

Attorney General: The Honorable Janet Napolitano

JLBC Analyst: Gina Guarascio

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Approved	FY 2003 Approved
COST CENTER SUMMARY				
Administration	7,168,400	7,825,200	8,330,700	8,521,500
Agency Counsel	7,545,400	8,563,100	8,896,100	9,188,600
Children and Family	82,400	115,000	115,000	115,000
Civil	10,498,100	12,062,300	12,671,500	13,089,600
Civil Rights	1,854,300	2,085,900	2,150,700	2,221,300
Public Advocacy	6,561,600	7,870,600	8,050,800	8,018,400
Criminal	10,952,100	13,716,300	11,510,700	11,816,100
TOTAL APPROPRIATIONS	44,662,300	52,238,400	51,725,500	52,970,500
OPERATING BUDGET				
Full Time Equivalent Positions	691.2	693.2	697.5 ^{1/}	697.5 ^{1/}
Personal Services	27,445,600	31,021,500	32,435,100	34,062,100
Employee Related Expenditures	5,261,300	6,193,400	6,571,700	6,493,900
Professional and Outside Services	605,600	1,369,500	1,359,700	1,159,700
Travel - In State	282,600	351,100	331,600	282,600
Travel - Out of State	140,300	142,800	143,800	143,800
Other Operating Expenditures	6,318,100	6,820,400	6,866,200	6,910,000
Equipment	1,385,900	205,400	312,700	197,500
<i>Operating Subtotal</i>	41,439,400	46,104,100	48,020,800	49,249,600
State Grand Jury	156,800	156,800	159,000 ^{2/}	161,600 ^{2/}
Alternative Fuels	0	397,400	397,400	397,400
Victims Rights	3,066,100	5,580,100	3,148,300	3,161,900
TOTAL APPROPRIATIONS	44,662,300	52,238,400	51,725,500 ^{3/4/} ^{5/6/}	52,970,500 ^{3/4/} ^{5/6/}
FUND SOURCES				
General Fund	25,457,500	26,742,500	28,027,600	28,828,500
<u>Other Appropriated Funds</u>				
Interagency Service Agreements Fund	13,249,100	16,052,300	16,902,100	17,453,500
Collection Enforcement Revolving Fund	1,843,500	1,947,100	2,041,400	2,107,200
Consumer Fraud Revolving Fund	1,137,000	1,677,000	1,729,000	1,777,800
Anti-Trust Enforcement Revolving Fund	413,500	743,800	382,100 ^{7/}	146,000 ^{7/}
Victims' Rights Implementation Fund	2,561,700	5,075,700	2,643,300	2,657,500
<i>Subtotal - Other Appropriated Funds</i>	19,204,800	25,495,900	23,697,900	24,142,000
TOTAL APPROPRIATIONS	44,662,300	52,238,400	51,725,500	52,970,500

^{1/} Includes 10 FTE Positions funded from Special Line Items in FY 2002 and FY 2003.

^{2/} The \$159,000 in FY 2002 and \$161,600 in FY 2003 appropriated for State Grand Jury expenses is for costs incurred pursuant to A.R.S. § 21-428C. It is the intent of the Legislature that State Grand Jury expenses be limited to the amount appropriated and that a supplemental appropriation will not be provided. (General Appropriation Act footnote, as adjusted for statewide salary and other allocations.)

^{3/} The Attorney General shall notify the President of the Senate, the Speaker of the House of Representatives and the Joint Legislative Budget Committee before entering into a settlement of \$100,000 or more that will result in the receipt of monies by the Attorney General or any other person. The Attorney General shall not allocate or expend these monies until the Joint Legislative Budget Committee reviews the allocations or expenditures. Settlements that pursuant to statute must be deposited in the state General Fund need not be reviewed by the Joint Legislative Budget Committee. This paragraph does not apply to actions under Title 13, Arizona Revised Statutes, or other criminal matters. (General Appropriation Act footnote)

AGENCY DESCRIPTION — *The Attorney General is an elected constitutional officer. The Administration Division provides internal executive policy direction, advises state officials, agencies and county attorneys, and certifies state rules. The Agency Counsel Division provides legal counsel to agencies, boards, commissions, and committees. The Children and Family Division represents the state in juvenile dependency matters. The Civil Division provides general legal services to state agencies, represents the state in lawsuits and other matters, and issues formal legal opinions. The Civil Rights Division enforces civil rights. The Public Advocacy Division enforces environmental, consumer protection and anti-trust laws. The Criminal Division investigates and prosecutes criminal cases, handles criminal appeals, and assists county attorneys.*

PERFORMANCE MEASURES	FY 1999	FY 2000	FY 2001	FY 2002-03
	Est./Actual	Est./Actual	Estimate	Estimate
• Solicitor General – Number of days to respond to a request for a legal opinion	80/80	80/71	70	70
• Civil Rights – % of cases resolved using voluntary settlement agreements	NA/22	NA/16.3	21.2	25.6/30
• % of death penalty and/or sentences affirmed by the Arizona Supreme Court	NA/75	NA/67	NA/80	80
• % of agency staff turnover	NA/15.0	NA/17.6	16	16
• Administrative cost as % of total cost	NA	10.4/NA	10.5	7.6
• Customer satisfaction rating for client agencies (Scale 1-8)	NA	NA	6.0	6.0

Attorney Salary Adjustments — The approved amount includes \$358,600 from the Interagency Service Agreements (ISA) Fund and \$24,500 from the Collection Enforcement Revolving Fund (CERF) in both FY 2002 and FY 2003 for an increase in the salaries of attorneys that are paid from these funds. Attorneys' salaries currently lag behind the attorneys' salaries in most municipalities in Maricopa County, as well as attorneys' salaries for Maricopa County. This increase would bring the salaries of the average assistant attorneys general that are paid from these funds in line with the average salaries paid by Maricopa County. An additional \$268,900 from various other funds was also appropriated. This funding will be distributed to a variety of agencies that fund attorneys general through Interagency Service Agreements (ISAs). The ISA Fund has been adjusted for the 5% statewide salary adjustments scheduled for April 1, 2002 and 2003. Adjustments have also been made in client agencies' budgets to support this increase.

In addition, Laws 2001, Chapter 235, appropriates \$869,100 in both FY 2002 and FY 2003 from the General Fund for attorney salary adjustments. These appropriations are contingent on the availability of excess revenues in FY 2001 and FY 2002. (*See Triggered*

Appropriations for more detail on the conditions of these appropriations.)

Tobacco Settlement Unit — The approved amount includes a FY 2002 increase of \$300,000 from the General Fund and 4 FTE Positions above FY 2001 and a FY 2003 increase of \$250,000 from the General Fund and 4 FTE Positions above FY 2001 for the creation of a Tobacco Settlement unit within the Attorney General's Office. The FY 2003 increase is lower due to the elimination of one-time equipment. Arizona joined most other states in entering the Master Settlement Agreement with the tobacco industry. For each of the next 25 years, Arizona is eligible to receive approximately \$125,000,000 in additional revenues as a result of this settlement. States that do not aggressively enforce the model statute enacted by the Legislature, Laws 2000, Chapter 83, risk the reduction of their payments from the Master Settlement. Enforcing the statute entails significant investigation, research and document preparation to ensure, for example, youth are not targeted in advertising and do not receive free samples of tobacco products.

Building Security — The approved amount includes a General Fund FY 2002 increase of \$103,700 above FY

- 4/ In addition to the \$16,902,100 appropriated for FY 2002 and the \$17,453,500 appropriated for FY 2003 from the Interagency Service Agreements Fund, an additional \$370,000 and 5 FTE Positions in FY 2002 and FY 2003 are appropriated from the Interagency Service Agreements Fund for new or expanded interagency service agreements. The Attorney General shall report to the Joint Legislative Budget Committee whenever an interagency service agreement is established that will require expenditures from these additional amounts. The report shall include the name of the agency or entity with which the agreement is made, the dollar amount of the contract by fiscal year and the number of associated FTE Positions. (General Appropriation Act footnote, as adjusted for statewide salary and other allocations.)
- 5/ This amount does not include a triggered appropriation made by Laws 2001, Chapter 235. Triggered appropriations in FY 2002 and FY 2003 depend on the availability of excess revenues. (*For more information, refer to the "Attorney Salary Adjustments" policy issue description and the "Summary of Appropriations Triggered by Revenues" table at the front of this report.*)
- 6/ General Appropriation Act funds are appropriated as a Lump Sum by Agency with Special Line Items.
- 7/ All revenues received by the Antitrust Enforcement Revolving Fund in excess of \$374,400 in FY 2002 and \$125,500 in FY 2003 are appropriated. Expenditures from the fund may not exceed \$750,000 in either FY 2002 or FY 2003. Before the expenditure of any Antitrust Enforcement Revolving Fund receipts in excess of \$374,400 in FY 2002 and \$125,500 in FY 2003, the Attorney General shall submit the intended uses of the monies for review by the Joint Legislative Budget Committee. (General Appropriation Act footnote)

2001 and a FY 2003 increase of \$40,000 above FY 2001 for improvements in building security at the Law Building and to provide security at the Capital Center building. Based on recommendations from 2 building safety and security audits performed by Capitol Police in 1999, the approved amount includes funding for additional surveillance cameras and monitors. These costs will be eliminated in FY 2003. In addition, the approved amounts include funding for a police aide for the Capital Center building, also occupied by Attorney General staff.

Records Storage — The approved amount includes a General Fund increase of \$43,700 and an increase of \$13,300 from Other Funds in both FY 2002 and FY 2003 above FY 2001 for records storage charges. The Other Funds increase is detailed in *Table 1*. In FY 2000, the Arizona State Library, Archives and Public Records began charging client agencies for records storage.

Table 1	
<u>Other Funds Increases for Records Storage</u>	
Collection Enforcement Revolving Fund	\$ 100
ISA Fund	10,900
Consumer Fraud Fund	1,000
Anti-trust Fund	<u>1,300</u>
TOTAL	\$13,300

Medical Nurse Investigator — The approved amount includes a FY 2002 increase of \$16,000 from the General Fund and a 0.3 FTE Position above FY 2001 and a FY 2003 increase of \$14,500 from the General Fund and 0.3 FTE Position above FY 2001 for a medical investigative nurse. The FY 2003 increase is lower due to the elimination of one-time equipment. The Medicaid Fraud Unit investigates alleged provider fraud, fraud in the administration of the Medicaid program and abuse, neglect and exploitation that occur in Medicaid facilities. Federal Funds are available to pay for 75% of the costs associated with this position.

State Grand Jury Special Line Item — The approved amount includes \$159,000 in FY 2002 and \$161,600 in FY 2003 from the General Fund for expenses incurred by the Attorney General to investigate and try matters that are under the jurisdiction of the State Grand Jury.

Alternative Fuels Special Line Item — This program provides legal and investigative services to the Department of Administration and the Department of Revenue that are needed to administer the Alternative Fuel Cost Reimbursement Program. This program receives General Fund monies. JLBC Staff anticipates the elimination of this Special Line Item at the end of the FY 2002-2003 biennium.

Victims Rights Special Line Item — This program provides monies to state and local agencies who are required to notify victims during various steps in the

criminal justice process. The program includes General Fund monies, 7.68% of Criminal Justice Enhancement Fund monies and an assessment on parents of juvenile offenders. In FY 2002, \$505,000 of the total funding for this program is from the General Fund, and \$2,643,300 from the Victims' Rights' Implementation Fund. In FY 2003, \$504,400 is appropriated from the General Fund for this program, and \$2,657,500 is appropriated from the Victims' Rights Implementation Fund.

Triggered Appropriations: Conditional Appropriations; Taxation; Revenue Forecasts (Chapter 235) — This act appropriates \$869,100 in both FY 2002 and FY 2003 from the General Fund for salary increases for assistant attorneys general that are funded from the General Fund if FY 2001 General Fund revenues exceed the forecast by \$79,708,400. Of that amount, \$328,700 is appropriated to the Department of Economic Security. Another \$89,700 is to be allocated among other agencies. Prior to September 1, 2001, JLBC and OSPB will calculate FY 2001 revenues and determine if sufficient monies are available to trigger the appropriations. If FY 2001 revenues do not exceed the forecast by the required amount, but FY 2002 General Fund revenues exceed the forecast by \$73,512,300, the act appropriates \$869,100 in FY 2003 from the General Fund for salary increases for assistant attorneys general. (*See the Attorney Salary Adjustments discussion above for more information. For more information on this and other triggered appropriations see the "Summary of Appropriations Triggered by Revenues" table at the front of this report.*)

Additional Legislation: Collection Enforcement Revolving Fund — Laws 2001, Chapter 238, the Public Finance Omnibus Reconciliation Act, transfers \$1,600,000 from the Collection Enforcement Revolving Fund to the Attorney General's Federal Funds account. The transferred monies are to be used for eliminating a backlog of child abuse and placement cases associated with the Model Court program. The monies are being transferred to the Federal Funds account to enable the Attorney General to receive a 50% federal match. Transfers of \$1,264,100 in FY 1999, \$2,000,000 in FY 2000, and \$1,668,500 in FY 2001 from the CERF fund have been made. The transferred monies, along with federal monies, are used to fund attorneys, legal assistants and support staff. Transferred monies from FY 1999, FY 2000, FY 2001, and FY 2002 that remain in the Federal Funds account at the end of FY 2002 will revert to the General Fund.

Chapter 238 also requires that the Attorney General submit a report to the Joint Legislative Budget Committee on July 1, 2001 and quarterly thereafter until October 1, 2002. The report shall provide a summary of projected expenditures by line item for the following quarter, including the number of full-time equivalent positions and federal matching funds. The report shall also reflect actual expenditures for the previous quarter and shall include the

reduction in the backlog of cases, the number of children placed, the type of placement and the number of children still awaiting placement.

Other Issues: The following table displays the individual agency ISA expenditure amounts for FY 2001. Negotiations for the FY 2002 and FY 2003 ISAs have not been finalized between the Office of the Attorney General and their client agencies, therefore, actual expenditures for those fiscal years may vary.

Interagency Service Agreements with the Office of the Attorney General		
<u>Client Agency</u>	<u>FTEs</u>	<u>Expenditures</u>
Solicitor General's Office		
Clean Elections Commission	1.5	\$ 96,000
Secretary of State	0.5	25,400
Board of Medical Examiners	<u>2</u>	<u>119,800</u>
Subtotal	4	\$241,200
Agency Counsel Division		
Lottery	1.5	\$ 103,000
Retirement	2	166,200
Dept. of Administration – Employment Unit	1.1	70,000
Dept. of Corrections – Employee Relations	0.5	38,500
Disease Control Research	0.5	41,700
Veterans' Service Commission	0.5	40,700
Exposition and State Fair Board	1	45,200
Dept. of Emergency & Military Affairs	0	8,500
Dept. of Gaming	3	215,500
Juvenile Corrections	0.5	31,700
Dept. of Health Services – Legal Services	11.3	634,200
Dept. of Health Services – Outside Counsel	0	0
Dept. of Education	0.5	36,300
Board of Directors for Community Colleges	0	20,000
School Facilities Board	1.3	73,300
Land Department	3	210,000
Dept. of Game & Fish	0	2,000
Dept. of Transportation	<u>1.3</u>	<u>129,000</u>
Subtotal	28	\$1,865,800
Department of Economic Security (DES)	0	\$ 150,000
Civil Division		
Dept. of Administration - Risk Management	104	\$6,663,300
Dept. of Administration - Risk Mgt. Case Related	0	113,000
Dept. of Corrections - Legal Staff	1	110,000
Board of Medical Examiners	4.5	304,000
Cosmetology Board	0.6	55,000
Appraisal Board	0.6	48,900
Technical Registration Board	1	48,100
Accountancy Board	1.3	90,300
Dental Examiner	1	80,100
Nursing Board	3.8	191,400
Department of Public Safety – Peace Officers' Training	0.8	71,500
Accountancy Board – Accounting Enforcement Unit	5	281,400
Dept. of Transportation - Legal Services	26	2,010,400
Dept. of Public Safety	1	80,600
Dept. of Transportation - Right-of-way	5	336,000
Dept. of Public Safety	<u>1</u>	<u>31,200</u>
Subtotal	156.6	\$10,515,200

<u>Client Agency</u>	<u>FTEs</u>	<u>Expenditures</u>
Civil Rights Division		
Office of the Attorney General - Consumer Protection & Advocacy Division	0.4	\$ 12,000
DES - Division of Developmental Disabilities Mediation	0.4	10,000
Mediation Training	0.4	10,000
Registrar of Contractors	0.1	3,500
Structural Pest Mediation	0.1	1,000
DES - Rehabilitation Services Administration	0.2	5,000
Non-State ISAs	<u>4.4</u>	<u>125,600</u>
Subtotal	6.0	\$167,100
Criminal Division		
Dept. of Revenue - Tax Enforcement	2	\$147,700
Department of Insurance - Legal Serv. (Criminal)	2	146,100
Dept. of Insurance - State Compensation Investigation	1	62,600
Governor's Office - Law Enforcement	<u>1</u>	<u>117,200</u>
Subtotal	6	\$473,600
Public Advocacy Division		
Banking Department	0.6	\$ 31,600
Real Estate Department	0.5	74,600
Department of Insurance - Legal Services (Civil)	0.3	15,000
Corporation Commission - Securities Division	0.5	35,000
Dept. of Education - School Fraud Enforcement	1	86,600
Dept. of Environmental Quality – Underground Storage Tanks	3	233,200
Dept. of Environmental Quality – Water Quality Assurance	17	1,014,800
Dept. of Agriculture	1	69,500
Dept. of Environmental Quality - Civil Investigation	3	263,000
Dept. of Environmental Quality - Air Quality	2	127,500
Dept. of Environmental Quality - Hazardous Waste	1	115,500
Dept. of Environmental Quality – Automation	<u>0</u>	<u>3,200</u>
Subtotal	29.9	\$2,069,600
Contingency Amount		<u>332,800</u>
Total Budgeted Expenditures ^{1/}	230.5	\$15,815,300
^{1/} Does not total to the FY 2001 ISA appropriation.		

[Click here to return to the Table of Contents](#)