

Representative Cameron Henry
Chairman



Representative Franklin Foil
Vice Chairman

FY18-19 Executive Budget Review Department of Justice

House Committee on Appropriations
Prepared by the House Fiscal Division

March 19, 2018

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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 \$7.9 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 \$20.7 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 \$15.2 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.

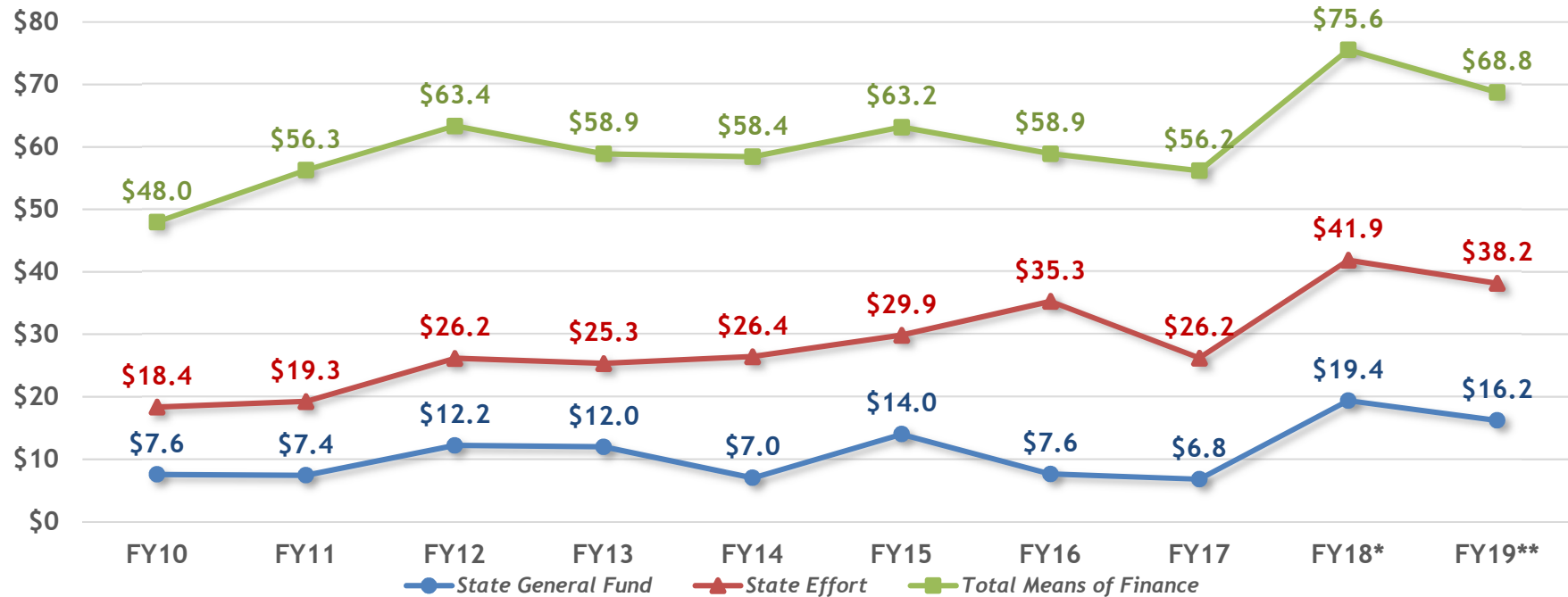
Risk Litigation \$18.4 Million

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 \$6.6 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 12/1/17

**Executive Budget Recommendation

MAJOR SOURCES OF FUNDING

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

- \$18.4 Million is from the Office of Risk Management for the Risk Litigation Program.
- \$4 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.
- \$1.1 Million is for the Criminal Law and Medicaid Fraud and Gaming Programs from various state agencies for investigative and legal services.

Federal Funding

- \$6.5 Million is from the US Medicaid Fraud Unit and the US Dept. of Justice.
- \$601K is from the US Dept. of Housing and Urban Development for administration of the Louisiana open housing law.

FUNDING OVERVIEW

Means of Financing	FY 16-17 Prior Year Actual Expenditures	FY 17-18 Existing Operating Budget	FY 18-19 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
State General Fund	\$6,813,770	\$19,387,540	\$16,210,485	(\$3,177,055)	(16.4%)
Interagency Transfers	\$24,287,009	\$26,167,329	\$23,500,587	(\$2,666,742)	(10.2%)
Fees and Self-Gen Rev	\$4,294,420	\$6,866,714	\$6,816,714	(\$50,000)	(0.7%)
Statutory Dedications	\$15,114,346	\$15,618,642	\$15,154,405	(\$464,237)	(3.0%)
Federal Funds	\$5,699,017	\$7,515,430	\$7,075,021	(\$440,409)	(5.9%)
Total Means of Finance	\$56,208,562	\$75,555,655	\$68,757,212	(\$6,798,443)	(9.0%)



\$3.2M SGF

Decrease includes nonrecurring a \$2.6M legislative appropriation and 5% SGF reduction in Civil Law Program.



\$2.7M Interagency Transfers

Decrease includes \$2M reduction due to projections for Civil Law Program and \$700K of nonrecurring carryforwards.



\$464 Thousand Statutory Dedications

Decrease Legal Support Fund and Debt Collection Fund due to funds carried forward from FY 17 to FY 18 and increase funding out of Riverboat Gaming Control Fund.



\$440 Thousand Federal Funds

Decrease due to funds carried forward from FY17 to FY 18 and funds used for acquisitions.

SIGNIFICANT FUNDING CHANGES

AMOUNT	MOF	DESCRIPTION
(\$2,632,514)	SGF	Reduces funding in the Civil Law Program for general operating expenses added by legislative amendment in FY 2018.
(\$2,029,124)	IAT	Reduces excess budget authority for the Civil Law Program based on actual and projected receipts from other agencies.
(\$1,498,907)	SGF IAT FSGR SD FED	Reduces funding for obligations for professional service contracts and acquisitions from FY 2016-17 carried forward to FY 2017-18.
(\$869,649)	SGF	5% reduction in SGF appropriation for the Civil Law Program to help balance the state budget.
\$289,358	SD	15% increase in funding to the Gaming Program out of Riverboat Gaming Enforcement Fund.

EXPENDITURE CHANGE OVERVIEW

Expenditure	FY 16-17 Prior Year Actual Expenditures	FY 17-18 Existing Operating Budget	FY 18-19 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
Salaries	\$26,944,858	\$28,878,156	\$28,093,780	(\$784,376)	(2.7%)
Other Compensation	\$1,870,447	\$2,281,689	\$2,281,689	\$0	0.0%
Related Benefits	\$13,762,528	\$15,332,121	\$15,159,597	(\$172,524)	(1.1%)
Travel	\$643,070	\$1,200,056	\$1,197,056	(\$3,000)	(0.2%)
Operating Services	\$1,601,903	\$1,901,408	\$1,900,958	(\$450)	(0.0%)
Supplies	\$508,522	\$769,635	\$762,173	(\$7,462)	(1.0%)
Professional Services	\$2,390,476	\$7,056,790	\$5,018,292	(\$2,038,498)	(28.9%)
Other Charges	\$7,306,798	\$16,266,133	\$13,366,473	(\$2,899,660)	(17.8%)
Acq/Major Repairs	\$1,179,960	\$1,869,667	\$977,194	(\$892,473)	(47.7%)
Total Expenditures	\$56,208,562	\$75,555,655	\$68,757,212	(\$6,798,443)	(9.0%)
Authorized Positions	489	483	482	(1)	(0.2%)

SIGNIFICANT EXPENDITURE CHANGES

Salaries and Related Benefits (\$956,900)

- Annualization of a 2% increase for unclassified positions is offset by a decrease in funding due to the elimination of one position and attrition.

Professional Services (\$2,038,498)

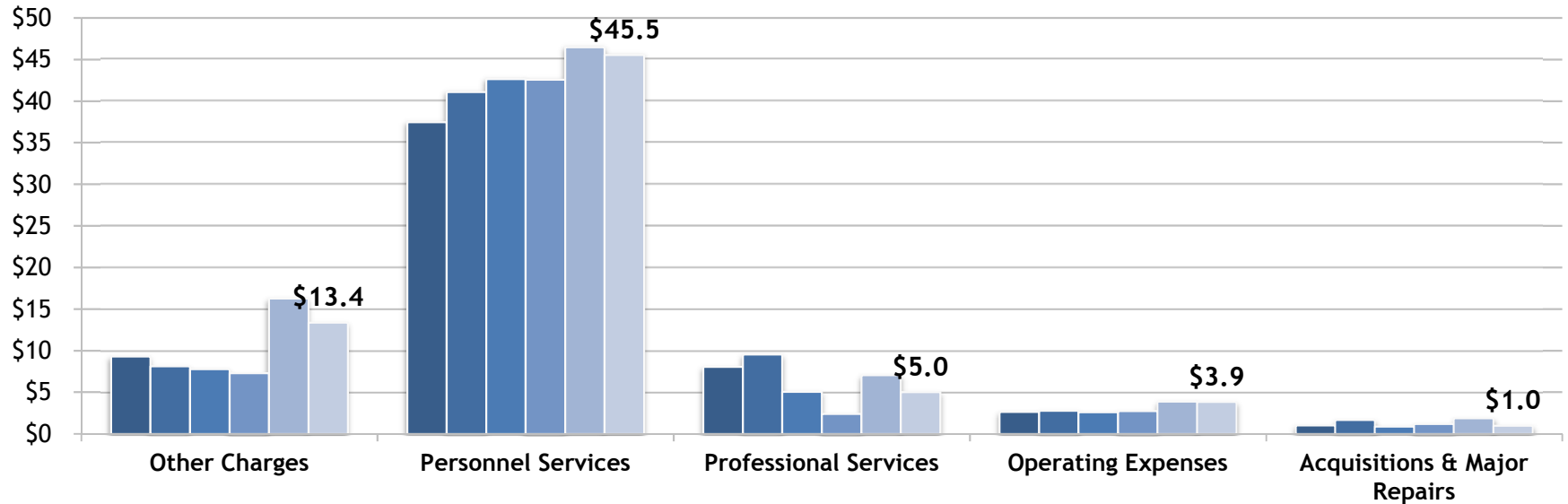
- Reduction is primarily in the Civil Law Program for contract legal services including expert witnesses.

Other Charges (\$2,899,660)

- Reduction is primarily in the Civil Law Program for funding for court-related expenses.

EXPENDITURE HISTORY

Fiscal Year: ■ 2013-14 ■ 2014-15 ■ 2015-16 ■ 2016-17 ■ 2017-18 EOB* ■ 2018-19 REC**



Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/17

**Executive Budget Recommendation

OTHER CHARGES

AMOUNT	DESCRIPTION
\$5,155,297	Interagency Transfers, including rent in state-owned buildings and fees for telecommunications management, technology services, risk management, security, state procurement, and the legislative auditor
\$4,133,940	Consumer Enforcement Fund expenses
\$1,627,661	\$212K for School Safety, Domestic Violence and Udrink Udrive Uwalk grant promotions supplies, acquisitions; \$694K for HUD program; \$456K for LDH ombudsman; \$250K for non-profit hospitals; \$15K for Tobacco Control Special Fund
\$871,770	Depositions, court reports, witnesses, and court costs. \$453 Thousand of the total in the Civil Law Program
\$677,781	Distribution to sheriffs of monies in the Sex Offender Registry Technology Fund
\$424,452	Medicaid Fraud Control Unit Expenses
\$389,114	Grants in High Tech and Internet Crimes Against Children
\$86,458	Federal Forfeiture, Equitable Sharing, Intellectual Property, and Pretrial Intervention
\$13,366,473	TOTAL OTHER CHARGES

Source: Executive Budget Supporting Documents

DISCRETIONARY/NON-DISCRETIONARY FUNDING

TOTAL BUDGET

\$ 68.8 Million

\$23.5 Million IAT
Double Count

\$45.3
Million
Remaining

Self Generated
Revenue
\$ 6.8 Million

Statutory
Dedications
\$15.2 Million

Federal Funds
\$ 7.1 Million

State General Fund
\$16.2 Million

Non Discretionary
\$ 1.3 Million

Constitutional Mandates
\$ 164 Thousand

Rent in State Buildings
\$ 407 Thousand

Retirees Group Insurance
\$ 708 Thousand

Legislative Auditor Fees
\$ 67 Thousand

Discretionary
\$ 14.9 Million

Administrative Program
\$ 2.5 Million

Civil Law Program
\$ 7.6 Million

Criminal Law and Medicaid
Fraud Program
\$ 4.8 Million

Risk Litigation and Gaming
Programs \$ 0

Source: Office of Planning and Budget

PERSONNEL INFORMATION

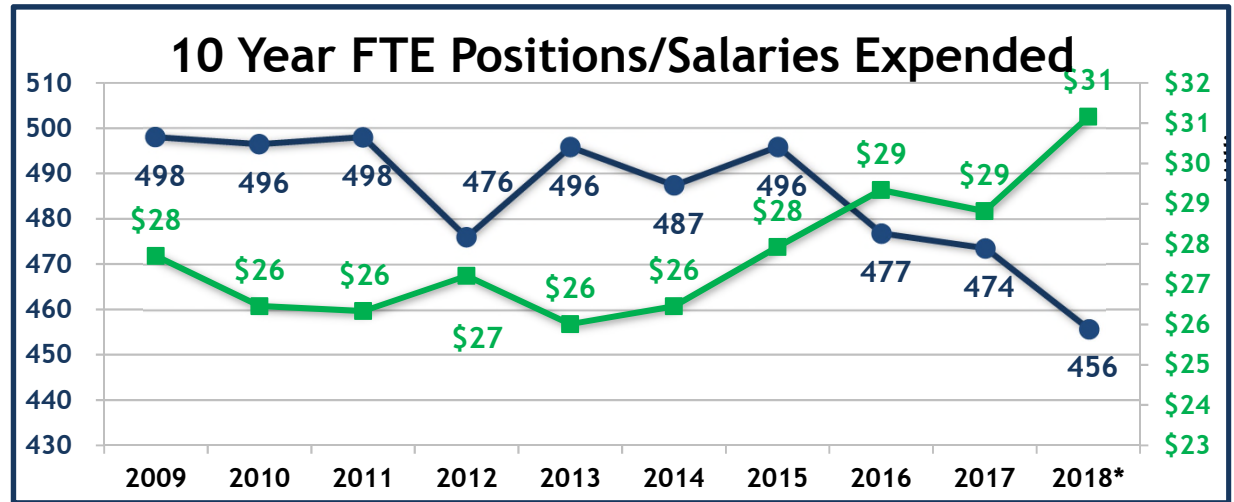
Personnel/Budget Ratio

\$30M Salaries and Other Comp.
+ \$15M Related Benefits
= \$45M Total Personnel Services

82% of budget expenditures
(excluding Other Charges)

Authorized Positions

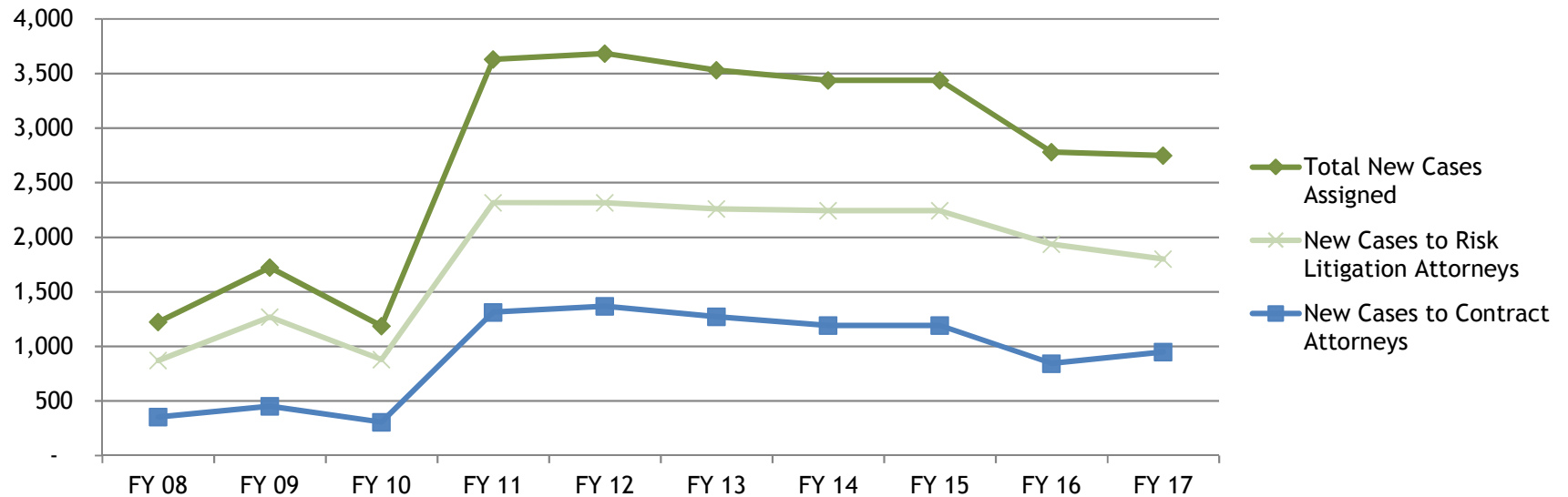
- 482 (all unclassified)
- JUSTICE had 45 vacancies as of 12/25/2017
- 1 Other Charges Positions



Source: FTE and Average Salary data provided by the Dept. of Civil Service
* EOB as of 12/1/17

PERFORMANCE INFORMATION

10 Year 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 10,000 complaints of abuse and fraud, resulting in approximately 450 new cases per year, resulting in approximately 110 arrests and 95 convictions per year. Currently, the Unit has more than 590 cases open.
- Averaged recoveries of \$93.5 Million per year, or \$1.6 Million in recoveries per staff member per year.

Source: Office of the Attorney General, Feb. 2018

DEPARTMENT CONTACTS

	Name	POSITION	Contact
	Honorable Jeff Landry	Attorney General	225.326.6705
	Lynnel Ruckert	Chief of Staff	225.326.6705
	Bill Stiles	Chief Deputy Attorney General	225.326.6705