

**Attorney General
Budget No. 125
House Bill Nos. 1003 and 1024; Senate Bill Nos. 2191 and 2203**

	FTE Positions	General Fund	Other Funds	Total
2017-19 legislative appropriation	237.00	\$44,795,840 ¹	\$48,214,320	\$93,010,160
2015-17 legislative appropriation	<u>250.00</u>	<u>51,749,685</u>	<u>35,900,785</u>	<u>87,650,470</u>
2017-19 appropriation increase (decrease) to 2015-17 appropriation	(13.00)	(\$6,953,845)	\$12,313,535	\$5,359,690

¹This amount includes \$100,000 of one-time funding. Excluding this amount, the agency's ongoing general fund appropriation is \$44,695,840.

Item Description

FTE position changes - The 2017 Legislative Assembly approved 237 FTE positions for the Attorney General's office for the 2017-19 biennium, a decrease of 13 FTE positions from the 2015-17 biennium. The Legislative Assembly also changed the funding source for 8 FTE positions from the general fund to federal and other funds.

Status/Result

The Attorney General removed the following positions:

Position	FTE
State and local assistant attorney general	1.0
Systems development manager	1.0
Forensic science supervisor	1.0
Auditor III	1.0
Auditor IV	1.0
Criminal intelligence analyst	1.0
Identification technician III	1.0
Evidence technician	2.0
Administrative assistant I	1.0
Administrative assistant II	1.0
Administrative assistant III	2.0
Total	13.0

The Attorney General changed the funding source for 8.23 FTE positions from the general fund to federal and other funds. The following is a summary of the funding source changes for these FTE positions:

FTE Position	FTE Percentage	New Funding Source
Administrative assistant II	1.00	Attorney General operating fund
Administrative assistant III	0.48	Attorney General refund fund
Auditor III	0.25	Attorney General refund fund
Auditor III	0.25	Attorney General refund fund
Consumer Protection and Antitrust investigator	0.16	Attorney General refund fund
Consumer Protection and Antitrust investigator	0.50	Attorney General refund fund
Assistant Attorney General	0.33	Attorney General operating fund
Assistant Attorney General	0.47	Attorney General operating fund
Assistant Attorney General	0.10	Attorney General operating fund
Assistant Attorney General	0.05	Attorney General operating fund

FTE Position	FTE Percentage	New Funding Source
Assistant Attorney General	0.19	Attorney General operating fund
Assistant Attorney General	1.00	Attorney General operating fund
Assistant Attorney General	0.27	Federal funds
Criminal intelligence analyst	1.00	Federal funds
Criminal intelligence analyst	1.00	Strategic investment and improvements fund
Grants and contracts officer I	0.68	Attorney General multi-jurisdictional drug taskforce grant fund
Account technician	0.50	Lottery operating fund
Total	8.23	

¹Section 14 of 2017 House Bill No. 1003 authorizes the Attorney General to continue unspent appropriation authority from the strategic investment and improvements fund appropriated during the 2013-15 biennium for crime-related needs of the Attorney General's office in the 2017-19 biennium.

One-time funding - The 2017 Legislative Assembly identified \$16,917,000 of one-time funding for the Attorney General's office for the 2017-19 biennium, including:

	General Fund	Other Funds	Total
DOS-based deposit system rewrite (House Bill No. 1003)	\$100,000		\$100,000
Uniform crime reporting system rewrite (House Bill No. 1003)		\$280,000	280,000
Statewide automated victim information and notification (SAVIN) cost-share program (House Bill No. 1003)		315,000	315,000
Law enforcement costs related to the construction of the Dakota Access Pipeline (House Bill No. 1024)		200,000	200,000
Court-ordered payments to a bankruptcy estate or payments to be made pursuant to the terms of a settlement agreement approved by order of the court (House Bill No. 1024)		15,872,000	15,872,000
Sexual assault examiner program grants (Senate Bill No. 2191)		150,000	150,000
Total	\$100,000	\$16,817,000	\$16,917,000

The following is a summary of the status of the Attorney General's one-time funding items:

DOS-based deposit system rewrite	The Attorney General anticipates the system rewrite will be completed in March 2019 and anticipates spending the entire \$100,000 appropriation.
Uniform crime reporting system rewrite	The Attorney General does not anticipate receiving federal funding for the uniform crime reporting system rewrite during the 2017-19 biennium. The Attorney General intends to request funding for the system rewrite for the 2019-21 biennium.
SAVIN cost-share program	See the Statewide automated victim information and notification section below.
Law enforcement costs related to the construction of the Dakota Access Pipeline	The Attorney General does not anticipate spending any of the \$200,000 appropriation.
Court-ordered payments to a bankruptcy estate or payments to be made pursuant to the terms of a settlement agreement approved by order of the court	See the Settlement agreement section below.
Sexual assault examiner program grants	Through April 2018 the Attorney General has spent \$30,142 of the \$150,000 appropriation. The Attorney General anticipates spending the remainder during the 2017-19 biennium.

Human trafficking prevention - In 2017 Senate Bill No. 2203, the Legislative Assembly provided \$125,000 from the general fund to the Attorney General to provide grants to organizations involved in providing prevention and treatment services related to human trafficking victims.

Statewide automated victim information and notification - Section 8 of House Bill No. 1003 requires the Attorney General to enhance the SAVIN program by utilizing \$500,000 of rent savings realized as a result of the Attorney General relocating a portion of its operations to the Job Service North Dakota central office building. The section provides if the Attorney General does not relocate a portion of its operations to the Job Service North Dakota central office building, the Department of Trust Lands is required to provide a grant of up to \$500,000 to the Attorney General for the SAVIN program.

Section 9 of House Bill No. 1003 provides the Attorney General and the North Dakota Association of Counties establish a cost-sharing program to defray the expenses related to the enhancement of the SAVIN program. The section provides \$315,000 of funding to the Attorney General from political subdivisions for the enhancement of the SAVIN program to comply with the crime victim rights requirements of the November 2016 general election initiated measure No. 3, also known as Marsy's Law, which is now Section 25 of Article I of the Constitution of North Dakota.

Settlement agreement - Section 4 of 2017 House Bill No. 1024 provides a contingent appropriation of \$15,872,000 to the Attorney General from the strategic investment and improvements fund for providing any court-ordered payments to a bankruptcy estate or payments to be made pursuant to the terms of a settlement agreement with Racing Services Inc. approved by order of the court.

Tobacco settlement trust fund - In Section 12 of 2015 Senate Bill No. 2003, the Legislative Assembly amended North Dakota Century Code Section 54-27-25 regarding the tobacco settlement trust fund and the use of principal and interest of fund investments. The section was amended to allow the Attorney General to receive an appropriation from the fund for the purpose of enforcing the Master Settlement Agreement and any disputes with the agreement. Section 1 of the bill appropriated \$200,000 from the tobacco settlement trust fund to the Attorney General for the purposes identified in Section 12.

In Section 4 of House Bill No. 1003, the 2017 Legislative Assembly identified \$200,000 from the tobacco settlement trust fund, which the Attorney General may use to enforce the Master Settlement Agreement and any related disputes. Section 1 of the bill appropriated \$200,000 from the tobacco settlement trust fund to the Attorney General for the purposes identified in Section 4.

Through April 2018 the Attorney General has spent \$12,540 of the \$125,000 appropriation. The Attorney General anticipates spending the remainder during the 2017-19 biennium.

The Attorney General did not relocate a portion of its operations to the Job Service North Dakota central office building and therefore did not realize \$500,000 of rent savings. The Department of Trust Lands provided a \$500,000 grant to the Attorney General in March 2018. The Attorney General anticipates the system rewrite will be complete during the 2019-21 biennium and the entire appropriation will be spent.

Through April 2018 the Attorney General has not requested any of \$315,000 from political subdivisions for the SAVIN cost-sharing program. The Attorney General anticipates requesting half of the amount during fiscal year 2018 and the remaining half during fiscal year 2019.

The Attorney General reached a settlement with The Racing Services Inc. and provided payment of \$15,872,000 in January 2018.

In April 2016 the Office of Management and Budget transferred the \$200,000 appropriation authorized by the 2015 Legislative Assembly from the tobacco settlement trust fund to the Attorney General. Of this amount, the Attorney General spent \$41,000 during the 2015-17 biennium. The remaining \$159,000 was retained by the Attorney General and continued into the 2017-19 biennium rather than being transferred back to the tobacco settlement trust fund at the end of the 2015-17 biennium. Through March 2018 the Attorney General has spent \$158,000 of the 2015-17 biennium funding during the 2017-19 biennium and anticipates spending the remaining \$1,000 by the end of the biennium.

In April 2018 the Office of Management and Budget transferred the \$200,000 appropriation authorized by the 2017 Legislative Assembly from the tobacco settlement trust fund to the Attorney General. Through March 2018 the Attorney General has not spent any of this funding due to the remaining funding available from the 2015-17 biennium. The Attorney General does not anticipate spending the entire 2017 appropriation during the 2017-19 biennium.

Industrial Commission fund litigation costs - Section 5 of House Bill No. 1003 authorizes the Attorney General to submit litigation-related expenses to the Industrial Commission for payment from the Industrial Commission's litigation fund for costs related to protests and other activities associated with the Dakota Access Pipeline project. The Attorney General is required to report quarterly to the Budget Section of the Legislative Management regarding all expenditures for litigation-related expenses from the Industrial Commission's litigation fund.

Additional income - In section 7 of House Bill No. 1003, the Legislative Assembly authorized the Attorney General to receive and spend up to \$250,000 of federal or other funding for defraying the expenses of the office. The Attorney General is required to notify the Office of Management and budget and the Legislative Council of any funding received.

Medicaid fraud control unit study - House Bill No. 1226 (2017) requires the Department of Human Services, with cooperation of the Governor and the Attorney General, to study the feasibility and desirability of establishing a Medicaid fraud control unit. The Department of Human Services is required to report to the Legislative Management regarding the outcome of the study by August 1, 2018.

The Legislative Assembly did not include any provisions allowing the Attorney General to continue any unspent appropriation authority relating to the tobacco settlement trust fund in either the 2015 or 2107 legislative sessions.

As of March 1, 2018, the Attorney General has incurred \$1,670,577 of litigation-related expenditures from seven lawsuits, of which \$1,170,865 were incurred in the 2015-17 biennium and \$499,712 were incurred in the 2017-19 biennium. Estimated litigation-related expenses to be incurred during the remainder of the 2017-19 biennium total \$500,000.

Through April 2018 the Attorney General has not received additional federal funding and will continue to pursue federal funding opportunities.

The Legislative Management assigned this duty to the interim Human Services Committee. In April 2018 the Attorney General's office presented to the committee a proposed a bill draft relating to implementing a Medicaid fraud control unit. The Human Services Committee has not taken action on the bill draft. Additional outcomes of the study are unknown at this time.