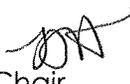


DEPARTMENT OF LAW
FY2015 HOUSE FINANCE BUDGET SUBCOMMITTEE NARRATIVE REPORT

February 25, 2014

SUBCOMMITTEE MEMBERS:

Rep. Holmes, Chair  Rep. Pruitt Rep. LeDoux
Rep. Gruenberg Rep. Keller Rep. Josephson
Rep. Stoltze

RECOMMENDATIONS:

The House Finance Budget Subcommittee for the Department of Law submits a recommended operating budget for FY2015 to the House Finance Committee as follows:

Unrestricted General Funds (UGF)	\$ 59,332.3
Designated General Funds (DGF)	\$ 2,727.9
Other Funds	\$ 30,393.9
Federal Funds	\$ 1,004.3
TOTAL	\$ 93,458.4

BUDGET ACTION:

The House Finance Budget Subcommittee for the Department of Law held 5 meetings with the Department and analyzed all of the Governor's budget transactions. The following are budget action highlights:

- The Subcommittee recommends authorizing \$1,100.0 less general funds and \$1,100.0 more other funds as the Governor's FY2015 request.
- The Subcommittee recommends a total increase from the FY2015 Adjusted Base of \$1,480.3 UGF and \$1,614.1 Other Funds, and a decrease of \$973.6 in Federal Funds. The total increase from the Adjusted Base is \$2,120.8.

Accepted

1. Criminal Appeals/Special Litigation

Increase RSA for Department of Corrections Legal Services: \$225.0 I/A

Due to increased caseload as a result of all Colorado prisoners returning to Alaska, the Department of Law has hired a third attorney for work in the Department of Corrections.

2. Natural Resources

Fully Fund Statehood Defense Attorney Added in FY2014: \$65.9 UGF

In FY2014, an attorney position was added to the agency's Statehood Defense section. This position was funded at three-quarters of the cost to allow time for recruitment. This increment reflects the amount needed to annualize the position.

3. Unspecified Reductions in Expenditure Levels, Vacant Position Deletions, and Health Insurance and Working Reserve Rate Decreases: (\$2,675.5) Various

The Governor's FY2015 budget request contains several reductions common to all agencies. These reductions are broken down as follows:

- Unspecified Reductions in Expenditure Levels (\$1,136.4) UGF
- Position Deletions (\$1,284.2) UGF
- Health Insurance and Working Reserve Rate Decreases (\$254.9) Various

4. Criminal Justice Litigation

Restore One-Time Funding for Victim Information and Notification (VINE) System \$80.0 UGF

The VINE system is a computer-based service that provides prisoner custody status information to victims and other subscribers. This system was implemented in FY14 with a one-time increment of \$80.0 UGF. This increment will add this amount into the Department's base, and continue subscription to the VINE system.

5. Civil Division – Oil, Gas and Mining

Work Related to the State Gas Pipeline and Bringing North Slope Gas to Market \$1,500.0 UGF

The Department requested funds to continue its role in one of the Governor's top priority projects – the construction of a gas pipeline and bringing natural gas to market.

Work Related to Major Oil and Gas Litigation \$3,800.0 UGF

Funding is requested for ongoing oil and gas matters including Pt. Thomson litigation, proceedings before the Federal Energy Regulatory Commission, and TAPS tariff issues and property tax matters.

These two increments represent one-time increments, hoping that the Department will provide the subcommittee in the next budget cycle a report on the effectiveness of the services funded.

6. Civil Division- Commercial and Fair Business

Investigative Services for Consumer Protection Program \$240.0 Statutorily Designated Program Receipts [SDPR], and a decrease of (\$140.0) UGF

Recent collections of SDPR funds from several large consumer protection settlements have exceeded the Department's annual SDPR authorization. The subcommittee believes that as the program returns significant funds back to the general fund, as well as Alaskans, expanding its authority to expend its SDPR is appropriate.

OTHER SUBCOMMITTEE ACTION:

1. Civil Division – Oil, Gas and Mining

The subcommittee recommends replacing \$1,100.0 in general funds with Permanent Fund Gross [PF Gross] funds to account for inflation, as well as to partially account for Law's efforts towards generating revenue for the Permanent Fund. The Oil, Gas and Mining section currently receives \$1,477.6 in PF Gross, which has remained stagnant since FY2001. The intent of this replacement is to allow the section to have PF Gross funds account for one quarter of their budget.

AMENDMENT ACTION:

There were no amendments to the Department's section of the Governor's FY2015 Budget.

ATTACHED REPORTS:

The House Finance Budget Subcommittee for the Department of Law adopts the attached reports:

Subcommittee generated reports

Budget Action Worksheet

Legislative Finance Division Reports (Numbers Only) – House Structure

1. Agency Totals – FY2015 Operating Budget
2. Appropriation/Allocation Summary (All Funds)
3. Appropriation/Allocation Summary (GF)
4. Transaction Comparison between Adj Base and H Subcomm
5. Transaction Comparison between Gov Amd and H Subcomm
6. Wordage Report – FY2015 Operating Budget



**Representative Lindsey Holmes, Chair
House Finance Budget Subcommittee for the Department of Law
February 25, 2014**