

# Attorney General - Department of Law

JLBC: Leah Ruggieri  
 OSPB: John Stahmer

DESCRIPTION	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 JLBC	FY 2009 JLBC
<b>OPERATING BUDGET</b>				
<i>Full Time Equivalent Positions</i>	619.9	637.9	637.9	637.9
Personal Services	26,699,900	30,739,800	30,739,800	30,739,800
Employee Related Expenditures	7,314,800	9,384,400	9,333,700	9,333,700
Professional and Outside Services	1,790,600	1,236,200	1,002,400	1,002,400
Travel - In State	275,600	243,000	245,800	245,800
Travel - Out of State	101,400	72,100	72,100	72,100
Other Operating Expenditures	5,763,400	5,203,500	5,119,800	4,605,200
Equipment	623,900	833,800	0	0
<b>OPERATING SUBTOTAL</b>	<b>42,569,600</b>	<b>47,712,800</b>	<b>46,513,600</b>	<b>45,999,000</b>
<b>SPECIAL LINE ITEMS</b>				
State Grand Jury	159,500	160,100	160,000	160,000
Victims' Rights	3,019,800	3,266,400	3,266,000	3,266,000
Military Airport Planning	64,800	100,000	100,000	100,000
Risk Management ISA	7,987,300	9,214,200	9,226,800	9,189,700
<b>AGENCY TOTAL</b>	<b>53,801,000</b>	<b>60,453,500</b>	<b>59,266,400</b>	<b>58,714,700</b>

## FUND SOURCES

General Fund	25,209,800	22,495,500	21,598,600	21,094,900
<b>Other Appropriated Funds</b>				
Antitrust Enforcement Revolving Fund	307,400	232,400	232,200	232,200
Attorney General Legal Services Cost Allocation Fund	0	6,497,500	6,193,600	6,193,600
Collection Enforcement Revolving Fund	4,339,400	4,585,200	4,577,700	4,574,700
Consumer Fraud Revolving Fund	1,748,800	2,135,000	2,128,300	2,128,300
Interagency Service Agreements Fund	11,188,500	12,027,300	12,043,200	12,035,300
Risk Management Revolving Fund	7,987,300	9,214,200	9,226,800	9,189,700
Victims' Rights Fund	3,019,800	3,266,400	3,266,000	3,266,000
SUBTOTAL - Other Appropriated Funds	28,591,200	37,958,000	37,667,800	37,619,800
<b>SUBTOTAL - Appropriated Funds</b>	<b>53,801,000</b>	<b>60,453,500</b>	<b>59,266,400</b>	<b>58,714,700</b>
<b>Other Non-Appropriated Funds</b>				
Other Non-Appropriated Funds	24,285,900	24,206,400	24,180,500	24,180,500
Federal Funds	5,745,400	6,682,000	6,095,200	6,095,200
<b>TOTAL - ALL SOURCES</b>	<b>83,832,300</b>	<b>91,341,900</b>	<b>89,542,100</b>	<b>88,990,400</b>

## CHANGE IN FUNDING SUMMARY

	FY 2007 to FY 2008 JLBC		FY 2007 to FY 2009 JLBC	
	\$ Change	% Change	\$ Change	% Change
General Fund	(896,900)	(4.0%)	(1,400,600)	(6.2%)
Other Appropriated Funds	(290,200)	(0.8%)	(338,200)	(0.9%)
Total Appropriated Funds	(1,187,100)	(2.0%)	(1,738,800)	(2.9%)
Non Appropriated Funds	(612,700)	(2.0%)	(612,700)	(2.0%)
Total - All Sources	(1,799,800)	(2.0%)	(2,351,500)	(2.6%)

**AGENCY DESCRIPTION** — The Attorney General is an elected constitutional officer. The office provides legal counsel to state agencies, represents the state in juvenile dependency matters, enforces civil rights, environmental, consumer protection and anti-trust laws, and investigates and prosecutes criminal cases, handles criminal appeals, and assists county attorneys.

<b>PERFORMANCE MEASURES</b>	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2008 JLBC
<ul style="list-style-type: none"> <li>Solicitor General - number of days to respond to a request for a legal opinion Comments: The number of days to respond to a request for a legal opinion increased from 39 days in FY 2005 to 59 days in FY 2006 due to a high number of same-day and one-day turnarounds in FY 2005, which the agency does not expect to reoccur in FY 2008.</li> </ul>	73	39	59	55
<ul style="list-style-type: none"> <li>% of Victims' Rights award recipients satisfied with the Victims' Rights Program (NEW) Comments: The JLBC includes a new performance measure to assess the percentage of Victims' Rights grant award recipients satisfied with the Victims' Rights Program.</li> </ul>	--	--	--	90
<ul style="list-style-type: none"> <li>Customer satisfaction rating for client agencies (Scale 1-8)</li> </ul>	7.2	7.0	7.2	7.3

### CHANGES FROM FY 2007

#### **Operating Budget**

The JLBC includes \$46,513,600 and 519.5 FTE Positions for the operating budget in FY 2008 and \$45,999,000 and 519.5 FTE Positions in FY 2009. This amount consists of:

	<b>FY 2008</b>	<b>FY 2009</b>
General Fund	\$21,338,600	\$20,834,900
Antitrust Enforcement		
Revolving Fund	232,200	232,200
Attorney General Legal Services		
Cost Allocation Fund	6,193,600	6,193,600
Collection Enforcement		
Revolving Fund	4,577,700	4,574,700
Consumer Fraud Revolving		
Fund	2,128,300	2,128,300
Interagency Service Agreements		
Fund	12,043,200	12,035,300

These amounts would fund the following adjustments:

<b>Standard Changes</b>	<b>GF</b>	<b>(7,800)</b>	<b>(511,500)</b>
	<b>OF</b>	<b>20,700</b>	<b>9,800</b>

The JLBC includes an increase of \$12,900 in FY 2008 and a decrease of \$(501,700) in FY 2009 for standard changes. These amounts consist of:

General Fund	(7,800)	(511,500)
Antitrust Enforcement		
Revolving Fund	(200)	(200)
Attorney General Legal Services		
Cost Allocation Fund	(3,900)	(3,900)
Collection Enforcement		
Revolving Fund	700	(2,300)
Consumer Fraud Revolving		
Fund	2,300	2,300
Interagency Service Agreements		
Fund	21,800	13,900

#### **One-Time AZNet**

**Appropriation**      **GF**      **(55,400)**      **(55,400)**

The JLBC includes a decrease of \$(55,400) in FY 2008 and FY 2009 to reflect the one-time appropriation for AZNet telecommunication charges.

**Rebase Retirement**      **GF**      **(13,900)**      **(13,900)**  
**Rates**      **OF**      **(23,100)**      **(23,100)**

The JLBC includes a decrease of \$(37,000) in FY 2008 and FY 2009 for rebasing Public Safety Personnel Retirement System and Elected Officials Retirement System retirement rates at actual FY 2007 levels. This amount consists of:

General Fund	(13,900)
Collection Enforcement Revolving Fund	(8,200)
Consumer Fraud Revolving Fund	(9,000)
Interagency Service Agreements Fund	(5,900)

The actual rates that will be charged to the agency in FY 2007 are lower than were assumed in the FY 2007 budget; this reduction leaves sufficient funds to pay the actual rates. Increases for FY 2008 and FY 2009 changes to rates are funded separately as a statewide item and would be distributed to agencies at a later time.

**Pro Rata Charge**      **GF**      **300,000**      **300,000**  
**Offset**      **OF**      **(300,000)**      **(300,000)**

The JLBC includes an increase of \$300,000 from the General Fund in FY 2008 and FY 2009, and a corresponding decrease of \$(300,000) from the Attorney General Legal Services Cost Allocation Fund, to address a projected shortfall in both years. In FY 2007, a pro rata charge was implemented to shift a portion of the Attorney General budget to charges paid by client agencies. Based upon the first 8 pay periods of FY 2007, the pro rata charge is estimated to generate \$300,000 less than necessary to finance non-contracted services. (See *Other Issues for Legislative Consideration for background.*)

**One-Time Funding**

**for Equipment GF (102,300) (102,300)**

The JLBC includes a decrease of \$(102,300) from the General Fund in FY 2008 and FY 2009 to reflect one-time funding for equipment.

**Information Technology**

**Projects GF (1,017,400) (1,017,400)**

The JLBC includes a decrease of \$(1,017,400) from the General Fund in FY 2008 and FY 2009 for IT projects started in FY 2005. Laws 2006, Chapter 350 and the Executive designated \$1.0 million of IT funding as one-time as part of the FY 2007 budget process. The projects include enhancing the department's computer network security, replacing the case management system, expanding the document management system, and converting to Microsoft Word.

In FY 2007, the budget provided \$1,540,700 from the General Fund for these projects. Of this amount, \$523,300 would be continued in FY 2008 and FY 2009 to retain 2 employees for user training and annual software/hardware technical support and subscription services.

**Special Line Items**

**State Grand Jury**

The JLBC includes \$160,000 and 1.6 FTE Positions from the General Fund for the State Grand Jury in FY 2008 and FY 2009. This amount would fund the following adjustment:

**Standard Changes GF (100) (100)**

The JLBC includes a decrease of \$(100) from the General Fund in FY 2008 and FY 2009 for standard changes.

This line item funds expenses incurred by the Attorney General to investigate and try matters that are under the jurisdiction of the State Grand Jury.

**Victims' Rights**

The JLBC includes \$3,266,000 and 8.8 FTE Positions from the Victims' Rights Fund for Victims' Rights in FY 2008 and FY 2009. This amount would fund the following adjustment:

**Standard Changes OF (400) (400)**

The JLBC includes a decrease of \$(400) from the Victims' Rights Fund in FY 2008 and FY 2009 for standard changes.

This line item provides monies to state and local agencies that are required to notify victims during various steps in the criminal justice process. The program includes 7.68% of Criminal Justice Enhancement Fund monies and an assessment on parents of juvenile offenders.

**Military Airport Planning**

The JLBC includes \$100,000 and 1 FTE Position from the General Fund for Military Airport Planning in FY 2008

and FY 2009. This amount is unchanged from FY 2007. Laws 2004, Chapter 235 appropriated \$100,000 from the General Fund to the Attorney General's Office in FY 2005 and each year thereafter. Therefore, this funding does not appear in the General Appropriation Act. The legislation sought to preserve the state's military bases by appropriating monies to several state agencies and charging them with certain responsibilities. Monies in this line item pay for the department's duties under the 2004 legislation, including review of, and determination of compliance with, land use plans.

**Risk Management ISA**

The JLBC includes \$9,226,800 and 107 FTE Positions from the Risk Management Revolving Fund in FY 2008 and \$9,189,700 and 107 FTE Positions in FY 2009 for the Risk Management ISA. This amount would fund the following adjustment:

**Standard Changes OF 12,600 (24,500)**

The JLBC includes an increase of \$12,600 from the Risk Management Revolving Fund in FY 2008 and a decrease of \$(24,500) in FY 2009 for standard changes.

This line item provides funding for the Attorney General's contract with the Risk Management Division within ADOA.

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**FORMAT** — Operating Lump Sum with Special Line Items by Agency

**FOOTNOTES**

*Standard Footnotes*

The \$160,000 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.

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.

All revenues received by the Antitrust Enforcement Revolving Fund in excess of \$232,200 are appropriated. Expenditures from the fund may not exceed \$750,000 in FY 2008 and FY 2009. Before the expenditure of any

Antitrust Enforcement Revolving Fund receipts in excess of \$232,200 in FY 2008 and FY 2009, the Attorney General shall submit the intended uses of the monies for review by the Joint Legislative Budget Committee.

In addition to the \$12,043,200 appropriated from the Interagency Service Agreements Fund in FY 2008 and \$12,035,300 in FY 2009, an additional \$800,000 and 11 FTE Positions are appropriated from the Interagency Service Agreements Fund in FY 2008 and FY 2009 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 the additional amount. 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.

**STATUTORY CHANGES**

The JLBC would continue the expanded use of the Collection Enforcement Revolving Fund to allow the Attorney General to use these monies for any operating expenses incurred by the department in FY 2008 and FY 2009. According to statute, this fund can be used only

for expenses related to debt collection owed to the state, including the reimbursement of other accounts within the department. This statutory change has occurred from FY 2004 through FY 2007.

**OTHER ISSUES FOR LEGISLATIVE CONSIDERATION**

**Pro Rata Charge**

Laws 2005, Chapter 300 included a permanent law provision that established a pro rata charge beginning in FY 2007 on the total amount of payroll expenditure of select state agencies to finance non-contracted Attorney General Legal Services. It also established the Attorney General Legal Services Cost Allocation Fund to accept revenue generated from the charge. As a result, more of the Attorney General budget was shifted from the General Fund to charges paid by client agencies.

In FY 2007, non-contracted Attorney General Legal Services were estimated to be \$6,497,500 for a total of 88 FTE Positions. Laws 2006, Chapter 348 established a pro rata charge of .635%, which was estimated to generate almost \$6.6 million when applied to the total payroll for all agencies subject to the charge, or almost \$100,000 above the amount necessary for non-contracted services.

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
<b>Anti-Racketeering Revolving Fund (AGA2131/A.R.S. § 13-2314.01)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Forfeitures of property and assets to satisfy judgments pursuant to anti-racketeering statutes.		
<b>Purpose of Fund:</b> To investigate and prosecute any offense defined as racketeering pursuant to Arizona statutes.		
<b>Funds Expended</b>	18,297,800	18,000,000
<b>Year-End Fund Balance</b>	19,216,200	18,038,200
<b>Antitrust Enforcement Revolving Fund (AGA2016/A.R.S. § 41-191.02)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Monies recovered for the state as a result of antitrust, restraint of trade or price-fixing activity enforcement.		
<b>Purpose of Fund:</b> For antitrust enforcement expenses, excluding attorney compensation.		
<b>Funds Expended</b>	307,400	232,400
<b>Year-End Fund Balance</b>	714,900	623,900
<b>Attorney General Expendable Trust Fund (AGA3102/A.R.S. § 35-149)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Restricted donations and gifts from individuals and corporations.		
<b>Purpose of Fund:</b> For purposes specified by donors or grantors.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	0	0
<b>Attorney General Legal Services Cost Allocation Fund (A.R.S. § 41-191.09)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> The fund receives a pro rata share of appropriated and non-appropriated funds of select state agencies.		
<b>Purpose of Fund:</b> To fund non-contracted Attorney General Legal Services beginning in FY 2007.		
<b>Funds Expended</b>	0	6,497,500
<b>Year-End Fund Balance</b>	0	0

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
<b>CJEF Distribution to County Attorneys Fund (AGA2068/A.R.S. § 41-2401)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 9.35% of the Criminal Justice Enhancement Fund (CJEF) monies. CJEF consists of a 47% penalty assessment on fines, violations, forfeitures, and penalties imposed by the courts for criminal offenses and civil motor vehicle statute violations.		
<b>Purpose of Fund:</b> To enhance prosecutorial efforts of county attorneys.		
<b>Funds Expended</b>	3,930,200	4,048,100
<b>Year-End Fund Balance</b>	0	0
<b>Collection Enforcement Revolving Fund (AGA2132/A.R.S. § 41-191.03)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> The fund receives 35% of monies recovered by the Attorney General from debts owed to the state.		
<b>Purpose of Fund:</b> For expenses related to debt collection owed to the state, including reimbursement of other accounts within the department.		
<b>Funds Expended</b>	4,339,400	4,585,200
<b>Year-End Fund Balance</b>	2,401,900	100,000
<b>Colorado River Land Claims Revolving Fund (AGA2430/A.R.S. § 41-191.05)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Receives 25% of monies recovered by the state from the settlement of the state of Arizona's sovereign land claims.		
<b>Purpose of Fund:</b> To pay ownership claims near the Colorado River.		
<b>Funds Expended</b>	5,900	4,000
<b>Year-End Fund Balance</b>	14,200	10,200
<b>Consumer Fraud Revolving Fund (AGA2014/A.R.S. § 44-1531.01)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Any monies recovered for the state from investigative or court costs, attorney fees or civil penalties pertaining to consumer protection or consumer fraud.		
<b>Purpose of Fund:</b> For consumer fraud education and for investigative and enforcement operations of the Consumer Protection Division, excluding attorney compensation.		
<b>Funds Expended</b>	1,748,800	2,135,000
<b>Year-End Fund Balance</b>	2,299,800	1,254,400
<b>Court-Ordered Trust Fund (AGA3180/A.R.S. § 35-142)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Court-ordered deposits held in trust for parties to lawsuits.		
<b>Purpose of Fund:</b> To assure funds are available to pay judgments. Future payments are dependent on case settlements.		
<b>Funds Expended</b>	600,900	660,000
<b>Year-End Fund Balance</b>	106,311,200	110,583,200
<b>Criminal Case Processing Fund (AGA2461/A.R.S. § 41-2421)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> A portion of redirected court collections and 0.35% of the surcharge on criminal, motor vehicle, and game and fish statute violations.		
<b>Purpose of Fund:</b> For the processing of criminal cases.		
<b>Funds Expended</b>	117,600	45,700
<b>Year-End Fund Balance</b>	4,200	4,200
<b>Federal (AGA2117/A.R.S. § 41-101.01)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Federal grants for various purposes.		
<b>Purpose of Fund:</b> To be used in accordance with the terms of the individual grants, including drug enforcement, fraud and patient abuse (AHCCCS-related), civil rights enforcement, fair housing education and outreach, and hazardous waste.		
<b>Funds Expended</b>	5,745,400	6,682,000
<b>Year-End Fund Balance</b>	1,467,000	946,500

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
<b>Interagency Service Agreements Fund (AGA2157/A.R.S. § 41-192)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Any monies received by the Attorney General from charges to state agencies for legal services related to interagency service agreements.		
<b>Purpose of Fund:</b> To provide contracted legal services to state agencies and political subdivisions.		
<b>Funds Expended</b>	11,188,500	12,027,300
<b>Year-End Fund Balance</b>	233,800	0
<b>Intergovernmental Agreements Fund (AGA2500/A.R.S. § 35-142E)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Any monies received from state agencies for specialized projects.		
<b>Purpose of Fund:</b> For costs associated with approved projects.		
<b>Funds Expended</b>	50,900	35,900
<b>Year-End Fund Balance</b>	27,300	0
<b>Motor Carrier Safety Revolving Fund (AGA2380/A.R.S. § 28-5203)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> A grant from the Arizona Department of Transportation.		
<b>Purpose of Fund:</b> To carry out the provisions of Title 28, Chapter 14 and enforce civil penalties. The fund is exempt from A.R.S. § 35-190, relating to the lapsing of appropriations.		
<b>Funds Expended</b>	1,700	0
<b>Year-End Fund Balance</b>	0	0
<b>Prosecuting Attorneys' Advisory Council Training Fund (AGA2057/A.R.S. § 41-1830.03)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> 3.03% of Criminal Justice Enhancement Fund monies. CJEF consists of a 47% penalty assessment on fines, violations, forfeitures, and penalties imposed by the courts for criminal offenses and civil motor vehicle statute violations.		
<b>Purpose of Fund:</b> For costs of training, technical assistance for prosecuting attorneys of the state and any political subdivision, and expenses for the operation of the council.		
<b>Funds Expended</b>	1,123,100	1,250,000
<b>Year-End Fund Balance</b>	922,000	997,500
<b>Risk Management Revolving Fund (AGA4216/A.R.S. § 41-622)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Actuarial charges assessed on agencies insured under the state's risk management system, as well as recoveries by the state through litigation.		
<b>Purpose of Fund:</b> To pay for the legal services ISA contract between the Attorney General and the Arizona Department of Administration.		
<b>Funds Expended</b>	7,987,300	9,214,200
<b>Year-End Fund Balance</b>	401,200	0
<b>Street Gang Enforcement Revolving Fund (AGA1022/A.R.S. § 41-191.07)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> A grant from the Arizona Criminal Justice Commission.		
<b>Purpose of Fund:</b> For gang prevention programs, training prosecutors and law enforcement personnel in the area of street gang prosecution and enforcement, and investigating and prosecuting any offense that is concurrently charged or investigated with any offense relating to criminal street gangs.		
<b>Funds Expended</b>	105,100	111,000
<b>Year-End Fund Balance</b>	0	0
<b>Victim Witness Fund (AGA2228/A.R.S. § 41-2407)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Grants from the Victim Compensation and Assistance Fund and the Victims of Crime Act Fund.		
<b>Purpose of Fund:</b> To assist crime victims and surviving family members who are involved in felony cases and appellate matters.		
<b>Funds Expended</b>	52,700	51,700
<b>Year-End Fund Balance</b>	0	0

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
<b>Victims' Rights Fund</b> (AGA3215/A.R.S. § 41-191.08)		<b>Appropriated</b>
<p><b>Source of Revenue:</b> 7.68% of Criminal Justice Enhancement Fund monies and an assessment on parents of juvenile offenders. CJEF consists of a 47% penalty assessment on fines, violations, forfeitures, and penalties imposed by the courts for criminal offenses and civil motor vehicle statute violations.</p> <p><b>Purpose of Fund:</b> For states and local entities that provide victims' rights services and assistance.</p>		
<b>Funds Expended</b>	3,019,800	3,266,400
<b>Year-End Fund Balance</b>	1,778,600	1,886,600