

Representative Cameron Henry
Chairman



Representative Franklin Foil
Vice Chairman

FY17-18 Executive Budget Review Department of Justice

House Committee on Appropriations
Prepared by the House Fiscal Division

March 29, 2017

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DEPARTMENT ORGANIZATION

Article IV, Section 8 of the Constitution of Louisiana

There shall be a Department of Justice, headed by the attorney general, who shall be the chief legal officer of the state...

As necessary for the assertion or protection of any right or interest of the state, the attorney general shall have authority (1) to institute, prosecute, or intervene in any civil action or proceeding; (2) upon the written request of a district attorney, to advise and assist in the prosecution of any criminal case; and (3) for cause, when authorized by the court which would have original jurisdiction and subject to judicial review, (a) to institute, prosecute, or intervene in any criminal action or proceeding, or (b) to supersede any attorney representing the state in any civil or criminal action.

Article X, Section 2

The unclassified civil service shall include employees, deputies, and officers of the office of the attorney general.

DEPARTMENT FUNCTIONS

Administrative \$6.1 Million

Contains the Executive Office and Administrative Services. Includes the collections section, which collects defaulted student loans and assists 11 boards, agencies, and commissions on collections.

Civil Law \$28.2 Million

Contains the Civil Division and the Public Protection Division. Includes attorneys assigned to various state departments, defense of state agencies in civil claims, writing legal opinions, and enforcement of the Tobacco Master Settlement agreement.

Criminal Law and Medicaid Fraud \$17.3 Million

Conducts or assists in criminal prosecutions; provides legal services; operates White Collar Crimes Section, Violent Crime and Drug Unit, Medicaid Fraud Control Unit, High Tech Crimes Unit, the Investigations Section, and the Sexual Predator Apprehension Team.

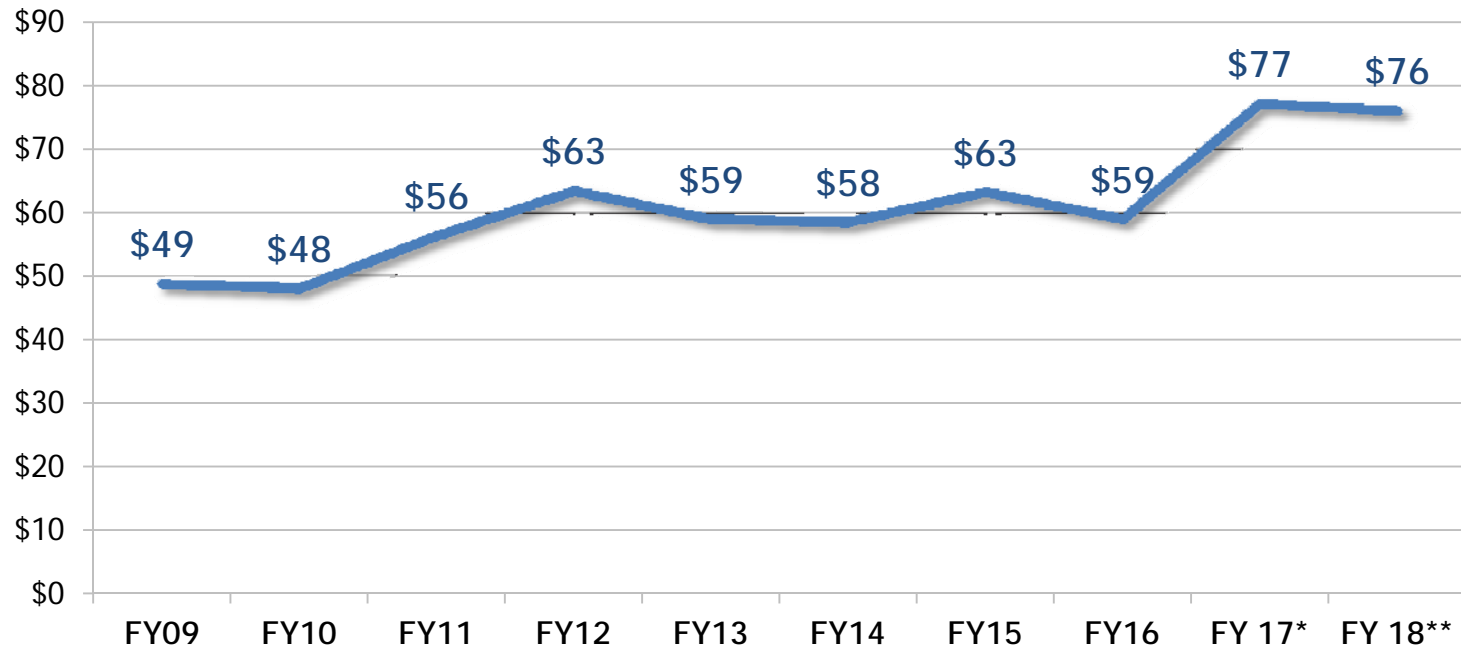
Risk Litigation \$18 Million

Provides legal representation for the state in civil rights, general liability, medical malpractice, road hazards, workers' compensation, and representation of the judicial branch. Funding comes from Interagency Transfers from the Office of Risk Management.

Gaming \$6.3 Million

Provides representation to the La. Gaming Control Board, the La. Lottery Corporation, the State Racing Commission, state police and the Dept. of Revenue. Funding is from statutory dedications, interagency transfers, and fees.

BUDGET HISTORY (IN MILLIONS)



Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/16
**Governor's Executive Budget Recommendation

MAJOR SOURCES OF REVENUE

Self Generated Revenue

- \$6.6 million is in the Civil Law Program from consumer/antitrust settlements, Unfair Trade Practices Act penalties, and fees charged for legal services for quasi-state agencies.
- \$112K is from participation in the US Dept. of Justice Federal Forfeiture Program.
- \$112K is from the LA Lottery Commission.

Statutory Dedications

- \$1.6 Million is from the Dept. of Justice Legal Support Fund and \$2.5 million is from the Debt Collection Fund, which receive a portion of proceeds from lawsuits and collections.
- \$5.9 million is from funds received from gaming and is used for the Gaming Program.
- \$1.8 Million is from funds related to enforcement of the Tobacco Master Settlement Agreement.
- \$1.4 Million is from a fund for Medicaid Fraud detection.

Interagency Transfers

- \$18.1 Million is from the Office of Risk Management for the Risk Litigation Program.
- \$10.2 Million is for the Civil Law Program from various state agencies for legal services and from the LA Commission on Law Enforcement for safe schools and domestic violence training.
- \$1.2 Million is for the Criminal Law and Medicaid Fraud and Gaming Programs from various state agencies for investigative and legal services.

Federal Funding

- \$7.8 Million is from the US Medicaid Fraud Unit and the US Dept. of Justice.
- \$683K is from the US Dept. of Housing and Urban Development for administration of the Louisiana open housing law.

MEANS OF FINANCE BREAKDOWN

Means of Financing	FY 15-16 Prior Year Actual Expenditures	FY 16-17 Existing Operating Budget 12/1/16	FY 17-18 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
State General Fund	\$7,639,590	\$6,818,770	\$16,389,128	\$9,570,358	140.4%
Interagency Transfers	\$19,559,775	\$30,754,269	\$29,426,402	(\$1,327,867)	(4.3%)
Fees and Self-Gen Rev .	\$10,990,541	\$6,923,722	\$6,816,714	(\$107,008)	(1.5%)
Statutory Dedications	\$16,662,508	\$23,860,595	\$14,913,193	(\$8,947,402)	(37.5%)
Federal Funds	\$4,067,921	\$8,758,759	\$8,482,899	(\$275,860)	(3.1%)
Total Means of Finance	\$58,920,335	\$77,116,115	\$76,028,336	(\$1,087,779)	(1.4%)
State Effort	\$35,292,639	\$37,603,087	\$38,119,035	\$515,948	1.4%

The primary change from FY 16-17 Existing Operating Budget to the FY 17-18 Executive Budget Recommendation is a \$6.6 Million increase in the State General Fund (Direct) to replace a decrease in the forecast for the Dept. of Justice Legal Support Fund.

MEANS OF FINANCE BREAKDOWN - AFTER DEFICITS

Means of Financing	FY 15-16 Prior Year Actual Expenditures	FY 16-17 Existing Operating Budget 3/1/17	FY 17-18 Executive Budget Recommendation	\$ Change from Existing 3/1/17	% Change from Existing 3/1/17
State General Fund	\$7,639,590	\$6,818,770	\$16,389,128	\$9,570,358	140.4%
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Fees and Self-Gen Rev.	\$10,990,541	\$6,923,722	\$6,816,714	(\$107,008)	(1.5%)
Statutory Dedications	\$16,662,508	\$21,916,065	\$14,913,193	(\$7,002,872)	(32.0%)
Federal Funds	\$4,067,921	\$8,758,759	\$8,482,899	(\$275,860)	(3.1%)
Total Means of Finance	\$58,920,335	\$75,171,585	\$76,028,336	\$856,751	1.1%
State Effort	\$35,292,639	\$35,658,557	\$38,119,035	\$2,460,478	6.9%

1st Deficit - \$0

2nd Deficit - **(\$1.9 M)**

- \$1.1M from Louisiana Fund and \$450K from Dept. of Justice Legal Support Fund for professional services
- \$276K from gaming funds, 66% for salaries and related benefits, 21% professional services, 13% operating expenses
- \$117K Criminal Program funds for other charges - operating services

These comparisons are to the Existing Operating Budget at March 1, 2017 which includes all adjustments since December 1, 2016 including the two mid-year deficit reductions.

SIGNIFICANT ADJUSTMENTS



\$6.6M

SGF
Stat Ded


Increase in State General Fund to replace a decrease in the Revenue Estimating Conference's forecasted amount for the Statutory Dedication Department of Justice Legal Support Fund.



\$2.9M

SGF

Increase for statewide adjustments including \$2.8 Million for personnel services adjustments.



\$334K

SGF

The governor recommended a \$334,000 State General Fund reduction to balance the FY18 budget.



\$1.1 Million

IAT

Reduction in Interagency Transfers for \$1.1 Million of expenditure authority carried forward from the prior year.

SIGNIFICANT ADJUSTMENTS




\$1.1 Million
Stat Ded

Reduction out of the Louisiana Fund based on historical actual expenditures.



\$382K
Stat Ded and
Federal

Increase in the Criminal Law and Medicaid Fraud Program from the Medical Assistance Programs Fraud Detection Fund and 75% Federal Match.



19 Positions

18 positions in the Civil Law Program and 1 position in the Criminal Law and Medicaid Fraud Program eliminated from unfunded vacant positions.

EXPENDITURE BREAKDOWN

Expenditure	FY 15-16 Prior Year Actual Expenditures	FY 16-17 Existing Operating Budget	FY 17-18 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
Salaries	\$26,671,401	\$25,284,628	\$26,328,157	\$1,043,529	4.1%
Other Compensation	\$2,670,660	\$2,368,781	\$2,354,735	(\$14,046)	(0.6%)
Related Benefits	\$13,298,630	\$12,400,555	\$14,145,805	\$1,745,250	14.1%
Travel	\$487,509	\$1,111,450	\$1,102,871	(\$8,579)	(0.8%)
Operating Services	\$1,698,684	\$1,872,544	\$1,903,439	\$30,895	1.6%
Supplies	\$406,025	\$715,687	\$719,655	\$3,968	0.6%
Professional Services	\$5,040,436	\$8,267,880	\$5,908,169	(\$2,359,711)	(28.5%)
Other Charges	\$7,783,694	\$23,109,304	\$22,658,699	(\$450,605)	(1.9%)
Acq/Major Repairs	\$863,296	\$1,985,286	\$906,806	(\$1,078,480)	(54.3%)
Unallotted				\$0	0.0%
Total Expenditures	\$58,920,335	\$77,116,115	\$76,028,336	(\$1,087,779)	(1.4%)
Authorized Positions	479	489	470	(19)	(3.9%)

SIGNIFICANT EXPENDITURE CHANGES

Salaries \$1 Million Increase

- 4% increase overall from Existing Operating Budget while 19 vacant positions are eliminated.

Related Benefits \$1.7 Million Increase

- Represents a 14% increase from Existing Operating Budget. Related Benefits increase as a percentage of salary expenditures from 49% to 53%.

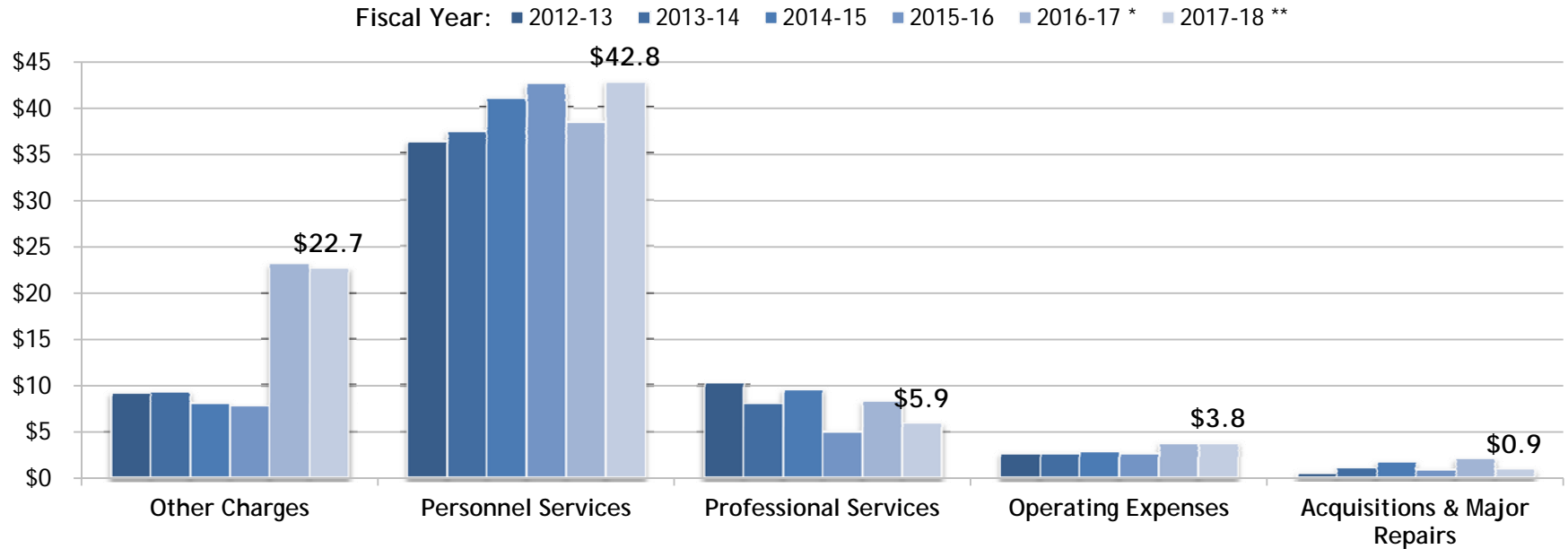
Professional Services (\$2.4 Million) Decrease

- Major changes were \$1.1 Million from expenditures funded out of the Louisiana Fund which was also reduced as part of Deficit No. 2. \$1.1 Million was carried forward from the prior fiscal year to the current year.

Acquisition/Major Repairs (\$1 Million) Decrease

- Includes \$675K carried forward from the prior fiscal year.

EXPENDITURE HISTORY



Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/16

**Governor's Executive Budget Recommendation

OTHER CHARGES

AMOUNT	DESCRIPTION
\$ 5 Million	Interagency Transfers, including rent in state-owned buildings and fees for telecommunications management, technology services, risk management, security, state procurement, and the legislative auditor
\$ 6.3 Million	Depositions, court reports, witnesses, and court costs. \$5.8 Million of the total in the Civil Law Program
\$ 3.3 Million	Consumer Enforcement Fund expenses
\$ 2 Million	Deepwater Horizon litigation expenses
\$ 2.3 Million	Grants in the Criminal Law and Medicaid Fraud Program, including \$ 500K in STAR Grant – Criminal Justice Improvement for Sexual Assault Cases and \$ 1.8 Million for High Tech Internet Crimes Against Children and other grants
\$ 1.6 Million	Civil Law Program Expenditures, including \$518K for Chinese Drywall; \$250K for services for nonprofit hospitals; \$250 K for services to the Division of Administration related to 8(g) boundaries; \$142K for School Safety, Domestic Violence and Udrink Udrive Uwalk grant promotions supplies, acquisitions; \$198K for HUD program; \$134K for LDH ombudsman; \$125K for CNSI
\$ 826 Thousand	Complex Litigation Unit Expenses
\$ 765 Thousand	Distribution to sheriffs of monies in the Sex Offender Registry Technology Fund
\$433 Thousand	Medicaid Fraud Control Unit Expenses

Source: Executive Budget Supporting Documents

DISCRETIONARY/NON-DISCRETIONARY FUNDING

TOTAL BUDGET

\$ 76 Million

\$29.4 Million IAT
Double Count

\$46.6
Million
Remaining

Self Generated
Revenue
\$6.8 Million

Statutory
Dedications
\$14.9 Million

Federal Funds
\$ 8.5 Million

State General Fund
\$16.4 Million

Non Discretionary
\$ 886 Thousand

Constitutional Mandates
\$ 163 Thousand

Rent in State Buildings
\$ 424 Thousand

Retirees Group Insurance
\$251 Thousand

Legislative Auditor Fees
\$48 Thousand

Discretionary
\$ 15.5 Million

Administrative Program
\$ 1.8 Million

Civil Law Program
\$ 8.8 Million

Criminal Law and Medicaid
Fraud Program
\$ 4.9 Million

Risk Litigation and Gaming
Programs
\$ 0

Source: Office of Planning and Budget

PERSONNEL INFORMATION

Personnel/Budget Ratio

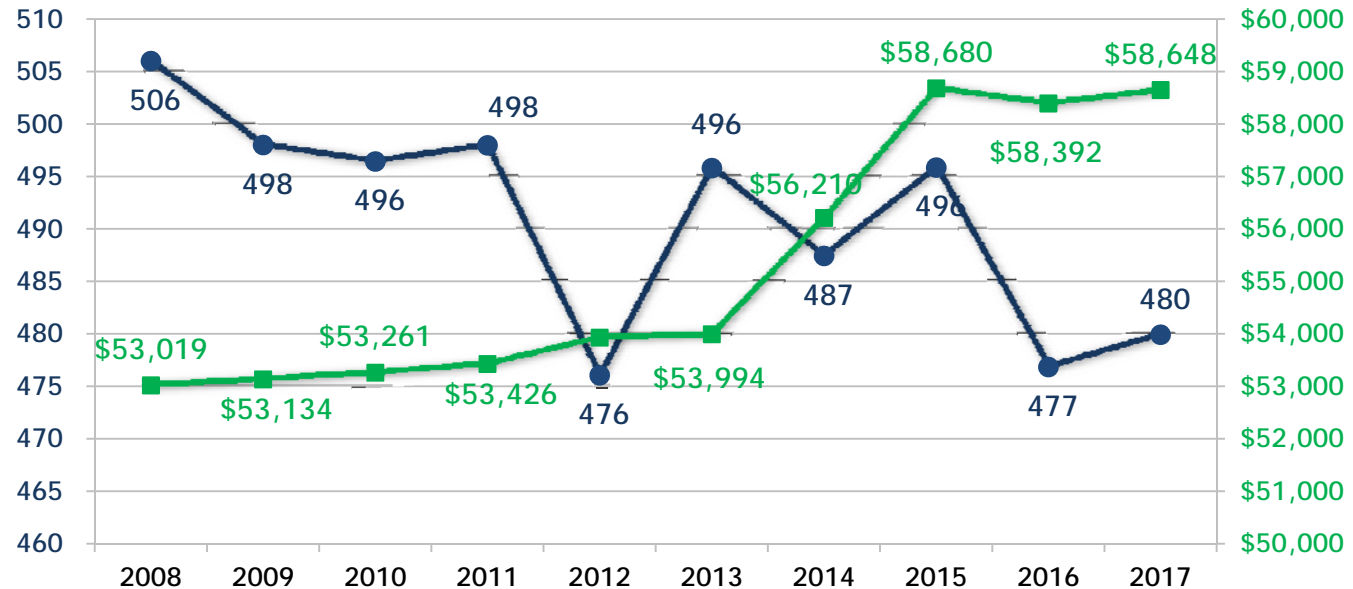
\$28.7 M Salaries and Other Comp.
+ \$14.1 M Related Benefits
= \$42.8 M Total Personnel Services

*80% of budget expenditures
(excluding Other Charges)*

Authorized Positions

- 470 unclassified
- JUSTICE had 46 vacancies as of 1/27/2017
- 19 positions are eliminated in executive budget recommendation
- 1 Other Charges Positions
- 46 Non-TO Full Time Equivalent Positions

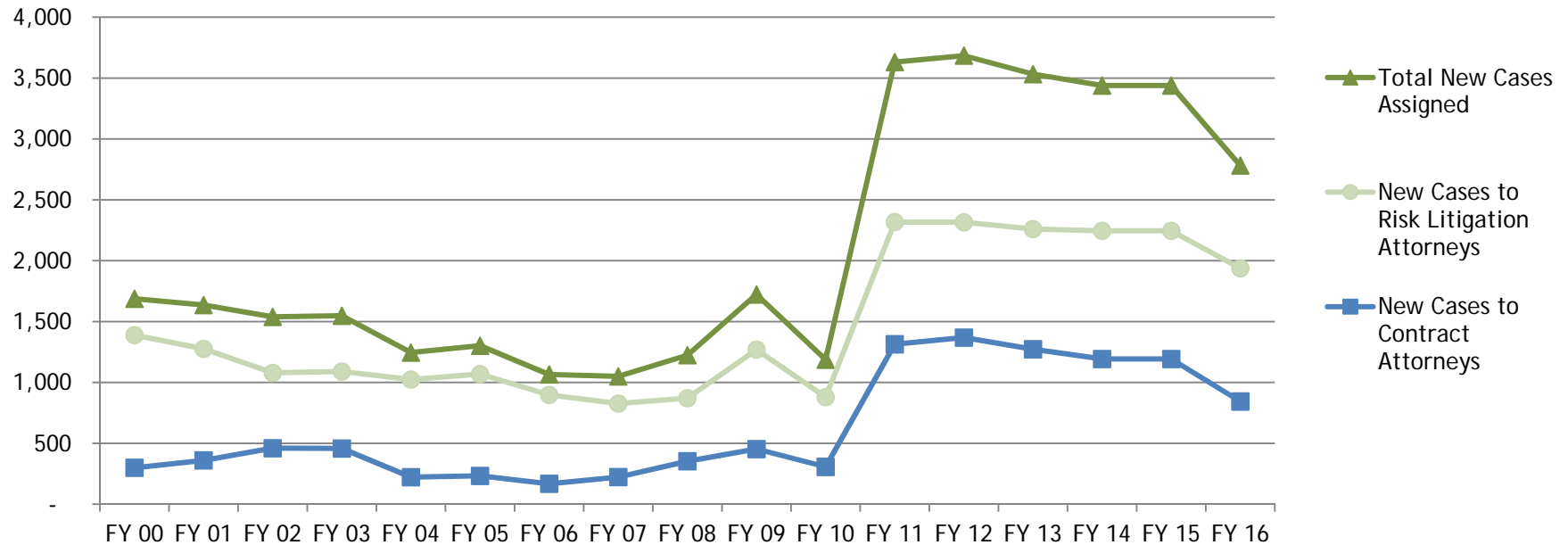
10 Year FTE Positions/Avg Salary



Source: FTE and Average Salary data provided by the Dept. of Civil Service

PERFORMANCE INFORMATION

Office of Risk Litigation New Cases



Source: Executive Budget Supporting Document

PERFORMANCE INFORMATION

Over the last five years the Medicaid Fraud Control Unit has:

- Received more than 7,500 complaints of abuse and fraud, resulting in approximately 300 new cases per year, resulting in approximately 100 arrests and 90 convictions per year, or 1.7 convictions per staff member per year.
- Averaged recoveries of \$125 Million per year, or \$2.35 Million in recoveries per staff member per year.

Source: BA-7 Submitted September 29, 2016

DEPARTMENT CONTACTS

	Name	POSITION	Contact
	Honorable Jeff Landry	Attorney General	225.326.6705
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	Bill Stiles	Chief Deputy Attorney General	225.326.6705