

## Attorney General – Department of Law

JLBC: Marge Zylla  
 OSPB: Melissa Harto

DESCRIPTION	FY 2008 ACTUAL	FY 2009 ESTIMATE	FY 2010 JLBC
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	644.9	644.9	644.9
Personal Services	29,882,500	31,398,600	31,398,600
Employee Related Expenditures	9,412,000	9,734,800	9,734,800
Professional and Outside Services	1,475,600	3,305,800	3,305,800
Travel - In State	236,700	229,200	229,200
Travel - Out of State	120,600	89,200	89,200
Other Operating Expenditures	7,718,900	7,237,400	7,237,400
Equipment	589,200	0	0
<b>OPERATING SUBTOTAL</b>	<b>49,435,500</b>	<b>51,995,000</b>	<b>51,995,000</b>
<b>SPECIAL LINE ITEMS</b>			
Fair and Legal Employment Act	0	0	0
Military Airport Planning	67,600	100,000	100,000
Risk Management ISA	9,138,500	9,771,500	9,771,500
State Grand Jury	177,600	179,000	179,000
Victims' Rights	3,242,900	3,277,400	3,277,400
<b>AGENCY TOTAL</b>	<b>62,062,100</b>	<b>65,322,900</b>	<b>65,322,900</b>

### FUND SOURCES

General Fund	23,965,900	23,107,400	23,107,400
<u>Other Appropriated Funds</u>			
Antitrust Enforcement Revolving Fund	142,600	239,900	239,900
Attorney General Legal Services Cost Allocation Fund	6,669,800	6,682,900	6,682,900
Collection Enforcement Revolving Fund	3,640,000	4,916,300	4,916,300
Consumer Protection - Consumer Fraud Revolving Fund	2,134,800	3,948,700	3,948,700
Interagency Service Agreements Fund	13,127,600	13,378,800	13,378,800
Risk Management Revolving Fund	9,138,500	9,771,500	9,771,500
Victims' Rights Fund	3,242,900	3,277,400	3,277,400
SUBTOTAL - Other Appropriated Funds	38,096,200	42,215,500	42,215,500
<b>SUBTOTAL - Appropriated Funds</b>	<b>62,062,100</b>	<b>65,322,900</b>	<b>65,322,900</b>
Other Non-Appropriated Funds	26,618,600	20,066,700	20,144,400
Federal Funds	5,120,000	5,716,200	5,871,700
<b>TOTAL - ALL SOURCES</b>	<b>93,800,700</b>	<b>91,105,800</b>	<b>91,339,000</b>

### CHANGE IN FUNDING SUMMARY

	FY 2009 to FY 2010 JLBC	
	\$ Change	% Change
General Fund	0	0.0%
Other Appropriated Funds	0	0.0%
Total Appropriated Funds	0	0.0%
Non-Appropriated Funds	233,200	0.9%
Total - All Sources	233,200	0.3%

**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 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2010 JLBC
• Solicitor General - number of days to respond to a request for a legal opinion	59	42	42	42
• % of Victims' Rights award recipients satisfied with the Victims' Rights Program	--	--	100	98
• Customer satisfaction rating for client agencies (Scale 1-8)	7.2	7.1	7.2	7.2

### **Operating Budget**

The JLBC includes \$51,995,000 and 526.5 FTE Positions for the operating budget in FY 2010. These amounts consist of:

General Fund	\$22,828,400
Antitrust Enforcement Revolving Fund	239,900
Attorney General Legal Services Cost Allocation Fund	6,682,900
Collection Enforcement Revolving Fund	4,916,300
Consumer Protection - Consumer Fraud Revolving Fund	3,948,700
Interagency Service Agreements Fund	13,378,800

The FY 2010 adjustments would be as follows:

#### **Continue MSA Supplemental OF 0**

This adjustment would continue \$1,700,000 of spending authority from the Consumer Protection - Consumer Fraud Revolving Fund in FY 2010. The Criminal Justice Budget Reconciliation Bill (Laws 2008, Chapter 286) allowed the Attorney General to use Consumer Fraud Revolving Fund monies for any operating expenses, including any cost associated with the Master Settlement Agreement arbitration expenses in FY 2009. (*See the Statutory Changes section for more information.*)

### **Fair and Legal Employment Act**

The JLBC includes no funding from the General Fund for the Fair and Legal Employment Act in FY 2010. This amount is unchanged from FY 2009. The program received an appropriation of \$100,000 from the General Fund in FY 2008, but the department chose not to expend those monies.

The FY 2008 funding was added for enforcement of Laws 2007, Chapter 279, the Fair and Legal Employment Act. Chapter 279 prohibits an employer from knowingly employing unauthorized immigrants and general enforcement of immigration related matters.

### **Military Airport Planning**

The JLBC includes \$100,000 and 1 FTE Position from the General Fund for Military Airport Planning in FY 2010. These amounts are unchanged from FY 2009.

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 \$9,771,500 and 107 FTE Positions from the Risk Management Revolving Fund for the Risk Management ISA in FY 2010. These amounts are unchanged from FY 2009.

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

### **State Grand Jury**

The JLBC includes \$179,000 and 1.6 FTE Positions from the General Fund for the State Grand Jury in FY 2010. These amounts are unchanged from FY 2009.

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 \$3,277,400 and 8.8 FTE Positions from the Victims' Rights Fund for Victims' Rights in FY 2010. These amounts are unchanged from FY 2009.

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.

\* \* \*

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

**FOOTNOTES**

*Standard Footnotes*

The \$179,000 appropriated in FY 2010 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.

In addition to the \$13,378,800 appropriated from the Interagency Service Agreements Fund in FY 2010, an additional \$800,000 and 11 FTE Positions are appropriated from the Interagency Service Agreements Fund in FY 2010 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.

*New Footnotes*

The Attorney General shall report estimated FY 2009 revenues and expenditures for the Legal Services Cost Allocation Fund to the Governor’s Office of Strategic Planning and Budgeting and the Joint Legislative Budget Committee Staff by April 1, 2009. These two offices shall jointly determine whether any shortfall exists in fund revenues in comparison to 90% of its appropriation. If the two offices report a shortfall to the Governor and the Speaker of the House and the President of the Senate by May 1, 2009, then any lump sum reduction enacted for the Attorney General’s budget after January 1, 2009 shall be adjusted downward by the amount of the shortfall.

*Deletion of Prior Year Footnotes*

The JLBC would delete the footnote that requires receipts in excess of \$239,900 from the Antitrust Enforcement Revolving Fund to be appropriated to the Attorney General. Given the current budget shortfall, the Legislature will need to evaluate this fund prior to authorizing any additional spending.

**STATUTORY CHANGES**

The JLBC would:

- As session law, continue to permit the Office to use monies available in the Consumer Protection - Consumer Fraud Revolving Fund for any operating costs incurred by the Attorney General, including costs associated with the Tobacco Master Settlement Agreement (MSA) arbitration.
- As permanent law, require county attorney resources to be distributed equitably based on county attorney and prosecutor caseloads and revise Arizona Prosecuting Attorneys’ Advisory Council membership.

<b>SUMMARY OF FUNDS</b>	<b>FY 2008 Actual</b>	<b>FY 2009 Estimate</b>
<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>	19,371,900	13,513,100
<b>Year-End Fund Balance</b>	22,228,400	16,691,200
<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>	142,600	239,900
<b>Year-End Fund Balance</b>	482,100	338,900

SUMMARY OF FUNDS	FY 2008 Actual	FY 2009 Estimate
<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 (AGA4240/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.		
<b>Funds Expended</b>	6,669,800	6,682,900
<b>Year-End Fund Balance</b>	210,300	0
<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>	4,467,700	4,466,400
<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>	3,640,000	4,916,300
<b>Year-End Fund Balance</b>	2,524,600	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>	600	600
<b>Year-End Fund Balance</b>	12,200	11,600
<b>Consumer Protection-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>	2,134,800	3,948,700
<b>Year-End Fund Balance</b>	6,194,300	3,865,600
<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>	459,900	483,700
<b>Year-End Fund Balance</b>	2,516,000	2,607,300

SUMMARY OF FUNDS	FY 2008 Actual	FY 2009 Estimate
<b>Criminal Case Processing Fund</b> (AGA2461/A.R.S. § 41-2421)		<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>	30,100	75,300
<b>Year-End Fund Balance</b>	55,800	26,000
<b>Federal Grant Fund</b> (AGA2117/A.R.S. § 41-101.01)		<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>	5,120,000	5,716,200
<b>Year-End Fund Balance</b>	2,060,200	2,238,100
<b>Interagency Service Agreements Fund</b> (AGA2157/A.R.S. § 41-192)		<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>	13,127,600	13,378,800
<b>Year-End Fund Balance</b>	435,700	0
<b>Intergovernmental Agreements Fund</b> (AGA2500/A.R.S. § 35-142E)		<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>	772,800	10,000
<b>Year-End Fund Balance</b>	191,000	0
<b>Motor Carrier Safety Revolving Fund</b> (AGA2380/A.R.S. § 28-5203)		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> The fund consists of monies appropriated by the Legislature; fines; forfeitures; fees and taxes applied to all manufacturers, shippers, motor carriers and drivers who transport or cause the transportation of hazardous material, substances or waste, as required by A.R.S. Title 28, Chapter 14; and monies received from private grants or donations.		
<b>Purpose of Fund:</b> The Department of Public Safety conducts motor carrier safety investigations, the Motor Vehicle Division of the Department of Transportation administers hearings, and the Attorney General enforces civil penalties.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	0	0
<b>Prosecuting Attorneys' Advisory Council Training Fund</b> (AGA2057/A.R.S. § 41-1830.03)		<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>	1,349,500	1,349,500
<b>Year-End Fund Balance</b>	185,100	0
<b>Risk Management Revolving Fund</b> (AGA4216/A.R.S. § 41-622)		<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>	9,138,500	9,771,500
<b>Year-End Fund Balance</b>	719,000	0

SUMMARY OF FUNDS	FY 2008 Actual	FY 2009 Estimate
<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>	109,800	111,200
<b>Year-End Fund Balance</b>	2,400	2,400
<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>	56,300	56,900
<b>Year-End Fund Balance</b>	0	0
<b>Victims' Rights Fund (AGA3215/A.R.S. § 41-191.08)</b>		<b>Appropriated</b>
<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.		
<b>Purpose of Fund:</b> For states and local entities that provide victims' rights services and assistance.		
<b>Funds Expended</b>	3,242,900	3,277,400
<b>Year-End Fund Balance</b>	2,915,500	3,679,600