

ATTORNEY GENERAL - DEPARTMENT OF LAW

A.R.S. § 41-192

The Honorable Janet Napolitano, Attorney General

JLBC Analyst: Brad Regens

General Fund and Other Appropriated Funds	FY 1998 Actual	FY 1999 Estimate	FY 2000 Approved	FY 2001 Approved
<u>Program Summary</u>				
Administration	5,618,200	6,487,900	6,987,000	7,109,100
Civil	12,298,600	21,608,000	23,867,700	24,202,500
Civil Rights	2,007,100	2,302,300	2,346,200	2,385,900
Criminal	12,849,200	14,218,400	14,804,700	15,050,400
Economic Security	2,119,800	1,525,700	0	0
Total Appropriations	34,892,900	46,142,300	48,005,600	48,747,900
<u>Expenditure Detail</u>				
FTE Positions	513.9	670.6	691.2 ^{1/}	691.2 ^{1/}
Personal Services	19,974,000	28,986,600	29,902,900	30,502,700
Employee Related Expenditures	3,917,200	5,646,100	5,910,700	6,166,900
Professional and Outside Services	2,024,900	2,203,700	2,068,000	2,068,000
Travel - In State	183,900	185,500	203,500	203,500
Travel - Out of State	83,100	89,100	124,100	124,100
Other Operating Expenditures	4,391,700	5,364,600	5,732,500	5,749,500
Equipment	1,149,200	413,200	788,500	633,200
Operating Subtotal	31,724,000	42,888,800	44,730,200	45,447,900
State Grand Jury	158,200	155,800	156,800 ^{2/}	156,800 ^{2/}
Victims' Rights	3,010,700	3,097,700	3,108,800	3,128,500
Total	34,892,900	46,142,300	47,995,800 ^{3/4/5/6/}	48,733,200 ^{3/4/5/6/}
Additional Appropriations -				
Processing Criminal Cases; Statewide, Ch. 346	0	0	9,800	14,700
Total Appropriations	34,892,900	46,142,300	48,005,600 ^{7/}	48,747,900 ^{7/}
<u>Fund Summary</u>				
General Fund	24,415,300	24,905,600	25,409,500	25,902,800
Antitrust Revolving Fund	737,800	738,400	734,700	743,800
Collection Enforcement Revolving Fund	1,401,000	1,550,800	2,042,400	1,930,600
Consumer Fraud Revolving Fund	0	0	1,644,000	1,671,400
Interagency Service Agreements Fund	6,332,500	16,854,200	15,570,600	15,875,200
Victims' Rights Fund	2,006,300	2,093,300	2,604,400	2,624,100
Total Appropriations	34,892,900	46,142,300	48,005,600	48,747,900

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 Civil Rights Division enforces civil rights and provides consumer advocacy services. The Civil Division provides general legal services to state agencies, represents the state in lawsuits and other matters, and issues formal legal opinions. The Criminal Division investigates and prosecutes criminal cases, handles criminal appeals, assists county attorneys, and advises agencies on environmental enforcement. The Economic Security Division represents the state in juvenile dependency matters.*

Attorney General's Salary — The approved FY 2000 amount includes an increase of \$7,600 from the General Fund to annualize the salary increase for the Attorney General. With the exception of legislators, elected official

salaries are determined by the recommendation of the Governor and the Commission on Salaries for State Elected Officials. They recommended the Attorney

ATTORNEY GENERAL - DEPARTMENT OF LAW (Cont'd)

General's salary increase from \$76,400 to \$90,000 effective January 1, 1999.

Criminal Appeals — The approved FY 2000 amount includes an increase of 4 FTE Positions and \$381,200 from the General Fund for the Criminal Appeals Sections to address a backlog in death penalty cases. In FY 2001, this amount is reduced by \$(20,500) due to one-time equipment.

Economic Securities Division — The approved FY 2000 amount includes a reduction of (26) FTE Positions, \$(1,332,000) in Other Appropriated Fund monies and \$(193,700) in General Fund monies. These FTE Positions and corresponding monies are now displayed in the Department of Economic Security (DES) Attorney General Legal Services Special Line Item within the DES budget. Rather than employing interagency service agreements (ISA's), DES will directly fund the FTE Positions and their related costs. This policy is continued in FY 2001.

Consumer Fraud Revolving Fund — Consumer Fraud Revolving Fund monies are used for consumer education, investigation, and enforcement operations. The fund consists of monies from civil penalties imposed on violations of consumer fraud statutes plus recovery of attorney fees and court costs. The approved FY 2000 amount includes a base adjustment of \$1,644,000 and 31 FTE Positions to reflect the first-time appropriation of the Consumer Fraud Revolving Fund. This amount with some technical changes is continued in FY 2001.

Collection Enforcement Revolving Fund — The Collection Enforcement unit functions as a collection service for past due debts owed to state agencies, boards, or commissions. The unit returns collected monies to the client agency, except that the Collection Enforcement

Revolving Fund may retain up to 35% of the amounts collected to support the unit's operations. The approved FY 2000 amount includes an additional 8 FTE Positions and \$493,300 to increase the program's activity level. In FY 2001, this amount is reduced by \$(146,800) due to one-time equipment.

Rent Payment Re-allocation — The approved FY 2000 amount reflects a shift of \$260,500 in rent payment from Other Appropriated Funds to the General Fund. The shift in rent funding is due to the lack of information necessary to determine the appropriate rent amount to charge agencies with ISA's with the Attorney General. The rent payment shift is continued in FY 2001. In addition, the approved appropriation includes a new footnote that requires the Attorney General to report to the JLBC by October 1, 1999. The report shall include the dollar amount of each ISA for legal service, the number of FTE Positions supported by each agreement and the building where each agreement-supported FTE Position resides.

Computer Maintenance — The approved FY 2000 amount includes \$132,300 from the General Fund for annual maintenance costs related to computer hardware and software. The approved FY 2001 amount includes a further increase of \$6,900.

Replacement Equipment — The approved FY 2000 amount includes an increase of \$48,200 from the General Fund for replacement of 2 photocopy machines and 1 laser printer. The approved FY 2001 amount includes a further increase of \$12,000 for replacement of 4 additional photocopiers.

State Grand Jury — The approved FY 2000 amount includes \$156,800 from the General Fund for expenses incurred by the Attorney General to investigate and try

^{1/} Includes 8.8 FTE Positions funded from Special Line Items in FY 2000 and FY 2001.

^{2/} The \$156,800 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)

^{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 on behalf of the State of Arizona. The Attorney General shall not allocate or expend these monies until the Joint Legislative Budget Committee reviews the allocations or expenditures. This paragraph does not apply to actions under Title 13, Arizona Revised Statutes, or other criminal matters. (General Appropriation Act footnote)

^{4/} In addition to \$14,794,900 appropriated for FY 2000 and \$15,099,500 appropriated for FY 2001 from the Interagency Service Agreements Fund, an additional \$775,700 and 12 FTE Positions in FY 2000 and FY 2001 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 state employee pay increase)

^{5/} The Attorney General shall report by December 1, 1999 and by June 1, 2000 to the Joint Legislative Budget Committee on the number of FTE Positions actually used, the amount of collections and program expenditures, and other performance measures to demonstrate the changes to the Collection Enforcement Revolving Fund resulting from the additional FTE and expenditure authority. (General Appropriation Act footnote)

^{6/} The Office of the Attorney General shall report to the Joint Legislative Budget Committee by October 1, 1999 on the dollar amount of each interagency service agreement for legal services, the number of FTE Positions supported by each agreement and the building where each agreement-supported FTE Position resides. (General Appropriation Act footnote)

^{7/} General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

ATTORNEY GENERAL - DEPARTMENT OF LAW (Cont'd)

matters that are under the jurisdiction of the State Grand Jury. This amount is continued in FY 2001.

Victims' Rights — 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. The approved FY 2000 amount includes a reduction of \$(500,000) from the General Fund for the Victims' Rights program and a corresponding increase of \$500,000 from the Victims' Rights Fund. The approved amount does not change the overall level of funding for the Victims' Rights program but increases the level of funding from the Victims' Rights Fund due to that fund's large balance forward. The approved FY 2000 funding for the Victims' Rights program is \$3,108,800. Of this amount, \$504,400 is from the General Fund and \$2,604,400 is from the Victims' Rights Fund. This policy with technical funding changes is continued in FY 2001.

In addition, the approved FY 2000 appropriation includes an increase of 3.6 FTE Positions for the Attorney General's Office of Victim Services. The additional 3.6 FTE Positions are to be used to convert temporary positions to permanent status. No additional funding was added, as the monies for the new FTE Positions are already included in the existing base budget. The additional FTE Positions are continued in FY 2001.

Additional Appropriations: Processing Criminal Cases; Statewide (Chapter 346) — The legislation appropriates \$9,800 in FY 2000 and \$14,700 in FY 2001 from the General Fund to the Office of the Attorney General for the purpose of improving criminal case processing. The legislation also requires the Supreme Court and the Court of Appeals to transmit 5% of all monies collected by the courts, except monies collected pursuant to A.R.S. § 16-594C, child support, restitution or exonerated bonds, to the State Treasurer. The State Treasurer shall allocate the monies to the Attorney General, the Supreme Court and the Arizona Criminal Justice Commission (ACJC) for the processing of criminal cases. The Attorney General shall receive 0.49% of these monies. In FY 1998, the Supreme Court and the Court of Appeals collected approximately \$4,098,800. Based on FY 1998 collections, the Attorney General would receive approximately \$1,000. (*See Table 3 in the ACJC section of this report for the distribution of monies from the portion of Supreme Court and Court of Appeals collections allocated by this bill for criminal case processing.*) The remaining 95% of Supreme Court and Court of Appeals collections are statutorily deposited in the State General Fund, the Elected Officials' Retirement Plan Fund, and the Judicial Collection Enhancement Fund (JCEF).

The legislation also requires the Superior Court, including the Clerk of the Court, and the Justice Courts in each county, to transmit 5% of all monies collected by the courts, except monies collected pursuant to A.R.S. § 16-594C, child support, restitution or exonerated bonds, to the County Treasurer. The County Treasurer shall distribute the monies to the Office of the Attorney General, the County Attorney, the County Public Defenders Office and the local courts for the processing of criminal cases. The Attorney General shall receive 0.49% of these monies. In FY 1998, the Superior Court and the Justice Courts collected approximately \$81,759,700. Based on FY 1998 collections, the Attorney General would receive approximately \$20,000. Receipt of Superior Court and Justice Court collections by the Attorney General is contingent on court revenues exceeding FY 1998 collections. (*See Table 4 in the ACJC section of this report for the distribution of monies from the portion of Superior Court and Justice Courts collections allocated by this bill for criminal case processing.*) The remaining 95% of Superior Court collections are statutorily deposited in various state and county funds including the Elected Officials' Retirement Plan Fund and the County General Fund. The remaining 95% of Justice Court collections are statutorily deposited in the County General Fund, JCEF and the Alternative Dispute Resolution Fund.

In addition, the legislation creates a new 7% penalty assessment on fines, penalties and forfeitures imposed by the courts for criminal offenses and civil motor vehicle violations. The monies collected pursuant to the new assessment shall be transmitted to the State Treasurer. The State Treasurer shall distribute the monies to the Attorney General, the Supreme Court and ACJC. The Attorney General shall receive 0.35% of these monies. The Administrative Office of the Courts (AOC) projects the new 7% penalty assessment will annually generate approximately \$4,200,000. The estimated FY 2000 revenues are \$3,500,000 due to a delayed effective date for the new assessment. Based on the AOC's projections for the new assessment and the delayed effective date, the Attorney General would receive approximately \$12,300 in FY 2000 and \$14,700 each year thereafter. (*See Table 5 in the ACJC section of this report for a summary of all penalty assessments on criminal offenses and civil motor vehicle violations.*)

The estimated total level of funding available to the Attorney General for the purpose of improving criminal case processing is \$43,100 in FY 2000 and \$50,400 in FY 2001. All monies, except General Fund monies, received by the Office of the Attorney General pursuant to this legislation are not subject to legislative appropriation. (*See Table 1 for a summary of the revenues allocated to the Attorney General from Laws 1999, Chapter 346.*)

ATTORNEY GENERAL - DEPARTMENT OF LAW (Cont'd)

The bill as originally passed also included a General Fund appropriation of \$14,700 to the Office of the Attorney General in each of FY 2002 through FY 2006. The FY 2002 through FY 2006 appropriations, however, were line item vetoed by the Governor.

Excess Balance Transfers: Collection Enforcement Revolving Fund — Laws 1999, Chapter 6, 1st Special Session transfers \$800,000 from the Collection Enforcement Revolving Fund to the General Fund in FY 1999. The monies in the fund are from collection of debts owed the state. Statutorily, the Office of the Attorney General may keep 35% of monies collected to cover the collection enforcement unit's operating costs. The FY 1998 ending fund balance was \$2,087,800.

In addition, Laws 1999, Chapter 6, 1st Special Session also transfers \$1,264,100 in FY 1999, \$2,000,000 in FY 2000, and \$1,668,500 in FY 2001 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 cases and to meet new case processing time lines associated with the Model Court program. The monies are being transferred to the Federal Fund account to enable the Attorney General to receive a 50% federal match. The transferred monies, along with any federal monies received, will be used to hire 46 attorneys, 14 legal assistants and 32 support staff positions for a limited period of 2 years to address an estimated 6,000 pending child abuse cases. Transferred monies remaining in the Federal Funds account shall revert to the General Fund at the end of FY 2001.

Table 1		
Summary of Revenues Allocated to the Attorney General from Laws 1999, Chapter 346		
<u>Source of Revenue</u>	<u>FY 2000</u>	<u>FY 2001</u>
General Fund	\$ 9,800	\$ 14,700
New 7% Penalty Assessment ^{1/}	12,300	14,700
Supreme Court & Court of Appeals Collections ^{1/}	1,000	1,000
Superior Court and Justice Courts Collections ^{1/}	<u>20,000</u>	<u>20,000</u>
TOTAL	\$43,100	\$50,400

^{1/} Estimates based on FY 1998 data. The revenues from the new penalty assessment are lower in FY 2000 than FY 2001 due to a delayed effective date of 9/1/99 for the new assessment.

ATTORNEY GENERAL - DEPARTMENT OF LAW (Cont'd)

The following table displays the individual agency ISA expenditure amounts for FY 1999. The FY 2000 and FY 2001 ISA's have not been negotiated 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>FY 1999 Actuals</u>	
	<u>FTE Positions</u>	<u>Expenditures</u>
<u>Civil Division</u>		
Accountancy Board	4.0	\$182,700
Administration, Dept of:		
Risk Management/Workers Compensation	107.7	6,288,900
Personnel	0.9	50,000
Appraisal Board	0.5	25,000
Banking Dept	0.5	55,900
Community Colleges	N/A	25,000
Corrections, Dept of (DOC):		
Legal Staff	2.0	110,000
Employee Relations	0.5	38,500
Cosmetology Board	0.6	41,000
Dental Examiners Board	1.0	58,800
Disease Control Research Commission	0.5	13,000
Education, Dept of	0.8	36,300
Emergency & Military Affairs, Dept of - Clifton	N/A	87,700
Exposition and State Fair Board	1.0	34,600
Gaming, Dept of	3.0	202,100
Health Services, Dept of:		
Legal Services	10.0	505,200
Sexually Violent Persons	1.4	30,000
Insurance, Dept of	0.3	15,000
Land Dept	3.0	201,100
Lottery	1.0	70,000
Medical Examiners Board	5.5	301,100
Nursing Board	1.7	103,500
Public Safety, Dept of:		
ALEOAC	0.8	64,200
Legal Services	1.0	86,400
Real Estate Dept	0.5	74,000
Retirement	2.0	162,100
School Facilities Board	1.2	29,400
Technical Registration Board	0.5	26,000
Transportation, Dept of:		
Transportation Section	29.0	1,818,200
Tax	2.3	118,100
Veterans' Service Commission	0.5	13,000
Civil Division Subtotal	183.7	\$10,866,800
<u>Civil Rights Division</u>		
CPA/ATU Mediation	0.1	\$5,500
Globe Truancy	0.2	2,400
Havasu Truancy	0.0	1,000
Medical Examiners Board	0.1	2,500
Payson Truancy	0.0	200
Peer Mediation Training	0.2	6,500
Pima Juvenile Court	0.4	10,000
Pinal Gang Program	0.6	16,300

ATTORNEY GENERAL - DEPARTMENT OF LAW (Cont'd)

<u>Client Agency</u>	<u>FTE Positions</u>	<u>Expenditures</u>
Pinal Justice Court Mediation	0.6	16,300
Pinal Juvenile Court	0.3	10,000
Registrar of Contractors	0.2	4,400
Structural Pest Control	0.1	2,500
Volunteer Education/Training	0.2	5,700
Yavapai Mayer Justice Court	0.2	5,500
Yavapai Juvenile Court	0.1	1,700
Yuma Mediation	0.4	10,000
Yuma Superior Court	0.3	7,500
Yuma Truancy	<u>1.0</u>	<u>26,600</u>
Civil Rights Division Subtotal	5.0	\$134,600
 <u>Criminal Division</u>		
Agriculture, Dept of	1.0	\$62,000
State Compensation Fund	1.0	57,900
Environmental Quality, Dept of:		
UST	2.0	114,000
WQARF	14.0	800,000
All Others	5.0	313,300
Game & Fish Dept	N/A	2,200
Governor's Office - Law Enforcement	1.0	106,400
Insurance, Dept of	2.0	130,000
Revenue, Dept of - Tax Enforcement	<u>2.0</u>	<u>145,000</u>
Criminal Division Subtotal	28.0	\$1,730,800
 <u>Economic Security Division</u>		
Economic Security, Dept of:		
Child Care Administration	2.0	\$119,500
Child/Family Services	1.0	67,500
Cost Recovery	N/A	38,500
DDD Legal Staff	0.5	26,500
Guardianship	2.0	96,700
Severance	20.5	953,400
V DHHS	<u>N/A</u>	<u>10,000</u>
Economic Security Division Subtotal	26.0	\$1,312,100
 Total Actual Expenditures	 242.7	 \$14,044,300
 Contingency Expenditure Authority	 12.0	 \$775,700
FY 1999 Appropriation (Includes Contingency Amount)	258.9	\$16,854,200