sections, given the volume of appeals to which the state is a party. At any given time, the Civil Division has between 100 and 150 civil appeals pending, 25-30 of which are child protection cases involving child abuse and neglect. The section directly handles all of the child protection appeals statewide, as well as all appeals of civil commitments statewide. The section also directly handles appeals in cases that concern constitutional and legal issues of particular import.

Significant Changes in Results to be Delivered in FY2023

The division is continuously assessing how it can better provide legal services to state agencies and litigate matters in the public interest. The division makes every effort to prioritize and direct limited available resources in order to ensure efficiency while preserving effectiveness.

Contact Information
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**Civil Division (Excludes Janus)
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2021 Actuals				FY2022 Management Plan				FY2023 Governor			
	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds
Formula Expenditures None.												
Non-Formula Expenditures												
Dep. Attny General's Office	1,943.8	0.0	0.0	1,943.8	4,289.3	10.0	0.0	4,299.3	4,283.4	10.0	0.0	4,293.4
Child Protection	6,083.5	3,679.9	0.0	9,763.4	5,568.5	2,245.1	0.0	7,813.6	5,381.1	2,264.4	0.0	7,645.5
Commercial and Fair Business	569.3	4,141.6	0.0	4,710.9	945.8	3,786.0	0.0	4,731.8	855.1	4,034.2	0.0	4,889.3
Environmental Law	161.8	999.5	0.0	1,161.3	764.9	1,241.8	0.0	2,006.7	717.2	1,252.9	0.0	1,970.1
Human Services	1,959.0	1,294.8	0.0	3,253.8	1,789.5	1,647.2	0.0	3,436.7	1,701.3	1,658.9	0.0	3,360.2
Labor and State Affairs	4,082.7	2,895.4	0.0	6,978.1	1,600.2	3,098.1	0.0	4,698.3	1,488.9	3,121.3	0.0	4,610.2
Legislation/Regulations	912.9	223.5	0.0	1,136.4	1,329.3	421.9	0.0	1,751.2	1,287.6	425.8	0.0	1,713.4
Natural Resources	2,270.6	3,985.2	0.0	6,255.8	4,236.0	3,947.7	0.0	8,183.7	4,125.4	3,966.8	0.0	8,092.2
Opinions, Appeals and Ethics	513.0	0.0	0.0	513.0	1,406.0	1,028.4	0.0	2,434.4	1,347.1	1,039.1	0.0	2,386.2
Reg Affairs Public Advocacy	2,392.7	0.0	0.0	2,392.7	2,933.8	0.0	0.0	2,933.8	2,892.2	0.0	0.0	2,892.2
Special Litigation	4.8	0.0	0.0	4.8	1,239.5	671.3	0.0	1,910.8	1,198.9	679.1	0.0	1,878.0
Information and Project Support	47.1	2,062.5	0.0	2,109.6	519.4	1,695.4	0.0	2,214.8	457.6	1,708.1	0.0	2,165.7
Torts and Workers' Compensation	10.6	3,790.0	0.0	3,800.6	219.6	4,300.1	0.0	4,519.7	75.4	4,344.9	0.0	4,420.3
Transportation Section	4.6	1,981.6	0.0	1,986.2	112.5	2,983.2	0.0	3,095.7	26.2	2,779.5	0.0	2,805.7
Totals	20,956.4	25,054.0	0.0	46,010.4	26,954.3	27,076.2	0.0	54,030.5	25,837.4	27,285.0	0.0	53,122.4

Civil Division (Excludes Janus)
Summary of RDU Budget Changes by Component
From FY2022 Management Plan to FY2023 Governor

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2022 Management Plan	24,227.8	2,726.5	27,076.2	0.0	54,030.5
Adjustments which get you to start of year:					
-Dep. Attny General's Office	4,000.0	0.0	0.0	0.0	4,000.0
One-time items:					
-Dep. Attny General's Office	-4,000.0	0.0	0.0	0.0	-4,000.0
Adjustments which continue current level of service:					
-Dep. Attny General's Office	-5.9	0.0	0.0	0.0	-5.9
-Child Protection	-187.4	0.0	19.3	0.0	-168.1
-Commercial and Fair Business	-91.2	0.5	248.2	0.0	157.5
-Environmental Law	-47.7	0.0	11.1	0.0	-36.6
-Human Services	-88.2	0.0	11.7	0.0	-76.5
-Labor and State Affairs	-111.3	0.0	23.2	0.0	-88.1
-Legislation/Regulations	-41.7	0.0	3.9	0.0	-37.8
-Natural Resources	-110.6	0.0	19.1	0.0	-91.5
-Opinions, Appeals and Ethics	-58.9	0.0	10.7	0.0	-48.2
-Reg Affairs Public Advocacy	-2.1	-39.5	0.0	0.0	-41.6
-Special Litigation	-40.6	0.0	7.8	0.0	-32.8
-Information and Project Support	-61.8	0.0	12.7	0.0	-49.1
-Torts and Workers' Compensation	-144.2	0.0	44.8	0.0	-99.4
-Transportation Section	-86.3	0.0	-203.7	0.0	-290.0
FY2023 Governor	23,149.9	2,687.5	27,285.0	0.0	53,122.4