

Attorney General - Department of Law

JLBC: Marge Zylla
 OSPB: Bill Greeney

| | FY 2009 ACTUAL | FY 2010 ESTIMATE | FY 2011 BASELINE |
|---------------------------------------|-------------------|---------------------|---------------------|
| OPERATING BUDGET | | | |
| <i>Full Time Equivalent Positions</i> | 644.9 | 597.9 | 591.9 |
| Personal Services | 27,553,000 | 27,503,600 | 27,503,600 |
| Employee Related Expenditures | 9,307,400 | 9,388,900 | 9,388,900 |
| Professional and Outside Services | 1,231,500 | 2,137,200 | 2,137,200 |
| Travel - In State | 167,800 | 146,800 | 146,800 |
| Travel - Out of State | 95,900 | 81,300 | 81,300 |
| Other Operating Expenditures | 6,675,800 | 6,998,000 | 6,998,000 |
| Equipment | 223,100 | 75,600 | 75,600 |
| OPERATING SUBTOTAL | 45,254,500 | 46,331,400 | 46,331,400 |
| SPECIAL LINE ITEMS | | | |
| Military Airport Planning | 74,600 | 100,000 | 100,000 |
| Risk Management ISA | 8,392,300 | 9,037,400 | 9,037,400 |
| State Grand Jury | 179,000 | 179,000 | 179,000 |
| Victims' Rights | 3,204,100 | 3,248,200 | 3,248,200 |
| 5th Special Session Reduction | 0 | (2,461,100) | (2,461,100) |
| AGENCY TOTAL | 57,104,500 | 56,434,900 | 56,434,900 |

FUND SOURCES

| | | | |
|--|-------------------|-------------------|-------------------|
| General Fund | 21,483,000 | 17,987,400 | 17,987,400 |
| <u>Other Appropriated Funds</u> | | | |
| Antitrust Enforcement Revolving Fund | 189,100 | 242,800 | 242,800 |
| Attorney General Legal Services Cost Allocation Fund | 6,346,600 | 5,651,600 | 5,651,600 |
| Collection Enforcement Revolving Fund | 2,625,100 | 3,313,400 | 3,313,400 |
| Consumer Protection - Consumer Fraud Revolving Fund | 2,499,900 | 3,513,700 | 3,513,700 |
| Interagency Service Agreements Fund | 12,364,400 | 13,440,400 | 13,440,400 |
| Risk Management Revolving Fund | 8,392,300 | 9,037,400 | 9,037,400 |
| Victims' Rights Fund | 3,204,100 | 3,248,200 | 3,248,200 |
| SUBTOTAL - Other Appropriated Funds | 35,621,500 | 38,447,500 | 38,447,500 |
| SUBTOTAL - Appropriated Funds | 57,104,500 | 56,434,900 | 56,434,900 |
| Other Non-Appropriated Funds | 26,744,400 | 28,434,700 | 28,399,900 |
| Federal Funds | 4,481,700 | 9,598,800 | 5,990,300 |
| TOTAL - ALL SOURCES | 88,330,600 | 94,468,400 | 90,825,100 |

CHANGE IN FUNDING SUMMARY

| | FY 2010 to FY 2011 Baseline | |
|--------------------------|-----------------------------|----------|
| | \$ Change | % Change |
| General Fund | 0 | 0.0% |
| Other Appropriated Funds | 0 | 0.0% |
| Total Appropriated Funds | 0 | 0.0% |
| Non-Appropriated Funds | (3,643,300) | (9.6%) |
| Total - All Sources | (3,643,300) | (3.9%) |

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.

Operating Budget

The Baseline includes \$46,331,400 and 473.5 FTE Positions for the operating budget in FY 2011. These amounts consist of:

| | |
|--|--------------|
| General Fund | \$19,157,700 |
| Antitrust Enforcement Revolving Fund | 242,800 |
| Attorney General Legal Services Cost Allocation Fund | 6,109,800 |
| Collection Enforcement Revolving Fund | 3,582,100 |
| Consumer Fraud Revolving Fund | 3,798,600 |
| Interagency Service Agreements Fund | 13,440,400 |

These amounts are unchanged from FY 2010.

Military Airport Planning

The Baseline includes \$100,000 and 1 FTE Position from the General Fund for Military Airport Planning in FY 2011. These amounts are unchanged from FY 2010.

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 Baseline includes \$9,037,400 and 107 FTE Positions from the Risk Management Revolving Fund for the Risk Management ISA in FY 2011. These amounts are unchanged from FY 2010.

This line item provides funding for the Attorney General's contract with the Risk Management Division within the Arizona Department of Administration.

State Grand Jury

The Baseline includes \$179,000 and 1.6 FTE Positions from the General Fund for the State Grand Jury in FY 2011. These amounts are unchanged from FY 2010.

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 Baseline includes \$3,248,200 and 8.8 FTE Positions from the Victims' Rights Fund for Victims' Rights in FY 2011. These amounts are unchanged from FY 2010.

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 (CJEF) monies and an assessment on parents of juvenile offenders.

5th Special Session Reduction

The Baseline includes \$(2,461,100) in FY 2011 to continue the 5th Special Session FY 2010 Lump Sum Reduction. This amount consists of:

| | |
|--|-------------|
| General Fund | (1,449,300) |
| Attorney General Legal Services Cost Allocation Fund | (458,200) |
| Collection Enforcement Revolving Fund | (268,700) |
| Consumer Fraud Revolving Fund | (284,900) |

This lump sum reduction would be allocated to specific line items in the FY 2011 General Appropriation Act.

* * *

FORMAT — Operating Lump Sum with Special Line Items by Agency

FOOTNOTES

Standard Footnotes

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 \$13,440,400 appropriated from the Interagency Service Agreements Fund in FY 2011, an additional \$800,000 and 11 FTE Positions are appropriated from the Interagency Service Agreements Fund in FY 2011 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.

Deletion of Prior Year Footnotes

The Baseline would delete the footnote stating that the appropriation for State Grand Jury expenses is for costs incurred pursuant to A.R.S. § 21-426C and is limited to the amount appropriated, since this footnote simply requires compliance with current law.

STATUTORY CHANGES

The Baseline would:

- As permanent law, continue to allow the Attorney General to use monies available in the Consumer Fraud Revolving Fund for any operating costs, including costs associated with the Tobacco Master Settlement Agreement arbitration. This provision was previously in session law.

- As permanent law, continue to permit the Attorney General to use monies available in the Collection Enforcement Revolving Fund for any operating expenses. This provision was previously in session law.

OTHER ISSUES FOR LEGISLATIVE CONSIDERATION

5% FTE Position Reduction

The Attorney General was originally budgeted 190.2 General Fund FTE Positions in FY 2010. Laws 2009, 3rd Special Session, Chapter 11, Section 17 mandates a 5% General Fund FTE Position reduction by February 1, 2010. Given the mid-year implementation, this provision requires the Attorney General to reduce an additional 4 FTE Positions in FY 2010 and 10 General Fund FTE Positions in FY 2011. This reduction is allocated to the operating budget; the agency may allocate to Special Line Items.

| SUMMARY OF FUNDS | FY 2009 Actual | FY 2010 Estimate |
|--|-------------------|-------------------------|
| Anti-Racketeering Revolving Fund (AGA2131/A.R.S. § 13-2314.01) | | Non-Appropriated |
| Source of Revenue: Forfeitures of property and assets to satisfy judgments pursuant to anti-racketeering statutes. | | |
| Purpose of Fund: To investigate and prosecute any offense defined as racketeering pursuant to Arizona statutes. | | |
| Funds Expended | 19,940,400 | 19,921,100 |
| Year-End Fund Balance | 24,086,100 | 20,284,300 |
| Antitrust Enforcement Revolving Fund (AGA2016/A.R.S. § 41-191.02) | | Appropriated |
| Source of Revenue: Monies recovered for the state as a result of antitrust, restraint of trade or price-fixing activity enforcement. | | |
| Purpose of Fund: For antitrust enforcement expenses, excluding attorney compensation. | | |
| Funds Expended | 189,100 | 242,800 |
| Year-End Fund Balance | 335,400 | 180,300 |
| Attorney General Expendable Trust Fund (AGA3102/A.R.S. § 35-149) | | Non-Appropriated |
| Source of Revenue: Restricted donations and gifts from individuals and corporations. | | |
| Purpose of Fund: For purposes specified by donors or grantors. | | |
| Funds Expended | 0 | 0 |
| Year-End Fund Balance | 0 | 0 |
| Attorney General Legal Services Cost Allocation Fund (AGA4240/A.R.S. § 41-191.09) | | Appropriated |
| Source of Revenue: The fund receives a pro rata share of appropriated and non-appropriated funds of select state agencies. | | |
| Purpose of Fund: To fund non-contracted Attorney General Legal Services. | | |
| Funds Expended | 6,346,600 | 5,651,600 |
| Year-End Fund Balance | 547,700 | 0 |
| CJEF Distribution to County Attorneys Fund (AGA2068/A.R.S. § 41-2401) | | Non-Appropriated |
| Source of Revenue: 9.35% of 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. | | |
| Purpose of Fund: To enhance prosecutorial efforts of county attorneys. | | |
| Funds Expended | 4,456,100 | 4,125,400 |
| Year-End Fund Balance | 1,900 | 0 |

| SUMMARY OF FUNDS | FY 2009 Actual | FY 2010 Estimate |
|--|-------------------|-------------------------|
| Collection Enforcement Revolving Fund (AGA2132/A.R.S. § 41-191.03) | | Appropriated |
| Source of Revenue: The fund receives 35% of monies recovered by the Attorney General from debts owed to the state. | | |
| Purpose of Fund: For expenses related to debt collection owed to the state, including reimbursement of other accounts within the department. | | |
| Funds Expended | 2,625,100 | 3,313,400 |
| Year-End Fund Balance | 986,700 | 100,000 |
| Colorado River Land Claims Revolving Fund (AGA2430/A.R.S. § 41-191.05) | | Non-Appropriated |
| Source of Revenue: Receives 25% of monies recovered by the state from the settlement of the state of Arizona's sovereign land claims. | | |
| Purpose of Fund: To pay ownership claims near the Colorado River. | | |
| Funds Expended | 0 | 0 |
| Year-End Fund Balance | 12,300 | 12,300 |
| Consumer Protection - Consumer Fraud Revolving Fund (AGA2014/A.R.S. § 44-1531.01) | | Appropriated |
| Source of Revenue: Any monies recovered for the state from investigative or court costs, attorney fees or civil penalties pertaining to consumer protection or consumer fraud. | | |
| Purpose of Fund: For consumer fraud education and for investigative and enforcement operations of the Consumer Protection Division, excluding attorney compensation. | | |
| Funds Expended | 2,499,900 | 3,513,700 |
| Year-End Fund Balance | 10,611,400 | 5,920,600 |
| Court-Ordered Trust Fund (AGA3180/A.R.S. § 35-142) | | Non-Appropriated |
| Source of Revenue: Court-ordered deposits held in trust for parties to lawsuits. | | |
| Purpose of Fund: To assure funds are available to pay judgments. Future payments are dependent on case settlements. | | |
| Funds Expended | 843,000 | 843,000 |
| Year-End Fund Balance | 4,754,900 | 4,754,900 |
| Criminal Case Processing Fund (AGA2461/A.R.S. § 41-2421) | | Non-Appropriated |
| Source of Revenue: A portion of redirected court collections and 0.35% of the surcharge on criminal, motor vehicle, and game and fish statute violations. | | |
| Purpose of Fund: For the processing of criminal cases. | | |
| Funds Expended | 73,400 | 77,000 |
| Year-End Fund Balance | 60,000 | 57,000 |
| Federal Grants – American Recovery and Reinvestment Act (ARRA) (AGA2999/A.R.S. § 35-142) | | Non-Appropriated |
| Source of Revenue: One-time Federal Funds allocated by the American Recovery and Reinvestment Act of 2009 (P.L. 111-5). | | |
| Purpose of Fund: One-time Federal Funds to be used by the department for drug, gang, and violent crime efforts and to combat criminal narcotics activity stemming from the Southern border of the United States. | | |
| Funds Expended | 1,240,700 | 2,674,500 |
| Year-End Fund Balance | 0 | 0 |
| Federal Grants (AGA2117/A.R.S. § 41-101.01) | | Non-Appropriated |
| Source of Revenue: Federal grants for various purposes. | | |
| Purpose of Fund: To be used in accordance with the terms of the individual grants, including drug enforcement, fraud and patient abuse (Arizona Health Care Cost Containment System related), civil rights enforcement, fair housing education and outreach, and hazardous waste. | | |
| Funds Expended | 3,241,000 | 4,510,300 |
| Year-End Fund Balance | 2,395,200 | 0 |

| SUMMARY OF FUNDS | FY 2009 Actual | FY 2010 Estimate |
|---|-------------------|-------------------------|
| Federal Grants (AGA2000/A.R.S. § 41-101) | | Non-Appropriated |
| Source of Revenue: Grants awarded by various federal agencies and state agencies which pass through federal monies. | | |
| Purpose of Fund: To be used in accordance with the terms of the individual grants. | | |
| Funds Expended | 0 | 2,414,000 |
| Year-End Fund Balance | 0 | 1,576,100 |
| Interagency Service Agreements Fund (AGA2157/A.R.S. § 41-192) | | Appropriated |
| Source of Revenue: Any monies received by the Attorney General from charges to state agencies for legal services related to interagency service agreements. | | |
| Purpose of Fund: To provide contracted legal services to state agencies and political subdivisions. | | |
| Funds Expended | 12,364,400 | 13,440,400 |
| Year-End Fund Balance | 81,100 | 0 |
| Intergovernmental Agreements Fund (AGA2500/A.R.S. § 35-142E) | | Non-Appropriated |
| Source of Revenue: Any monies received from state agencies for specialized projects. | | |
| Purpose of Fund: For costs associated with approved projects. | | |
| Funds Expended | 146,600 | 1,487,200 |
| Year-End Fund Balance | 321,400 | 1,333,000 |
| Motor Carrier Safety Revolving Fund (AGA2380/A.R.S. § 28-5203) | | Non-Appropriated |
| Source of Revenue: This 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. | | |
| Purpose of Fund: 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. | | |
| Funds Expended | 0 | 0 |
| Year-End Fund Balance | 0 | 0 |
| Prosecuting Attorneys' Advisory Council Training Fund (AGA2057/A.R.S. § 41-1830.03) | | Non-Appropriated |
| Source of Revenue: 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. | | |
| Purpose of Fund: For costs of training, technical assistance for prosecuting attorneys of the state and any political subdivision, and expenses for the operation of the council. | | |
| Funds Expended | 1,117,300 | 1,871,000 |
| Year-End Fund Balance | 421,900 | 0 |
| Risk Management Revolving Fund (AGA4216/A.R.S. § 41-622) | | Appropriated |
| Source of Revenue: Actuarial charges assessed to agencies insured under the state's risk management system, as well as recoveries by the state through litigation. | | |
| Purpose of Fund: To pay for the legal services ISA contract between the Attorney General and the Arizona Department of Administration. | | |
| Funds Expended | 8,392,300 | 9,037,400 |
| Year-End Fund Balance | 1,262,000 | 0 |
| Street Gang Enforcement Revolving Fund (AGA1022/A.R.S. § 41-191.07) | | Non-Appropriated |
| Source of Revenue: A grant from the Arizona Criminal Justice Commission. | | |
| Purpose of Fund: 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. | | |
| Funds Expended | 108,600 | 34,800 |
| Year-End Fund Balance | 34,800 | 0 |

| SUMMARY OF FUNDS | FY 2009 Actual | FY 2010 Estimate |
|--|-------------------|-------------------------|
| | | Non-Appropriated |
| Victim Witness Fund (AGA2228/A.R.S. § 41-2407) | | |
| Source of Revenue: Grants from the Victim Compensation and Assistance Fund and the Victims of Crime Act Fund. | | |
| Purpose of Fund: To assist crime victims and surviving family members who are involved in felony cases and appellate matters. | | |
| Funds Expended | 59,000 | 75,200 |
| Year-End Fund Balance | 18,300 | 0 |
| | | Appropriated |
| Victims' Rights Fund (AGA3215/A.R.S. § 41-191.08) | | |
| Source of Revenue: 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. | | |
| Purpose of Fund: For states and local entities that provide victims' rights services and assistance. | | |
| Funds Expended | 3,204,100 | 3,248,200 |
| Year-End Fund Balance | 3,591,000 | 4,021,800 |