

Representative Cameron Henry
Chairman



Representative Franklin Foil
Vice Chairman

FY19-20 HB 105 Review

Department of Justice

House Committee on Appropriations
Prepared by the House Fiscal Division

April 2, 2019

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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 \$7.6 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 \$23.3 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 \$16.3 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.

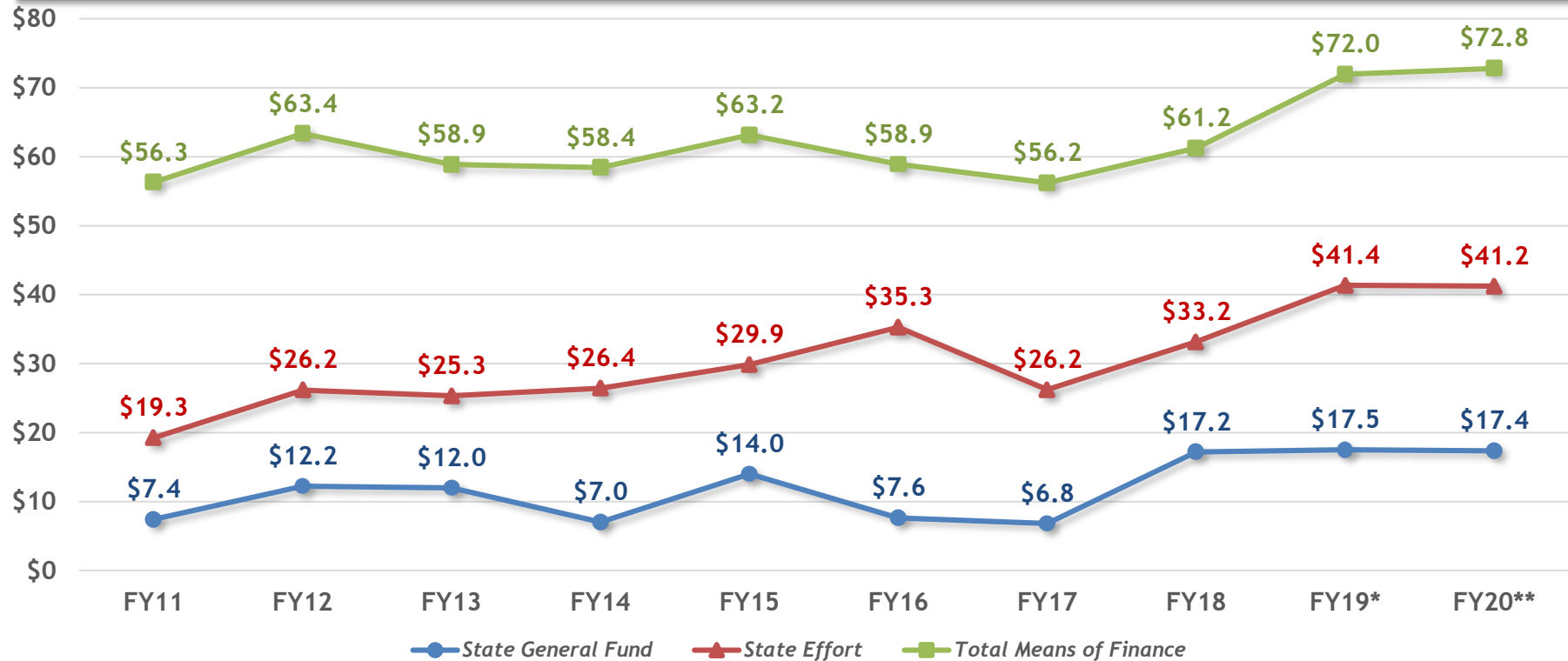
Risk Litigation \$18.9 Million

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 \$6.8 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: Budget Supporting Documents and HB 105 of 2019 RS

*Existing Operating Budget as of 12/1/18

**HB105 of 2019 R.S.

MAJOR SOURCES OF FUNDING

Self Generated Revenue \$6.8 M

- \$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 \$17 M

- \$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.
- \$6.3 million in the Gaming Program.
- \$1.9 Million is from a fund for Medicaid Fraud detection.
- \$400,000 from the Tobacco Settlement Enforcement fund to the Civil division for the enforcement of the Master Settlement

Interagency Transfers \$24 M

- \$18.9 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.
- \$1.2 Million is for the Criminal Law and Medicaid Fraud and Gaming Programs from various state agencies for investigative and legal services.

Federal Funding \$7.5 M

- \$6.9 Million is from the US Medicaid Fraud Unit and the US Dept. of Justice.
- \$316K is from a grant for Internet Crimes Against Children
- \$108K is from the US Dept. of Housing and Urban Development for administration of the Louisiana open housing law.

FUNDING OVERVIEW

Means of Financing	FY 17-18 Prior Year Actual Expenditures	FY 18-19 Existing Operating Budget	FY 19-20 HBXXX	\$ Change from Existing	% Change from Existing	\$ Change from Actuals	% Change from Actuals
State General Fund	\$17,181,852	\$17,520,088	\$17,354,514	(\$165,574)	(0.9%)	\$172,662	1.0%
Interagency Transfers	\$21,595,433	\$23,500,587	\$24,080,457	\$579,870	2.5%	\$2,485,024	11.5%
Fees and Self-Gen Rev	\$3,714,580	\$6,816,714	\$6,816,714	\$0	0.0%	\$3,102,134	83.5%
Statutory Dedications	\$12,267,588	\$17,044,807	\$17,066,622	\$21,815	0.1%	\$4,799,034	39.1%
Federal Funds	\$6,488,184	\$7,075,021	\$7,509,104	\$434,083	6.1%	\$1,020,920	15.7%
Total Means of Finance	\$61,247,637	\$71,957,217	\$72,827,411	\$870,194	1.2%	\$11,579,774	18.9%



\$166,000 SGF

Decrease includes a 1% SGF reduction in the Civil Law Program and a 7% SGF reduction in Administrative Program.



\$580,000 Interagency Transfers

Increase includes \$560K in the Risk Litigation Program



\$22,000 Statutory Dedications

Increases in the Insurance Fraud Investigation Fund and Medical Assistance Programs Fraud Detection Fund. There were decreases in the DOJ Legal Support Fund and Louisiana Fund.



\$434,000 Federal Funds

Increases are to the Criminal Law and Medicaid Fraud Program from the Department of Health and Human Services Medicaid Fraud Unit and the U.S. Department of Justice

EXPENDITURE CHANGE OVERVIEW

Expenditure	FY 17-18 Prior Year Actual Expenditures	FY 18-19 Existing Operating Budget	FY 19-20 HB105	\$ Change from Existing	% Change from Existing	\$ Change from Actuals	% Change from Actuals
Salaries	\$27,569,473	\$28,093,780	\$29,035,941	\$942,161	3.4%	\$1,466,468	5.3%
Other Compensation	\$2,312,153	\$2,281,689	\$2,281,689	\$0	0.0%	(\$30,464)	(1.3%)
Related Benefits	\$14,930,964	\$15,159,597	\$17,157,420	\$1,997,823	13.2%	\$2,226,456	14.9%
Travel	\$823,978	\$1,197,056	\$1,202,551	\$5,495	0.5%	\$378,573	45.9%
Operating Services	\$1,564,199	\$2,267,325	\$2,307,325	\$40,000	1.8%	\$743,126	47.5%
Supplies	\$504,598	\$762,173	\$800,938	\$38,765	5.1%	\$296,340	58.7%
Professional Services	\$2,951,163	\$6,876,256	\$5,947,359	(\$928,897)	(13.5%)	\$2,996,196	101.5%
Other Charges	\$7,448,238	\$12,703,476	\$13,099,567	\$396,091	3.1%	\$5,651,329	75.9%
Acq/Major Repairs	\$3,142,871	\$2,615,865	\$994,621	(\$1,621,244)	(62.0%)	(\$2,148,250)	(68.4%)
Total Expenditures	\$61,247,637	\$71,957,217	\$72,827,411	\$870,194	1.2%	\$11,579,774	18.9%
Authorized Positions	483	482	478	(4)	(0.8%)	(5)	(1.0%)

Source: Budget Supporting Documents

SIGNIFICANT EXPENDITURE CHANGES

Personal Services - \$3 million

Decrease for loss of 4 positions and attrition offset by increases in salary base adjustment, related benefit adjustment, and retirement adjustments.

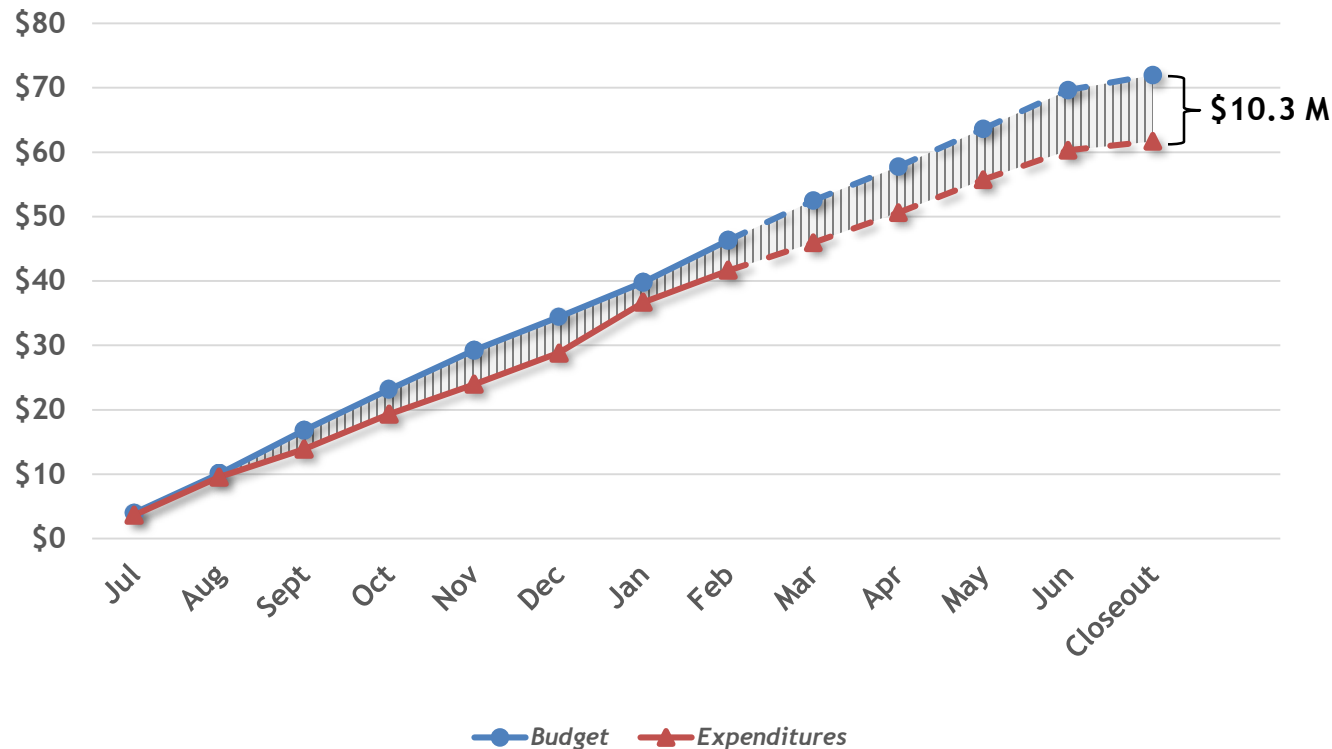
Professional Services - (\$928,897)

Reduction is primarily in the Civil Law Program for contract legal services including expert witnesses and there is an increase in funding for Louisiana tax stamp data services.

Acquisitions and Major Repairs- (\$1.6 Million)

Reduction is due to a realignment of funds into professional services as there is no longer a need for purchasing Louisiana tax stamp data equipment as they are outsourcing the services.

DOJ FY 19 EXPENDITURE TREND

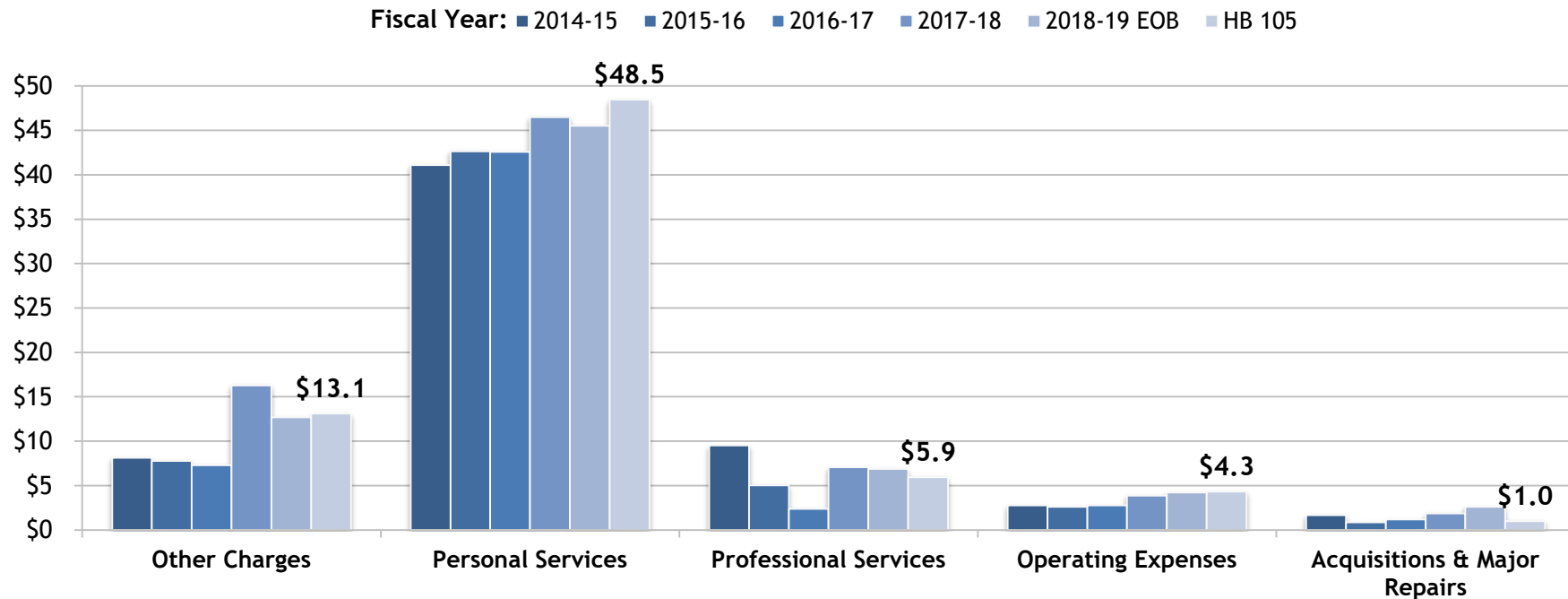


Analysis shows approximately \$10.3 million or 14% in total means of finance budget authority could be unspent at year-end based on actuals through February and projections through the end of the year.

For FY 18, the DOJ had \$12.4M or 16.8% of unspent budget authority.

Last year 47% of DOJ's remaining authority was interagency transfers. Using this percentage, DOJ may have a projected \$4.M remaining in unexpended IAT.

EXPENDITURE HISTORY (IN MILLIONS)



Source: Budget Supporting Documents

OTHER CHARGES

AMOUNT	DESCRIPTION
\$5,312,381	Interagency Transfers, including rent in state-owned buildings and Benson Towers and fees for telecommunications management, technology services, payroll, risk management, security, state procurement, and the legislative auditor
\$4,133,940	Consumer Enforcement Fund expenses
\$1,627,661	\$212K for Domestic Violence, On-line Victim Assistance, and On-line Victim Recovery grants; \$108K for HUD Program; \$456K for LDH ombudsman; \$250K for non-profit hospitals; \$15K for Tobacco Control Special Fund; \$586K for case management procurement
\$438,553	Depositions, court reports, witnesses, and court cost
\$698,489	Distribution to sheriffs of monies in the Sex Offender Registry Technology Fund
\$424,452	Medicaid Fraud Control Unit Expenses
\$377,633	Grants in High Tech and Internet Crimes Against Children
\$86,458	Federal Forfeiture, Equitable Sharing, Intellectual Property, and Pretrial Intervention
\$13,099,567	TOTAL OTHER CHARGES

Source: Budget Supporting Documents

PERSONNEL INFORMATION

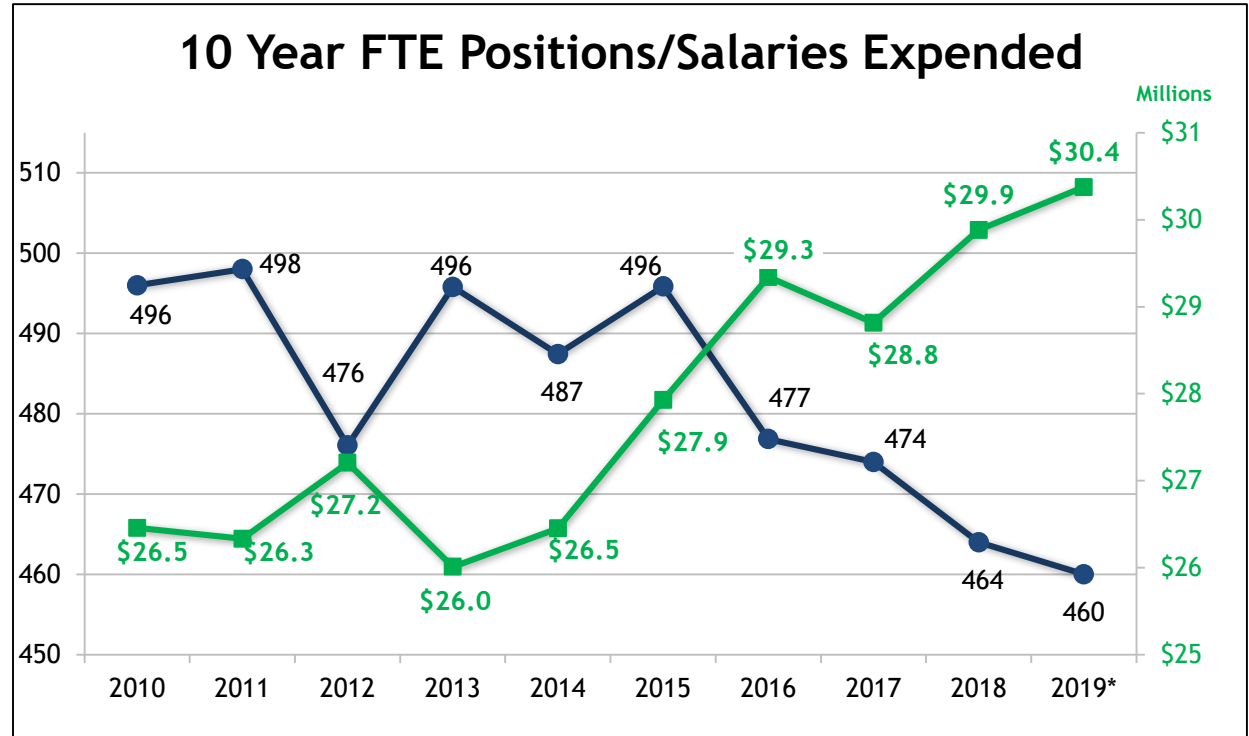
FY 19-20 Personnel/Budget Ratio

\$31M Salaries and Other Comp.
+ \$17M Related Benefits
= \$48M Total Personnel Services

82% of budget expenditures
(excluding Other Charges)

Authorized Positions

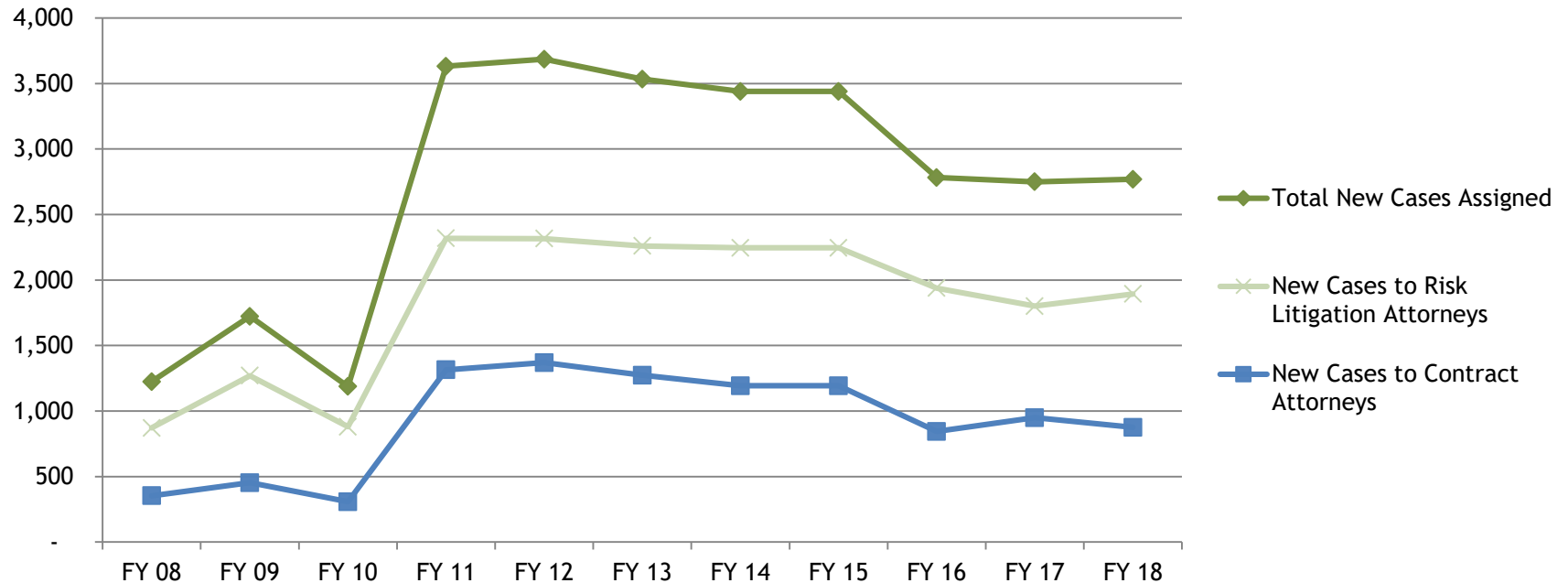
- 478 (all unclassified)
- Justice had 38 vacancies as of 1/31/19
- 1 other charges position
- 4 vacant positions were eliminated



*Existing Operating Budget as of 12/1/18
Source: FTE data provided by the Dept. of Civil Service

PERFORMANCE INFORMATION

Office of Risk Litigation New Cases



Source: Budget Supporting Document



PERFORMANCE INFORMATION

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

- Received more than 11,000 complaints of abuse and fraud, resulting in approximately 350 new cases per year, resulting in approximately 92 arrests and 72 convictions per year. Currently, the unit has more than 570 cases open.
- Averaged recoveries of \$84.5 Million per year, or \$1.6 Million in recoveries per staff member per year.

Source: Office of the Attorney General, March 2019

DEPARTMENT CONTACTS

	Name	POSITION	Contact
	Honorable Jeff Landry	Attorney General	225.326.6705
	Bill Stiles	Chief Deputy Attorney General	225.326.6705
	Elise Cazes	Director of Administrative Services	225.326.6705