

**OFFICE OF THE  
ATTORNEY GENERAL**





Rob McKenna

## ATTORNEY GENERAL OF WASHINGTON

1125 Washington Street SE • PO Box 40100 • Olympia WA 98504-0100

September 2, 2010

Mr. Marty Brown  
Director, Office of Financial Management  
P.O. Box 43113  
Olympia, WA 98504-3113

Dear Mr. Brown:

Enclosed is the 2011-2013 Biennial Budget Request from the Attorney General's Office (AGO), which addresses critical agency needs while acknowledging the current economic climate. Working within these constraints, we will continue to strive to provide the best possible legal services for our clients and the citizens of the state of Washington.

Our request is focused on three priorities:

- Significant litigation
- Legal service level adjustments for client agencies
- Fixed cost adjustments

Our requests, while not adjusting our existing performance measures, will allow us to mitigate risk to the state. The litigation-related requests shown below are for cases currently facing the State of Washington, with a potential liability to the state of over \$2.2 billion dollars. They include:

- *Moore v. Health Care Authority*
- Multi-State Tobacco litigation
- *US Department of Labor v. Department of Social & Health Services* (DSHS)
- *US v. Boldt* (Culverts)
- Yucca Mountain litigation
- *TR v. Dreyfus* (Children's Mental Health)
- Secretary of State litigation (related to R-71)
- Hazardous Substance Tax litigation
- Teck Cominco Metals litigation
- *Stormans v. Department of Health*

My highest legal service level priority is the restoration of legal services to DSHS, which currently reflect cuts made this year. The 2009-11 budget reductions have already reduced DSHS legal services to a level which does not allow priorities to be adjusted or flexibility to meet ever-changing client needs. The lack of access to preventive legal advice has resulted in

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increased work in some areas, such as in the development of new administrative rules. Existing AGO staff is devoted to litigation and the highest priorities of client advice. Any further cuts will need to come from the staff resources devoted to juvenile dependency and parental termination litigation statewide, resulting in slower case processing and delayed permanency for children.

I have taken every possible step to limit the increase of the AGO budget and have scrutinized requests which were not absolutely essential. In addition to what I have already discussed, our fixed cost requests include building lease increases and facility movement, and funding for self-insurance premium increases. These are simply the cost of doing business.

I continue to find satisfaction in my work as the Attorney General and am impressed by this office's highly qualified professional and legal staff. I'm proud of what this agency has accomplished in the current biennium, and look forward to watching the future successes and outstanding legal services being provided to the State of Washington in the 2011-13 Biennium.

If you have any questions about this budget request, please contact Randy Pepple, Chief of Staff, at (360) 586-5579.

Thank you for your assistance and continued cooperation.

Sincerely,



ROB MCKENNA  
Attorney General

RMM/tlt  
Enclosure

cc: Randy Pepple, Chief of Staff  
Michelle Underwood, Division Chief, Financial Services Division

OFFICE OF THE ATTORNEY GENERAL  
2011-13 Biennial Budget  
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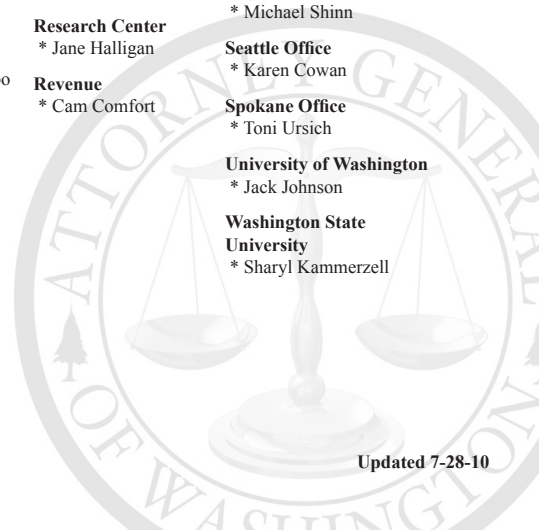
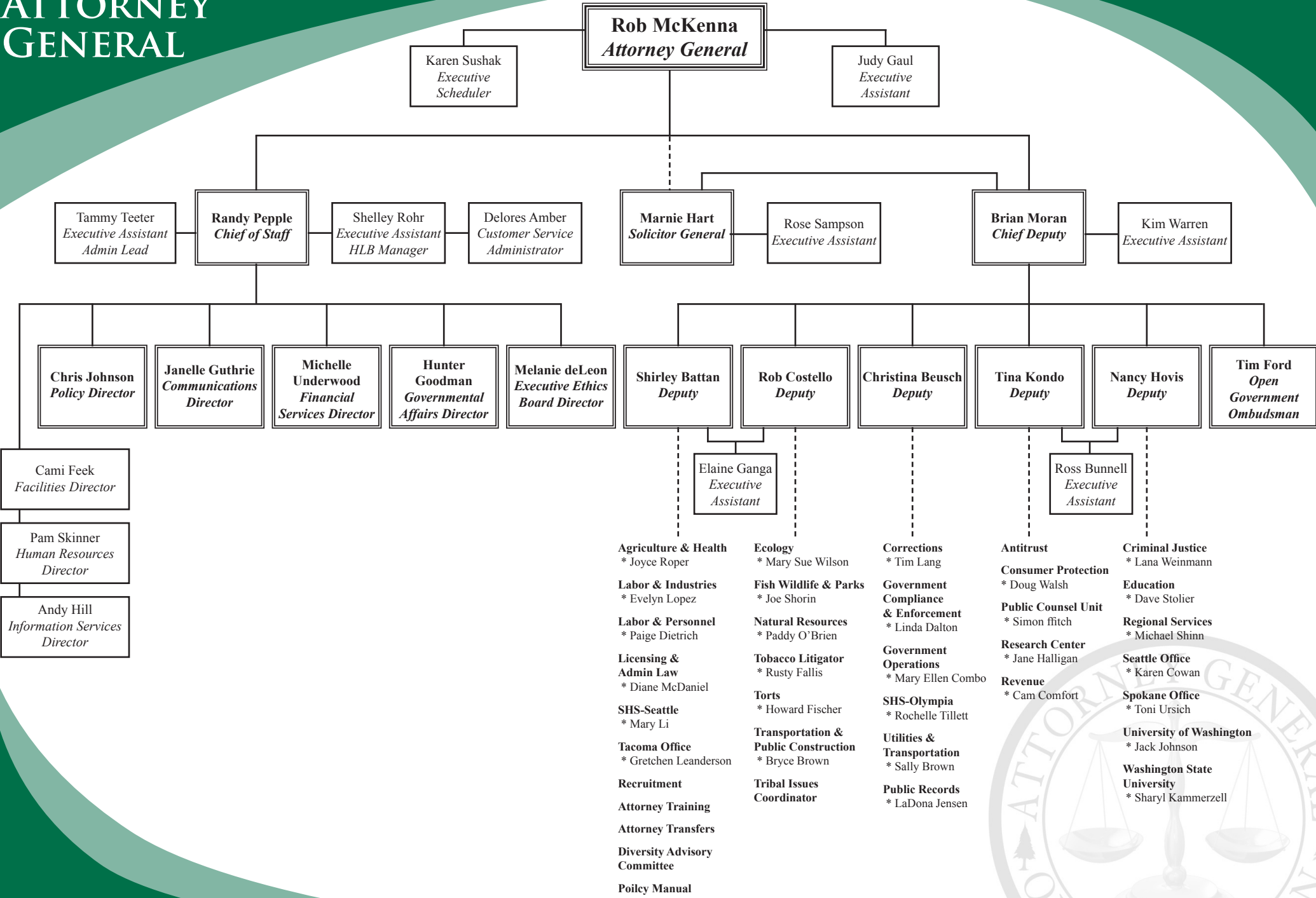
TAB A

OVERVIEW





# OFFICE OF THE ATTORNEY GENERAL







Appropriation Period: 2011-13 Activity Version: S2 - 2011-13 Biennial Budget Request Sort By: Activity

## 100 - Office of Attorney General

### A001 Administrative Activity

The administrative function of the Office of the Attorney General includes the Attorney General's office, deputies and administrative support, financial services, human resources, and facilities staff.

#### Program 040 - Agency Legal Services

Account	FY 2012	FY 2013	Biennial Total
<b>FTE</b>			
996-Z Other	86.8	86.8	86.8
<b>405 Legal Services Revolving Account</b>			
405-1 State	\$11,392,620	\$11,909,993	\$23,302,613

**Statewide Result Area:** Strengthen government's ability to achieve results efficiently and effectively

**Statewide Strategy:** Provide data, information, and analysis to support decision-making

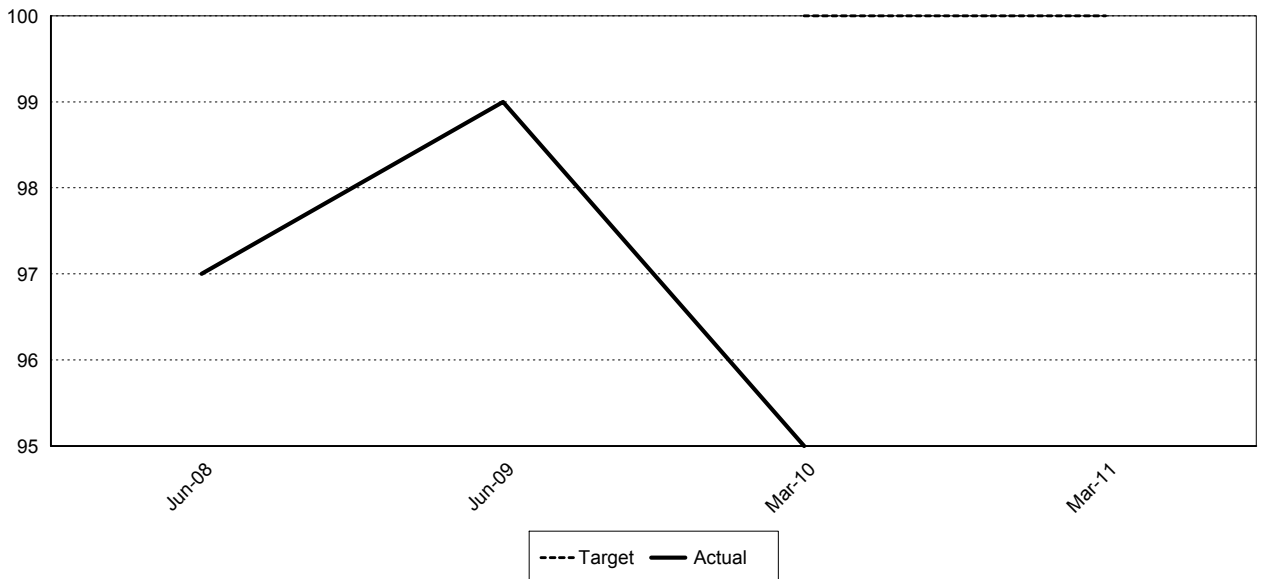
#### Expected Results

Provide continued high quality leadership and support for the agency and its employees as they deliver efficient and effective legal services to state agency clients.

Appropriation Period: 2011-13 Activity Version: S2 - 2011-13 Biennial Budget Request Sort By: Activity

000001 PM0001/ADM - Percentage of Mandatory Training Completed.			
Biennium	Period	Actual	Target
2009-11	Q8		
	Q7		100%
	Q6		
	Q5		
	Q4		
	Q3	95%	100%
	Q2		
	Q1		
2007-09	Q8	99%	
	Q7		
	Q6		
	Q5		
	Q4	97%	
	Q3		
	Q2		
	Q1		
Performance Measure Status: Approved			

Percent 000001 - Percentage of Mandatory Training Completed



**A002 Civil Commitment of Sexually Violent Predators**

Appropriation Period: 2011-13 Activity Version: S2 - 2011-13 Biennial Budget Request Sort By: Activity

This Sexually Violent Predator Unit is responsible for investigating, prosecuting, and defending the commitments of all sexually violent predators in 38 of the 39 counties in Washington. The unit enhances public protection by developing and maintaining a group of highly skilled prosecutors and support staff who have expertise in the unique legal and mental health issues associated with sexually violent offenders. The unit handles all aspects of sexually violent predator cases including pre-filing investigation, pre-trial discovery and proceedings, trials; appeals at all levels; annual reviews, less restrictive alternative proceedings, and recommitment or release trials.

**Program 040 - Agency Legal Services**

Account	FY 2012	FY 2013	Biennial Total
<b>FTE</b>			
996-Z Other	17.5	17.5	17.5
<b>405 Legal Services Revolving Account</b>			
405-1 State	\$2,453,699	\$2,500,449	\$4,954,148

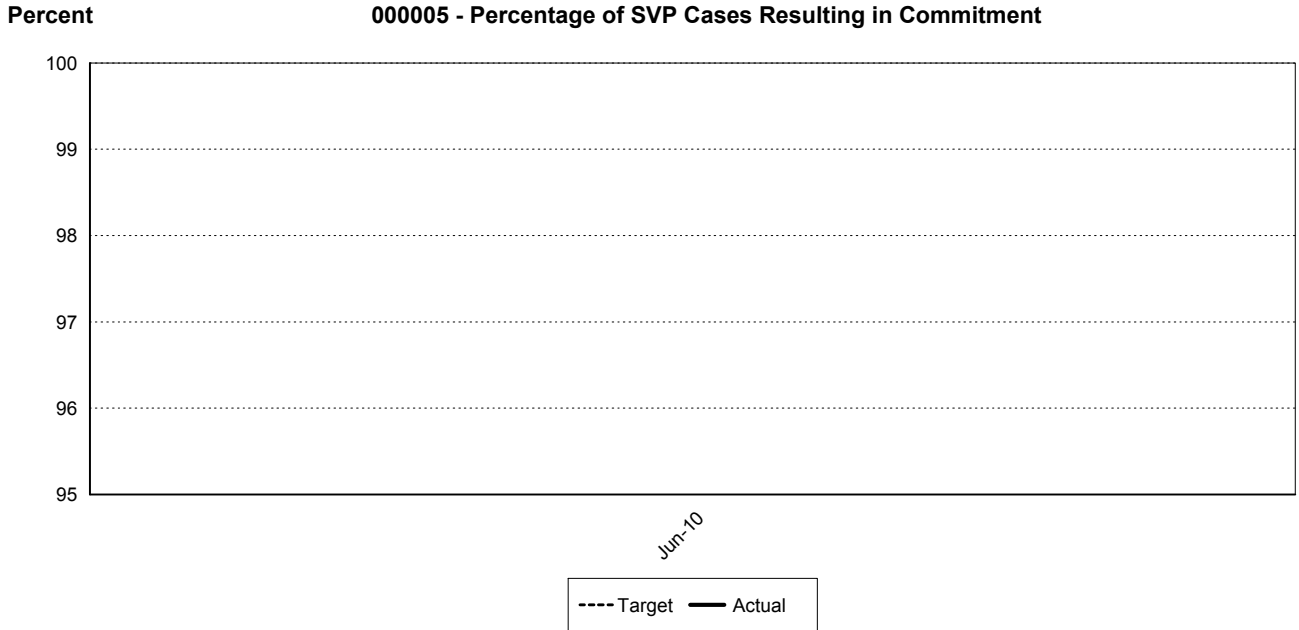
**Statewide Result Area:** Improve the safety of people and property  
**Statewide Strategy:** Confine and rehabilitate adult offenders

**Expected Results**

The Sexually Violent Predator Unit assures that the most dangerous and violent sexual predators in the state are detained, evaluated, and treated until they no longer constitute a threat. Consequently, fewer people are victimized, and the public is protected from those sex offenders who are most likely to reoffend.

<b>000005 PM0002/SVP - Percentage of SVP Cases Resulting in Commitment.</b>			
The higher the commitment rate, the more successful the SVP unit is in civilly committing dangerous sexual predators and thereby protecting the public from these offenders.			
Biennium	Period	Actual	Target
2009-11	A3		
	A2	100%	95%
2007-09	A3		
	A2		
Performance Measure Status: Approved			

Appropriation Period: 2011-13 Activity Version: S2 - 2011-13 Biennial Budget Request Sort By: Activity



**A003 Criminal Investigation and Prosecution**

When requested by the Governor, county prosecuting attorneys, or the Organized Crime Intelligence Unit of the Washington State Patrol, the Criminal Litigation Unit (CLU) investigates and prosecutes all levels of criminal cases. The types of cases commonly handled by the CLU include homicide, sexual assault, multi-jurisdictional crime, white-collar crime, governmental corruption cases, environmental crimes, tax fraud cases on behalf of the Department of Revenue, licensing fraud on behalf of the Department of Licensing, insurance fraud on behalf of the Office of the Insurance Commissioner, and fraudulent worker's compensation claims on behalf of the Department of Labor and Industries. This unit may also assume responsibility for the appellate review of a criminal case originally brought by a county prosecutor if that case involves fundamental issues affecting the public interest and the administration of justice.

**Program 080 - Criminal Litigation Unit**

Account	FY 2012	FY 2013	Biennial Total
<b>FTE</b>			
001-1 State	3.5	3.5	3.5
<b>001 General Fund</b>			
001-1 State	\$595,413	\$579,234	\$1,174,647

**Statewide Result Area:** Improve the safety of people and property  
**Statewide Strategy:** Enforce the law

**Expected Results**

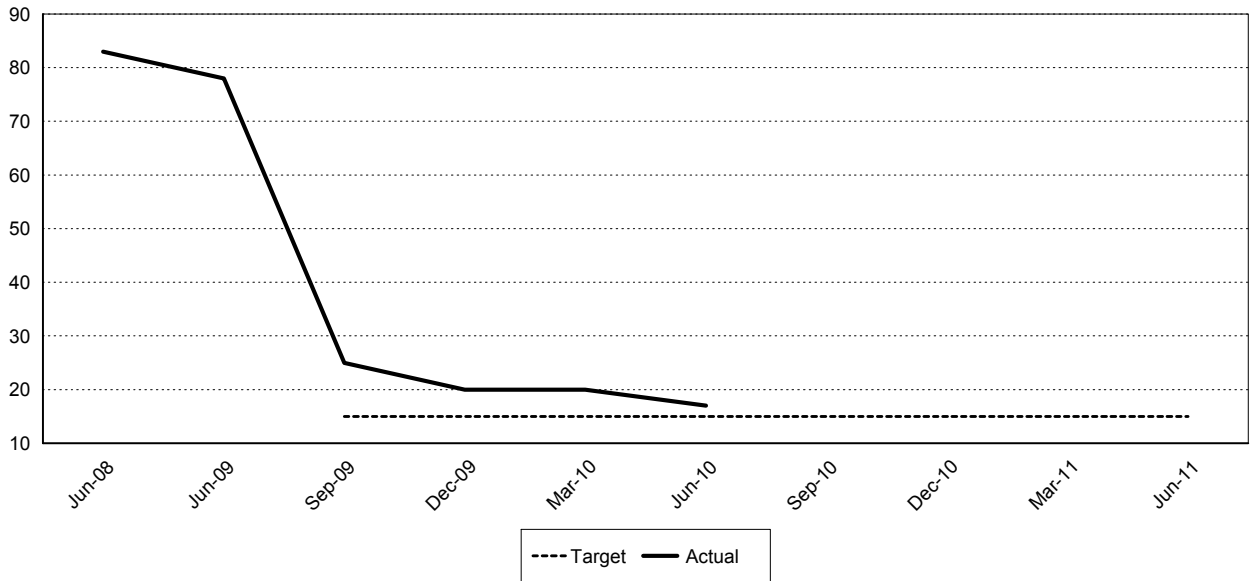
*Appropriation Period: 2011-13 Activity Version: S2 - 2011-13 Biennial Budget Request Sort By: Activity*

This Criminal Litigation Division assures that where the county prosecutor has a conflict of interest or needs assistance due to a lack of experience or other reasons, there is a competent, highly-skilled prosecutor to represent the state, resulting in greater public protection. This unit also assures that crimes of fraud involving state agencies are properly investigated and prosecuted so that the state agencies and other victims can recover their losses, and similar criminal activity against state agencies can be curtailed and deterred.

<p><b>000008 PM0003/CRI - This is a count of the number of requests for assistance and referrals to the unit from outside the AGO.</b></p> <p><b>The primary function of our unit is to provide trial and consulting assistance to local prosecutors.</b></p>			
Biennium	Period	Actual	Target
2009-11	Q8		15
	Q7		15
	Q6		15
	Q5		15
	Q4	17	15
	Q3	20	15
	Q2	20	15
	Q1	25	15
2007-09	Q8	78	
	Q7		
	Q6		
	Q5		
	Q4	83	
	Q3		
	Q2		
	Q1		
Performance Measure Status: Approved			

Appropriation Period: 2011-13 Activity Version: S2 - 2011-13 Biennial Budget Request Sort By: Activity

**Number 000008 - Number of Referrals/Requests Received for AGO Criminal Litigation Assistance**



**A004 Enforcement of Anti-Trust Laws**

The Antitrust Division protects the citizens of Washington State from noncompetitive activities such as price-fixing, monopolization, and illegal mergers. The goal of strong anti-trust enforcement is having consumers benefit from fair competition in the form of lower prices or better services. The division files enforcement actions, responds to consumer complaints, provides advice to state agencies, and provides community education and outreach ensuring that consumers will have problems addressed, agencies will prevent problems from occurring, and businesses will become educated about their responsibilities under the antitrust laws.

*Program 030 - Anti-Trust*

Account	FY 2012	FY 2013	Biennial Total
<b>FTE</b>			
996-Z Other	8.0	8.0	8.0
<b>424 Anti-Trust Revolving Account</b>			
424-6 Non-Appropriated	\$1,502,000	\$1,539,872	\$3,041,872

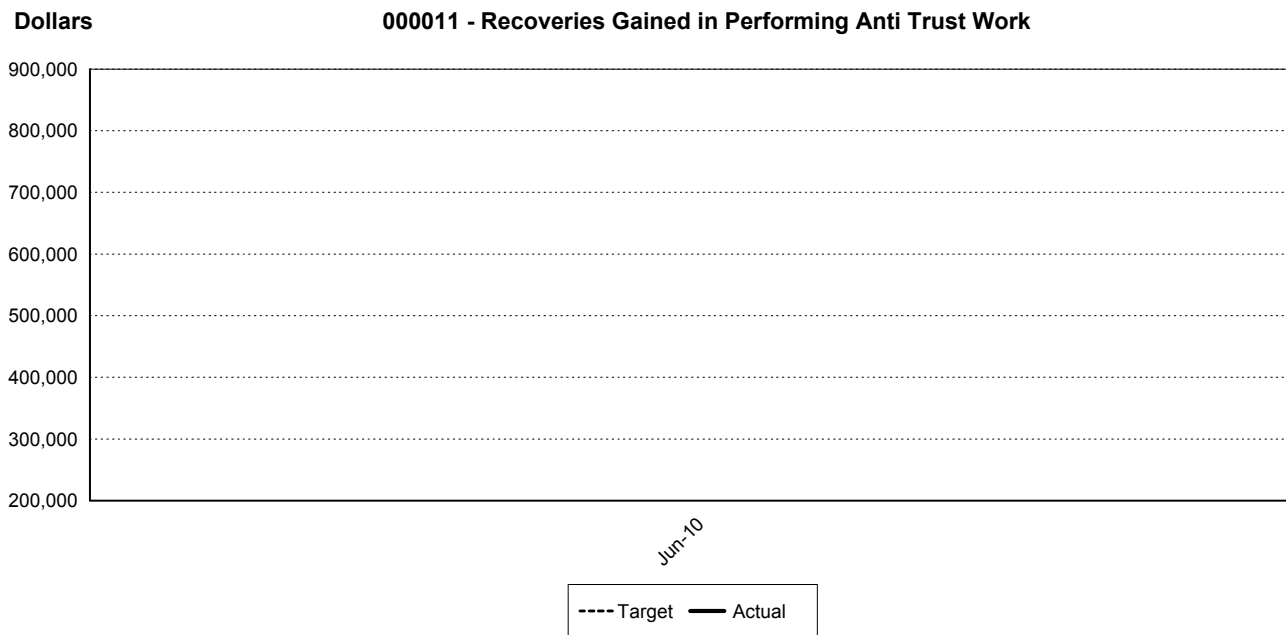
**Statewide Result Area:** Improve the economic vitality of businesses and individuals  
**Statewide Strategy:** Regulate the economy to ensure fairness, security and efficiency

**Expected Results**

Appropriation Period: 2011-13 Activity Version: S2 - 2011-13 Biennial Budget Request Sort By: Activity

The Anti-Trust Division protects the citizens of Washington State from antitrust activities such as price-fixing, monopolization, and illegal mergers, resulting in a competitive market, and consumers benefit from that competition in the form of lower prices or better services. The division responds to consumer complaints, provides advice to state agencies, and provides community education and outreach ensuring that consumers will have problems addressed, agencies will prevent problems from occurring, and businesses will become educated about their responsibilities under the antitrust laws.

<p><b>000011 PM0004/ANT - Recoveries. We capture the efforts of AGO Antitrust staff who work to stop anticompetitive behavior and promote compliance with Antitrust laws. The measurement tells us the degree to which we recover monetary restitution for our consumers.</b></p>			
Biennium	Period	Actual	Target
2009-11	A3		
	A2	\$583,385	
2007-09	A3		
	A2		
<p>Performance Measure Status: Approved</p>			



**A005 Enforcement of Consumer Protection Laws**



Appropriation Period: 2011-13 Activity Version: S2 - 2011-13 Biennial Budget Request Sort By: Activity

The Consumer Protection Division enforces the Consumer Protection Act, RCW 19.86. The division typically recovers more money on behalf of Washington consumers than the cost of its operation. Currently, the division is focusing on the foreclosure scam and debt collection industries, as well as continuing our enforcement efforts in the automobile and internet fraud sectors. It also takes on non-litigation matters that benefit consumers, such as responding to consumer calls, informally mediating consumer complaints, providing advice to other state agencies, and education and outreach activities. These activities provide consumers and businesses with the tools to educate themselves and make better decisions. The Consumer Protection Division also houses the Lemon Law Administration which promotes timely and effective new motor vehicle warranty service through mandatory arbitration, and the Manufactured Housing Dispute Resolution Unit, which fosters compliance with the Manufactured Housing Landlord Tenant Act through enforcement and investigation and mediation.

**Program 020 - Consumer Protection**

Account	FY 2012	FY 2013	Biennial Total
<b>FTE</b>			
996-Z Other	9.7	9.7	9.7
001-1 State	46.0	46.0	46.0
<b>FTE Total</b>	<b>46.0</b>	<b>46.0</b>	<b>46.0</b>
<b>001 General Fund</b>			
001-1 State	\$2,813,711	\$2,916,375	\$5,730,086
<b>12F Manufactured/Mobile Home Dispute Resolution Program Account</b>			
12F-6 Non-Appropriated	\$425,000	\$419,300	\$844,300
<b>154 New Motor Vehicle Arbitration Account</b>			
154-1 State	\$678,000	\$691,360	\$1,369,360

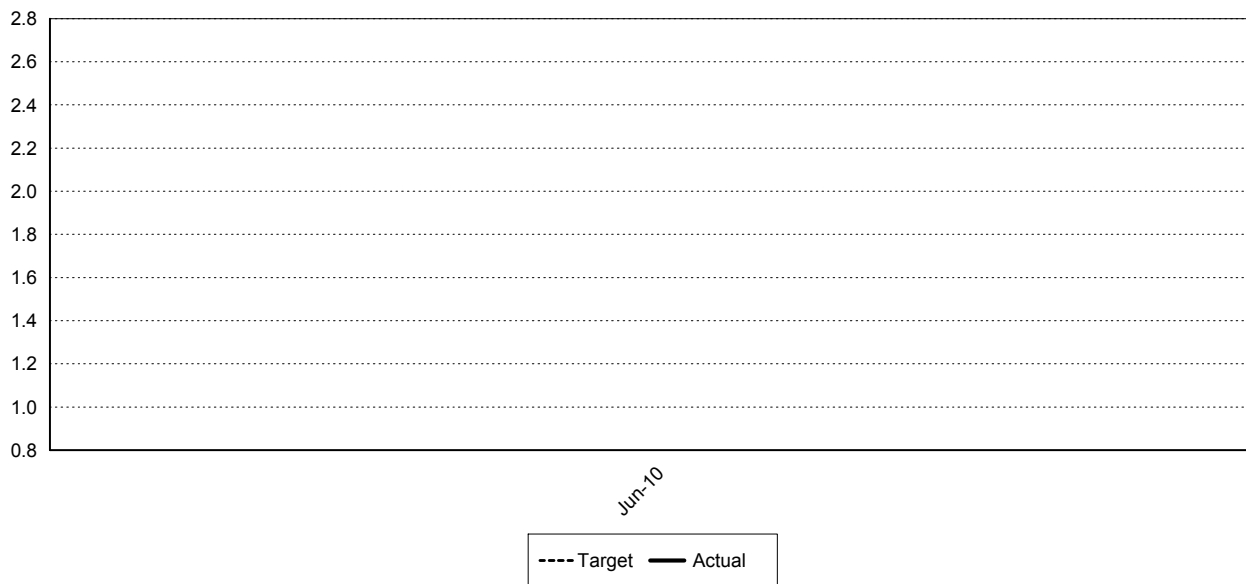
**Statewide Result Area: Improve the economic vitality of businesses and individuals**  
**Statewide Strategy: Provide consumer protection**

**Expected Results**

The Consumer Protection Division enforces the Consumer Protection Act (CPA). The division brings civil actions under the CPA in order to affect general and specific deterrence of unfair and deceptive trade practices. The division's activities are expected to foster a fair, competitive, and nondeceptive market place, prevent consumer harm, promote voluntary compliance with economic regulation by business, and resolve disputes between buyers and sellers in the marketplace. The division is also expected to recover a portion of the costs of its operation through its litigation activity. The Consumer Protection Division also houses the Lemon Law Administration, which is expected to promote timely and effective new motor vehicle warranty service through mandatory arbitration and the Manufactured Housing Dispute Resolution Unit, which fosters compliance with the Manufactured Housing Landlord Tennant Act.

<p><b>000014 PM0005/CPR- Recoveries. Consumer Protection mission is to provide a fair and non-deceptive marketplace through vigorous civil law enforcement. We promote general deterrence and compliance with the CPA by obtaining and collecting monetary judgments.</b></p>			
Biennium	Period	Actual	Target
2009-11	A3		
	A2	\$1.79	
2007-09	A3		
	A2		
<p>Performance Measure Status: Approved</p>			

**Dollars**                      **000014 - Amount of Dollars Recovered for Every Dollar Spent by the AGO on Consumer Protection Work**



**A006                      Executive Ethics Board**

The Executive Ethics Board (EEB) is an independent board with five members appointed by the Governor. The EEB promotes integrity, confidence, and public trust in state government through education, interpretation, and enforcement of the Ethics in Public Service Act (the Act). The Office of the Attorney General provides staff for the Board. Board members meet on a regular basis to interpret the Act for all state agencies, provide advice to agencies regarding ethical issues, promulgate rules to implement the Act, and take enforcement action against state employees who violate the Act. The Board staff investigates complaints filed by public employees and citizens, provides ethics training to all state agencies, and provides advice regarding ethics in the workplace to ensure that state officers and employees perform their public responsibilities with the highest ethical standards and conduct the business of the state to advance the public's interest and not use their position for personal gain or private advantage.

Appropriation Period: 2011-13 Activity Version: S2 - 2011-13 Biennial Budget Request Sort By: Activity

**Program 040 - Agency Legal Services**

Account	FY 2012	FY 2013	Biennial Total
<b>FTE</b>			
996-Z Other	4.1	4.1	4.1
<b>405 Legal Services Revolving Account</b>			
405-1 State	\$507,383	\$498,304	\$1,005,687

**Statewide Result Area:** Strengthen government's ability to achieve results efficiently and effectively

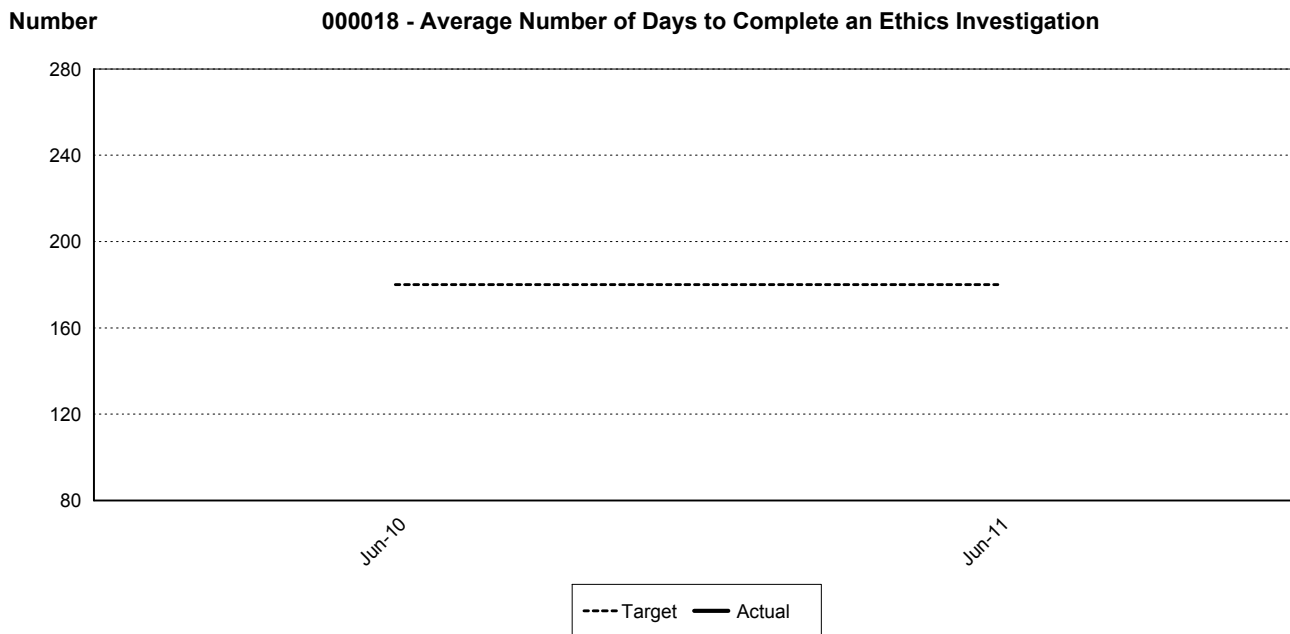
**Statewide Strategy:** Support democratic processes and government accountability

**Expected Results**

The Executive Ethics Board investigates complaints filed by public employees and citizens regarding violations of the Ethics in Public Service Act and prosecutes cases to completion. By completing investigations within a reasonable timeline and resolving its cases in a timely manner, stage agencies, state employees, and the public is better served and public trust and confidence in government will increase.

<p><b>000018 PM0006/ETH - Average Number of Days to Complete an Ethics Investigation. By completing investigations within a reasonable period of time, the public will be better served and public trust and confidence in government will increase.</b></p>			
Biennium	Period	Actual	Target
2009-11	A3		180
	A2	180	180
2007-09	A3		
	A2		
Performance Measure Status: Approved			

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**A007 Homicide Investigation Tracking System**

The Homicide Investigation Tracking System (HITS) investigators and its data warehouse provide resources to local, state, and federal law enforcement agencies by giving them access to violent crime data and analyses across jurisdictions. Direct investigative assistance is also provided upon request. As a result, public safety is enhanced because violent offenders are identified and apprehended.

*Program 080 - Criminal Litigation Unit*

Account	FY 2012	FY 2013	Biennial Total
<b>FTE</b>			
001-1 State	7.7	7.7	7.7
<b>001 General Fund</b>			
001-1 State	\$785,174	\$817,814	\$1,602,988

**Statewide Result Area:** Improve the safety of people and property

**Statewide Strategy:** Enforce the law

**Expected Results**

The HITS system and investigator provide assistance to law enforcement giving them much greater access to information, advice, and assistance that supports better and faster investigation of violent crimes. As a result, the best suspects are pursued in a more timely manner, which leads to saved time and better public protection.

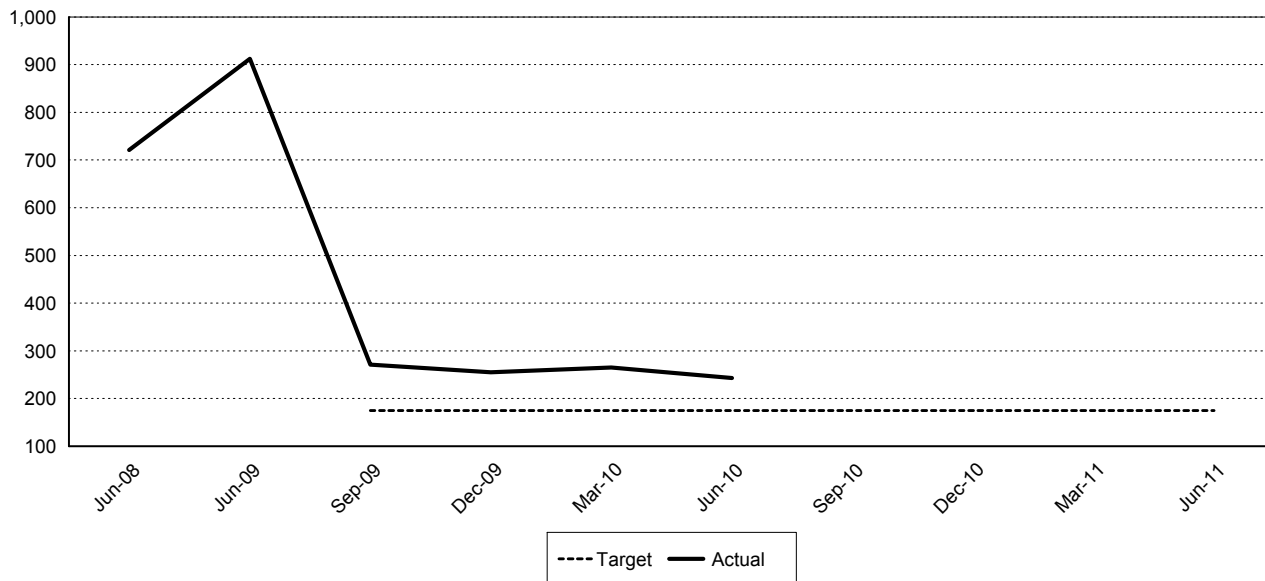
Appropriation Period: 2011-13 Activity Version: S2 - 2011-13 Biennial Budget Request Sort By: Activity

**000021 PM0007/HITS - Access Requests. Our HITS team fields requests for information from our HITS database. We support Law Enforcement Agencies (LEAs) in the State of Washington upon request only and their access to the HITS database.**

Biennium	Period	Actual	Target
2009-11	Q8		175
	Q7		175
	Q6		175
	Q5		175
	Q4	243	175
	Q3	265	175
	Q2	255	175
	Q1	271	175
2007-09	Q8	912	
	Q7		
	Q6		
	Q5		
	Q4	721	
	Q3		
	Q2		
	Q1		

Performance Measure Status: Approved

Number 000021 - Number of Requests for HITS Database Access



**A008 Investigation and Defense of Tort Lawsuits**

Appropriation Period: 2011-13 Activity Version: S2 - 2011-13 Biennial Budget Request Sort By: Activity

The Torts Division provides high quality and efficient legal services by zealously defending tort claims and lawsuits, engaging in concerted efforts at resolving claims and lawsuits at the earliest stages, and by tracking early resolution rates on a quarterly basis. The division maintains a high rate of litigation success, with many lawsuits dismissed with zero payout, as well as a high rate of appellate success.

**Program 100 - Torts**

Account	FY 2012	FY 2013	Biennial Total
<b>405 Legal Services Revolving Account</b>			
405-1 State	\$148,865	\$148,955	\$297,820

**Statewide Result Area:** Strengthen government's ability to achieve results efficiently and effectively

**Statewide Strategy:** Provide data, information, and analysis to support decision-making

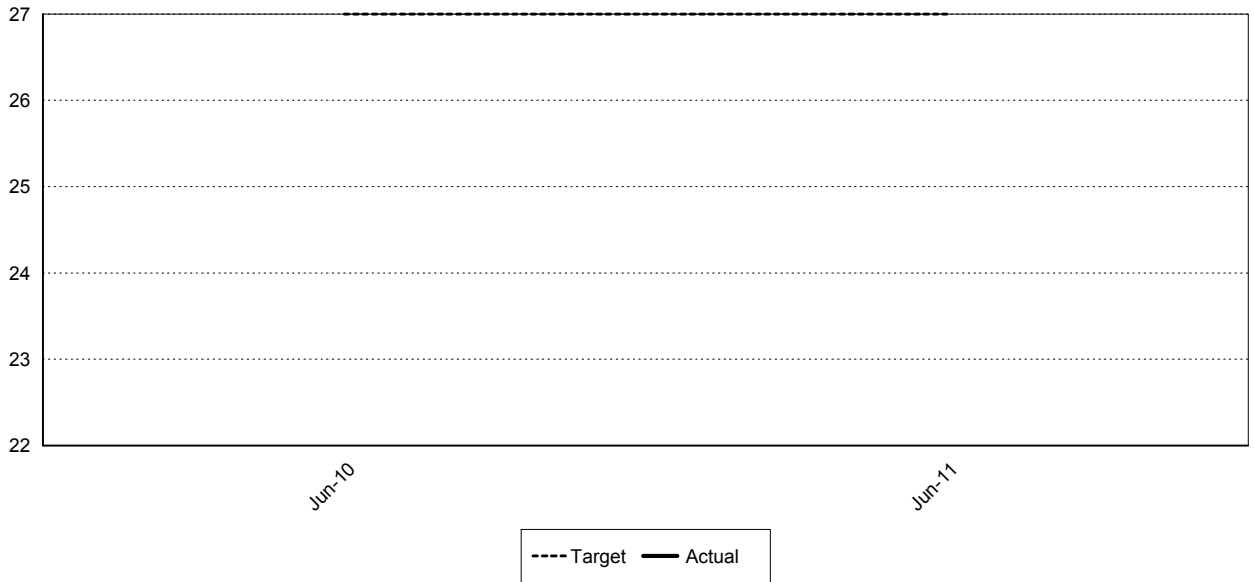
**Expected Results**

The Torts Division provide high quality and efficient legal services by measuring the age at which lawsuits resolve and by tracking clearance rates on a quarterly basis. The division maintains a high rate of Tort case appeal litigation success.

000024 PM0008/TORTS - The percentage of Torts lawsuits which, when closed in a fiscal year with a payout, were resolved using early or informal resolution processes.			
Biennium	Period	Actual	Target
2009-11	A3		27%
	A2	22%	27%
2007-09	A3		
	A2		
Performance Measure Status: Approved			

Appropriation Period: 2011-13 Activity Version: S2 - 2011-13 Biennial Budget Request Sort By: Activity

**Percent 000024 - Percentage of Tort Cases Resolved each Fiscal Year through Early and Informal Resolution**



**A009 Investigation and Prosecution of Medicaid Fraud and Resident Abuse**

The Medicaid Fraud Control Unit is a federally mandated and funded investigative and prosecutorial unit staffed by attorneys, auditors, investigators, and support personnel. The mission of the unit is to investigate and prosecute both fraud by health care providers that illegally divert Medicaid funds and the criminal abuse and neglect of residents in Medicaid funded facilities. The unit provides valuable assistance to local law enforcement in investigating and prosecuting crimes committed against vulnerable adults. The unit trains cadets at the Basic Law Enforcement Academy, other investigative agencies, and helps to coordinate the efforts of local vulnerable adult task forces whose missions are to improve the response to crimes committed against this population.

**Program 085 - Medicaid Fraud**

Account	FY 2012	FY 2013	Biennial Total
<b>FTE</b>			
001-1 State	5.8	5.8	5.8
001-2 Federal	17.2	17.2	17.2
<b>001 General Fund</b>			
001-1 State	\$787,000	\$787,000	\$1,574,000
001-2 Federal	\$2,361,000	\$2,361,000	\$4,722,000
<b>001 Account Total</b>	<b>\$3,148,000</b>	<b>\$3,148,000</b>	<b>\$6,296,000</b>

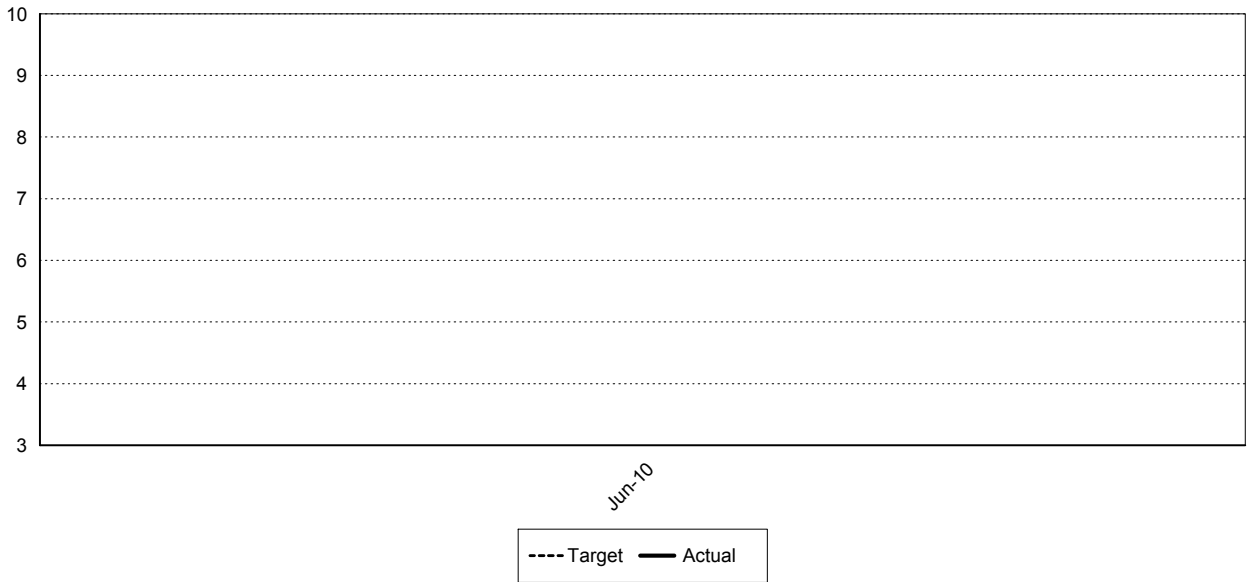
**Statewide Result Area:** Improve the health of Washingtonians  
**Statewide Strategy:** Provide access to appropriate health care

**Expected Results**

Through the Medicaid Fraud Control Unit’s efforts in investigating and prosecuting Medicaid fraud, money that is illegally taken or received is returned to the Medicaid system, and others are deterred from committing similar crimes. By assisting local law enforcement in the investigation and prosecution of crimes committed against the residents of Medicaid-funded facilities, offenders who abuse vulnerable adults are held accountable, and others are deterred from committing similar crimes. Both functions of the Medicaid Fraud Control Unit help ensure that the most vulnerable citizens of the state are protected.

<b>000027 PM009/MFCU - Recoveries. The amount of money ordered recovered each fiscal year as a result of the work performed by the Medicaid Fraud Control Unit of the AGO.</b>			
Biennium	Period	Actual	Target
2009-11	A3		
	A2	\$6.62	
2007-09	A3		
	A2		
Performance Measure Status: Approved			

**Dollars      000027 - Amount of Dollars Recovered for Every Dollar Spent by the AGO on Medicaid Fraud Work**



**A010      Legal Services to State Agencies**



*Appropriation Period: 2011-13 Activity Version: S2 - 2011-13 Biennial Budget Request Sort By: Activity*

The Office of the Attorney General provides legal advice and representation to over 230 state agencies, boards, and commissions, which collectively have a broad range of program responsibility. In addition to representing agencies in litigation, the office provides legal advice on issues such as personnel, contracts, public records, and specialized program advice. Some program responsibilities supported by the office include state and federal benefit programs administered by state agencies, state licensing and regulatory programs, state agency custodial programs, higher education institutions, natural resources programs, state agency capital construction and equipment acquisitions, state agency revenue and collection programs, and economic development and enterprise activities.

**Program 040 - Agency Legal Services**

<b>Account</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>Biennial Total</b>
<b>FTE</b>			
996-Z Other	929.5	925.7	927.6
001-1 State	2.0	2.0	2.0
<b>FTE Total</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>
<b>001 General Fund</b>			
001-1 State	\$670,175	\$685,887	\$1,356,062
<b>405 Legal Services Revolving Account</b>			
405-1 State	\$97,424,202	\$97,209,622	\$194,633,824
<b>828 Tobacco Prevention and Control Account</b>			
828-1 State	\$135,000	\$135,000	\$270,000

**Statewide Result Area:** Strengthen government's ability to achieve results efficiently and effectively

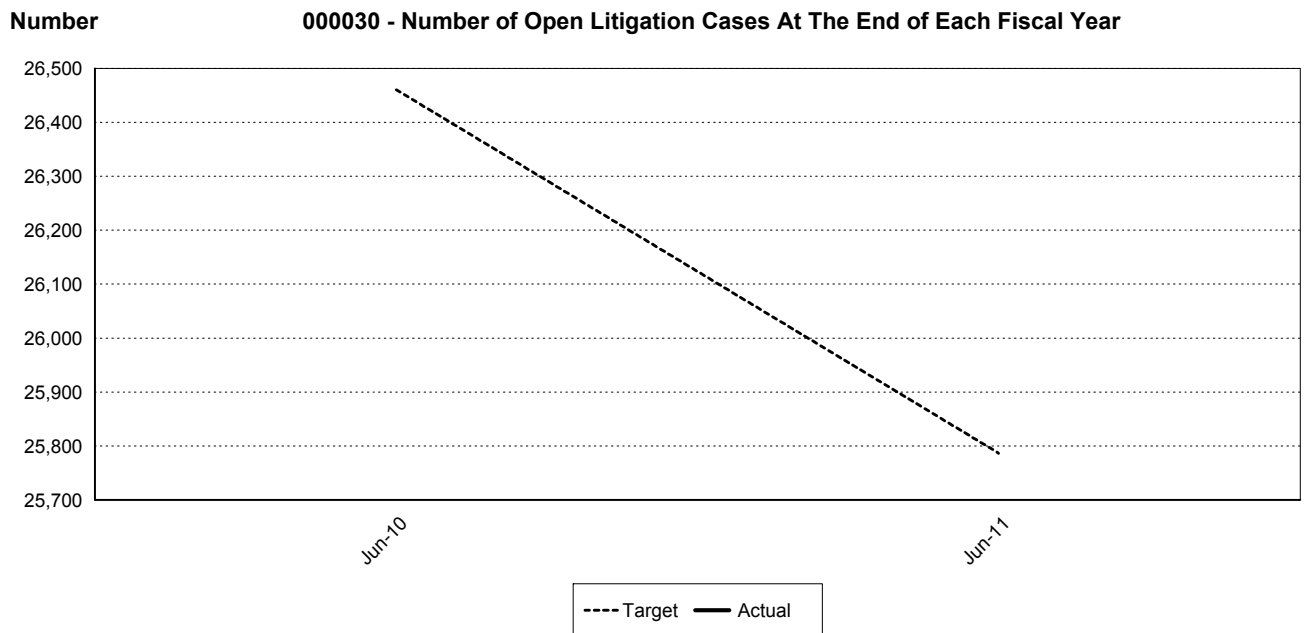
**Statewide Strategy:** Provide data, information, and analysis to support decision-making

**Expected Results**

The Office of the Attorney General will continue to provide high quality, option-based legal advice to assist state agency decision making, to reduce litigation costs and create efficiencies, and to serve the best interests of the public. In the litigation context, the office will continue to initiate, defend, and resolve cases effectively and efficiently for the benefit of the state, its agencies, and its citizens.

Appropriation Period: 2011-13 Activity Version: S2 - 2011-13 Biennial Budget Request Sort By: Activity

000030 PM0010 - The number of litigation cases open at the end of each Fiscal Year.			
Biennium	Period	Actual	Target
2009-11	A3		25,786
	A2	26,151	26,460
2007-09	A3		
	A2		
Performance Measure Status: Approved			



**Grand Total**

	FY 2012	FY 2013	Biennial Total
FTE's	1,137.8	1,134.0	1,135.9
GFS	\$5,651,473	\$5,786,310	\$11,437,783
Other	\$117,027,769	\$117,413,855	\$234,441,624
<b>Total</b>	<b>\$122,679,242</b>	<b>\$123,200,165</b>	<b>\$245,879,407</b>

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*Appropriation Period: 2011-13 Activity Version: S2 - 2011-13 Biennial Budget Request Sort By: Activity*

<u>Parameter</u>	<u>Entered As</u>
Budget Period	2011-13
Agency	100
Version	S2
Result Area	All Result Areas
Activity	All Activities
Program	All Programs
Sub Program	All Sub Programs
Account	All Accounts
Expenditure Authority Type	All Expenditure Authority Types
Theme	All
Sort By	Activity
Display All Account Types	Yes
Include Policy Level	Yes
Include Activity Description	Yes
Include Statewide Result Area	Yes
Include Statewide Strategy	Yes
Include Expected Results Text	Yes
Include Charts	Yes
Chart Type	Line
Include Parameter Selections	Yes
Version Source	Agency

**Agency Performance Measure  
Incremental Estimates for the Biennial Budget**

**Agency: 100 Office of Attorney General Budget Period: 2011-13**

**Activity: A001 Administrative Activity**

**Outcome Measures 000001 PM0001/ADM - Percentage of Mandatory Training Completed.**

M2	8L	Lease Rate Adjustments				<u>FY 2012</u>			<u>FY 2013</u>
						0.00%			0.00%

**Activity: A002 Civil Commitment of Sexually Violent Predators**

**Outcome Measures 000005 PM0002/SVP - Percentage of SVP Cases Resulting in Commitment.  
The higher the commitment rate, the more successful the SVP unit is in civilly committing dangerous sexual predators and thereby protecting the public from these offenders.**

M2	8L	Lease Rate Adjustments				<u>FY 2012</u>			<u>FY 2013</u>
						0.00%			0.00%
M2	BK	Restore DSHS Legal Services Funding				0.00%			0.00%

**Activity: A003 Criminal Investigation and Prosecution**

**Output Measures 000008 PM0003/CRI - This is a count of the number of requests for assistance and referrals to the unit from outside the AGO.  
The primary function of our unit is to provide trial and consulting assistance to local prosecutors.**

M2	8L	Lease Rate Adjustments				<u>FY 2012</u>			<u>FY 2013</u>
						0.00			0.00

**Activity: A004 Enforcement of Anti-Trust Laws**

**Output Measures 000011 PM0004/ANT - Recoveries. We capture the efforts of AGO Antitrust staff who work to stop anticompetitive behavior and promote compliance with Antitrust laws. The measurement tells us the degree to which we recover monetary restitution for our consumers.**

M2	8L	Lease Rate Adjustments				<u>FY 2012</u>			<u>FY 2013</u>
						0.00			0.00

**Agency Performance Measure  
Incremental Estimates for the Biennial Budget**

**Agency: 100 Office of Attorney General Budget Period: 2011-13**

**Activity: A005 Enforcement of Consumer Protection Laws**

**Output Measures 000014 PM0005/CPR- Recoveries. Consumer Protection mission is to provide a fair and non-deceptive marketplace through vigorous civil law enforcement. We promote general deterrence and compliance with the CPA by obtaining and collecting monetary judgments.**

			<u><b>FY 2012</b></u>	<u><b>FY 2013</b></u>
M2	8L	Lease Rate Adjustments	0.00	0.00

**Activity: A006 Executive Ethics Board**

**Outcome Measures 000018 PM0006/ETH - Average Number of Days to Complete an Ethics Investigation. By completing investigations within a reasonable period of time, the public will be better served and public trust and confidence in government will increase.**

			<u><b>FY 2012</b></u>	<u><b>FY 2013</b></u>
M2	8L	Lease Rate Adjustments	0.00	0.00

**Activity: A007 Homicide Investigation Tracking System**

**Outcome Measures 000021 PM0007/HITS - Access Requests. Our HITS team fields requests for information from our HITS database. We support Law Enforcement Agencies (LEAs) in the State of Washington upon request only and their access to the HITS database.**

			<u><b>FY 2012</b></u>	<u><b>FY 2013</b></u>
M2	8L	Lease Rate Adjustments	0.00	0.00

**Activity: A009 Investigation and Prosecution of Medicaid Fraud and Resident Abuse**

**Outcome Measures 000027 PM009/MFCU - Recoveries. The amount of money ordered recovered each fiscal year as a result of the work performed by the Medicaid Fraud Control Unit of the AGO.**

			<u><b>FY 2012</b></u>	<u><b>FY 2013</b></u>
M2	8L	Lease Rate Adjustments	0.00	0.00

**Agency Performance Measure  
Incremental Estimates for the Biennial Budget**

**Agency: 100 Office of Attorney General Budget Period: 2011-13**

**Activity: A010 Legal Services to State Agencies**

**Outcome Measures 000030 PM0010 - The number of litigation cases open at the end of each Fiscal Year.**

			<u>FY 2012</u>	<u>FY 2013</u>
M2	8L	Lease Rate Adjustments	0.00	0.00
M2	9X	Self Insurance Premium	0.00	0.00
M2	BA	US v WA Boldt Culverts Litigation	0.00	0.00
M2	BB	T.R. v Dreyfus DSHS Litigation	0.00	0.00
M2	BC	Hazardous Substance Tax Litigation	0.00	0.00
M2	BD	Moore et al v HCA Litigation	0.00	0.00
M2	BE	Secretary of State Litigation	0.00	0.00
M2	BF	Stormans v DOH Litigation	0.00	0.00
M2	BG	Teck Cominco Metals Litigation	0.00	0.00
M2	BH	USDOL v DSHS Solis Litigation	0.00	0.00
M2	BI	Yucca Mountain ECY Litigation	0.00	0.00
M2	BJ	Multi-State Tobacco Litigation	0.00	0.00
M2	BK	Restore DSHS Legal Services Funding	0.00	0.00
M2	BL	ISD Reallocation to DIS & Equipment	0.00	0.00
M2	BM	OSPI State & Federal Civil Rights	0.00	0.00
M2	BN	Unemployment Insurance ESD IAA	0.00	0.00
M2	BP	University of WA IAA to Base Funds	0.00	0.00
M2	BQ	DSHS ESH Legal Services	0.00	0.00
M2	BR	Realignment of Client Allocations	0.00	0.00

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# Indirect Cost Allocation to Activities Description

- Not Applicable -



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TAB B

RECOMMENDATION  
SUMMARY





## Recommendation Summary

(By Agency Priority)

**Agency: 100 Office of Attorney General**  
**Version: S2 2011-13 Biennial Budget Request**

1:53:46PM

8/10/2010

Dollars in Thousands

	Annual Average FTEs	General Fund State	Other Funds	Total Funds
<b>2009-11 Current Biennium Total</b>	<b>1,095.2</b>	<b>10,600</b>	<b>221,964</b>	<b>232,564</b>
<b>Total Carry Forward Level</b>	<b>1,095.2</b>	<b>10,600</b>	<b>221,964</b>	<b>232,564</b>
Percent Change from Current Biennium				
<b>Carry Forward plus Workload Changes</b>	<b>1,095.2</b>	<b>10,600</b>	<b>221,964</b>	<b>232,564</b>
Percent Change from Current Biennium				
M2 BK Restore DSHS Legal Services Funding	23.0		5,000	5,000
M2 BD Moore et al v HCA Litigation	3.7		1,772	1,772
M2 BJ Multi-State Tobacco Litigation	2.3	720		720
M2 BH USDOL v DSHS Solis Litigation				
M2 BA US v WA Boldt Culverts Litigation	2.0		526	526
M2 BI Yucca Mountain ECY Litigation				
M2 BB T.R. v Dreyfus DSHS Litigation	2.5		806	806
M2 BE Secretary of State Litigation	0.5		128	128
M2 BC Hazardous Substance Tax Litigation	0.2		54	54
M2 BG Teck Cominco Metals Litigation			400	400
M2 BM OSPI State & Federal Civil Rights	1.6		532	532
M2 BF Stormans v DOH Litigation	1.8		500	500
M2 BN Unemployment Insurance ESD IAA	2.0		516	516
M2 BP University of WA IAA to Base Funds	0.4		170	170
M2 BR Realignment of Client Allocations				
M2 BQ DSHS ESH Legal Services	0.8		214	214
M2 9X Self Insurance Premium			196	196
M2 BL ISD Reallocation to DIS & Equipment				
M2 8L Lease Rate Adjustments		118	2,047	2,165
<b>Total Maintenance Level</b>	<b>1,135.9</b>	<b>11,438</b>	<b>234,825</b>	<b>246,263</b>
Percent Change from Current Biennium	3.7%	7.9%	5.8%	5.9%
<b>Subtotal - Performance Level Changes</b>				
<b>2011-13 Total Proposed Budget</b>	<b>1,135.9</b>	<b>11,438</b>	<b>234,825</b>	<b>246,263</b>
Percent Change from Current Biennium	3.7%	7.9%	5.8%	5.9%

**Recommendation Summary**

(By Agency Priority)

**Agency: 100 Office of Attorney General**  
**Version: S2 2011-13 Biennial Budget Request**

1:53:46PM

8/10/2010

Dollars in Thousands

Annual Average FTEs	General Fund State	Other Funds	Total Funds
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**M2 8L Lease Rate Adjustments**

The Office of the Attorney General (AGO) requests \$2,164,351 in the 2011-13 biennium to fund lease rate adjustments for existing leased facilities.

**M2 9X Self Insurance Premium**

The Office of the Attorney General (AGO) requests \$196,050 in the 2011-13 biennium to provide funding for increased Government Self-Insurance Liability Account (SILA) program premiums, as estimated by the Office of Financial Management (OFM).

**M2 BA US v WA Boldt Culverts Litigation**

The Office of the Attorney General (AGO) requests \$526,000 and 2.0 FTEs in the 2011-13 biennium to provide additional legal services to multiple state agencies associated with U.S. v. Washington-Boldt Culverts Litigation. The potential liability to the State of Washington in an adverse judgment will potentially exceed \$2,000,000,000.

**M2 BB T.R. v Dreyfus DSHS Litigation**

The Office of the Attorney General (AGO) requests \$806,000 and 2.5 FTEs in the 2011-13 biennium to provide additional legal services to the Department of Social and Health Services (DSHS) associated with Children's Mental Health Litigation (T.R. v Dreyfus).

**M2 BC Hazardous Substance Tax Litigation**

The Office of the Attorney General (AGO) requests \$54,000 and 0.3 FTEs in the 2011-13 biennium to provide new legal services for the Department of Ecology (ECY) associated with the Hazardous Substance Tax (HST) litigation.

**M2 BD Moore et al v HCA Litigation**

The Office of the Attorney General (AGO) requests \$1,772,000 and 3.7 FTEs in the 2011-13 biennium to fund continuing legal services related to a major class action lawsuit against the Health Care Authority (HCA) entitled Moore, et al. v. Health Care Authority. The potential liability to the State of Washington in an adverse judgment can exceed \$50,000,000.

**M2 BE Secretary of State Litigation**

The Office of the Attorney General (AGO) requests \$128,000 and 0.5 FTEs in the 2011-13 biennium to provide ongoing legal services for the Secretary of State (SEC) relating to election-related litigation, which includes Doe v. Reed, Eyman v. Reed, Washington State Republican Party et al. v. State, and Farrakhan v. Gregoire. An unfavorable result in the litigation will lead to invalidation of state laws.

**M2 BF Stormans v DOH Litigation**

The Office of the Attorney General (AGO) requests \$500,000 and 1.8 FTEs in the 2011-13 biennium to provide ongoing legal services for the Department of Health (DOH) relating to Stormans v. DOH litigation. At issue is the constitutionality of rules adopted by the Board of Pharmacy relating to access to all prescription medications, as well as liability for attorney fees, claimed at present to exceed \$1,000,000.

**M2 BG Teck Cominco Metals Litigation**

The Attorney General's Office (AGO) requests \$400,000 in the 2011-13 biennium to provide additional legal services to the Department of Ecology (ECY) and the Department of Natural Resources (DNR) associated with Pakootas, et al. v. Teck Cominco Metals Ltd. litigation.

**M2 BH USDOL v DSHS Solis Litigation**

**Recommendation Summary**

(By Agency Priority)

**Agency: 100 Office of Attorney General**  
**Version: S2 2011-13 Biennial Budget Request**

1:53:46PM

8/10/2010

Dollars in Thousands

Annual Average FTEs	General Fund State	Other Funds	Total Funds
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The Attorney General's Office (AGO) may need funding in the 2011-13 biennium for possible continued legal services associated with United States Department of Labor (USDOL) v. Washington Department of Social and Health Services (DSHS). The potential liability to the State of Washington in an adverse judgment will likely exceed \$80,000,000, although the USDOL maintains that the damages will continue to accrue and will likely claim higher damages as the case proceeds.

**M2 BI Yucca Mountain ECY Litigation**

The Attorney General's Office (AGO) may need funding in the 2011-13 biennium for possible continuing legal services associated with the Yucca Mountain litigation. In this litigation, we are representing the State before the Nuclear Regulatory Commission and the District of Columbia Circuit Court of Appeals. We have intervened in the licensing proceeding to oppose a motion by the U.S. Department of Energy (DOE) to withdraw its license application for the High-Level Waste repository at Yucca Mountain, Nevada and we have filed suit in federal court to obtain a court order prohibiting DOE from abandoning its pursuit of the Yucca license.

**M2 BJ Multi-State Tobacco Litigation**

The Office of the Attorney General (AGO) requests \$720,000 and 2.3 FTEs in the 2011-13 biennium to provide additional legal services associated with pending national arbitration, and potential future arbitrations under the Tobacco Master Settlement Agreement (MSA). An unfavorable result in the arbitration(s) could potentially result in a reduction of up to \$130 million per Fiscal Year (FY) in the amount of MSA money that will be available to the legislature in future biennia.

**M2 BK Restore DSHS Legal Services Funding**

The Office of the Attorney General (AGO) requests \$5,000,000 and 23.0 FTEs to restore the Carry Forward Level (CFL) reduction in legal services to the Department of Social and Health Services (DSHS).

**M2 BL ISD Reallocation to DIS & Equipment**

The Office of the Attorney General (AGO) requests funding in the 2011-13 biennium for information and technology purposes. This placeholder request is to address three specific areas of Information Technology (IT) spending for the 2011-13 biennium: 1) Replacement of aging network (roadway) infrastructure that vendors will no longer cover under extended product warranty, 2) Purchase of extended warranty coverage and replacement of aging server (storage) infrastructure, and 3) Budget allocation for the move and monthly cost of server infrastructure services from the Department of Information Services (DIS) as a result of moving the AGO Data Center to the DIS building in September 2012.

**M2 BM OSPI State & Federal Civil Rights**

The Office of the Attorney General (AGO) requests \$532,000 and 1.6 FTEs in the 2011-13 biennium for new legal services needed by the Office of Superintendent of Public Information (OSPI) established through the enactment of 2SHB- 3026.PL (State and Federal Civil Rights Law) in the 2010 Legislative session. This enacted bill will result in an increased caseload and litigation relating to civil rights.

**M2 BN Unemployment Insurance ESD IAA**

The Office of the Attorney General (AGO) requests \$516,000 and 2.0 FTEs in the 2011-13 biennium for legal services associated with Unemployment Insurance (UI) to be provided to the Employment Security Department (ESD).

**M2 BP University of WA IAA to Base Funds**

The Office of the Attorney General (AGO) requests \$170,000 and 0.4 FTEs in the 2011-13 biennium to provide ongoing legal services associated with University of Washington (UW) relating to Airlift Northwest (ALNW) and the UW Real Estate Office for Metro Tract management.

**M2 BQ DSHS ESH Legal Services**

The Office of the Attorney General (AGO) requests \$214,000 and 0.8 FTEs in the 2011-13 biennium to provide ongoing legal services for the Department of Social and Health Services (DSHS) Eastern State Hospital (ESH) to provide the client with additional advice and representation.

**Recommendation Summary**

(By Agency Priority)

**Agency: 100 Office of Attorney General**  
**Version: S2 2011-13 Biennial Budget Request**

1:53:46PM

8/10/2010

Dollars in Thousands

Annual Average FTEs	General Fund State	Other Funds	Total Funds
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**M2 BR Realignment of Client Allocations**

The Office of the Attorney General (AGO) requests realignment of the Legal Services Revolving Fund (LSRF) so that client allocations align to estimated client legal service needs in the 2011-2013 biennium. This request nets to \$0 for the AGO as we are not requesting new funds, but merely realigning existing LSRF dollars.

# Recommendation Summary at Program Level

- Not Applicable -



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TAB C

DECISION  
PACKAGES





### Agency Budget Request Decision Package Summary

(Lists only the agency Performance Level budget decision packages, in priority order)

Agency:

8/3/2010  
10:28:03AM

Budget Period:

Decision Package

Code

Decision Package Title

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**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BK Restore DSHS Legal Services Funding

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**Budget Period:** 2011-13  
**Budget Level:** M2 - Inflation and Other Rate Changes

**Recommendation Summary Text:**

The Office of the Attorney General (AGO) requests \$5,000,000 and 23.0 FTEs to restore the Carry Forward Level (CFL) reduction in legal services to the Department of Social and Health Services (DSHS).

**Fiscal Detail**

<b>Operating Expenditures</b>		<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
405-1	Legal Services Revolving Account-State	2,500,000	2,500,000	5,000,000
<b>Total Cost</b>		<b>2,500,000</b>	<b>2,500,000</b>	<b>5,000,000</b>
<b>Staffing</b>		<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Annual Average</u></b>
	FTEs	23.0	23.0	23.0
<b>Revenue</b>				
<b><u>Fund</u></b>	<b><u>Source</u></b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
405	Legal Serv Rev Acct 0420 Charges for Services	2,500,000	2,500,000	5,000,000
<b>Total Revenue</b>		<b>2,500,000</b>	<b>2,500,000</b>	<b>5,000,000</b>

**Package Description:**

The AGO requests \$5,000,000 and 23.0 FTEs to restore the CFL reductions in legal services to DSHS.

2009-11 budget cuts already implemented have reduced DSHS legal services to a level which does not allow priorities to be adjusted in order to handle new, significant litigation. Rather, targeted new hires must be done for major new lawsuits. The lack of access to preventive legal advice has resulted in increased work in some areas such as development of new administrative rules. Existing staff are devoted to litigation and the highest priorities for client advice. Any further cuts will need to come from the staff resources devoted to juvenile dependency and parental termination litigation state-wide, resulting in slower case processing and delayed permanency for children.

This request will permit funding that will allow DSHS legal services to remain at the current levels, which already reflect significant reductions in access to preventive legal advice as well as reductions in litigation initiated by DSHS in the financial recovery area.

The AGO subject matter expert for this request is Sarian Scott, (360) 586-2104.

**Narrative Justification and Impact Statement**

Agency: 100 Office of Attorney General

Decision Package Code/Title: BK Restore DSHS Legal Services Funding

*What specific performance outcomes does the agency expect?*

This request is for funding that is critical to sustaining DSHS legal services. The reduction in DSHS legal services will have major implications for the state. The AGO will become extremely limited in the availability to perform essential legal services and to prevail in these services.

With the approval of this request, the AGO will sustain the current level of legal services provided to DSHS and will continue to achieve the current level of success that we have displayed.

**Performance Measure Detail**

Activity: A002 Civil Commitment of Sexually Violent Predators

	<b>Incremental Changes</b>
	<b><u>FY 2012</u></b> <b><u>FY 2013</u></b>

**Outcome Measures**

000005	PM0002/SVP - Percentage of SVP Cases Resulting in Commitment. The higher the commitment rate, the more successful the SVP unit is in civilly committing dangerous sexual predators and thereby protecting the public from these offenders.	0.00%	0.00%
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Activity: A010 Legal Services to State Agencies

	<b>Incremental Changes</b>
	<b><u>FY 2012</u></b> <b><u>FY 2013</u></b>

**Outcome Measures**

000030	PM0010 - The number of litigation cases open at the end of each Fiscal Year.	0.00	0.00
--------	------------------------------------------------------------------------------	------	------

*Is this decision package essential to implement a strategy identified in the agency's strategic plan?*

This budget request implements goal #1 of the AGO Strategic Plan-"Provide efficient and effective representation to our client agencies." The AGO provides a broad range of legal services to over 230 state agencies to enable them to achieve their missions.

*Does this decision package provide essential support to one of the Governor's priorities?*

Yes, this request supports the Governor's efforts relating to strengthening government's ability to achieve results efficiently and effectively.

*Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?*

Yes, in the 2009-11 biennial Priorities of Government Purchases, Legal Services to State Agencies is ranked #4 out of 248 categories.

*What are the other important connections or impacts related to this proposal?*

The AGO has no option but to respond to lawsuits filed against DSHS. In doing so, other important legal matters will be de-prioritized, such as timely processing of dependencies and terminations, and providing critical client advice.

**Agency:** 100 Office of Attorney General

**Decision Package Code/Title:** BK Restore DSHS Legal Services Funding

DSHS supports this request and has also submitted a decision package, and is concerned about the increased risk from lack of access to legal advice, including the resulting risks of successful legal challenges to agency rule adoptions and other program decisions. Rather than requesting further reductions, DSHS is seeking a higher level of AGO support in risk management efforts.

*What alternatives were explored by the agency, and why was this alternative chosen?*

There are no statutory, regulatory, or other changes or negotiation possibilities that would reduce the necessity of providing a legal defense in lawsuits initiated against DSHS. There is no alternative source of income.

The AGO could further reduce or eliminate the financial recovery litigation which DSHS initiates. Existing staff reductions have already resulted in focusing on cases with the greatest potential recoveries. Further reductions will not be cost effective in terms of the funds recovered on behalf of DSHS.

More than two-thirds of the staff resources for DSHS legal services are devoted to juvenile dependency and parental termination litigation. At current staff levels, the AGO is able to meet the statutorily-mandated timeframes for processing dependencies, and it is able to process termination referrals without significant delays. With no other areas to cut, these legal services will be targeted in any additional staff reduction, resulting in delays in case processing and permanency for children.

*What are the consequences of not funding this package?*

Budget cuts already implemented have reduced DSHS legal services to a level which does not allow priorities to be adjusted in order to handle new, significant litigation. Any further cuts will need to come from the staff resources devoted to juvenile dependency and parental termination litigation state-wide, resulting in slower case processing and delayed permanency for children.

*What is the relationship, if any, to the state's capital budget?*

None.

*What changes would be required to existing statutes, rules, or contracts, in order to implement the change?*

If resources are reduced below the level necessary to meet statutory timeframes for dependency processing, the dependency statute should be amended to reflect the actual time needed to process within resources allocated by the legislature.

*Expenditure and revenue calculations and assumptions*

None.

*Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?*

All costs in this request are assumed to be on going.

DSHS supports this budget request. The DSHS budget also includes a matching decision package.

<u>Object Detail</u>		<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
A	Salaries And Wages	1,495,296	1,495,296	2,990,592
B	Employee Benefits	418,683	418,683	837,366



State of Washington  
Decision Package

FINAL

Agency: **100 Office of Attorney General**

Decision Package Code/Title: **BK Restore DSHS Legal Services Funding**

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E	Goods And Services	471,654	475,754	947,408
G	Travel	45,367	41,267	86,634
J	Capital Outlays	69,000	69,000	138,000
<b>Total Objects</b>		<b>2,500,000</b>	<b>2,500,000</b>	<b>5,000,000</b>

**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BD Moore et al v HCA Litigation

**Budget Period:** 2011-13  
**Budget Level:** M2 - Inflation and Other Rate Changes

**Recommendation Summary Text:**

The Office of the Attorney General (AGO) requests \$1,772,000 and 3.7 FTEs in the 2011-13 biennium to fund continuing legal services related to a major class action lawsuit against the Health Care Authority (HCA) entitled Moore, et al. v. Health Care Authority. The potential liability to the State of Washington in an adverse judgment can exceed \$50,000,000.

**Fiscal Detail**

<b>Operating Expenditures</b>		<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>	
405-1	Legal Services Revolving Account-State	886,000	886,000	1,772,000	
<b>Total Cost</b>		<b>886,000</b>	<b>886,000</b>	<b>1,772,000</b>	
<b>Staffing</b>		<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Annual Average</u></b>	
	FTEs	3.7	3.7	3.7	
<b>Revenue</b>					
<b><u>Fund</u></b>	<b><u>Source</u></b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>	
405	Legal Serv Rev Acct	0420 Charges for Services	886,000	886,000	1,772,000
<b>Total Revenue</b>		<b>886,000</b>	<b>886,000</b>	<b>1,772,000</b>	

**Package Description:**

The AGO requests \$1,772,000 and 1.5 Assistant Attorney General (AAG), 1.3 Paralegal (PL), and 0.9 Legal Assistant (LA) in the 2011-13 biennium, which includes \$900,000 for continuing legal services related to a major class action lawsuit against the HCA entitled Moore, et al. v. Health Care Authority.

This case was filed in July 2006 by Bendich, Stobaugh & Strong, a firm that specializes in pursuing class action lawsuits against governmental entities for the entities' alleged failures to provide employees with various benefits, including health care benefits. In Moore, plaintiffs claim the State failed to provide statutorily mandated health benefits to non-full-time employees who worked at least half-time over certain periods of time.

The first three years of the case were spent responding to plaintiffs' massive discovery requests and litigating the issue of class certification for damages, as well as the State's liability. As a result, large costs were incurred for data production and analysis of numerous payroll systems and other data related to the liability phase of the case. Through Fiscal Month 10 of FY2010, legal services, document production and other direct costs have totaled \$2,801,782.

The trial court in a series of rulings in 2007 through the end of 2009 certified the class for liability purposes, found the State liable for failing to provide the required health care benefits and concluded a three year statute of limitations applied to plaintiffs' claims. The Court of Appeals rejected the State's attempt to appeal the ruling on the certification issue and is currently considering whether to

**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BD Moore et al v HCA Litigation

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grant review of the trial court's ruling on the applicable statute of limitations.

Moving forward into the damages phase of the case, the primary costs will continue to be those needed to litigate the case in the trial and appellate courts (AAG, PL and LA3 resources), as well as associated outside assistance (data collection and analysis regarding the damages phase discovery; expert damages analysis and testimony). Specifically, the State is currently in the process of responding to plaintiffs' damages phase discovery requests. Although not as onerous as the liability phase discovery requests, responding to these interrogatories and requests for production will still be time-consuming for AGO staff. Each request requires the production of very large amounts of electronic data and necessitates the assistance of outside experts for production and analysis.

The State intends to oppose certification of the class for the damages phase. In addition to the extensive legal work necessary to defeat certification, this will require the assistance of a damages expert to analyze, prepare and provide testimony in support of the State's position on certification for damages.

Finally, if the trial court does certify the class for damages, the State will need to prepare and try this matter. Currently, no trial date has been set. However, given that over 30 state agencies are involved in this matter, in addition to HCA, as well as the complexity of the legal and factual issues involved (including, in particular, the double damages claim), the AGO anticipates a trial will be lengthy. The current AGO Moore team will need to expand to meet the demands of trial.

Based on all of this, \$1,772,000 is intended to provide for 3.7 FTE as well as and including \$900,000 for direct litigation costs for goods, services, travel, and capital outlays associated with the case. With respect to direct costs, we will need discovery and database support to respond to plaintiff's damages phase discovery requests estimated at \$300,000; and expert witness assistance to work up, report and present the State's damage analysis, including depositions and trial, if necessary, estimated at \$600,000.

The estimate reflects our best assessment of the costs of both responding to damages phase discovery requests and conducting our own damages phase discovery, litigating class certification for damages and, if necessary, trying the case.

Although HCA is the primary named defendant because of its role as the administrator of benefits for state employees, plaintiffs' claims focus on the practice of over 30 state agencies as employers. HCA's budget for all legal services is inadequate to support the costs of this lawsuit.

The desired result of this request is to reach a cost-effective resolution to this case and to avoid further litigation. With possible repercussions totaling in multi-million dollar amounts, the funding of an effective litigation team in FY 11-13 is imperative to reduce expense in the future.

The AGO subject matter expert for this request is Sarian Scott, (360) 586-2104.

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

This request is for funding that is critical to the continued defense of this major labor dispute. The outcome of this case will have major fiscal implications for the state.

The AGO will perform essential legal services to prevail in this appeal. The AGO is working to protect HCA, 30 other effected state agencies, and the taxpaying citizens of the state to exposure to liability of this a multi-million dollar lawsuit.

Agency: 100 Office of Attorney General

Decision Package Code/Title: BD Moore et al v HCA Litigation

**Performance Measure Detail**

Activity: A010 Legal Services to State Agencies

	Incremental Changes		
	<table border="0"> <tr> <td style="text-align: center;"><u>FY 2012</u></td> <td style="text-align: center;"><u>FY 2013</u></td> </tr> </table>	<u>FY 2012</u>	<u>FY 2013</u>
<u>FY 2012</u>	<u>FY 2013</u>		

**Outcome Measures**

000030	PM0010 - The number of litigation cases open at the end of each Fiscal Year.	0.00	0.00
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*Is this decision package essential to implement a strategy identified in the agency's strategic plan?*

This budget request implements goal #1 of the AGO Strategic Plan-"Provide efficient and effective representation to our client agencies." The AGO provides a broad range of legal services to over 230 state agencies to enable them to achieve their missions.

*Does this decision package provide essential support to one of the Governor's priorities?*

Yes, this request supports the Governor's efforts relating to strengthening government's ability to achieve results efficiently and effectively. Providing legal services to state agencies is an element of providing data information, and analysis to support decision making.

*Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?*

Yes, in the 2009-11 biennial Priorities of Government Purchases, Legal Services to State Agencies is ranked #4 out of 248 categories.

*What are the other important connections or impacts related to this proposal?*

This legal matter affects multiple state agencies and institutions, some 30 in number. These stakeholders include but are not limited to HCA, all state institutions of higher education including the University of Washington and Washington State University, as well as other state agencies that utilize non-full-time employees (e.g., The Department of Social and Health Services, Washington State Department of Transportation, Department of Natural Resources, etc.). Defense of this case has broad stakeholder participation and approval.

It is also important to note that this request is for a continuation of ongoing litigation, and a 2011 Supplemental request is anticipated.

*What alternatives were explored by the agency, and why was this alternative chosen?*

Early resolution of the case was attempted but was unsuccessful. The case must be defended vigorously because of the trial court's adverse rulings to date, and the large potential damages that might be awarded. There are no viable alternatives to defending the case.

There are no statutory, regulatory, or other changes or negotiation possibilities that would reduce the costs of this legal defense. There is no alternative source of income.

*What are the consequences of not funding this package?*

If not funded, the state faces a multi-million dollar adverse judgment and major limitations upon the Governor's and Legislature's policy prerogatives regarding health care benefits for part-time employees.

**Agency:** 100 Office of Attorney General

**Decision Package Code/Title:** BD Moore et al v HCA Litigation

Given the court's rulings establishing liability and a three year statute of limitations period (which is still in issue), we estimate our damages to be approximately \$28 million if plaintiffs prevail on their theory of damages. This figure is preliminary in nature and does not account for a potential award of double damages or prejudgment interest, nor for an award of attorney's fees and costs. The expected fiscal impact of this case is approximately \$50 million; and our outside exposure approaches \$70 million.

*What is the relationship, if any, to the state's capital budget?*

None.

*What changes would be required to existing statutes, rules, or contracts, in order to implement the change?*

None.

***Expenditure and revenue calculations and assumptions***

\$900,000 in direct litigation costs is necessary for electronic data imaging, data and damage analysis, and expert testimony.

*Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?*

Costs are expected to be one-time until the case is finally resolved through court action or settlement.

It is possible that the case can be concluded by the end of FY2013, but complications or appeals could delay the final resolution.

HCA supports this budget request and has a mirror request in their budget submittal.

<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
A Salaries And Wages	243,894	243,894	487,788
B Employee Benefits	68,290	68,290	136,580
C Personal Service Contracts	450,000	450,000	900,000
E Goods And Services	85,406	103,906	189,312
G Travel	10,200	10,200	20,400
J Capital Outlays	28,210	9,710	37,920
<b>Total Objects</b>	<b>886,000</b>	<b>886,000</b>	<b>1,772,000</b>

**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BJ Multi-State Tobacco Litigation

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**Budget Period:** 2011-13  
**Budget Level:** M2 - Inflation and Other Rate Changes

**Recommendation Summary Text:**

The Office of the Attorney General (AGO) requests \$720,000 and 2.3 FTEs in the 2011-13 biennium to provide additional legal services associated with pending national arbitration, and potential future arbitrations under the Tobacco Master Settlement Agreement (MSA). An unfavorable result in the arbitration(s) could potentially result in a reduction of up to \$130 million per Fiscal Year (FY) in the amount of MSA money that will be available to the legislature in future biennia.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	360,000	360,000	720,000
<b>Total Cost</b>	<b>360,000</b>	<b>360,000</b>	<b>720,000</b>
<b>Staffing</b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Annual Average</u></b>
FTEs	2.3	2.3	2.3

**Package Description:**

The AGO requests \$720,000 and 0.8 Assistant Attorney General (AAG), 1.0 Paralegal (PL), and 0.5 Legal Assistant (LA) in the 2011-13 biennium, which includes \$200,000 for direct litigation costs, to provide additional legal services associated with a pending national arbitration, and potential future arbitrations, under the Tobacco MSA.

For the past several years, the states ("Settling States") and tobacco companies ("Participating Manufacturers" or "PMs") that are parties to the MSA have been in dispute as to whether the PMs are entitled to a downward adjustment in the annual payment that they make to the Settling States under the MSA. If certain conditions are met, the PMs' annual payment obligation will be reduced as a result of the Non-Participating Manufacturer ("NPM") Adjustment under the MSA. However, the NPM Adjustment will not reduce the payment of any Settling State which enacted and diligently enforced statutes imposing payment obligations on NPMs that are similar in amount to those that the MSA imposes on PMs.

The issue of whether the Settling States diligently enforced their NPM statutes for the 2003 MSA sales year is the subject of a pending national arbitration that formally commenced in 2011. Although the evidentiary hearing is expected to begin during the first part of calendar year 2011, it is not certain that it will be completed by the end of FY 2010. Virtually all of the 52 Settling States and nearly 50 PMs are parties to this arbitration.

The total amount in dispute for sales year 2003 is approximately \$1.2 billion. The MSA contains a complicated formula to determine how much each Settling State's individual share of the annual MSA payment will be reduced in the event of a NPM Adjustment. If Washington loses its case in the pending arbitration, its share of the NPM Adjustment for 2003 would be up to \$130 million, depending

**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BJ Multi-State Tobacco Litigation

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on how many and which other states also lose their cases in the arbitration.

The MSA payments are not necessarily tied to particular corresponding state fiscal years. What is likely to happen is that if Washington loses its case in the arbitration, the state's share of the NPM Adjustment would be deducted from the next MSA payment (the payments are made in April of each year). Thus, if the 2003 sales year arbitration decision is rendered in 2011, then the payment that Washington receives in April of 2012 would be reduced by whatever Washington's share of the 2003 NPM Adjustment turns out to be subject to being partially offset by amounts that some PMs have paid into the MSA Disputed Payment Account).

Similar amounts of money would be at stake in subsequent arbitrations that are expected to be held for MSA sales years 2004 and beyond. The NPM Adjustment amounts for MSA sales years 2004-2009 (for which the Participating Manufacturers have already issued notices of dispute), respectively, are as follows: 2003: \$1.2 billion; 2004: \$1.1 billion; 2005: \$753 million; 2006: \$704 million; 2007: \$795 million; 2008: \$919 million; 2009: \$843 million.. It is not possible to predict exactly when the arbitration proceedings for such disputes would begin. However, we would expect the arbitration for the 2004 MSA sales year formally to commence immediately upon the completion of the arbitration for the 2003 sales year, probably sometime during 2011. Similarly, we would expect the arbitration for the 2005 sales year to commence shortly after the completion of the arbitration for the 2004 sales year, potentially sometime in 2012.

Historically, the legislature has used some MSA revenues to fund the Basic Health Plan and the Department of Health's (DOH) Tobacco Prevention and Control Program.

Because of the inherent complexity of the proceedings and, at least to date, the lack of any precedent established by a NPM Adjustment arbitral panel that would serve to create a template for the conduct of future NPM Adjustment arbitrations, we cannot know with certainty when the subsequent proceedings will commence or how they will unfold. However, as noted above, we do know that the participating manufacturers have already asserted a right to NPM Adjustments for all sales years through 2009. Thus, short of a global settlement, additional arbitration proceedings will inevitably have to occur in order to resolve these outstanding NPM Adjustment disputes.

This request covers costs in FY2012 and FY2013 for legal expenses relating to the preparation for, and conduct of the arbitration(s). These expenses will include 0.8 AAG, 1.0 PL, 0.5 LA, and expert witnesses to prepare for and put on Washington's case in one or more arbitrations under the MSA. This will include staff time for the AAG and PL to do all manner of work necessary to prepare and put on the case, such as legal research, discovery, witness preparation, briefing and presentation of the state's case; the retention of consultants and expert witnesses; contributing to anticipated shared expenses with other Settling States, such as third party administrator and court reporter expenses and shared outside counsel; and travel and lodging associated with discovery and the arbitration hearing.

The arbitrations will involve over eighty parties, and the procedural complexity necessitates enormous and time-intensive coordination among the states. Although the vast majority of work is done by telephone, periodic in-person meetings among state representatives are unavoidable. Thus, travel and lodging expenses will need to be incurred. Once the arbitrations actually commence, there will be a need for in-person hearings with the arbitration panel for both pre-hearing legal arguments as well as the evidentiary hearings. Given the multiplicity of parties, these hearings will almost certainly be held outside of the state of Washington and will require travel and lodging expenses.

The AGO subject matter expert for this request is Sarian Scott, and she can be reached at (360) 586-2104.

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

**Agency:** 100 Office of Attorney General

**Decision Package Code/Title:** BJ Multi-State Tobacco Litigation

This request is for funding that is critical to sustaining MSA entitlements. The outcome of this arbitration will have major fiscal implications for the state. The AGO will perform essential legal services to prevail in this process.

The AGO is working to prolong entitlements that provide benefits and services to citizens of the state.

**Performance Measure Detail**

Activity: **A010** Legal Services to State Agencies

		Incremental Changes	
		<u>FY 2012</u>	<u>FY 2013</u>
<b>Outcome Measures</b>			
000030	PM0010 - The number of litigation cases open at the end of each Fiscal Year.	0.00	0.00

***Is this decision package essential to implement a strategy identified in the agency's strategic plan?***

This budget request implements goal #1 of the AGO Strategic Plan-"Provide efficient and effective representation to our client agencies." The AGO provides a broad range of legal services to over 230 state agencies to enable them to achieve their missions.

***Does this decision package provide essential support to one of the Governor's priorities?***

Yes, this request supports the Governor's efforts relating to strengthening government's ability to achieve results efficiently and effectively. Providing legal services to state agencies is an element of providing data information, and analysis to support decision making.

Additionally, this request supports the Governor's efforts to improve the health of Washingtonians. MSA funding is used to educate and encourage reduction of tobacco use and substance abuse which is an element of increasing healthy behaviours.

***Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?***

Yes, in the 2009-11 biennial Priorities of Government Purchases, Legal Services to State Agencies is ranked #4 out of 248 categories.

***What are the other important connections or impacts related to this proposal?***

There is no option but to fund legal services associated with the pending national arbitration, and potential future arbitrations under the MSA.

Approximately 71% of MSA funding, or roughly \$130 million each FY, is used by the legislature to fund various programs in state government. In the past, these programs have included the Basic Health Plan and tobacco prevention and control. An unfavorable result in the arbitration(s) could potentially result in a reduction of up to \$130 million per FY in dispute in the amount of MSA money that will be available to the legislature in future biennia.

DOH Tobacco Prevention and Control Program is benefitted by this funding.

***What alternatives were explored by the agency, and why was this alternative chosen?***



State of Washington  
Decision Package

FINAL

**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BJ Multi-State Tobacco Litigation

Because of the potential impact of adverse rulings in this case, there is no reasonable alternative than to vigorously defend the state. Revenues generated will exceed the expenses by a monumental proportion.

There are no statutory, regulatory, or other changes or negotiation possibilities that would reduce the costs of this legal defense. There is no alternative source of income.

*What are the consequences of not funding this package?*

Not funding this request would seriously compromise the state's ability to present a well-organized, persuasive case in the arbitration(s). The result would be a materially higher risk of an adverse decision, with potential dollar consequences in the millions.

*What is the relationship, if any, to the state's capital budget?*

None.

*What changes would be required to existing statutes, rules, or contracts, in order to implement the change?*

None.

*Expenditure and revenue calculations and assumptions*

Expert witnesses, potential assessments to Washington under an anticipated cost share agreement with other arbitrating states for common expenses relating to the conduct of the arbitration and Washington's share of anticipated expenses for retaining shared outside counsel.

*Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?*

The Settling States and PMs have attempted to negotiate a settlement of the pending disputes that would alleviate the need for future NPM Adjustment arbitrations under the MSA. However, thus far those negotiations have been unsuccessful. Thus, it is necessary to fund the continued staffing of the pending arbitration in the event that it is not concluded by June 30, 2011, and the preparation for and presentation of arbitrations that may occur in the 2011-13 biennium.

<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
A Salaries And Wages	148,917	148,917	297,834
B Employee Benefits	41,697	41,697	83,394
C Personal Service Contracts	100,000	100,000	200,000
E Goods And Services	47,076	58,575	105,651
G Travel	6,251	6,252	12,503
J Capital Outlays	16,059	4,559	20,618
<b>Total Objects</b>	<b>360,000</b>	<b>360,000</b>	<b>720,000</b>

**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BH USDOL v DSHS Solis Litigation

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**Budget Period:** 2011-13  
**Budget Level:** M2 - Inflation and Other Rate Changes

**Recommendation Summary Text:**

The Attorney General's Office (AGO) may need funding in the 2011-13 biennium for possible continued legal services associated with United States Department of Labor (USDOL) v. Washington Department of Social and Health Services (DSHS). The potential liability to the State of Washington in an adverse judgment will likely exceed \$80,000,000, although the USDOL maintains that the damages will continue to accrue and will likely claim higher damages as the case proceeds.

**Fiscal Detail**

**Operating Expenditures** **Total**

**Total Cost**

**Package Description:**

The AGO may need funding in the 2011-13 biennium for possible continued legal services associated with the USDOL v. Washington DSHS.

In the event that the 9th Circuit Court of Appeals affirms the underlying decision, it is possible the USDOL will petition for certiorari before the U.S. Supreme Court and costs would be incurred for defending that appeal. In the event the 9th Circuit Court of Appeals remands the case for trial, a request for legal services funding will be submitted. It is difficult to speculate on when costs might be incurred and how extensive a trial might be without benefit of the court's ruling and identification of the issues for trial.

This case was brought by the USDOL against DSHS for alleged violations of the overtime and recordkeeping requirements of Fair Labor Standards Act (FLSA). On April 26, 2010 Judge Benjamin Settle of US District Court for the Western District of Washington granted summary judgment to DSHS, ruling that the social workers are exempt from FLSA. The court entered judgment for DSHS on May 3, 2010.

The USDOL appealed the court's decision on June 30, 2010, and as a result, the state will be required to respond to defend the dismissal. Failure to prevail in the appeal could result in a remand for a prolonged and expensive trial, and exposure to liability that exceeds \$80 million which included uncompensated overtime and double damages.

The client agency for this case is DSHS.

**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BH USDOL v DSHS Solis Litigation

The AGO subject matter expert for this request is Sarian Scott, (360) 586-2104.

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

This request is for funding that is critical to the continued defense of this major labor dispute. The outcome of this case will have major fiscal implications for the state and could create a long-lasting precedent.

The AGO will perform essential legal services to prevail in this appeal. The AGO is working to protect DSHS and the taxpaying citizens of the state from an exposure to liability that exceeds \$80 million.

**Performance Measure Detail**

Activity: A010 Legal Services to State Agencies

Incremental Changes  
**FY 2012**                      **FY 2013**

**Outcome Measures**

000030	PM0010 - The number of litigation cases open at the end of each Fiscal Year.	0.00	0.00
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*Is this decision package essential to implement a strategy identified in the agency's strategic plan?*

This budget request implements goal #1 of the AGO Strategic Plan-"Provide efficient and effective representation to our client agencies." The AGO provides a broad range of legal services to over 230 state agencies to enable them to achieve their missions.

*Does this decision package provide essential support to one of the Governor's priorities?*

Yes, this request supports the Governor's efforts relating to strengthening government's ability to achieve results efficiently and effectively. Providing legal services to state agencies is an element of providing data information, and analysis to support decision making.

*Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?*

Yes, in the 2009-11 biennial Priorities of Government Purchases, Legal Services to State Agencies is ranked #4 out of 248 categories.

*What are the other important connections or impacts related to this proposal?*

The AGO has no option but to respond to appeal. Any other resolution would be political, through contact with the USDOL.

It is also important to note that this request is for a continuation of ongoing litigation, and a 2011 Supplemental request is anticipated.

*What alternatives were explored by the agency, and why was this alternative chosen?*

Given the potential impact of adverse rulings in this case, there is no reasonable alternative than to vigorously defend the state.

**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BH USDOL v DSHS Solis Litigation

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There are no statutory, regulatory, or other changes or negotiation possibilities that would reduce the costs of this legal defense.  
There is no alternative source of income.

*What are the consequences of not funding this package?*

If not funded, the state faces a multi-million dollar adverse judgement. Failure to adequately fund the legal defense exposes DSHS to this liability.

*What is the relationship, if any, to the state's capital budget?*

None.

*What changes would be required to existing statutes, rules, or contracts, in order to implement the change?*

None.

*Expenditure and revenue calculations and assumptions*

Special Assistant Attorney General assistance is the primary direct cost.

*Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?*

It is unknown whether there might be future costs at this time.

DSHS supports this budget request and has a mirror request in their budget submittal.

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**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BA US v WA Boldt Culverts Litigation

**Budget Period:** 2011-13  
**Budget Level:** M2 - Inflation and Other Rate Changes

**Recommendation Summary Text:**

The Office of the Attorney General (AGO) requests \$526,000 and 2.0 FTEs in the 2011-13 biennium to provide additional legal services to multiple state agencies associated with U.S. v. Washington-Boldt Culverts Litigation. The potential liability to the State of Washington in an adverse judgment will potentially exceed \$2,000,000,000.

**Fiscal Detail**

<b>Operating Expenditures</b>		<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>	
405-1	Legal Services Revolving Account-State	263,000	263,000	526,000	
<b>Total Cost</b>		<b>263,000</b>	<b>263,000</b>	<b>526,000</b>	
<b>Staffing</b>		<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Annual Average</u></b>	
	FTEs	2.0	2.0	2.0	
<b>Revenue</b>					
<b><u>Fund</u></b>	<b><u>Source</u></b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>	
405	Legal Serv Rev Acct	0420 Charges for Services	263,000	263,000	526,000
<b>Total Revenue</b>		<b>263,000</b>	<b>263,000</b>	<b>526,000</b>	

**Package Description:**

The AGO requests \$526,000 and 1.0 Assistant Attorney General (AAG), 0.5 Paralegal (PL), and 0.5 Legal Assistant (LA) in the 2011-13 biennium, which includes \$5,000 per FY for direct costs, to implement any remedy ordered by the court, to litigate any appeal, and to participate in any settlement discussions. This funding is necessary to adequately protect the state's interests. Direct costs are attributed for filing fees, service, exhibit copying, and litigation travel.

In January 2001, Indian Tribes with treaty fishing rights in Western Washington, along with the United States, filed an action in which they asked the federal district court to declare that the treaty "right of taking fish" "imposes a duty upon the State of Washington to refrain from diminishing, through the construction or maintenance of culverts under state-owned roads and highways, the number of fish that would otherwise return to or pass through the tribes' usual and accustomed fishing grounds and stations." They alleged that the state has violated such a duty and asked the court to order the state to fix all its culverts within five years of judgment.

On August 22, 2007, the court granted summary judgment in the plaintiffs' favor. The court held that the treaty right of taking fish requires the state to refrain from building or operating culverts under state-maintained roads that hinder fish passage and thereby diminish the number of fish that would otherwise be available for tribal harvest. The court declared that the state currently owns and operates culverts violating this duty. The court did not order a remedy. Instead, it held that issue over for trial.

The parties tried to negotiate a settlement of the remedy phase of the case. Following an extensive effort, including the use of a

**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BA US v WA Boldt Culverts Litigation

court-appointed mediator, the parties were unable to reach agreement and asked the court to set a trial date on the remedy. The court conducted a trial on the remedy in October 2009 and heard closing arguments in June 2010. After trial, we asked the court to reconsider its prior summary judgment against the state. We are currently awaiting the court's decision on this request and on the remedy.

The estimated cost of the relief requested by the tribes is approximately \$2 billion. It is critical that the State ensure that sufficient resources are allocated to implement any remedy ordered by the court, to litigate any appeal, and to participate in settlement discussions. It is not possible to provide legal services for this case by reprioritizing within existing client agency budgets without significant adverse impacts on the five primary state agencies. This would require the reduction or elimination of legal services from their already-constrained budgets, increase the likelihood of other legal issues arising in other programs, and increase the potential for accelerated capital costs for culvert replacement.

Funding this request will allow the AGO to continue to provide legal services relating to the Culverts litigation, and will ensure that the State retains all options with respect to appeal and/or settlement negotiations.

Funding this package will enable the AGO to dedicate 1.0 AAG, 0.5 PL, and 0.5 LA to the litigation/implementation. It will also provide for up to \$5,000 in direct costs for the litigation, including filing fees, service, travel, and copying costs.

The 2009-11 biennium funding was split among the five affected agencies based on culvert ownership, agency involvement with regulatory issues, and agency missions. It is assumed this request will be distributed to the participating affected agencies using the same percentages:

- 45% Department of Transportation (WSDOT) total for Fiscal Year (FY)2012 is \$ 118,350, FY2013 is \$118,350, biennial total: \$236,700.
- 35% Department of Natural Resources (DNR) total for FY2012 is \$ 92,050, FY2013 is \$92,050, biennial total: \$184,100.
- 13% Department of Fish and Wildlife (WDFW) total for FY2012 is \$ 34,190, FY2013 is \$34,190, biennial total: \$68,380.
- 5% Department of Ecology (ECY) total for FY2012 is \$ 13,150, FY2013 is \$13,150, biennial total: \$26,300.
- 2% Parks and Recreation Commission (Parks) total for FY2012 is \$ 5,260, FY2013 is \$5,260, biennial total: \$11,520.

The AGO subject matter expert for this request is Sarian Scott, (360) 586-2104.

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

This request is for funding that is critical to the continued defense of this major dispute. The outcome of this case will have major fiscal implications for the state and could create a long-lasting precedent.

The AGO will perform essential legal services to evaluate, implement, and/or litigate an appeal of the trial court's ruling. The AGO is working to protect client agencies and the taxpaying citizens of the state to exposure to liability that exceeds \$2 billion.

**Performance Measure Detail**

Activity: A010 Legal Services to State Agencies

Outcome Measures

Incremental Changes

FY 2012

FY 2013

**Agency:** 100 Office of Attorney General

**Decision Package Code/Title:** BA US v WA Boldt Culverts Litigation

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000030	PM0010 - The number of litigation cases open at the end of each Fiscal Year.	0.00	0.00
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***Is this decision package essential to implement a strategy identified in the agency's strategic plan?***

This budget request implements goal #1 of the AGO Strategic Plan-"Provide efficient and effective representation to our client agencies." The AGO provides a broad range of legal services to over 230 state agencies to enable them to achieve their missions.

***Does this decision package provide essential support to one of the Governor's priorities?***

Yes, this request supports the Governor's efforts relating to strengthening government's ability to achieve results efficiently and effectively. Providing legal services to state agencies is an element of providing data information, and analysis to support decision making.

***Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?***

Yes, in the 2009-11 biennial Priorities of Government Purchases, Legal Services to State Agencies is ranked #4 out of 248 categories.

***What are the other important connections or impacts related to this proposal?***

This request relates to U.S. v. Washington, Subproceeding 01-01 (Boldt Phase II/Culverts), and the AGO has no option but to respond to this litigation.

The counties, as represented by the Washington Association of Prosecuting Attorneys, have been supportive of the State's vigorous defense of this litigation and are considered stakeholders.

Funding is needed in the 2011-2013 biennium to implement any remedy ordered by the court, to prosecute any appeal filed by the State, and to participate in any settlement discussions. This funding is necessary to adequately protect the state's interest.

It is also important to note that this request is for a continuation of ongoing litigation, and a 2011 Supplemental request is anticipated.

***What alternatives were explored by the agency, and why was this alternative chosen?***

Given the potential impact of adverse rulings in this case, there is no reasonable alternative than to vigorously defend the state.

There are no statutory, regulatory, or other changes or negotiation possibilities that would reduce the costs of this legal defense. There is no alternative source of income.

The cost of the remedy requested by the tribes is approximately \$2 billion, at a time the State is already facing significant budget challenges. Without the requested funding, the options are:

1. Abandon the possibility of appeal, and face a potential judgment requiring expenditure of more than two billion dollars over a short time horizon.
2. Require AGO staff currently providing legal services for other activities and programs in these five agencies to advise on implementing any remedy ordered by the court, litigate any appeal of the case, and/or engage in further settlement discussions. This would result in a variety of legal complications in the other agency programs, with the likely effect of additional legal issues and litigation in the future that could have been avoided. It would also not avoid costs associated with judgment implementation, appeal,



**Agency:** 100 Office of Attorney General

**Decision Package Code/Title:** BA US v WA Boldt Culverts Litigation

and/or settlement negotiation.

*What are the consequences of not funding this package?*

If not funded, the state faces a multi-billion dollar adverse judgement. Failure to adequately fund the legal defense will result in the State of Washington being at risk of accepting liability for a multi-billion dollar judgment, and potentially, a legal precedent that may arguably result in State liability in other contexts. The legal services budgets of the responsible state agencies (WSDOT, DNR, WDFW, Parks, and ECY) would be over-extended with the result that legal services for other needs would not receive the attention they also require.

*What is the relationship, if any, to the state's capital budget?*

None.

*What changes would be required to existing statutes, rules, or contracts, in order to implement the change?*

None.

*Expenditure and revenue calculations and assumptions*

This request includes \$5,000 per FY for direct litigation costs for filing fees, service, exhibit copying, and litigation travel.

*Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?*

All appropriations for this matter are considered one-time costs. Costs will continue until the case is finally resolved.

WSDOT, DNR, WDFW, ECY, and Parks support this budget request.

<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
A Salaries And Wages	136,830	136,830	273,660
B Employee Benefits	38,312	38,312	76,624
C Personal Service Contracts	5,000	5,000	10,000
E Goods And Services	61,034	71,033	132,067
G Travel	5,824	5,825	11,649
J Capital Outlays	16,000	6,000	22,000
<b>Total Objects</b>	<b>263,000</b>	<b>263,000</b>	<b>526,000</b>

**Agency:** 100 Office of Attorney General

**Decision Package Code/Title:** BI Yucca Mountain ECY Litigation

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**Budget Period:** 2011-13

**Budget Level:** M2 - Inflation and Other Rate Changes

**Recommendation Summary Text:**

The Attorney General's Office (AGO) may need funding in the 2011-13 biennium for possible continuing legal services associated with the Yucca Mountain litigation. In this litigation, we are representing the State before the Nuclear Regulatory Commission and the District of Columbia Circuit Court of Appeals. We have intervened in the licensing proceeding to oppose a motion by the U.S. Department of Energy (DOE) to withdraw its license application for the High-Level Waste repository at Yucca Mountain, Nevada and we have filed suit in federal court to obtain a court order prohibiting DOE from abandoning its pursuit of the Yucca license.

**Fiscal Detail**

**Operating Expenditures**

**Total**

**Total Cost**

**Package Description:**

The AGO may need funding in the 2011-13 biennium for possible continuing legal services associated with the Yucca Mountain litigation.

Between 1944 and 1989, the US produced plutonium for use in nuclear weapons at the DOE's Hanford Nuclear Reservation in the Tri-Cities. Washington hosts and oversees the cleanup of nearly two-thirds of the nation's defense-related, high-level radioactive waste at Hanford.

Roughly 53 million gallons of nuclear waste is stored in 177 large underground tanks, of which 149 are 42 years beyond their expected 25-year design life. Of the 149 tanks, more than one-third are known or suspected to be leaking, releasing roughly 1 million gallons of waste to Hanford's surrounding soils. Hanford lacks the storage capacity to retrieve the waste from these tanks until the waste treatment and disposal process is underway.

In 2002, Congress designated Yucca Mountain as the nation's sole current repository site for deep geologic disposal of high-level radioactive waste and spent nuclear fuel.

At that time, the US Secretary of Energy concluded that, "The amount and quality of research the DOE has invested, done by top-flight people...is nothing short of staggering...I am convinced that the product of over 20 years, millions of hours, and four billion dollars of this research provides a sound scientific basis for concluding the site can perform safely."

**Agency:** 100 Office of Attorney General

**Decision Package Code/Title:** BI Yucca Mountain ECY Litigation

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Congress then directed DOE to file a license application for the Yucca Mountain site with the Nuclear Regulatory Commission (NRC) and thereby commence a formal evaluation and licensing process overseen by the NRC.

Washington's \$12.3 billion Waste Treatment Plant (WTP) continues to be designed and constructed to meet standards specific to the Yucca Mountain facility. Design and engineering for the WTP is 78 percent complete and construction is 48 percent complete.

Termination of the Yucca Mountain repository could result in the need to tear down and rebuild portions of the WTP to implement design and engineering changes necessary to meet another repository's waste acceptance criteria, resulting in significant costs and delays in Hanford's entire tank waste clean-up mission.

The AGO intervened in the licensing proceeding to oppose a motion by the DOE to withdraw its license application for the High-Level Waste repository at Yucca Mountain, Nevada.

In June 2010, the State of Washington won an important victory in this litigation to prevent the federal government from permanently removing the nation's only congressionally approved, high-level nuclear waste repository from future consideration.

The NRC Atomic Safety and Licensing Board (ASLB) denied the DOE motion to withdraw "with prejudice" its license application for the Yucca Mountain radioactive waste repository, saying the agency lacked authority to withdraw the application under the law. Review of this decision is presently pending before the NRC.

After the NRC rules, parties unhappy with the ruling are likely to appeal to Court of Appeals for D.C. Circuit.

If the NRC rules and an appeal goes to the D.C. Circuit, the new case could be consolidated with the others. The most likely scenarios of having legal time into 2011-13 biennium would be:

- (a) Case on merits of application somehow begin again and move forward at the ASLB, and Washington decides to participate on the merits of the licensing application.
- (b) Appeals cases go to Supreme Court and Washington participates in briefing regarding whether the Supreme Court should take review and/or on the merits of the issues at the Supreme Court.

The AGO subject matter expert for this request is Sarian Scott, (360) 586-2104.

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

This request is for funding that is critical to the continued defense of this major dispute. The outcome of this case will have major fiscal implications for the state.

The AGO will perform essential legal services to prevail in this appeal.

**Performance Measure Detail**

**Activity: A010 Legal Services to State Agencies**

**Incremental Changes**

Agency: 100 Office of Attorney General

Decision Package Code/Title: BI Yucca Mountain ECY Litigation

		<u>FY 2012</u>	<u>FY 2013</u>
	<b>Outcome Measures</b>		
000030	PM0010 - The number of litigation cases open at the end of each Fiscal Year.	0.00	0.00

*Is this decision package essential to implement a strategy identified in the agency's strategic plan?*

This budget request implements goal #1 of the AGO Strategic Plan-"Provide efficient and effective representation to our client agencies." The AGO provides a broad range of legal services to over 230 state agencies to enable them to achieve their missions.

*Does this decision package provide essential support to one of the Governor's priorities?*

Yes, this request supports the Governor's efforts relating to strengthening government's ability to achieve results efficiently and effectively. Providing legal services to state agencies is an element of providing data information, and analysis to support decision making.

*Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?*

Yes, in the 2009-11 biennial Priorities of Government Purchases, Legal Services to State Agencies is ranked #4 out of 248 categories.

*What are the other important connections or impacts related to this proposal?*

The AGO has no option but to pursue this lawsuit.

It is also important to note that this request is for a continuation of ongoing litigation, and a 2011 Supplemental request is anticipated.

*What alternatives were explored by the agency, and why was this alternative chosen?*

Given that the potential impact of adverse rulings in this case, there is no reasonable alternative than to vigorously defend the state.

There are no statutory, regulatory, or other changes or negotiation possibilities that would reduce the costs of this legal defense. There is no alternative source of income.

*What are the consequences of not funding this package?*

Failure to adequately fund this legal challenge could result in greater contamination at Hanford, increased costs associated with Hanford clean-up, and the continued threat of a massive contamination disaster due to archaic underground storage tanks which were deemed outdated in 1968.

*What is the relationship, if any, to the state's capital budget?*

None.

*What changes would be required to existing statutes, rules, or contracts, in order to implement the change?*

None.

**Agency:** 100 Office of Attorney General

**Decision Package Code/Title:** BI Yucca Mountain ECY Litigation

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*Expenditure and revenue calculations and assumptions*

None.

*Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?*

Costs are expected to be one-time until the case is finally resolved through court action or settlement.

It is possible that the case can be concluded by the end of FY2013, but complications or appeals could delay the final resolution.

ECY supports this budget request and has a mirror request in their budget submittal.

**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BB T.R. v Dreyfus DSHS Litigation

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**Budget Period:** 2011-13  
**Budget Level:** M2 - Inflation and Other Rate Changes

**Recommendation Summary Text:**

The Office of the Attorney General (AGO) requests \$806,000 and 2.5 FTEs in the 2011-13 biennium to provide additional legal services to the Department of Social and Health Services (DSHS) associated with Children's Mental Health Litigation (T.R. v Dreyfus).

**Fiscal Detail**

<b>Operating Expenditures</b>		<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
405-1	Legal Services Revolving Account-State	503,000	303,000	806,000
<b>Total Cost</b>		<b>503,000</b>	<b>303,000</b>	<b>806,000</b>
<b>Staffing</b>		<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Annual Average</u></b>
	FTEs	2.5	2.5	2.5
<b>Revenue</b>				
<b><u>Fund</u></b>	<b><u>Source</u></b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
405	Legal Serv Rev Acct 0420 Charges for Services	503,000	303,000	806,000
<b>Total Revenue</b>		<b>503,000</b>	<b>303,000</b>	<b>806,000</b>

**Package Description:**

The AGO requests \$806,000 and 1.0 Assistant Attorney General (AAG), 1.0 Paralegal (PL), and 0.5 Legal Assistant (LA) in the 2011-13 biennium, which includes \$200,000 in Fiscal Year (FY) 2012 for direct litigation costs, to provide proper defense of this lawsuit. Direct costs are attributed for necessary expert witnesses and electronic document processing costs.

This funding is needed, above and beyond that needed to handle the regular volume of the DSHS legal work, in order to properly defend the state in T.R. v. Dreyfus, a class action lawsuit filed in federal court, seeking to "enforce the rights of Washington's Medicaid eligible children under the age of 21 with mental health needs, to receive the intensive home and community-based mental health services necessary to correct or ameliorate their mental health conditions."

The AGO subject matter expert for this request is Sarian Scott, (360) 586-2104.

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BB T.R. v Dreyfus DSHS Litigation

This request is for funding that is critical to the continued defense of this class action lawsuit. The outcome of this case will have major fiscal implications for the state and could create a long-lasting precedent. The AGO will perform essential legal services to defend the state in this lawsuit. The AGO is working to protect the interests of DSHS and the taxpaying citizens of the state.

**Performance Measure Detail**

**Activity: A010 Legal Services to State Agencies**

		Incremental Changes	
		<u>FY 2012</u>	<u>FY 2013</u>
<b>Outcome Measures</b>			
000030	PM0010 - The number of litigation cases open at the end of each Fiscal Year.	0.00	0.00

***Is this decision package essential to implement a strategy identified in the agency's strategic plan?***

This budget request implements goal #1 of the AGO Strategic Plan-"Provide efficient and effective representation to our client agencies." The AGO provides a broad range of legal services to over 230 state agencies to enable them to achieve their missions.

***Does this decision package provide essential support to one of the Governor's priorities?***

Yes, this request supports the Governor's efforts relating to strengthening government's ability to achieve results efficiently and effectively.

***Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?***

Yes, in the 2009-11 biennial Priorities of Government Purchases, Legal Services to State Agencies is ranked #4 out of 248 categories.

***What are the other important connections or impacts related to this proposal?***

It is also important to note that this request is for a continuation of ongoing litigation, and a 2011 Supplemental request is anticipated.

***What alternatives were explored by the agency, and why was this alternative chosen?***

Given the potential impact of adverse rulings in this case, there is no reasonable alternative than to vigorously defend the state.

There are no realistic statutory, regulatory, or other changes or negotiation possibilities that would reduce the costs of this legal defense because it is based upon federal Medicaid law, and because the constraints on the state budget do not allow for the negotiated addition of enhanced programs with a very significant fiscal impact. There is no alternative source of income.

***What are the consequences of not funding this package?***

Failure to adequately fund this lawsuit will result in either an inability to adequately defend the state or an over expenditure of the DSHS legal services budget.

***What is the relationship, if any, to the state's capital budget?***

**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BB T.R. v Dreyfus DSHS Litigation

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None.

*What changes would be required to existing statutes, rules, or contracts, in order to implement the change?*

None.

**Expenditure and revenue calculations and assumptions**

\$200,000 in direct litigation costs is needed in FY2012 for the necessary expert witnesses and electronic document processing costs. These staffing levels and direct litigation costs are necessary for the proper defense of the lawsuit.

*Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?*

It is expected that this litigation will be substantially completed in the 2011-13 biennium, but it is not possible to predict how the litigation may be protracted by changes in the trial scheduling, appeals, monitored settlements, or other factors.

DSHS supports this budget request and has a mirror request in their budget submittal.

<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
A Salaries And Wages	166,158	166,158	332,316
B Employee Benefits	46,524	46,524	93,048
C Personal Service Contracts	200,000		200,000
E Goods And Services	63,369	75,868	139,237
G Travel	6,949	6,950	13,899
J Capital Outlays	20,000	7,500	27,500
<b>Total Objects</b>	<b>503,000</b>	<b>303,000</b>	<b>806,000</b>



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**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BE Secretary of State Litigation

**Budget Period:** 2011-13  
**Budget Level:** M2 - Inflation and Other Rate Changes

**Recommendation Summary Text:**

The Office of the Attorney General (AGO) requests \$128,000 and 0.5 FTEs in the 2011-13 biennium to provide ongoing legal services for the Secretary of State (SEC) relating to election-related litigation, which includes Doe v. Reed, Eyman v. Reed, Washington State Republican Party et al. v. State, and Farrakhan v. Gregoire. An unfavorable result in the litigation will lead to invalidation of state laws.

**Fiscal Detail**

<b>Operating Expenditures</b>		<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>	
405-1	Legal Services Revolving Account-State	64,000	64,000	128,000	
<b>Total Cost</b>		<b>64,000</b>	<b>64,000</b>	<b>128,000</b>	
<b>Staffing</b>		<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Annual Average</u></b>	
	FTEs	.5	.5	.5	
<b>Revenue</b>					
<b><u>Fund</u></b>	<b><u>Source</u></b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>	
405	Legal Serv Rev Acct	0420 Charges for Services	64,000	64,000	128,000
<b>Total Revenue</b>		<b>64,000</b>	<b>64,000</b>	<b>128,000</b>	

**Package Description:**

The AGO requests \$128,000 and 0.3 Assistant Attorney General and 0.2 Legal Assistant (LA) in the 2011-13 biennium, to provide ongoing legal services for SEC relating to election-related litigation which includes Doe v. Reed, Eyman v. Reed, Washington State Republican Party et al. v. State, and Farrakhan v. Gregoire. An unfavorable result in the litigation will lead to invalidation of state laws.

(1) Doe v. Reed. This is federal court litigation of Plaintiffs' "as applied" challenge to disclosure of Referendum 71 signature petitions under the Public Records Act (PRA). Plaintiffs contend that disclosure violates their free speech and association rights under the First Amendment. Plaintiffs' "as applied" claim remains following the United States Supreme Court June 2010 decision rejecting Plaintiff's "facial" challenge to disclosure of signature petitions under the PRA. Regardless of the outcome at trial, appeal by one or more non-prevailing parties is likely. An appeal by the non-prevailing party would be most likely in approximately January 2011 (Fiscal Year 2011). The appeal would likely be briefed in the 9th Circuit during FY2012 and the argument could spill over to FY2013.

(2) Eyman v. Reed. This is Doe v. Reed-related state court litigation which is challenging disclosure of signature petitions under the PRA for several initiatives, and Referendum 71. Disclosure is challenged as violating the First Amendment and several provisions of the state constitution. The litigation was stayed pending the United States Supreme Court decision in Doe v. Reed. The litigation now will go forward in the superior court, and litigation at the appellate level likely will follow. An appeal to the Washington Supreme Court by the non-prevailing party would likely occur in the spring of 2011 (FY2011) or early FY 2012 and be briefed and argued in FY2012. It is possible that the argument could stretch into FY 2013.

**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BE Secretary of State Litigation

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(3) Washington State Republican Party et al. v. State. This is federal court litigation of three political parties' "as applied" challenging the Top Two Primary. It follows the United States Supreme Court 2008 decision which upheld the Top Two Primary against the political parties' facial challenge that the primary violated their First Amendment freedom to associate for political purposes. The case is scheduled for trial in November of 2010. Regardless of the result at trial, appeal by the non-prevailing party is likely.

(4) Farrakhan v. Gregoire. This litigation challenges Washington's felon disenfranchisement laws under the federal Voting Rights Act (Act). The suit contends that disenfranchisement of felons discriminates on the basis of race in violation of the Federal Act. The case presently is in the Ninth Circuit Court of Appeals for en banc rehearing, and is set for September 2010. Assuming that the en banc decision determines the merits of the case, it is anticipated that review in the United States Supreme Court would be sought by the non-prevailing party.

Each of these cases challenges the validity of laws enacted by the legislature or directly by the people relating to the integrity of Washington's election system. Each case thus seeks to challenge important existing public policy choices concerning Washington's election system and access to information relating to that system. The additional requested resources will support the opportunity for favorable resolution of these cases.

While it is difficult to predict precisely how each of these cases will proceed in the 2011-2013 biennium, the confluence of the cases leaves no doubt that extraordinary time and effort will be required to defend them during that period.

The AGO subject matter expert for this request is Sarian Scott, (360) 586-2104.

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

This request is for funding that is critical to the continued defense of lawsuits challenging the integrity of Washington's election system. An unfavorable outcome in these cases would have major public policy implications for the state in the form of invalidating of state laws relating to the state's election system and access to government records.

The AGO will perform legal services essential to prevailing in these matters. The AGO is working to protect laws administered by SEC as well as to protect the citizens of the state in maintaining the election system and public records laws that they have enacted.

**Performance Measure Detail**

Activity: A010 Legal Services to State Agencies

		Incremental Changes	
		<u>FY 2012</u>	<u>FY 2013</u>
	<b>Outcome Measures</b>		
000030	PM0010 - The number of litigation cases open at the end of each Fiscal Year.	0.00	0.00

*Is this decision package essential to implement a strategy identified in the agency's strategic plan?*

This budget request implements goal #1 of the AGO Strategic Plan-"Provide efficient and effective representation to our client agencies." The AGO provides a broad range of legal services to over 230 state agencies to enable them to achieve their missions.

**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BE Secretary of State Litigation

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*Does this decision package provide essential support to one of the Governor's priorities?*

Yes, this request supports the Governor's efforts relating to strengthening government's ability to achieve results efficiently and effectively. Providing legal services to state agencies is an element of providing data information, and analysis to support decision making.

*Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?*

Yes, in the 2009-11 biennial Priorities of Government Purchases, Legal Services to State Agencies is ranked #4 out of 248 categories.

*What are the other important connections or impacts related to this proposal?*

The AGO has no option but to respond to this litigation, and expected appeals. Each of these cases challenges the validity of one or more Washington laws. Defense of duly enacted state laws is not optional. Stakeholders concerned with open government, and stakeholders concerned with participation in elections and the lawmaking process, have expressed interest in these suits and have presented diverse points of view.

It is also important to note that this request is for a continuation of ongoing litigation, and a 2011 Supplemental request is anticipated.

*What alternatives were explored by the agency, and why was this alternative chosen?*

Given the potential impact of adverse rulings in this case, there is no reasonable alternative to vigorously defending the validity of state laws.

The laws at issue represent the public policy of Washington on the subjects that they address and will continue to do so unless changed by the legislature or the people. Defending state laws is not optional.

There are no statutory, regulatory, or other changes or negotiation possibilities that would reduce the costs of this legal defense. There is no alternative source of income.

*What are the consequences of not funding this package?*

Defending state laws is not optional. These cases are major and extraordinary pieces of litigation. The costs necessary to defend them accordingly are not costs incorporated into legal services allocations for SEC in the prior biennium. The requested funding is needed to provide the legal services that these cases require.

*What is the relationship, if any, to the state's capital budget?*

None.

*What changes would be required to existing statutes, rules, or contracts, in order to implement the change?*

There are no changes to existing statutes, rules, or contracts required with this request

*Expenditure and revenue calculations and assumptions*

Agency: **100 Office of Attorney General**

Decision Package Code/Title: **BE Secretary of State Litigation**

None.

*Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?*

SEC supports this budget request and has a mirror request in their budget submittal. Costs of legal defense are considered one-time requirements, but will continue until the cases are resolved. Whether defense will require additional funding beyond the 2011-2013 biennium is uncertain but seems doubtful at this time.

<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
A Salaries And Wages	34,380	34,380	68,760
B Employee Benefits	9,626	9,627	19,253
E Goods And Services	16,245	18,745	34,990
G Travel	985	985	1,970
J Capital Outlays	2,764	263	3,027
<b>Total Objects</b>	<b>64,000</b>	<b>64,000</b>	<b>128,000</b>

**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BC Hazardous Substance Tax Litigation

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**Budget Period:** 2011-13  
**Budget Level:** M2 - Inflation and Other Rate Changes

**Recommendation Summary Text:**

The Office of the Attorney General (AGO) requests \$54,000 and 0.3 FTEs in the 2011-13 biennium to provide new legal services for the Department of Ecology (ECY) associated with the Hazardous Substance Tax (HST) litigation.

**Fiscal Detail**

<b>Operating Expenditures</b>		<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
405-1	Legal Services Revolving Account-State	54,000	0	54,000
<b>Total Cost</b>		<b>54,000</b>		<b>54,000</b>
<b>Staffing</b>		<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Annual Average</u></b>
	FTEs	.3	.0	.2
<b>Revenue</b>				
<b><u>Fund</u></b>	<b><u>Source</u></b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
405	Legal Serv Rev Acct	0420 Charges for Services	54,000	54,000
<b>Total Revenue</b>		<b>54,000</b>		<b>54,000</b>

**Package Description:**

The AGO requests \$54,000 and 0.3 Assistant Attorney General (AAG) and 0.2 Office Assistant (OA3) in the 2011-13 biennium to provide additional legal services associated with HST litigation. Staff are only required from July 2011 through December 2011.

This request will fund the AGO in defending a legal challenge to the HST. Depending on the outcome of this case, ECY and other agencies whose budgets are partially supported by the HST could be impacted. Other potentially impacted agencies include the Department of Agriculture, Department of Health, University of Washington, Puget Sound Partnership, Washington State Patrol, Department of Revenue, Department of Natural Resources, and Parks.

The HST, enacted in 1988, supports a range of activities across multiple state agencies. The activities generally address responding to environmental hazards. A lawsuit has been filed challenging the constitutionality of the tax. If successful, the state could no longer use the revenue from this source to support these important activities. This request is to pay for AGO staff who will respond to this lawsuit by arguing in court that the tax is not unconstitutional.

The AGO is responding to this lawsuit by staffing a legal team to put on a successful defense against the constitutional challenge to the tax. The AAG will prepare and respond to discovery, prepare and argue motions, and, if necessary, represent the state at trial.

The AGO subject matter expert for this request is Sarian Scott, (360) 586-2104.

Agency: **100 Office of Attorney General**  
Decision Package Code/Title: **BC Hazardous Substance Tax Litigation**

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**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

This request is for funding that is critical to the defense of this constitutional dispute. The outcome of this case could have major fiscal implications for the state.

The AGO will perform essential legal services to prevail in this appeal. The AGO is working to protect ECY, eight other effected state agencies, and the taxpaying citizens of the state to exposure to liability of this lawsuit.

The outcome that the AGO expects as a result of this lawsuit is that the HST will be upheld by the court.

**Performance Measure Detail**

Activity: **A010 Legal Services to State Agencies**

		Incremental Changes	
		<u>FY 2012</u>	<u>FY 2013</u>
	<b>Outcome Measures</b>		
000030	PM0010 - The number of litigation cases open at the end of each Fiscal Year.	0.00	0.00

*Is this decision package essential to implement a strategy identified in the agency's strategic plan?*

This budget request implements goal #1 of the AGO Strategic Plan-"Provide efficient and effective representation to our client agencies." The AGO provides a broad range of legal services to over 230 state agencies to enable them to achieve their missions.

*Does this decision package provide essential support to one of the Governor's priorities?*

Yes, this request supports the Governor's efforts relating to strengthening government's ability to achieve results efficiently and effectively. Providing legal services to state agencies is an element of providing data information, and analysis to support decision making.

*Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?*

Yes, in the 2009-11 biennial Priorities of Government Purchases, Legal Services to State Agencies is ranked #4 out of 248 categories.

*What are the other important connections or impacts related to this proposal?*

There are many stakeholders associated with this litigation including environmental groups, citizens who live near environmental hazards, and local government (who either obtain some of the money from the tax to do environmental cleanup or who benefit from cleanups within their jurisdictions that are paid for out of the tax are interested in the pending case). Oil companies and others who pay the tax are also interested in the outcome. This is not related to a task force, GMAP or audit recommendation.

It is also important to note that this request is for a continuation of ongoing litigation, and a 2011 Supplemental request is anticipated.

**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BC Hazardous Substance Tax Litigation

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*What alternatives were explored by the agency, and why was this alternative chosen?*

Given the potential impact of adverse rulings in this case, there is no reasonable alternative than to vigorously defend the state.  
There are no statutory, regulatory, or other changes or negotiation possibilities that would reduce the costs of this legal defense.  
There is no alternative source of income.

*What are the consequences of not funding this package?*

If not funded, the state faces an adverse judgment relating to this tax challenge. Failure to adequately fund the legal defense would result in the need to discontinue other existing priority legal work in order to staff this case.  
The consequences of not funding this package will result in our inability to defend this tax challenge. The environmental work currently funded by the tax would be at risk in such a scenario.

*What is the relationship, if any, to the state's capital budget?*

None.

*What changes would be required to existing statutes, rules, or contracts, in order to implement the change?*

No changes to existing statutes, rules or contracts would be required to implement this change.

*Expenditure and revenue calculations and assumptions*

None.

*Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?*

Costs are expected to be one-time until the case is finally resolved through court action or settlement.  
It is possible that the case can be concluded by the end of FY2012, but complications or appeals could delay the final resolution.

<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
A Salaries And Wages	28,246		28,246
B Employee Benefits	7,909		7,909
E Goods And Services	14,060		14,060
G Travel	987		987
J Capital Outlays	2,798		2,798
<b>Total Objects</b>	<b>54,000</b>		<b>54,000</b>



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**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BG Teck Cominco Metals Litigation

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**Budget Period:** 2011-13  
**Budget Level:** M2 - Inflation and Other Rate Changes

**Recommendation Summary Text:**

The Attorney General's Office (AGO) requests \$400,000 in the 2011-13 biennium to provide additional legal services to the Department of Ecology (ECY) and the Department of Natural Resources (DNR) associated with Pakootas, et al. v. Teck Cominco Metals Ltd. litigation.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
405-1 Legal Services Revolving Account-State	400,000	0	400,000
<b>Total Cost</b>	<b>400,000</b>		<b>400,000</b>

**Revenue**

<b><u>Fund</u></b>	<b><u>Source</u></b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
405 Legal Serv Rev Acct	0420 Charges for Services	400,000		400,000
<b>Total Revenue</b>		<b>400,000</b>		<b>400,000</b>

**Package Description:**

The AGO requests \$400,000 for direct litigation costs, to provide additional legal services associated with the Teck Cominco litigation. This litigation arises out of a Canadian company, Teck Cominco, and the contamination of the Columbia River and Lake Roosevelt. The State intervened in this citizen suit brought by the Confederated Tribes of the Colville Reservation (Colville Tribes) against Teck Cominco Metals, Ltd., to enforce a Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) order issued by the Environmental Protection Agency that required investigation of contamination in the United States caused by discharges in Canada. The current trial phase of the lawsuit requires the plaintiffs prove Teck's liability under CERCLA.

The current attorney support for this case is captured in the base FTEs for the division, however, additional funding is required to support the numerous experts retained for this litigation.

The requested \$400,000 is to cover expert witness costs projected during FY2012.

The client agencies impacted in this lawsuit are the ECY and DNR, who are both named parties in this matter.

The AGO subject matter expert for this request is Sarian Scott, (360) 586-2104.

Agency: 100 Office of Attorney General  
Decision Package Code/Title: BG Teck Cominco Metals Litigation

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

This request is for funding that is critical to the pursuit of compensation for injuries to natural resources and environmental contamination, both caused by pollution activities by Teck Cominco at its British Columbia facility. The outcome of this case will have major implications for the state.

The AGO will perform essential legal services to prevail in this lawsuit. The AGO is working to protect the taxpaying citizens of the state from injury to our natural resources, and from a liability for environmental clean-up.

**Performance Measure Detail**

Activity: A010 Legal Services to State Agencies

		Incremental Changes	
		<u>FY 2012</u>	<u>FY 2013</u>
	<b>Outcome Measures</b>		
000030	PM0010 - The number of litigation cases open at the end of each Fiscal Year.	0.00	0.00

*Is this decision package essential to implement a strategy identified in the agency's strategic plan?*

This budget request implements goal #1 of the AGO Strategic Plan-"Provide efficient and effective representation to our client agencies." The AGO provides a broad range of legal services to over 230 state agencies to enable them to achieve their missions.

*Does this decision package provide essential support to one of the Governor's priorities?*

Yes, this request supports the Governor's efforts relating to strengthening government's ability to achieve results efficiently and effectively. Providing legal services to state agencies is an element of providing data information, and analysis to support decision making.

*Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?*

Yes, in the 2009-11 biennial Priorities of Government Purchases, Legal Services to State Agencies is ranked #4 out of 248 categories.

*What are the other important connections or impacts related to this proposal?*

Funding this lawsuit would be a continuation of the State's investment in an important case aimed at addressing a significantly contaminated site.

The Colville Tribes support this proposal.

This proposal is related to a legal matter but is not related to a task force, GMAP, or an audit recommendation.

*What alternatives were explored by the agency, and why was this alternative chosen?*

**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BG Teck Cominco Metals Litigation

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Because of the significance of the pollution at issue here that has to date not been voluntarily addressed by the liable Canadian polluter, there is no reasonable alternative than to vigorously pursue this lawsuit.

There are no statutory, regulatory, or other changes or negotiation possibilities that would reduce the costs of this legal defense. There is no alternative source of income.

*What are the consequences of not funding this package?*

Without funding, we will have difficulty prosecuting this case.

*What is the relationship, if any, to the state's capital budget?*

None.

*What changes would be required to existing statutes, rules, or contracts, in order to implement the change?*

No changes are required to existing statutes, rules, or contracts in order to implement this package.

*Expenditure and revenue calculations and assumptions*

\$400,000 is to provide expert witness costs projected during FY2012.

*Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?*

Costs are expected to be one-time until the case is finally resolved through court action or settlement.

It is possible that the case can be concluded by the end of FY2012, but complications or appeals could delay the final resolution.

ECY supports this budget request and has a mirror request in their budget submittal.

<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
E Goods And Services	400,000		400,000

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**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BM OSPI State & Federal Civil Rights

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**Budget Period:** 2011-13  
**Budget Level:** M2 - Inflation and Other Rate Changes

**Recommendation Summary Text:**

The Office of the Attorney General (AGO) requests \$532,000 and 1.6 FTEs in the 2011-13 biennium for new legal services needed by the Office of Superintendent of Public Information (OSPI) established through the enactment of 2SHB- 3026.PL (State and Federal Civil Rights Law) in the 2010 Legislative session. This enacted bill will result in an increased caseload and litigation relating to civil rights.

**Fiscal Detail**

<b>Operating Expenditures</b>		<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>	
405-1	Legal Services Revolving Account-State	266,000	266,000	532,000	
<b>Total Cost</b>		<b>266,000</b>	<b>266,000</b>	<b>532,000</b>	
<b>Staffing</b>		<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Annual Average</u></b>	
	FTEs	1.6	1.6	1.6	
<b>Revenue</b>					
<b><u>Fund</u></b>	<b><u>Source</u></b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>	
405	Legal Serv Rev Acct	0420 Charges for Services	266,000	266,000	532,000
<b>Total Revenue</b>		<b>266,000</b>	<b>266,000</b>	<b>532,000</b>	

**Package Description:**

The AGO requests \$532,000 and 1.0 Assistant Attorney General (AAG) and 0.6 Legal Assistant (LA) in the 2011-13 biennium to comply with the requirements established through the enactment of 3026 2S HB PL in the 2010 Legislative session. This enacted bill will result in an increased caseload and litigation relating to civil rights.

As noted on our fiscal note in Attachment 3 (ML-BM State & Federal Civil Rights, ATTCH 3.pdf), we estimate a workload impact of 2.4 FTEs and \$319,000 per Fiscal Year (FY). This request is to bring our funding and FTEs up from our Carry Forward Level of 0.8 FTEs and \$53,000 to the required level of 2.4 FTE and \$319,000 each FY, which resulted in this requested funding amount of 1.6 FTE and \$266,000 per FY.

2SHB- 3026.PL prohibits discrimination in Washington public schools on the basis of race, creed, color, national origin, honorably discharged veteran or military status, sexual orientation including gender expression or identity, the presence of any sensory, mental, or physical disability, or the use of a trained guide dog or service animal by a person with a disability. The definitions in chapter 49.60 RCW apply to the act unless the context requires otherwise.

OSPI is required to develop rules and guidelines to eliminate discrimination prohibited as it applies to public school employment, counseling and guidance services to students, recreational and athletic activities for students, access to course offerings, and in textbooks and instructional materials used by students. OSPI is required to monitor local school districts' compliance with the act, and

**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BM OSPI State & Federal Civil Rights

establish a compliance timetable, rules, and guidelines. The AGO will support this effort through rulemaking.

Any person aggrieved by a violation of the act, or a violation of any rule or guideline adopted under the act, has a right of action in Superior Court for civil damages and equitable relief.

OSPI is empowered to enforce and obtain compliance with the provisions of this law by appropriate order made pursuant to chapter 34.05 RCW.

The AGO subject matter expert for this request is Sarian Scott, (360) 586-2104.

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

This request is for funding that is critical to the continued defense of civil right law disputes.

The AGO will perform essential legal services to prevail in civil rights legal actions.

**Performance Measure Detail**

Activity: A010 Legal Services to State Agencies

		Incremental Changes	
		<u>FY 2012</u>	<u>FY 2013</u>
	<b>Outcome Measures</b>		
000030	PM0010 - The number of litigation cases open at the end of each Fiscal Year.	0.00	0.00

*Is this decision package essential to implement a strategy identified in the agency's strategic plan?*

This budget request implements goal #1 of the AGO Strategic Plan-"Provide efficient and effective representation to our client agencies." The AGO provides a broad range of legal services to over 230 state agencies to enable them to achieve their missions.

*Does this decision package provide essential support to one of the Governor's priorities?*

Yes, this request supports the Governor's efforts relating to strengthening government's ability to achieve results efficiently and effectively. Providing legal services to state agencies is an element of providing data information, and analysis to support decision making.

*Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?*

Yes, in the 2009-11 biennial Priorities of Government Purchases, Legal Services to State Agencies is ranked #4 out of 248 categories.

*What are the other important connections or impacts related to this proposal?*

**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BM OSPI State & Federal Civil Rights

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The AGO has no option but to respond to the necessary legal services which will occur based on the enactment of 3026 2S HB PL.

*What alternatives were explored by the agency, and why was this alternative chosen?*

Because of the potential impact of adverse rulings in this case, there is no reasonable alternative than to vigorously defend the state.

There are no statutory, regulatory, or other changes or negotiation possibilities that would reduce the costs of this legal defense.  
There is no alternative source of income.

OSPI does not have funding available to pay for the eminent rise in legal services.

*What are the consequences of not funding this package?*

The AGO has no option but to provide legal services relating to this new law. Not funding this request will place the AGO and OSPI in a situation where they will have to cut and prioritize legal services which have already been funded.

*What is the relationship, if any, to the state's capital budget?*

None.

*What changes would be required to existing statutes, rules, or contracts, in order to implement the change?*

None.

*Expenditure and revenue calculations and assumptions*

The full requirement in the 2011-13 biennium is \$638,000 and 2.4 FTE (1.5 AAG and 0.9 LA). In the 2011-13 Carry Forward Level (CFL), for the first year we received \$53,000 and 0.8 FTE (See Attachment 1 (ML-BM State & Federal Civil Rights, ATTCH 1.pdf). In the FY10 Enacted Supplemental Budget (4X), for the second year we received \$53,000 and 0.8 FTE (See Attachment 2 (ML-BM State & Federal Civil Rights, ATTCH 1.pdf).

*Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?*

All costs in this request are considered on going.

OSPI supports this budget request and has a mirror request in their budget submittal.

<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
A Salaries And Wages	139,701	139,701	279,402
B Employee Benefits	46,940	46,940	93,880
E Goods And Services	57,297	65,296	122,593
G Travel	6,062	6,063	12,125
J Capital Outlays	16,000	8,000	24,000
<b>Total Objects</b>	<b>266,000</b>	<b>266,000</b>	<b>532,000</b>



BASS/VRS005

State of Washington  
Office of Financial Management  
**Fund and FTE Detail by Fiscal Year**

**Agency: 100 - Office of Attorney General**  
**Version: CF - 2011-13 Carry Forward Level**

7/23/10

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Dollars in Thousands

	Fiscal Year 1 FTEs	Fiscal Year 2 FTEs	Total Annual FTE	Fiscal Year 1 Funds	Fiscal Year 2 Funds	Total Funds	Percent Share of RecSum
001-1 General Fund - Basic Account-State				(11)		(11)	100.00%
<b>40 Remove Farm Intern Pilot</b>		(0.1)	(0.1)				
405-1 Legal Services Revolving Account-State					(21)	(21)	100.00%
<b>41 Biennialize School Civil Rights</b>	0.8		0.4				
405-1 Legal Services Revolving Account-State				53		53	100.00%
<b>42 Biennialize Small Business Comp</b>	0.6		0.3				
405-1 Legal Services Revolving Account-State				96		96	100.00%
<b>43 Remove Greenhouse Gas Emissions</b>							
405-1 Legal Services Revolving Account-State					(21)	(21)	100.00%
<b>44 Remove Teck Cominco</b>							
405-1 Legal Services Revolving Account-State					(66)	(66)	100.00%
<b>45 Biennialize DSHS Legal Reduction</b>	(23.0)		(11.5)				
405-1 Legal Services Revolving Account-State				(2,500)		(2,500)	100.00%
<b>46 Biennialize Language Access Prov</b>	0.8		0.4				
405-1 Legal Services Revolving Account-State				131		131	100.00%
<b>53 Biennialize Lease Rate Adjustment</b>							
405-1 Legal Services Revolving Account-State					838	838	100.00%
<b>GZB Biennialize Health Insurance Rate</b>				1,596		1,596	

BASS/VRS005

State of Washington  
Office of Financial Management  
Fund and FTE Detail by Fiscal Year

Agency: 100 - Office of Attorney General  
Version: 4X - 2010 Enacted Supplemental

5/6/10

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Dollars in Thousands

	Fiscal Year 1 FTEs	Fiscal Year 2 FTEs	Total Annual FTE	Fiscal Year 1 Funds	Fiscal Year 2 Funds	Total Funds	Percent Share of RecSum
405-1 Legal Services Revolving Account-State					21	21	100.00%
<b>S03 School Civil Rights Compliance #</b>		0.8	0.4				
405-1 Legal Services Revolving Account-State					53	53	100.00%
<b>S04 Small Business Compliance #</b>		0.6	0.3				
405-1 Legal Services Revolving Account-State					96	96	100.00%
<b>S05 Greenhouse Gas Emissions #</b>		0.1	0.1				
405-1 Legal Services Revolving Account-State					21	21	100.00%
<b>S06 Teck Cominco Litigation Costs</b>							
405-1 Legal Services Revolving Account-State					66	66	100.00%
<b>S07 Reduced Legal Services to DSHS</b>		(23.0)	(11.5)				
405-1 Legal Services Revolving Account-State					(2,500)	(2,500)	100.00%
<b>S08 Language Access Providers #</b>		0.8	0.4				
405-1 Legal Services Revolving Account-State					131	131	100.00%
<b>TL2 Temporary Layoffs</b>					(714)	(714)	
001-1 General Fund - Basic Account-State					(20)	(20)	2.80%
12F-6 Man/Mobile Home Dispute Resolution-Non Appr					(1)	(1)	0.14%
154-1 New Motor Vehicle Arbitration Acct-State					(1)	(1)	0.14%
405-1 Legal Services Revolving Account-State					(667)	(667)	93.42%
424-6 Anti-Trust Revolving Account-Non Appr					(25)	(25)	3.50%
<b>2009-11 Total Proposed Budget</b>				<b>123,743</b>	<b>118,203</b>	<b>241,946</b>	

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 3026 2S HB PL	<b>Title:</b> State & fed civil rights law	<b>Agency:</b> 100-Office of Attorney General
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## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2010	FY 2011	2009-11	2011-13	2013-15
Legal Services Revolving Account-State 405-1		53,096	53,096	637,152	637,152
<b>Total \$</b>		53,096	53,096	637,152	637,152

### Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years	0.0	0.8	0.4	2.4	2.4
<b>Account</b>					
Legal Services Revolving Account-State 405-1	0	53,096	53,096	637,152	637,152
<b>Total \$</b>	0	53,096	53,096	637,152	637,152

### Estimated Capital Budget Impact:

	2009-11		2011-13		2013-15	
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>Total \$</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates,*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 03/09/2010
Agency Preparation: Cam Comfort	Phone: (360) 664-9429	Date: 03/12/2010
Agency Approval: Sarian Scott	Phone: (360) 586-2104	Date: 03/12/2010
OFM Review: Matthew Bridges	Phone: (360) 902-0575	Date: 03/12/2010

Request # 10-156-1

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Section 1 sets forth several legislative findings.

Section 2 prohibits discrimination in Washington public schools on the basis of race, creed, color, national origin, honorably discharged veteran or military status, sexual orientation including gender expression or identity, the presence of any sensory, mental, or physical disability, or the use of a trained guide dog or service animal by a person with a disability. The definitions in chapter 49.60 RCW apply to the act unless the context requires otherwise.

Section 3 requires the Office of Superintendent of Public Information (OSPI) to develop rules and guidelines to eliminate discrimination prohibited in section 2 as it applies to public school employment, counseling and guidance services to students, recreational and athletic activities for students, access to course offerings, and in textbooks and instructional materials used by students.

Section 4 requires OSPI to monitor local school districts' compliance with the act, and establish a compliance timetable, rules, and guidelines.

Section 5 provides to any person aggrieved by a violation of the act, or a violation of any rule or guideline adopted under the act, a right of action in Superior Court for civil damages and equitable relief.

Section 6 empowers the OSPI to enforce and obtain compliance with the provisions of the act, and the rules and guidelines adopted under this chapter, by appropriate order made pursuant to chapter 34.05 RCW.

Section 7 provides that the act would be supplementary to existing law and procedures relating to unlawful discrimination.

Under section 8, sections 1 through 7 constitute a new chapter in Title 28A RCW.

Section 9 provides that the act is null and void if specific funding referencing the act is not provided by June 30, 2010, in the Omnibus Appropriations Act.

The Attorney General's Office (AGO) estimates a workload impact of 0.5 Assistant Attorney General (AAG) and 0.3 Legal Assistant (LA) at a cost of \$53,096 in Fiscal Year (FY) 2011, and 1.5 AAG and 0.9 LA at a cost of \$318,576 in FY2012 and each FY thereafter. The increase in staffing is to provide legal services for increased caseload and litigation associated with the enactment of this bill.

This bill is assumed effective July 1, 2010.

### II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Funds are assumed to be Legal Service Revolving Account dollars. Legal services costs incurred by the AGO will be billed through the revolving fund to the client agency.

The client agency is assumed to be OSPI.

Please note that these cash receipts represent the AGO authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agencies fiscal note. LSRF appropriation authority is necessary in the AGO budget for this workload.

**II. C - Expenditures**

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The AGO estimates a workload impact of 0.5 AAG and 0.3 LA at a cost of \$53,096 in FY2011, and 1.5 AAG and 0.9 LA at a cost of \$318,576 in FY2012 and each FY thereafter.

**Assumptions**

1. We assume an increased workload of 25 cases per FY. This is in agreement with the lead agency assumption.
2. We assume 0.5 AAG legal service workload in FY2011 from January 1, 2011 and June 30, 2011.

**Part III: Expenditure Detail**

**III. A - Expenditures by Object Or Purpose**

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years		0.8	0.4	2.4	2.4
A-Salaries and Wages		27,941	27,941	335,284	335,284
B-Employee Benefits		3,912	3,912	93,880	93,880
C-Personal Service Contracts					
E-Goods and Services		15,619	15,619	179,040	179,040
G-Travel		2,424	2,424	14,548	14,548
J-Capital Outlays		3,200	3,200	14,400	14,400
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total:</b>	\$0	\$53,096	\$53,096	\$637,152	\$637,152

**III. B - Detail:** List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2010	FY 2011	2009-11	2011-13	2013-15
Assistant Attorney General	86,208		0.5	0.3	1.5	1.5
Legal Assistant II	42,588		0.3	0.2	0.9	0.9
<b>Total FTE's</b>	128,796		0.8	0.4	2.4	2.4

Request # 10-156-1

**III. C - Expenditures By Program (optional)**

Program	FY 2010	FY 2011	2009-11	2011-13	2013-15
Education Division (EDU)		53,096	53,096	637,152	637,152
<b>Total \$</b>		53,096	53,096	637,152	637,152

**Part IV: Capital Budget Impact**

None.

**Part V: New Rule Making Required**

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

None.

**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BF Stormans v DOH Litigation

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**Budget Period:** 2011-13  
**Budget Level:** M2 - Inflation and Other Rate Changes

**Recommendation Summary Text:**

The Office of the Attorney General (AGO) requests \$500,000 and 1.8 FTEs in the 2011-13 biennium to provide ongoing legal services for the Department of Health (DOH) relating to Stormans v. DOH litigation. At issue is the constitutionality of rules adopted by the Board of Pharmacy relating to access to all prescription medications, as well as liability for attorney fees, claimed at present to exceed \$1,000,000.

**Fiscal Detail**

<b>Operating Expenditures</b>		<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
405-1	Legal Services Revolving Account-State	250,000	250,000	500,000
<b>Total Cost</b>		<b>250,000</b>	<b>250,000</b>	<b>500,000</b>
<b>Staffing</b>		<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Annual Average</u></b>
	FTEs	1.8	1.8	1.8
<b>Revenue</b>				
<b><u>Fund</u></b>	<b><u>Source</u></b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
405	Legal Serv Rev Acct	250,000	250,000	500,000
<b>Total Revenue</b>		<b>250,000</b>	<b>250,000</b>	<b>500,000</b>

**Package Description:**

The AGO requests \$500,000 and 0.8 Assistant Attorney General (AAG), 0.5 Paralegal (PL), and 0.5 Legal Assistant in the 2011-13 biennium to provide ongoing legal services for the DOH relating to the Stormans v. DOH Litigation.

This lawsuit is challenging the Board of Pharmacy's (Board) rules requiring pharmacies to comply with timely distribution of all lawful medications. The ten day trial, scheduled for July and August, 2010, has been stayed, pending rulemaking by the Board. It is and has been the Board's intent to engage in the rulemaking process on the subject of the challenged rules, without regard to this litigation. However, if the rulemaking process does not culminate in new rules or if the rules proposed to be adopted do not moot the plaintiffs' claims, a trial will be rescheduled on short notice. Following trial, an appeal by one or more parties would be very likely. Even if the Board amends its rules in a way that would moot the plaintiffs' claims, the plaintiffs will likely seek attorneys' fees, claiming that the lawsuit triggered the rule amendment. Plaintiffs stated that their attorneys' fees up to June 2010 are approximately \$1million. Litigation over the attorney fee claim also would be likely.

It is also possible that the interveners will pursue action against the Board, if the Board amends the rules resolving the plaintiffs' claims, alleging that the rules are unconstitutional or were improperly adopted.

The AGO subject matter expert for this request is Sarian Scott, (360) 586-2104.



Agency: 100 Office of Attorney General  
Decision Package Code/Title: BF Stormans v DOH Litigation

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**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

This request is for funding to perform essential legal services to defend the Board's rules and to oppose the award of attorneys' fees and costs. The desired outcome of this request is the successful defense of the rules, both as adopted in 2007 and (if amended), as amended, so patients will have timely access to prescribed medications. The impact on clients, citizens, and services is uniformity and access to medications in state-recognized pharmacies in response to the needs of the public.

The lawsuit alleges that the rules violate the First Amendment Free Exercise of Religion, equal protection, due process and the Supremacy Clauses. It is unknown if the new rulemaking will resolve the issues in this lawsuit, because (1) the new rules may not be adopted, triggering the trial; (2) if the rules are adopted, we will likely be litigating plaintiffs' pursuit of attorneys fees and costs in excess of \$1 million; and (3) interveners may bring claims challenging the new rules.

**Performance Measure Detail**

Activity: A010 Legal Services to State Agencies

		Incremental Changes	
		<u>FY 2012</u>	<u>FY 2013</u>
	<b>Outcome Measures</b>		
000030	PM0010 - The number of litigation cases open at the end of each Fiscal Year.	0.00	0.00

*Is this decision package essential to implement a strategy identified in the agency's strategic plan?*

This budget request implements goal #1 of the AGO Strategic Plan-"Provide efficient and effective representation to our client agencies." The AGO provides a broad range of legal services to over 230 state agencies to enable them to achieve their missions.

*Does this decision package provide essential support to one of the Governor's priorities?*

Yes, this request supports the Governor's efforts relating to strengthening government's ability to achieve results efficiently and effectively. Providing legal services to state agencies is an element of providing data information, and analysis to support decision making.

*Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?*

Yes, in the 2011-13 biennial Priorities of Government Purchases, Legal Services to State Agencies is ranked #4 out of 248 categories.

*What are the other important connections or impacts related to this proposal?*

This litigation arises from a rule-making process conducted over two years by the Board of Pharmacy in which there was extensive written and oral comment. There was considerable media attention as the controversy surrounding the rules focused on a specific medication, while the rules themselves address all medications for which timely access is crucial for the patients.

**Agency:** 100 Office of Attorney General

**Decision Package Code/Title:** BF Stormans v DOH Litigation

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The Governor and many legislators submitted comments on the rules. A number of stakeholders expressed interest in the rules, including the Alliance Defense Fund, the Seattle Archdiocese, Planned Parenthood, Northwest Women's Law Center, and the Pharmacy Association. Those supporting the rule consider it important for access to health care. Those opposed to the rule view it as impeding the free exercise of their religious or moral beliefs.

The new rulemaking will trigger similar attention. If the new rulemaking proceedings do not lead to rules that moot the plaintiffs' claims, the trial in this case will be scheduled immediately. Even if new rules moot the plaintiffs' claims, we expect the plaintiffs to seek recovery of attorney fees and costs claimed to exceed \$1,000,000, which the state will oppose. New rules also may spawn additional litigation, potentially from the interveners.

It is also important to note that this request is for a continuation of ongoing litigation, and a 2011 Supplemental request is anticipated.

***What alternatives were explored by the agency, and why was this alternative chosen?***

The trial was stayed upon the initiation of new rulemaking by the Board. The Board wishes to engage in rulemaking regardless of the outcome of the litigation. At the same time, new rules have the potential to moot the plaintiffs' claims, but may not entirely end litigation of this case, as the plaintiffs may seek attorneys' fees and costs and interveners may file claims based on the new rules. If the Board's rulemaking process does not culminate in new rules, or proposes rules which do not moot the plaintiffs' claims, the trial will be immediately rescheduled.

There are no statutory, regulatory, or other changes or negotiation possibilities that would reduce the costs of this legal defense. There is no alternative source of income.

***What are the consequences of not funding this package?***

Not funding this request will place DOH in a situation where they will have to cut and re-prioritize legal services that are funded for other programs and services.

The Board and DOH would not be able to fund this lawsuit and may need to seek funds from other programs to pursue it. The latter choice could be problematic because there is a statutory requirement for the Board of Pharmacy to be self-funded.

***What is the relationship, if any, to the state's capital budget?***

None.

***What changes would be required to existing statutes, rules, or contracts, in order to implement the change?***

None.

***Expenditure and revenue calculations and assumptions***

Required direct costs include \$50,000 for expert witness fee including travel and per diem, and a \$20,000 for document production for trial and lay witness costs.

***Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?***

Costs may continue beyond FY2012 as appeals and negotiations may not be resolved.

State of Washington  
Decision Package

FINAL

Agency: **100 Office of Attorney General**

Decision Package Code/Title: **BF Stormans v DOH Litigation**

DOH supports this budget request and has a mirror request in their budget submittal.

<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
A Salaries And Wages	119,589	119,589	239,178
B Employee Benefits	33,485	33,485	66,970
C Personal Service Contracts	35,000	35,000	70,000
E Goods And Services	44,833	53,833	98,666
G Travel	4,035	4,035	8,070
J Capital Outlays	13,058	4,058	17,116
<b>Total Objects</b>	<b>250,000</b>	<b>250,000</b>	<b>500,000</b>

**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BN Unemployment Insurance ESD IAA

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**Budget Period:** 2011-13  
**Budget Level:** M2 - Inflation and Other Rate Changes

**Recommendation Summary Text:**

The Office of the Attorney General (AGO) requests \$516,000 and 2.0 FTEs in the 2011-13 biennium for legal services associated with Unemployment Insurance (UI) to be provided to the Employment Security Department (ESD).

**Fiscal Detail**

<b>Operating Expenditures</b>		<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
405-1	Legal Services Revolving Account-State	258,000	258,000	516,000
<b>Total Cost</b>		<b>258,000</b>	<b>258,000</b>	<b>516,000</b>
<b>Staffing</b>		<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Annual Average</u></b>
	FTEs	2.0	2.0	2.0
<b>Revenue</b>				
<b><u>Fund</u></b>	<b><u>Source</u></b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
405	Legal Serv Rev Acct 0420 Charges for Services	258,000	258,000	516,000
<b>Total Revenue</b>		<b>258,000</b>	<b>258,000</b>	<b>516,000</b>

**Package Description:**

The AGO requests \$516,000 and 1.0 Assistant Attorney General (AAG), 0.5 Paralegal (PL), and 0.5 Legal Assistant (LA) in the 2011-13 biennium to be able to continue to provide legal services to the ESD, principally litigation and advice regarding UI benefits and tax matters.

Over the last two biennia, there has been an increased need for legal services that have been provided to and paid for by the ESD Unemployment Insurance Unit. In August of 2009, the AGO and ESD agreed to an Interagency Agreement (IAA) for the current biennium to assure adequate attorney staff to handle the necessary UI legal work. The IAA was approved by the Office of Financial Management (OFM) on February 2, 2010.

ESD seeks to continue the level of service provided over the last two biennia, especially in light of the current economy which has resulted in a heightened caseload. This work cannot be timely and adequately performed without adversely impacting other ESD agency programs as well as clients.

Staffing will provide legal services related to UI by defending agency decisions in the courts and representing ESD in administrative adjudicative proceedings, particularly ESD tax appeals.

The AGO subject matter expert for this request is Sarian Scott, (360) 586-2104.

Agency: **100 Office of Attorney General**  
Decision Package Code/Title: **BN Unemployment Insurance ESD IAA**

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**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

This request is to convert the UI IAA into AGO base funding so that the AGO budget and the ESD budget can both reflect the appropriate level of legal services needed.

**Performance Measure Detail**

Activity: **A010 Legal Services to State Agencies**

		Incremental Changes	
		<u>FY 2012</u>	<u>FY 2013</u>
	<b>Outcome Measures</b>		
000030	PM0010 - The number of litigation cases open at the end of each Fiscal Year.	0.00	0.00

*Is this decision package essential to implement a strategy identified in the agency's strategic plan?*

This budget request implements goal #1 of the AGO Strategic Plan-"Provide efficient and effective representation to our client agencies." The AGO provides a broad range of legal services to over 230 state agencies to enable them to achieve their missions.

*Does this decision package provide essential support to one of the Governor's priorities?*

Yes, this request supports the Governor's efforts relating to strengthening government's ability to achieve results efficiently and effectively. Providing legal services to state agencies is an element of providing data information, and analysis to support decision making.

*Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?*

Yes, in the 2009-11 biennial Priorities of Government Purchases, Legal Services to State Agencies is ranked #4 out of 248 categories.

*What are the other important connections or impacts related to this proposal?*

We are not aware of any stakeholders who would have concerns, other than persons who are generally opposed to growth in the number of state employees or those private attorneys and entities that represent UI benefits and tax claimants, or their employers, in opposing ESD decisions in our courts.

ESD supports this proposal which is related to legal work as a whole for the Unemployment Insurance Unit, but not to one particular legal matter.

The requested funding authority will support ESD's Priorities of Government Result - Economic Vitality Strategy "Return unemployed, underemployed, or injured workers to work" - Prosperous Individuals Outcome. The UI benefits program provides temporary income support to individuals who become unemployed through no fault of their own. Legal support for this program helps to assure that the legal standards for receiving such benefits are met, so that individuals who do not qualify for such benefits do not obtain them and

**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BN Unemployment Insurance ESD IAA

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thereby deplete the resources available for qualified individuals. Similarly, the UI tax program assesses and collects employer taxes which supply the UI Benefits Fund. Legal support for the UI Tax Program helps to assure that all employers who are required to pay UI tax do so and thereby provide the funds from which qualified individuals may lawfully receive unemployment compensation.

*What alternatives were explored by the agency, and why was this alternative chosen?*

We have not identified any nonessential work that has been completed for ESD.

*What are the consequences of not funding this package?*

The AGO will continue to provide as much of the workload as possible, and ESD will continue to pay for the legal services outside its allotment since ESD has no control over the number of UI benefit and tax appeals that are filed. This will require ESD and the AGO's management to continually re-prioritize workload because we will not be able to provide all the services they need while continuing to provide the legal services needed by other agency clients. This would be an inefficient way to manage the situation. It would also place the AGO in a dilemma regarding our work on UI Tax. We will have to decline representation at the administrative level on tax cases where our presence is not mandatory so that we can handle the judicial appeals. Representation at the administrative level will increase our likelihood of prevailing in a subsequent judicial appeal, and might increase the likelihood that no appeal will be taken.

*What is the relationship, if any, to the state's capital budget?*

None.

*What changes would be required to existing statutes, rules, or contracts, in order to implement the change?*

None.

*Expenditure and revenue calculations and assumptions*

None.

*Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?*

All costs are ongoing.

ESD supports this budget request.

<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
A Salaries And Wages	136,830	136,830	273,660
B Employee Benefits	38,312	38,312	76,624
E Goods And Services	61,034	71,033	132,067
G Travel	5,824	5,825	11,649
J Capital Outlays	16,000	6,000	22,000
<b>Total Objects</b>	<b>258,000</b>	<b>258,000</b>	<b>516,000</b>

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**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BP University of WA IAA to Base Funds

**Budget Period:** 2011-13  
**Budget Level:** M2 - Inflation and Other Rate Changes

**Recommendation Summary Text:**

The Office of the Attorney General (AGO) requests \$170,000 and 0.4 FTEs in the 2011-13 biennium to provide ongoing legal services associated with University of Washington (UW) relating to Airlift Northwest (ALNW) and the UW Real Estate Office for Metro Tract management.

**Fiscal Detail**

<b>Operating Expenditures</b>		<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>	
405-1	Legal Services Revolving Account-State	85,000	85,000	170,000	
<b>Total Cost</b>		<b>85,000</b>	<b>85,000</b>	<b>170,000</b>	
<b>Staffing</b>		<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Annual Average</u></b>	
	FTEs	.4	.4	.4	
<b>Revenue</b>					
<b><u>Fund</u></b>	<b><u>Source</u></b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>	
405	Legal Serv Rev Acct	0420 Charges for Services	85,000	85,000	170,000
<b>Total Revenue</b>		<b>85,000</b>	<b>85,000</b>	<b>170,000</b>	

**Package Description:**

The AGO requests \$170,000 and 0.4 Assistant Attorney General (AAG) in the 2011-13 biennium for additional services to the UW in two areas: (1) shifting the legal support of Airlift Northwest (ALNW) from private attorneys to AGO, as a result of dissolution of the ALNW nonprofit corporation, and (2) to increase the AGO support to the UW Real Estate Office for Metro Tract management.

In November of 2009, the AGO and UW entered into an Interagency Agreement (IAA) for the 2009-11 biennium to assure adequate attorney staff to handle the necessary UW legal work.

UW seeks to continue the level of service provided over the last biennia, especially in light of the current economy which has resulted in heightened requirements for legal advice to both UW healthcare and real estate operations.

As a private corporation, ALNW (contracts, personnel, regulatory, etc.) was done by a private Seattle firm; not by the AGO UW Division. ALNW has now become a client unit of the UW. ALNW 's ongoing legal work is 0.2 FTE.

The UW Real Estate Office is transitioning to greater UW direct management of the ten acre "Metro Tract" in downtown Seattle. The client is pursuing more AAG time from the AGO UW Division for that purpose. This additional help (currently provided through the IAA) has, and would in the future, help them improve the quality and timing of some of their transactions, and help them save Special AAG costs. UW Real Estate Office's ongoing legal work is 0.2 FTE.



**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BP University of WA IAA to Base Funds

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The AGO subject matter expert for this request is Sarian Scott, (360) 586-2104.

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

This request is to convert the UW IAA into AGO base funding so that the AGO budget and the UW budget can both reflect the appropriate level of legal services needed.

**Performance Measure Detail**

Activity: A010 Legal Services to State Agencies

		Incremental Changes	
		<u>FY 2012</u>	<u>FY 2013</u>
	<b>Outcome Measures</b>		
000030	PM0010 - The number of litigation cases open at the end of each Fiscal Year.	0.00	0.00

*Is this decision package essential to implement a strategy identified in the agency's strategic plan?*

This budget request implements goal #1 of the AGO Strategic Plan-"Provide efficient and effective representation to our client agencies." The AGO provides a broad range of legal services to over 230 state agencies to enable them to achieve their missions.

*Does this decision package provide essential support to one of the Governor's priorities?*

Yes, this request supports the Governor's efforts relating to strengthening government's ability to achieve results efficiently and effectively. Providing legal services to state agencies is an element of providing data information, and analysis to support decision making.

*Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?*

Yes, in the 2009-11 biennial Priorities of Government Purchases, Legal Services to State Agencies is ranked #4 out of 248 categories.

*What are the other important connections or impacts related to this proposal?*

There is no stakeholder interest in this request.

*What alternatives were explored by the agency, and why was this alternative chosen?*

We have not identified any nonessential work that has been completed for UW. The only viable alternative to funding this request is to continue to perform legal services through an IAA.

*What are the consequences of not funding this package?*

**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BP University of WA IAA to Base Funds

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The AGO will continue to provide as much of the workload as possible, and UW will continue to pay for the legal services outside its allotment since UW has no means to limit its requirements for legal assistance. Not funding this request will require UW to re-prioritize legal service needs. This will result in inefficient management, therefore, such a strategy seems unwise.

*What is the relationship, if any, to the state's capital budget?*

None.

*What changes would be required to existing statutes, rules, or contracts, in order to implement the change?*

None.

*Expenditure and revenue calculations and assumptions*

None.

*Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?*

All costs are ongoing.

UW supports this budget request and has a mirror request in their budget submittal.

<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
A Salaries And Wages	34,484	34,483	68,967
B Employee Benefits	9,656	9,656	19,312
E Goods And Services	36,080	38,081	74,161
G Travel	1,580	1,580	3,160
J Capital Outlays	3,200	1,200	4,400
<b>Total Objects</b>	<b>85,000</b>	<b>85,000</b>	<b>170,000</b>

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**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BR Realignment of Client Allocations

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**Budget Period:** 2011-13  
**Budget Level:** M2 - Inflation and Other Rate Changes

**Recommendation Summary Text:**

The Office of the Attorney General (AGO) requests realignment of the Legal Services Revolving Fund (LSRF) so that client allocations align to estimated client legal service needs in the 2011-2013 biennium. This request nets to \$0 for the AGO as we are not requesting new funds, but merely realigning existing LSRF dollars.

**Fiscal Detail**

Operating Expenditures

Total

Total Cost

**Package Description:**

This request is to realign existing LSRF funds and is not intended to increase the appropriated authority of the AGO.

The purpose of an adjustment is not to grow the AGO but rather to align the funding to the clients that are using legal services. To make this happen, some allocations should be taken away from agencies that are not using all their legal services allocation and applying it to other agencies that have cut other services and/or programs within their overall agency budgets to cover the cost for legal services. Please refer to the attachment for each client agency impact ('ML-BR Realignment of Client Allocations, ATTCH 1.pdf).

The AGO subject matter expert for this request is Sarian Scott, 360-586-2104.

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

AGO provides a broad range of legal services to more than 230 state agencies to enable them to achieve their respective missions.

This request provides a number of client agencies with the allocations necessary to receive adequate and vital legal services. If additional funding is not provided to these clients, they will need to cut other services to pay for attorney costs that are unavoidable.

Agency: 100 Office of Attorney General

Decision Package Code/Title: BR Realignment of Client Allocations

**Performance Measure Detail**

Activity: A010 Legal Services to State Agencies

	Incremental Changes		
	<table border="0"> <tr> <td style="text-align: center;"><u>FY 2012</u></td> <td style="text-align: center;"><u>FY 2013</u></td> </tr> </table>	<u>FY 2012</u>	<u>FY 2013</u>
<u>FY 2012</u>	<u>FY 2013</u>		

**Outcome Measures**

000030	PM0010 - The number of litigation cases open at the end of each Fiscal Year.	0.00	0.00
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*Is this decision package essential to implement a strategy identified in the agency's strategic plan?*

This budget request implements goal #1 of the AGO Strategic Plan-"Provide efficient and effective representation to our client agencies." The AGO provides a broad range of legal services to over 230 state agencies to enable them to achieve their missions.

*Does this decision package provide essential support to one of the Governor's priorities?*

Yes, this request supports the Governor's efforts relating to strengthening government's ability to achieve results efficiently and effectively. Providing legal services to state agencies is an element of providing data information, and analysis to support decision making.

*Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?*

Yes, in the 2009-11 biennial Priorities of Government Purchases, Legal Services to State Agencies is ranked #4 out of 248 categories.

*What are the other important connections or impacts related to this proposal?*

Client agencies impacted will need to cut other services to the citizens of the state of Washington in order to pay for adequate legal services.

*What alternatives were explored by the agency, and why was this alternative chosen?*

The original 2009-2011 proposal for FTE utilization did balance to zero for the AGO as it had in the past three biennia.

*What are the consequences of not funding this package?*

Client agencies may need to cut other programs to cover costs. State-wide risk to agency operations for not seeking legal advice or litigation support is high

*What is the relationship, if any, to the state's capital budget?*

None.

*What changes would be required to existing statutes, rules, or contracts, in order to implement the change?*

None.

**Agency:** 100 Office of Attorney General

**Decision Package Code/Title:** BR Realignment of Client Allocations

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*Expenditure and revenue calculations and assumptions*

See attachment 'ML-BR Realignment of Client Allocations, ATTCH 1.pdf'.

*Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?*

It is anticipated that continued evaluations of funding/FTE utilization and billings will occur. All costs are ongoing unless changes in legal services levels were warranted through changes in legislature or policy decision packages.

Agency	Name	09-11 Biennial Allocation	Current Biennium FTE INVOICED Thru FY10	Current Biennium Directs INVOICED Thru FY10	Biennium based 2 Yr activity	Difference Bill Activity & Budget Alloc.	Proposed Adds to Legal Service Allocation	Proposed Reductions to Legal Service Allocation
45	Supreme Court	34,622	41,750	123	83,745	(49,123)	50,000	
48	Court of Appeals	0	6,049	0	12,098	(12,098)	14,000	
90	State Treasurer's Office	376,458	258,409	479	517,776	(141,318)	150,000	
95	State Auditor's Office	1,368,489	456,766	247	914,026	454,463		(250,000)
102	Financial Institutions, Dept of	951,219	649,154	4,448	1,307,203	(355,984)	425,000	
103	Commerce, Dept of	1,171,127	388,885	744	779,259	391,868		(100,000)
105	OFM	415,996	229,111	8,318	474,858	(58,862)	74,000	
107	Health Care Authority	1,872,605	593,313	100,857	1,388,340	484,265		(200,000)
110	Administrative Hearings, Office of	18,841	40,631	0	81,262	(62,421)	70,000	
124	Retirement Systems, Dept of	1,687,810	947,165	4,416	1,903,162	(215,352)	234,000	
126	State Investment Board	665,260	254,410	5,376	519,571	145,689		(74,000)
130	Printing, Dept of	0	28,962	0	57,925	(57,925)	74,000	
150	Gen Admin, Dept of	1,337,870	482,873	3,248	972,241	365,629		(200,000)
155	Info Services, Dept of	347,358	110,931	343	222,547	124,811		(50,000)
165	Accountancy, State Board of	306,216	259,241	4,365	527,213	(220,997)	80,000	
225	State Patrol, Washington	1,815,931	676,020	34,178	1,420,396	395,535		(150,000)
227	Criminal Justice Training Commission	313,916	165,099	225	330,647	(16,731)	20,000	
235	Labor & Industries	39,295,329	18,588,031	86,774	37,349,611	1,945,718		(526,000)
240	Licensing, Dept of	5,809,799	2,296,857	19,007	4,631,727	1,178,072		(300,000)
245	Military Department	589,482	230,000	276	460,550	128,932		(50,000)
250	Indeterminate Sentence Review Board	364,396	64,674	0	129,348	235,048		(50,000)
310	Corrections, Dept of	10,445,641	4,896,288	521,364	10,835,303	(389,662)	450,000	
343	Higher Ed Coordinating Board	142,650	8,078	0	16,157	126,493		(40,000)
350	Superintendent of Public Instruction	2,390,379	1,077,109	547,098	3,248,414	(858,035)	100,000	
357	Dept of Early Learning	592,642	622,369	1,882	1,248,502	(655,860)	814,000	
365	Wash St University	2,047,763	897,733	16,475	1,828,415	219,348		(24,000)
370	Eastern Washington University	459,523	310,263	9,816	640,158	(180,635)	200,000	
375	Central Washington University	307,029	261,076	11,755	545,664	(238,635)	250,000	
376	Evergreen State College	164,358	140,275	9,220	298,990	(134,632)	200,000	
387	Arts Commission, Wa State	30,953	39,080	0	78,160	(47,207)	50,000	
390	Historical Society, Wa State	35,929	35,555	5	71,120	(35,191)	40,000	
405	Transportation, Dept of	9,217,337	3,403,336	41,351	6,889,374	2,327,963		(500,000)
462	Pollution Liability Insurance Agency	29,837	19,770	230	40,001	(10,164)	16,000	
465	Parks and Recreation Commission	969,445	306,424	1,436	615,720	353,725		(74,000)
477	Fish & Wildlife, Dept of	3,597,773	1,683,277	8,724	3,384,003	213,770		(140,000)
478	Puget Sound Partnership	0	19,744	0	39,489	(39,489)	50,000	
490	Natural Resources, Dept of	6,139,174	2,570,500	18,237	5,177,474	961,700		(423,000)
495	Agriculture, Dept of	1,047,682	324,159	1,817	651,952	395,730		(150,000)
699	Comm & Tech Colleges, State Bd	3,914,372	1,806,843	17,321	3,648,330	266,042		(60,000)
<b>TOTAL</b>							<b>3,361,000</b>	<b>(3,361,000)</b>

State of Washington  
Decision Package

FINAL

**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BQ DSHS ESH Legal Services  
**Budget Period:** 2011-13  
**Budget Level:** M2 - Inflation and Other Rate Changes

**Recommendation Summary Text:**

The Office of the Attorney General (AGO) requests \$214,000 and 0.8 FTEs in the 2011-13 biennium to provide ongoing legal services for the Department of Social and Health Services (DSHS) Eastern State Hospital (ESH) to provide the client with additional advice and representation.

**Fiscal Detail**

<b>Operating Expenditures</b>		<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
405-1	Legal Services Revolving Account-State	107,000	107,000	214,000
<b>Total Cost</b>		<b>107,000</b>	<b>107,000</b>	<b>214,000</b>
<b>Staffing</b>		<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Annual Average</u></b>
	FTEs	.8	.8	.8
<b>Revenue</b>				
<b><u>Fund</u></b>	<b><u>Source</u></b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
405	Legal Serv Rev Acct	107,000	107,000	214,000
	0420 Charges for Services			
<b>Total Revenue</b>		<b>107,000</b>	<b>107,000</b>	<b>214,000</b>

**Package Description:**

The AGO requests \$214,000 and 0.5 Assistant Attorney General (AAG) and 0.3 Legal Assistant (LA) in the 2011-13 biennium to provide ongoing legal services for the ESH to provide the client with additional advice and representation.

ESH has the need for a full time AAG, but is presently funded for only 0.5 AAG. This request is to increase the current AAG by an additional 0.5 AAG. The client impacted is DSHS.

As a point of comparison, three AAGs are assigned to Western State Hospital (WSH). ESH's capacity is approximately one third of WSH, which alone is some evidence that the client should have a full FTE. Additionally, ESH admits and discharges approximately the same number of patients each year (between 900 and 1,000 patients each year), and each of these admits/discharges gives rise to a potential need for legal advice, as well as trial representation.

A number of factors contribute to the need for the increase in AAG FTE, which include:

- a. Increase in the number of jury trial requests.
- b. Increase in the number of patients presenting co-occurring forensic and civil issues.
- c. Increase in the number of patients presenting other legal issues that require attorney review and client advice.
- d. New legislation affecting both civil and criminal commitments that requires interpretation and ongoing assistance with



implementation.

e. Client's need for immediate response and access to an AAG familiar with ongoing legal issues and cases.

e. Increase in the complexity of the legal matters arising.

This request is needed so that the client will have prompt access to legal assistance, and consequently be better able to manage its legal risk.

During Fiscal Year 2011, DSHS and the AGO entered an Interagency Agreement for an additional 0.5 AAG FTE so that the client could obtain the additional services it requires. This request will make that increase into a permanently funded increase.

The AGO subject matter expert for this request is Sarian Scott, (360) 586-2104.

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

This request is for billing authority that is needed for essential legal services relating to advice and representation for ESH in legal matters.

**Performance Measure Detail**

**Activity: A010      Legal Services to State Agencies**

		Incremental Changes	
		<u>FY 2012</u>	<u>FY 2013</u>
	<b>Outcome Measures</b>		
000030	PM0010 - The number of litigation cases open at the end of each Fiscal Year.	0.00	0.00

*Is this decision package essential to implement a strategy identified in the agency's strategic plan?*

This budget request implements goal #1 of the AGO Strategic Plan-"Provide efficient and effective representation to our client agencies." The AGO provides a broad range of legal services to over 230 state agencies to enable them to achieve their missions.

*Does this decision package provide essential support to one of the Governor's priorities?*

Yes, this request supports the Governor's efforts relating to strengthening government's ability to achieve results efficiently and effectively. Providing legal services to state agencies is an element of providing data information, and analysis to support decision making.

*Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?*

Yes, in the 2009-11 biennial Priorities of Government Purchases, Legal Services to State Agencies is ranked #4 out of 248 categories.

*What are the other important connections or impacts related to this proposal?*

The AGO has no option but to provide legal services relating to ongoing need for legal service, including litigation support and providing ESH with advice and representation.

The status of the state budget makes this biennium a difficult time to request an increase in any type of FTE. However, this modest increase is needed to help our client perform its duties to better manage risk, with, we hope, the ultimate cost of the FTE increase being lower than the cost to the state from tort claims and litigation.

This requested increase is not related to any individual legal matter, but rather to a need for increased access to AAG advice and

representation due to more general trends, to include the increase in the complexity of matters being presented, and the increase in the number of jury trial requests. This request is not related to a task force, Government Management Accountability and Performance, or an audit recommendation. This small increase will, however, help ESH to better manage legal issues and risks by providing them with more AAG time. ESH has not had the legal representation one might expect given its size and the volume of patients it admits and discharges annually. This increase will rectify that, and bring its FTE allocation more in line with that of WSH.

It is also important to note that this request is for a continuation of ongoing legal services, and a 2011 Supplemental request is anticipated.

***What alternatives were explored by the agency, and why was this alternative chosen?***

Given the increased complexity of matters being presented and the risks of failure to appropriately respond to those matters, as well as the risk of adverse rulings in some of these matters, there is no reasonable alternative other than to provide ESH with the legal advice it requires and to vigorously defend its decisions.

***What are the consequences of not funding this package?***

Not funding this request will place ESH in a situation where they will have to cut and prioritize legal services which have already been funded.

The client has an ongoing need for the additional legal assistance. Failure to fund this request will result in an increase in tort claims that may have been avoided had the client been able to more promptly receive legal advice.

***What is the relationship, if any, to the state's capital budget?***

None.

***What changes would be required to existing statutes, rules, or contracts, in order to implement the change?***

None.

***Expenditure and revenue calculations and assumptions***

None.

***Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?***

DSHS supports this budget request and has a mirror request in their budget submittal. Cost are assumed to be on-going.

<b><u>Object Detail</u></b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
A Salaries And Wages	55,881	55,881	111,762
B Employee Benefits	15,647	15,647	31,294
E Goods And Services	27,253	31,253	58,506
G Travel	1,819	1,819	3,638
J Capital Outlays	6,400	2,400	8,800
<b>Total Objects</b>	<b>107,000</b>	<b>107,000</b>	<b>214,000</b>

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**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** 9X Self Insurance Premium

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**Budget Period:** 2011-13  
**Budget Level:** M2 - Inflation and Other Rate Changes

**Recommendation Summary Text:**

The Office of the Attorney General (AGO) requests \$196,050 in the 2011-13 biennium to provide funding for increased Government Self-Insurance Liability Account (SILA) program premiums, as estimated by the Office of Financial Management (OFM).

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
405-1 Legal Services Revolving Account-State	98,025	98,025	196,050
<b>Total Cost</b>	<b>98,025</b>	<b>98,025</b>	<b>196,050</b>

**Revenue**

<b><u>Fund</u></b>	<b><u>Source</u></b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
405 Legal Serv Rev Acct	0420 Charges for Services	98,025	98,025	196,050
<b>Total Revenue</b>		<b>98,025</b>	<b>98,025</b>	<b>196,050</b>

**Package Description:**

The AGO requests \$196,050 in the 2011-13 biennium to provide funding for increased SILA premiums. This is the funding amount identified by OFM on July 9, 2010 via E-mail, as a preliminary estimate. See attachment, 'ML-9X Self Insurance Premiums, ATTCH 1.pdf'.

The SILA Program provides approval and oversight of joint self-insured local government property and liability programs, and individual and joint self-insured local government employee health and welfare (medical) benefit programs as provided in RCW 48.62, RCW 48.64 and WAC 82-60.

The mission of the SILA program is to protect taxpayer resources by ensuring that local government owner/members are informed about the program's financial condition, participate in decisions which affect insurance services for entities they represent, and ensure compliance with laws and regulations designed to foster financially sound management practices. The SILA program is funded through annual assessments paid by each program.

AGO SILA rates are being increased in the 2011-13 biennium. This request is to acquire appropriate funding to pay premiums.

The AGO subject matter expert for this request is Sarian Scott, (360) 586-2104.

Agency: 100 Office of Attorney General

Decision Package Code/Title: 9X Self Insurance Premium

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

This request is for funding which is crucial to the AGO in making appropriate payments for benefits received without adverse impact on current programs and legal services.

Past Agency Loss Trends: Based on information provided by OFM Risk Management, AGO liabilities for settled self-insurance related incidents were:

- FY2005: \$43,944
- FY2006: \$ 4,906
- FY2007: \$ 1,894
- FY2008: \$ 9,657
- FY2009: \$ 2,875
- FY2010: \$51,261

The AGO has determined that automobile incidents are the most common self-insurance claims that are filed. Of the totals show above, 13 of 16 claims were state vehicle related with a total liability of \$14,545 (or an average of \$2,424 per FY). The three remaining liabilities are related to ethics and legal settlements.

Government vehicle loss trends are consistent with AGO projections. All other claims are unexpected and are not considered trends.

Future Agency Loss Trends: The AGO will continue to emphasize driver's safety in an effort to increase safety and minimize claims. Infractions will result in a requirement for remedial training. All other claims are unexpected and are not considered trends.

**Performance Measure Detail**

Activity: A010 Legal Services to State Agencies

		Incremental Changes	
		<u>FY 2012</u>	<u>FY 2013</u>
	<b>Outcome Measures</b>		
000030	PM0010 - The number of litigation cases open at the end of each Fiscal Year.	0.00	0.00

*Is this decision package essential to implement a strategy identified in the agency's strategic plan?*

This budget request implements goal #1 of the AGO Strategic Plan-"Provide efficient and effective representation to our client agencies." The AGO provides a broad range of legal services to over 230 state agencies to enable them to achieve their missions

*Does this decision package provide essential support to one of the Governor's priorities?*

Yes, this request supports the Governor's efforts relating to strengthening government's ability to achieve results efficiently and effectively. Providing legal services to state agencies is an element of providing data information, and analysis to support decision making.

**Agency:** 100 Office of Attorney General

**Decision Package Code/Title:** 9X Self Insurance Premium

*Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?*

Yes, in the 2009-11 biennial Priorities of Government Purchases, Legal Services to State Agencies is ranked #4 out of 248 categories.

*What are the other important connections or impacts related to this proposal?*

The AGO has no option but to pay insurance when it is due. Payments will be generated through agency overhead acquired through the Legal Service Revolving Account.

*What alternatives were explored by the agency, and why was this alternative chosen?*

There is no alternative than to make payments for the SILA. There are no statutory, regulatory, or other changes or negotiation possibilities that would reduce the costs of this payment. There is no alternative source of income.

*What are the consequences of not funding this package?*

Not funding this request will place the AGO and all client agencies in a situation where there will have to be cuts and prioritize of legal services which have already been funded.

*What is the relationship, if any, to the state's capital budget?*

None.

*What changes would be required to existing statutes, rules, or contracts, in order to implement the change?*

None.

*Expenditure and revenue calculations and assumptions*

See Attachment 'ML-9X Self Insurance Premiums, ATTCH 1.pdf' and 'ML-9X Self Insurance Premiums, ATTCH 2.pdf'.

*Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?*

This budget request is considered to be an on-going requirement into future biennia.

<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
E Goods And Services	98,025	98,025	196,050

Office of the Attorney General  
2011-13 Biennial Budget

**From:** Schmitz, Claudia (OFM)

**Sent:** Friday, July 09, 2010 12:52 PM

**To:** Schmitz, Claudia (OFM)

**Cc:** Fadness, Rick; 'Johnson, Streator'; BurveeT@cwu.EDU; Florence Jr., Arthur; carpentl@evergreen.edu; Malone, Charles L. (DOC); Young, Michele

**Subject:** 11-13 Self Insurance Premium - PROPOSED

For your information, the preliminary estimates of the 11-13 Self Insurance Premium are now posted on the OFM, Risk Management website: <http://www.ofm.wa.gov/rmd/budget/default.asp>. OFM will update the agency-submitted amounts in the budget in the fall when the self insurance premium costs are finalized.

A notice will also be emailed to your agency budget office/staff.

*Claudia Schmitz*

Risk Management Division / P O Box 43113

Phn 360 902-7306 / Fx 360 586-1789 / [claudia.schmitz@ofm.wa.gov](mailto:claudia.schmitz@ofm.wa.gov)

Agency Code	Agency	09-11 SIP + Defense	11-13 SIP + Defense	Variance 09-11 vs 11-13
011	House of Representatives	\$2,000	\$2,086	\$86
012	Senate	\$2,000	\$2,000	\$0
013	Joint Transportation Committee	\$2,000	\$2,000	\$0
014	Joint Legislative Audit and Review Committee	\$2,000	\$2,000	\$0
020	Legislative Evaluation and Accountability Program	\$2,000	\$2,000	\$0
035	Office of the State Actuary	\$2,000	\$2,000	\$0
038	Joint Legislative Systems Committee	\$2,000	\$44,195	\$42,195
040	Statute Law Committee	\$2,000	\$2,000	\$0
045	Supreme Court	\$60,597	\$9,600	(\$50,997)
046	Law Library	\$2,000	\$2,000	\$0
048	Court of Appeals	\$2,000	\$2,000	\$0
050	Commission on Judicial conduct	\$2,000	\$2,000	\$0
055	Administrative Office of the Courts	\$66,090	\$21,044	(\$45,046)
056	Office of Public Defense	\$2,000	\$2,000	\$0
057	Office of Civil Legal Aid (Est FY 07)	\$2,000	\$2,000	\$0
075	Office of the Governor	\$13,724	\$2,000	(\$11,724)
080	Office of the Lieutenant Governor	\$2,000	\$2,000	\$0
082	Public Disclosure Commission	\$2,405	\$2,000	(\$405)
085	Office of the Secretary of State	\$2,932	\$4,018	\$1,086
086	Governor's Office of Indian Affairs	\$2,000	\$2,000	\$0
087	Commission on Asian Pacific American Affairs	\$2,000	\$2,000	\$0
090	Office of State Treasurer	\$2,000	\$2,000	\$0
095	Office of State Auditor	\$269,874	\$30,087	(\$239,787)
099	Salaries for Elected Officials	\$2,000	\$2,000	\$0
100	Office of Attorney General	\$378,461	\$574,511	\$196,050
101	Caseload Forecast Council	\$2,000	\$2,000	\$0
102	Department of Financial Institutions	\$311,537	\$2,000	(\$309,537)
103	Department of Community, Trade and Economic Dev	\$54,142	\$20,305	(\$33,837)
104	Economic and Revenue Forecast Council	\$2,000	\$2,000	\$0
105	Office of Financial Management	\$15,962	\$27,673	\$11,711
107	Washington State Health Care Authority	\$129,373	\$100,700	(\$28,673)
110	Office of Administrative Hearings	\$2,405	\$2,209	(\$196)
111	Department of Personnel	\$24,617	\$59,129	\$34,512
116	State Lottery	\$45,842	\$53,405	\$7,563



Agency Code	Agency	09-11 SIP + Defense	11-13 SIP + Defense	Variance 09-11 vs 11-13
117	Washington State Gambling Commission	\$7,965	\$38,114	\$30,149
118	Commission on Hispanic Affairs	\$2,000	\$2,000	\$0
119	Commission on African-American Affairs	\$2,000	\$2,000	\$0
120	Human Rights Commission	\$76,111	\$2,000	(\$74,111)
124	Department of Retirement Systems	\$21,462	\$2,000	(\$19,462)
126	State Investment board	\$2,000	\$2,000	\$0
130	Department of Printing	\$2,000	\$2,000	\$0
140	Department of Revenue	\$11,383	\$32,117	\$20,734
142	Board of Tax Appeals	\$2,000	\$2,000	\$0
147	Office of Minority and Women's Business Enterprise	\$2,000	\$2,000	\$0
150	Department of General Administration	\$239,110	\$154,455	(\$84,655)
155	Department of Information Services	\$30,996	\$2,000	(\$28,996)
160	Office of Insurance Commissioner	\$114,015	\$115,411	\$1,396
165	Board of Accountancy	\$2,000	\$17,904	\$15,904
167	Forensic Investigation Council	\$0	\$2,000	\$2,000
185	Horse Racing Commission	\$215,624	\$168,774	(\$46,850)
190	Board of Industrial Ins. Appeals	\$2,000	\$5,765	\$3,765
195	Liquor Control Board	\$535,322	\$489,000	(\$46,322)
205	Board of Pilotage Commissioners	\$2,000	\$2,000	\$0
215	Utilities and Transportation Commission	\$69,008	\$2,000	(\$67,008)
220	Board for Volunteer Firefighters	\$2,000	\$2,000	\$0
225	Washington State Patrol	\$8,341,815	\$9,586,548	\$1,244,733
227	Washington State Criminal Justice Training Commis.	\$25,398	\$33,781	\$8,383
228	Washington Traffic Safety Commission	\$2,000	\$2,000	\$0
235	Department of Labor and Industries	\$1,167,035	\$1,186,983	\$19,948
240	Department of Licensing	\$537,079	\$1,167,821	\$630,742
245	Military Department	\$389,606	\$371,565	(\$18,041)
250	Indeterminate Sentence Review Board	\$19,351	\$6,004	(\$13,347)
275	Public Employment Relations Commission	\$2,000	\$14,500	\$12,500
300	Department of Social and Health Services	\$51,272,637	\$56,309,115	\$5,036,478
302	Home Care Quality Authority	\$2,000	\$4,804	\$2,804
303	Department of Health	\$1,406,703	\$1,293,251	(\$113,452)
305	Department of Veterans Affairs	\$398,193	\$255,974	(\$142,219)

Agency Code	Agency	09-11 SIP + Defense	11-13 SIP + Defense	Variance 09-11 vs 11-13
310	Department of Corrections	\$25,680,622	\$19,433,726	(\$6,246,896)
315	Department of Services for the Blind	\$11,374	\$2,000	(\$9,374)
325	Sentencing Guidelines Commission	\$158,261	\$79,538	(\$78,723)
343	Higher Education Coordinating Board	\$28,791	\$36,509	\$7,718
350	Superintendent of Public Instruction	\$163,541	\$99,286	(\$64,255)
351	State School for the Blind	\$7,214	\$2,000	(\$5,214)
352	Community and Technical College System	\$2,000	\$2,000	\$0
353	State School for the Deaf	\$103,403	\$2,000	(\$101,403)
354	Workforce Training and Education Coordinating Board	\$2,000	\$2,000	\$0
355	Dept of Archeology & Historic Preservation	\$28,808	\$2,000	(\$26,808)
357	Dept of Early Learning (Est FY 07)	\$3,784,434	\$9,775,743	\$5,991,309
365	Washington State University	\$1,451,728	\$1,236,380	(\$215,348)
370	Eastern Washington University	\$2,890,480	\$1,175,550	(\$1,714,930)
375	Central Washington University	\$490,621	\$258,093	(\$232,528)
376	Evergreen State College	\$169,575	\$119,672	(\$49,903)
377	Spokane Intercollegiate Research & Technical Institution	\$342,022	\$124,251	(\$217,771)
380	Western Washington University	\$420,353	\$457,657	\$37,304
387	Washington State Arts Commission	\$2,000	\$2,000	\$0
390	Washington State Historical Society	\$26,015	\$14,304	(\$11,711)
395	Eastern Washington State Historical Society	\$2,000	\$2,000	\$0
405	Department of Transportation	\$35,306,046	\$33,220,350	(\$2,085,696)
406	County Road Administration Board	\$2,000	\$2,000	\$0
407	Transportation Improvement Board	\$2,000	\$2,000	\$0
408	Marine Employees' Commission	\$2,000	\$2,000	\$0
410	Transportation Commission	\$2,000	\$13,451	\$11,451
460	Columbia River Gorge Commission	\$7,734	\$2,000	(\$5,734)
461	Department of Ecology	\$1,176,861	\$518,138	(\$658,723)
462	Washington Pollution Liability Insurance Agency	\$2,000	\$2,000	\$0
465	State Parks and Recreation Commission	\$1,432,794	\$1,527,062	\$94,268

# 11-13 Self Insurance Premium

Agency Code	Agency	09-11 SIP + Defense	11-13 SIP + Defense	Variance 09-11 vs 11-13
467	Interagency Committee for Outdoor Recreation	\$2,000	\$2,000	\$0
468	Environmental Land Use and Hearings Office	\$2,000	\$2,000	\$0
471	State Conservation Commission	\$2,000	\$2,000	\$0
477	Department of Fish and Wildlife	\$965,407	\$1,271,076	\$305,669
490	Department of Natural Resources	\$2,900,357	\$1,536,060	(\$1,364,297)
495	Department of Agriculture	\$741,666	\$497,284	(\$244,382)
500	Apple Commission	\$1,000	\$1,000	\$0
501	Alfalfa Seed Commission	\$1,000	\$1,000	\$0
502	Beef Commission	\$1,000	\$1,000	\$0
503	Blueberry Commission	\$1,000	\$1,000	\$0
505	Bulb Commission	\$1,000	\$1,000	\$0
506	Asparagus Commission	\$1,000	\$1,000	\$0
508	Canola & Rapeseed Commission	\$1,000	\$1,000	\$0
510	Dairy Products Commission	\$1,000	\$1,000	\$0
512	Dry Peas & Lentil Commission	\$1,000	\$1,000	\$0
515	Fruit Commission	\$1,000	\$1,000	\$0
520	Fryer Commission	\$1,000	\$1,000	\$0
522	Hop Commission	\$1,000	\$1,000	\$0
524	Puget Sound Gillnet Salmon Commission	\$1,000	\$1,000	\$0
525	Potato Commission	\$1,000	\$1,000	\$0
528	Mint Commission	\$1,000	\$1,000	\$0
529	Red Raspberry Commission	\$1,000	\$1,000	\$0
530	Seed Potato Commission	\$1,000	\$1,000	\$0
532	Turf Grass Seed Commission	\$1,000	\$1,000	\$0
533	Tree Fruit Research	\$1,000	\$1,000	\$0
534	Wine Commission	\$1,000	\$1,000	\$0
535	Grain Commission	\$1,000	\$1,000	\$0
540	Employment Security Department	\$791,627	\$623,225	(\$168,402)
545	Beer Commission	\$0	\$1,000	\$1,000
550	State Convention and Trade center	\$141,916	\$39,409	(\$102,507)
605	Everett Community College	\$38,249	\$51,160	\$12,911
610	Edmonds Community College	\$326,251	\$314,180	(\$12,071)
621	Whatcom Community College, District 21	\$36,640	\$24,898	(\$11,742)
627	Bellevue Community College	\$143,890	\$200,112	\$56,222
629	Big Bend Community College	\$61,357	\$13,217	(\$48,140)
632	Centralia College	\$33,253	\$22,385	(\$10,868)
634	Cascadia College	\$73,386	\$39,608	(\$33,778)
635	Clark College	\$28,469	\$172,151	\$143,682

## 11-13 Self Insurance Premium

Agency Code	Agency	09-11 SIP + Defense	11-13 SIP + Defense	Variance 09-11 vs 11-13
637	Pierce College	\$74,690	\$45,484	(\$29,206)
639	Columbia Basin Community College	\$1,318,156	\$1,058,231	(\$259,925)
648	Grays Harbor College	\$2,000	\$14,093	\$12,093
649	Green River Community College	\$100,921	\$43,975	(\$56,946)
652	Highline Community College	\$125,987	\$40,588	(\$85,399)
657	Lower Columbia College	\$88,057	\$394,700	\$306,643
662	Olympic College	\$94,372	\$28,359	(\$66,013)
665	Peninsula College	\$152,261	\$131,920	(\$20,341)
670	Seattle Community Colleges-District VI	\$383,964	\$326,481	(\$57,483)
672	Shoreline Community College	\$13,465	\$30,585	\$17,120
674	Skagit Valley college	\$203,071	\$105,271	(\$97,800)
675	South Puget Sound Community College	\$19,331	\$12,090	(\$7,241)
676	Spokane - District 17	\$299,526	\$295,125	(\$4,401)
678	Tacoma Community College	\$365,935	\$230,865	(\$135,070)
683	Walla Walla Community College	\$103,351	\$44,260	(\$59,091)
686	Wenatchee Valley College	\$136,524	\$98,555	(\$37,969)
691	Yakima Valley Community college	\$192,261	\$49,960	(\$142,301)
692	Lake Washington Technical College	\$97,756	\$103,924	\$6,168
693	Renton Technical College	\$4,072	\$7,505	\$3,433
694	Bellingham Technical College	\$2,000	\$12,106	\$10,106
695	Bates Technical College	\$972,729	\$907,465	(\$65,264)
696	Clover Park Technical College	\$35,576	\$2,000	(\$33,576)
	<b>TOTAL</b>	<b>\$151,116,924</b>	<b>\$149,202,865</b>	<b>(\$1,914,059)</b>

**2011-13 Enterprise Risk Management Update**

**Agency: Attorney General's Office (100)**

<b>Section B: FY 2011 Agency ERM Plans</b>				
<i>Instructions: The list below is compiled from previous agency ERM plans. Agencies are not expected to be working on all of these areas at the same time. Feel free to add other Action Plan items important to your agency. If you check '2011 Action Item', please briefly describe what you will be doing, how it will reduce agency losses and estimate how much losses will be reduced.</i>				
<b>Possible FY 2011-13 Action Items</b>	<b>FY 2011-13 Action Item</b>	<b>Describe What You Plan To Do</b>	<b>Explain How you Will Measure Success of Expected Results</b>	<b>Estimate How Much This Will Reduce Losses (%)</b>
<b>Driver Safety</b>	<b>X</b>	Agency staff are required to complete a defensive driving course when employed by the AGO. Remedial driver's safety instruction will be required for employees involved in vehicular incidents involving safety issues. Employees in Seattle will receive recurring drivers safety training due to the challenges of the Seattle parking garage.	A reduction in automobile claims will be considered success.	5%
<b>Worker Safety</b>				
<b>Employment Liability</b>				
<b>Tort Claims and Lawsuits</b>				
<b>Data Security</b>				
<b>Emergency Management</b>				
<b>Contract Policy and Procedure</b>				
<b>Public Records</b>				
<b>Risk Assessment/Risk Register</b>				
<b>Other</b>				

**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BL ISD Reallocation to DIS & Equipment

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**Budget Period:** 2011-13  
**Budget Level:** M2 - Inflation and Other Rate Changes

**Recommendation Summary Text:**

The Office of the Attorney General (AGO) requests funding in the 2011-13 biennium for information and technology purposes. This placeholder request is to address three specific areas of Information Technology (IT) spending for the 2011-13 biennium: 1) Replacement of aging network (roadway) infrastructure that vendors will no longer cover under extended product warranty, 2) Purchase of extended warranty coverage and replacement of aging server (storage) infrastructure, and 3) Budget allocation for the move and monthly cost of server infrastructure services from the Department of Information Services (DIS) as a result of moving the AGO Data Center to the DIS building in September 2012.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>Total</u></b>
<b>Total Cost</b>	

**Package Description:**

Item 1: Network Infrastructure Replacement (Routers, Switches, Battery Backup):

The AGO maintains a computer network and currently contracts with the DIS and their vendors to the greatest extent possible to provide this service. The AGO was due to replace this network hardware in 2008 but has extended vendor warranties in an effort to extend life and avoid replacement cost. Warranties will be extended to the maximum of nine (9) years and will expire February 2013 at which time the vendor will no longer offer warranty extensions. As this equipment ages, failure rates increase. The ability of the office to provide legal services to client agencies is impacted and the cost of outages and repairs increase. Most of this equipment was purchased in 2004 for \$750,000 and the AGO financed it through the Certificates of Participation program. The AGO must replace this equipment in 2013 to take advantage of bulk purchase, trade-in, and/or other offers and make planned replacements to minimize impact on business operations. In FY2012 and 2013, the AGO requests purchases identified in Attachment 1 (ML-BL ISD Equipment, Atch 1.pdf).

Cost are based on today's replacement cost with like items. It does not include reductions for volume, incentives, buy-backs, or other possible discounts or cost reducing programs.

We assume that if costs for DIS are raised, we will need additional funding.

**Agency:** 100 Office of Attorney General

**Decision Package Code/Title:** BL ISD Reallocation to DIS & Equipment

Item 2: Server Infrastructure Warranty Extension and Replacement:

The AGO currently provides its own computer server infrastructure and expects to purchase these server services from the DIS in September of 2012 when the new Data Center (Wheeler building) is completed and existing DIS services in Office Building 2 (OB2) are moved. In FY2012 and FY2013, to bridge the gap from 7/1/2011 to the expected available date of 9/1/2012, the AGO needs \$48,000 for 32 extended warranties at \$1,500 each and \$111,000 for nine (9) replacement servers (costs vary per server with some being combined on fewer, larger servers) to ensure operational integrity and continuity of legal services for state agencies. The replacements and installations do not require additional FTE. The AGO would make purchases pursuant to, and with guidance from, the DIS to ensure equipment can be used in the new Data Center in support of state strategic direction.

Item 3: Move the AGO Data Center to DIS.

The AGO intends to reduce IT costs by not replacing aging server infrastructure and instead, subscribe to State of Washington "Shared Services" for Data Center and server infrastructure services. The DIS expects to have these "Shared Services" generally available to state agencies by September 2012 when the new Data Center (Wheeler building) is completed and existing services are moved from the old Data Center at OB2. The AGO will move its server infrastructure and needs resources for the move and the monthly recurring costs for the "Shared Service." How the move will be conducted and what the monthly charges will be are not available at this time. Previous estimates for physically moving AGO servers to the DIS which required additional network hardware and contracted moving services included a one time cost of \$89,800 and monthly recurring charges of \$7,600 for a FY2013 cost of \$158,200. However, these costs are for data center costs only, and do not include the expected "subscription" cost for the "server" component of the shared service.

If the data center and server infrastructure "Shared Service" is not available in FY2013, the AGO will need \$6,000 for four (4) extended warranties at \$1,500 each and \$226,000 for nineteen (19) new replacement servers (costs vary per server with some being combined on fewer, larger servers) to ensure operational integrity through the biennium.

The AGO subject matter expert for this request is Sarian Scott, (360) 586-2104.

**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

The result of this request will enable the AGO to sustain IT functions while minimizing potential system failures. It also enables the AGO to comply with the intent of the governor to consolidate systems into the newly constructed DIS building.

**Performance Measure Detail**

Activity: A010 Legal Services to State Agencies

		Incremental Changes	
		<u>FY 2012</u>	<u>FY 2013</u>
<b>Outcome Measures</b>			
000030	PM0010 - The number of litigation cases open at the end of each Fiscal Year.	0.00	0.00

*Is this decision package essential to implement a strategy identified in the agency's strategic plan?*

**Agency:** 100 Office of Attorney General  
**Decision Package Code/Title:** BL ISD Reallocation to DIS & Equipment

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This budget request implements goal #1 of the AGO Strategic Plan-"Provide efficient and effective representation to our client agencies." This element supports AGO divisions in the most effective use and application of available technology in their work. It assists staff in maximizing benefits from existing technology and system upgrades, such as attorney work product and litigation file storage, ACE, and timekeeping and billing charges.

***Does this decision package provide essential support to one of the Governor's priorities?***

Yes, this request supports the Governor's efforts relating to strengthening government's ability to achieve results efficiently and effectively. Information services policy development and project oversight is an element of providing data information and analysis to support decision making.

***Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?***

Yes, in the 2009-11 biennial Priorities of Government Purchases, AGO Administrative activities is ranked #47 out of 248 categories.

***What are the other important connections or impacts related to this proposal?***

This proposal supports the state's strategic IT consolidation efforts, supports Governor Gregoire's executive order to consolidate IT services, is supported by Attorney General McKenna, and supports GMAP goals for state participation in the new state Data Center.

***What alternatives were explored by the agency, and why was this alternative chosen?***

Waiting to purchase equipment as it fails is not a viable alternative. IT consolidation aligns with state strategy.

***What are the consequences of not funding this package?***

Not funding Items 1 & 2 in this package will severely impact the AGO's ability to provide legal services to client agencies. Failing network and server infrastructure as it ages will cause outages and eventually system failure in the absence of investment.

If Item 3 is not funded, then the AGO will need to continue to maintain IT operations in its existing data center in the Capitol Court building. This will potentially constrain growth and/or incur additional costs due to current limits of physical space, electrical power and/or HVAC.

***What is the relationship, if any, to the state's capital budget?***

None.

***What changes would be required to existing statutes, rules, or contracts, in order to implement the change?***

No changes to existing statutes, rules, or contracts are required.

***Expenditure and revenue calculations and assumptions***

See Attachment 'ML-BL ISD Equipment, Attch 1.pdf'.



**Agency:** 100 Office of Attorney General

**Decision Package Code/Title:** BL ISD Reallocation to DIS & Equipment

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*Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?*

Item 1:

The purchase of Network Infrastructure equipment (routers, switches and battery backup) is on-going with respect to product life-cycle. The typical lifecycle for this equipment is five (5) years. If replaced in 2012, the next replacement would be required as soon as the 2015-2017 biennium, or as late as the 2019-2021 biennium assuming extended warranties can be purchased to extend life to nine (9) years and no fundamental shifts in technology occur.

Item 2:

The purchase of server infrastructure is on-going with respect to the product life-cycle. The typical lifecycle for this equipment is four (4) years but has been extended to six (6) years. If the AGO purchases these services as part of the state "shared services," investments in physical infrastructure will no longer be needed and spending is shifted to essentially a subscription service. The DIS is currently working with OFM to establish rates.

Item 3:

A one time cost of \$89,900 is expected for the "move" of the equipment to DIS. A monthly recurring "subscription" cost is expected for the data center and server "Shared Services." Estimates are unavailable at this time.

With respect to the AGO data center, maintenance costs are \$14,000 annually. This cost does not include floor space or power as those costs are part of total rent charges for the building.

In FY2012 and 2013, the AGO requests the following purchases:

<b>Device Type</b>	<b>FY</b>	<b>Quantity</b>	<b>Cost Ea.</b>	<b>Sub Total</b>
Extended Warranties for Infrastructure	2012	1	\$33,000	\$33,000
Cisco POE 3750 Switch (24-port)	2013	10	\$4,040	\$40,400
Cisco POE 3750 Switch (48-port)	2013	85	\$6,250	\$531,250
Cisco 6500 Core Switch	2013	2	\$78,700	\$157,400
Cisco 2821 Router	2013	10	\$2,900	\$29,000
Cisco 3800 Router	2013	3	\$9,200	\$27,600
Short Haul Connectors (SFP)	2013	50	\$500	\$25,000
Battery Backup (Phone System)	2013	25	\$5,200	\$130,000
<b>Total w/tax:</b>				<b>\$1,055,000*</b>

\*Cost is based on today's replacement cost with like items. It does not include reductions for volume, incentives, buy-backs, or other possible discounts or cost reducing programs.

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**Agency:** 100 Office of Attorney General

**Decision Package Code/Title:** 8L Lease Rate Adjustments

**Budget Period:** 2011-13

**Budget Level:** M2 - Inflation and Other Rate Changes

**Recommendation Summary Text:**

The Office of the Attorney General (AGO) requests \$2,164,351 in the 2011-13 biennium to fund lease rate adjustments for existing leased facilities.

**Fiscal Detail**

<b>Operating Expenditures</b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
001-1 General Fund - Basic Account-State	34,473	83,310	117,783
12F-6 Man/Mobile Home Dispute Resolution-Non-Appropriated		9,300	9,300
154-1 New Motor Vehicle Arbitration Acct-State		12,360	12,360
405-1 Legal Services Revolving Account-State	839,241	1,162,795	2,002,036
424-6 Anti-Trust Revolving Account-Non-Appropriated		22,872	22,872
<b>Total Cost</b>	<b>873,714</b>	<b>1,290,637</b>	<b>2,164,351</b>

**Revenue**

<b><u>Fund</u></b>	<b><u>Source</u></b>	<b><u>FY 2012</u></b>	<b><u>FY 2013</u></b>	<b><u>Total</u></b>
12F Man/Mobile Dispute	0299 Other Licenses Permi		9,300	9,300
154 Motor Vehicle Arbitrn	0299 Other Licenses Permi		12,360	12,360
405 Legal Serv Rev Acct	0420 Charges for Services	839,241	1,162,795	2,002,036
424 Anti-Trust Revolving	0420 Charges for Services		22,872	22,872
<b>Total Revenue</b>		<b>839,241</b>	<b>1,207,327</b>	<b>2,046,568</b>

**Package Description:**

This request covers the expected increase in annual lease contracts that will come up for renewal in the 2011-2013 biennium as well as contractually scheduled rate increases. Each expiring lease is anticipated to increase 15% per guidance from the Department of General Administration (GA). These requested increases are to continue leases in buildings around the state where AGO divisions are currently located and providing services to client agencies. GA negotiates the lease costs with landlords on behalf of the AGO. The AGO has little control over the increase in lease costs and this request does not duplicate any funding proposed in any other decision packages within the 2011-2013 biennium budget request. These facilities are all in our six-year lease facility plan.

See 'ML-8L Lease Rate Adjustments Attachment 3.pdf' for AGO facility information.

The AGO subject matter expert for this request is Sarian Scott, 360-586-2104.

Agency: **100 Office of Attorney General**  
Decision Package Code/Title: **8L Lease Rate Adjustments**

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**Narrative Justification and Impact Statement**

*What specific performance outcomes does the agency expect?*

This request is necessary to allow the AGO to continue providing legal services to its client agencies.

**Performance Measure Detail**

Activity: **A001 Administrative Activity**

Incremental Changes

**FY 2012**                      **FY 2013**

**Outcome Measures**

000001 PM0001/ADM - Percentage of Mandatory Training Completed.

0.00%                                      0.00%

Activity: **A002 Civil Commitment of Sexually Violent Predators**

Incremental Changes

**FY 2012**                      **FY 2013**

**Outcome Measures**

000005 PM0002/SVP - Percentage of SVP Cases Resulting in Commitment.  
The higher the commitment rate, the more successful the SVP unit is in civilly committing dangerous sexual predators and thereby protecting the public from these offenders.

0.00%                                      0.00%

Activity: **A003 Criminal Investigation and Prosecution**

Incremental Changes

**FY 2012**                      **FY 2013**

**Output Measures**

000008 PM0003/CRI - This is a count of the number of requests for assistance and referrals to the unit from outside the AGO.  
The primary function of our unit is to provide trial and consulting assistance to local prosecutors.

0.00                                              0.00

Activity: **A004 Enforcement of Anti-Trust Laws**

Incremental Changes

**FY 2012**                      **FY 2013**

**Output Measures**

000011 PM0004/ANT - Recoveries. We capture the efforts of AGO Antitrust staff who work to stop anticompetitive behavior and promote compliance with Antitrust laws. The measurement tells us the degree to which we recover monetary restitution for our consumers.

\$0.00                                              \$0.00

Activity: **A005 Enforcement of Consumer Protection Laws**

Incremental Changes

**FY 2012**                      **FY 2013**

**Output Measures**

Agency: **100 Office of Attorney General**

Decision Package Code/Title: **8L Lease Rate Adjustments**

000014	PM0005/CPR- Recoveries. Consumer Protection mission is to provide a fair and non-deceptive marketplace through vigorous civil law enforcement. We promote general deterrence and compliance with the CPA by obtaining and collecting monetary judgments.	\$0.00	\$0.00
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Activity: **A006 Executive Ethics Board**

Incremental Changes

	<u>FY 2012</u>	<u>FY 2013</u>
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**Outcome Measures**

000018	PM0006/ETH - Average Number of Days to Complete an Ethics Investigation. By completing investigations within a reasonable period of time, the public will be better served and public trust and confidence in government will increase.	0.00	0.00
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Activity: **A007 Homicide Investigation Tracking System**

Incremental Changes

	<u>FY 2012</u>	<u>FY 2013</u>
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**Outcome Measures**

000021	PM0007/HITS - Access Requests. Our HITS team fields requests for information from our HITS database. We support Law Enforcement Agencies (LEAs) in the State of Washington upon request only and their access to the HITS database.	0.00	0.00
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Activity: **A009 Investigation and Prosecution of Medicaid Fraud and Resident Abuse**

Incremental Changes

	<u>FY 2012</u>	<u>FY 2013</u>
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**Outcome Measures**

000027	PM009/MFCU - Recoveries. The amount of money ordered recovered each fiscal year as a result of the work performed by the Medicaid Fraud Control Unit of the AGO.	\$0.00	\$0.00
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Activity: **A010 Legal Services to State Agencies**

Incremental Changes

	<u>FY 2012</u>	<u>FY 2013</u>
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**Outcome Measures**

000030	PM0010 - The number of litigation cases open at the end of each Fiscal Year.	0.00	0.00
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***Is this decision package essential to implement a strategy identified in the agency's strategic plan?***

This budget request implements goal #1 of the AGO Strategic Plan-"Provide efficient and effective representation to our client agencies." The AGO provides a broad range of legal services to over 230 state agencies to enable them to achieve their missions.

This request is critical to the ability of the AGO to provide timely and high-quality legal services to its clients in the locations where those services are needed.

***Does this decision package provide essential support to one of the Governor's priorities?***

Yes, this request supports several the Governors' efforts, to include:

1. Providing services to support vibrant communities in improving economic vitality of businesses and individuals.
2. Protecting the habitat to support improving the quality of life and the environment in improving state-wide mobility of people, goods and services.
3. Mitigate risk to support prevention in improving the safety of people and property.

**Agency:** 100 Office of Attorney General

**Decision Package Code/Title:** 8L Lease Rate Adjustments

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- 4. Regulation and enforcement to support establishment of safeguards and standards in improving the quality of Washington's natural resources.
- 5. Providing legal services to state agencies in providing data information, and analysis to support decision making in strengthening government's ability to achieve results efficiently and effectively.

***Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?***

Yes, in the 2009-11 biennial Priorities of Government Purchases, Legal Services to State Agencies is ranked #4 out of 248 categories.

In the 2009-11 biennial Priorities of Government Purchases, AGO Administrative Activities is ranked #47 out of 248 categories.

***What are the other important connections or impacts related to this proposal?***

The increasing cost of leased space is an unavoidable cost that must be incurred for the AGO to provide legal services to its client agencies. If funds originally intended for legal service costs must be diverted to pay for unfunded lease costs, the result would be a reduced level of legal advice and other legal services. This will increase agency risk and could lead to avoidable legal issues.

***What alternatives were explored by the agency, and why was this alternative chosen?***

The AGO is obligated to pay increased lease costs negotiated by GA. There is no viable alternative for leased facilities.

***What are the consequences of not funding this package?***

The increased costs of leases are unavoidable. If this request is not funded, the AGO will have insufficient appropriation authority to pay these expenses and may be forced to reduce staffing or make other cuts to legal services in order to offset these costs. Reducing legal staff and services would limit the ability of the AGO to provide timely and high-quality legal services to client agencies of the State of Washington. The client agencies rely heavily on AGO counsel and advice. A reduction in legal services would leave the client agencies in a vulnerable position with the potential of triggering increased future lawsuits and legal issues.

***What is the relationship, if any, to the state's capital budget?***

None.

***What changes would be required to existing statutes, rules, or contracts, in order to implement the change?***

None.

***Expenditure and revenue calculations and assumptions***

See attached, 'ML-8L Lease Rate Adjustments Attachment 1.pdf' for impact by facility, 'ML-8L LSRF Lease Rate Adjustments Attachment 2.pdf' for impact to client agencies, and 'ML-8L Lease Rate Adjustments Attachment 3.pdf' for the AGO Leased facility Data Sheet.

Torts lease expenditures have been deducted from this request and the Tumwater Coffee Cart Sub Lease revenues have been factored to reduce the requirement included in this request.

***Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?***

The increased costs for leases are expected to be ongoing. These are contractual obligations.

State of Washington  
Decision Package

FINAL

Agency: **100 Office of Attorney General**  
Decision Package Code/Title: **8L Lease Rate Adjustments**

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<u>Object Detail</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>Total</u>
E Goods And Services	873,714	1,290,637	2,164,351



Lease	2009-11 Facility Costs			2011-13 Projected Costs			2011-13 Budget Request (Adjusted Variance)			Current Monthly Rate	Lease Expiration or Increase Date	Expected FM Increased Rate During 2011-13
	FY2010	FY2011	2009-11	FY2012	FY2013	2011-13	FY1	FY2	Total			
BELLINGHAM	115,650	127,803	243,453	143,405	147,714	291,119	27,755	19,911	47,666	10,475	10/1/2012	479
BRISTOL COURT	1,052,849	998,483	2,051,332	993,420	993,420	1,986,840	(48,165)	(4,384)	(52,549)	82,785		0
CAPITOL COURT	731,877	731,877	1,463,754	839,270	839,271	1,678,541	107,993	107,994	215,987	60,730	7/1/2011	9,109
EVERETT	371,367	371,367	742,734	425,388	425,388	850,776	54,021	54,021	108,042	30,947	6/1/2011	4,642
HIGHWAY LICENSE BLDG	1,628,692	1,628,692	3,257,384	1,869,816	1,869,815	3,739,631	241,004	241,003	482,007	134,624	7/1/2011	20,194
KENNEWICK	130,200	130,200	260,400	130,200	130,200	260,400	0	0	0	10,850		0
KENT	2,952	2,952	0	3,396	3,396	6,792	444	444	888	246	7/1/2011	37
PORT ANGELES	66,840	66,840	133,680	66,840	76,025	142,865	0	9,185	9,185	5,570	7/31/2012	835
PORT ORCHARD	1,056	1,056	0	1,212	1,212	2,424	156	156	312	5,570	7/1/2011	13
SEATTLE	2,606,235	2,606,234	5,212,469	2,602,203	3,228,103	5,830,306	(4,029)	596,497	592,468	216,850	7/1/2011	59,195
SPOKANE	497,173	512,485	1,009,658	509,004	509,001	1,018,005	10,273	(2,838)	7,435	42,177		0
TACOMA	681,363	1,100,763	1,782,126	1,013,306	1,011,374	2,024,680	284,421	(80,464)	203,957	83,231		0
TUMWATER	2,811,453	2,811,453	5,622,906	2,997,668	3,229,697	6,227,365	194,005	334,687	528,692	234,208	12/1/2011	35,224
TUMWATER WAREHOUSE	163,939	163,940		173,778	183,610	357,388	9,839	19,670	29,509	13,662	1/1/2012	1,639
VANCOUVER	205,899	205,899	411,798	205,468	205,466	410,934	(431)	(433)	(864)	17,052		0
WENATCHEE	69,320	70,560	139,880	65,748	65,748	131,496	(3,572)	(4,812)	(8,384)	5,479		0
YAKIMA	99,789	99,789	199,578	99,789	99,789	199,578	0	0	0	8,316		0
<b>TOTAL OF REQUEST</b>	<b>11,236,654</b>	<b>11,630,393</b>	<b>22,867,047</b>	<b>12,139,911</b>	<b>13,019,229</b>	<b>25,159,140</b>	<b>873,714</b>	<b>1,290,637</b>	<b>2,164,351</b>			

**Assumptions**

1. Assumes "2009-11 Facility Costs" are the rates of the currently approved lease contracts.
2. Assumes a 15% increase for unnegotiated lease contracts for the following facilities: Capitol Court, Everett, Highway License Building, Kent, Port Angeles, Port Orchard.
3. 2009-11 Lease Rate Adjustment decision package over projected the actual requirement by \$460,533. This is primarily attributed to lease reductions in eight facilities: Bristol Court, Capitol Court, Everett, Highway License Building, Spokane, Tumwater Warehouse, Vancouver, and Wenatchee.
4. Parking is included in this request for: Senior staff members, where safety dictates a need, and for visitor parking.
5. Torts lease rates have been subtracted from "2009-11 Projected Costs" and "2011-13 Projected Costs", and GSE Division allocations. All Torts legal services are billed through interagency agreements and are paid by client agencies.
6. Tumwater Coffee Cart revenues have been subtracted from "2009-11 Projected Costs" and "2011-13 Projected Costs".
7. Medicaid Fraud lease rate adjustments are not reflected in this request because federal funding is awarded.

**Rent Increase for Legal Services (405) for the 2011-13 Biennium**

<b>Client Agency</b>	<b>Division</b>	<b>11-13 Client Totals</b>
011 House	GOV	56
012 Senate	GOV	28
013 Joint Transportation Committee	N/A	
014 JLARC	GCE	165
020 LEAP	N/A	
035 Actuary	GOV	297
038 Joint Leg Systems	GOV	18
040 Statute Law/Code Reviser	GOV	21
045 Supreme Court	COM	1,889
046 Law Library	N/A	
048 Court of Appeals	N/A	
050 Judicial Conduct	LAL	429
055 Admin-Courts (GCE See %)	GCE	334
055 Admin-Courts (LAL See %)	LAL	298
055 Admin-Courts (TPC See %)	TPC	10
055 Admin-Courts (SGO Appellate No %)	SGO	
056 Public Defense	SGO	751
057 Office of Civil Legal Aid	N/A	
075 Governor	COR	357
080 Lt.Gov	COR	4
082 PDC (GCE See %)	GCE	5,931
082 PDC (LAL See %)	LAL	
082 PDC (SGO-Appellate No %)	SGO	
085 Sec State (GOV See %)	GOV	1,838
085 Sec State (SGO See %)	SGO	43,130
085 Sec State (CJD See %)	COR	
086 Indian Affairs	N/A	
087 AsianAmAffairs	GOV	17
090 Treasurer	GOV	3,015
095 Auditors	GCE	19,366
099 Comm - Salaries	GOV	44
100 AG	N/A	
101 Caseload	N/A	
102 Financial Inst.	GCE	11,524
103 CTED (AHD See %)	AHD	8,532
103 CTED (GOV See %)	GOV	3,184
104 Forecast Council	N/A	
105 OFM (GOV See %)	GOV	2,218
105 OFM (LPD Set Amount)	LPD	
107 HCA	AHD	4,837
110 Admin Hearings	GOV	151
111 DOP	GOV	2,277

**Rent Increase for Legal Services (405) for the 2011-13 Biennium**

<b>Client Agency</b>	<b>Division</b>	<b>11-13 Client Totals</b>
116 Lottery (GCE See %)	GCE	438
116 Lottery (LAL See %)	LAL	
116 Lottery (LPD See %)	LPD	
117 Gambling	GCE	6,679
118 Hispanic Affairs	GOV	19
119 African Amer Affairs	GOV	19
120 Human Rights	GCE	7,366
124 DRS	GOV	13,517
126 SIB	GOV	6,550
130 Public Printer	N/A	
140 Revenue (BCU See %)	BCU	8,241
140 Revenue (CRJ See %) (USE #141)	CRJ	(6,526)
140 Revenue (REV See %)	REV	39,711
140 Revenue (SGO Appellate No %)	SGO	
142 Tax Appeals	GOV	74
144 Municipal Research Council	N/A	
147 OMWBE	GCE	1,068
150 GA	GOV	11,917
155 DIS	GOV	3,323
160 Insurance	GCE	7,777
165 Accountancy	LAL	4,339
167 Death Investig	N/A	
185 Horse Racing	GCE	2,241
190 Ind Ins.Appeals	GOV	879
195 Liquor Control (GCE See %)	GCE	20,183
195 Liquor Control (LAL See %)	LAL	4,400
205 Pilotage	TPC	803
215 WA UTC (PCU USE #216) (See %)	PCU	20,682
215 WA UTC (UTC See %)	UTC	7,748
220 Volunteer Firefighters	GOV	1,138
225 WSP (CRJ See %)	CRJ	(10,287)
225 WSP (GCE See %)	GCE	10,443
225 WSP (SGO Appellate No %)	SGO	
227 CrimJ Training (CRJ See %)	CRJ	(2,248)
227 CrimJ Training (GCE See %)	GCE	1,331
227 CrimJ Training (LNI See %)	LNI	
228 Traffic Safety	TPC	76
235 L&I (LNI See %)	LNI	256,769
235 L&I (BCU See %) (USE #236)	BCU	9,419
235 L&I (LPD See %)	LPD	
235 L&I (RSD See %)	RSD	29,638
235 L&I (SPO See %)	SPO	12,298
235 L&I (TAC See %)	TAC	124,831
235 L&I (CRJ See %)	CRJ	(7,225)
235 L&I (SGO Appellate No %)	SGO	

**Rent Increase for Legal Services (405) for the 2011-13 Biennium**

<b>Client Agency</b>	<b>Division</b>	<b>11-13 Client Totals</b>
240 Licensing (LAL See %)	LAL	69,012
240 Licensing (RSD See %)	RSD	4,067
240 Licensing (SPO See %)	SPO	1,113
240 Licensing (TAC See %)	TAC	8,573
245 Military	GOV	4,743
250 Sentence Review	COR	1,244
275 Pub Employ Relations	GOV	642
300 DSHS (BCU See %)	BCU	620
300 DSHS (COM See %)	Complex Lit	16,990
300 DSHS (LPD See %)	LPD	0
300 DSHS (RSD See %)	RSD	161,960
300 DSHS (SHO See %)	SHO	172,820
300 DSHS (SHS See %)	SHS	111,812
300 DSHS (SPO See %)	SPO	19,414
300 DSHS (TAC See %)	TAC	211,140
300 DSHS (SGO Appellate No %)	SGO	
301 DSHS (SVP)	SVP	40,502
301 DSHS (SGO Appellate No %)	SGO	
302 Home Care Quality Auth.	AHD	348
303 Health (AHD See %)	AHD	42,046
303 Health (GCE See %)	GCE	54,576
303 Health (SGO No %)	SGO	
303 Health (SGO Appellate No %)	SGO	
305 VA	SHO	1,327
310 DOC (COR See %)	COR	32,413
310 DOC (LPD See %)	LPD	
310 DOC (SGO Appellate No %)	SGO	
315 Serv-Blind	SHO	119
325 Sentencing	COR	89
341 Law Enforcement & Fire Fighters Plan2 Re	N/A	
343 HECB	EDU	1,548
350 OSPI	EDU	16,907
351 School-Blind (SHO to RSD FY08 Supp)	RSD	632
353 School-Deaf	RSD	797
354 Workforce TECB	EDU	527
355 DHAP	AHD	1,384
357 DEL (RSD See %)	RSD	1,643
357 DEL (SHO See %)	SHO	1,543
357 DEL (SHS See %)	SHS	1,015
357 DEL (SPO See %)	SPO	100
357 DEL (TAC See %)	TAC	1,514
360 UW (UOW See %)	UOW	15,839
369 UW (TORTS See %)	UOW Torts	
365 WSU	WSU	4,850
370 EWU	SPO	1,395
375 CWU	EDU	3,331

**Rent Increase for Legal Services (405) for the 2011-13 Biennium**

<b>Client Agency</b>	<b>Division</b>	<b>11-13 Client Totals</b>
376 Evergreen	EDU	1,783
377 SIRTl	SPO	187
380 WWU	RSD	4,851
387 Arts	GOV	250
390 Historical Soc.	GOV	288
395 EWaHistorical	SPO	12
405 DOT (TPC See %)	TPC	
405 DOT (SPO See %)	SPO	1,808
405 DOT (COM See %)	Complex Lit	4,691
405 DOT (SGO Appellate No %)	SGO	58,313
406 CRAB	TPC	264
407 TIB	TPC	104
408 Marine Employ.	GOV	95
410 Trans.Comm.	TPC	211
411 Freight Mobility Strategic Investment	GOV	115
460 Columbia River	N/A	
461 Ecology	ECY	4,499
462 Pollution Liability	ECY	12
465 Parks	FWP	11,033
467 Outdoor Rec (IAC)	GOV	585
468 EnviroHear	LAL	1,359
471 Conservation	ECY	38
476 Growth Planning	LAL	2,289
477 Fish&Wildlife	FWP	42,621
478 Puget Sound Partnership	N/A	
490 Nat.Resources	RES	85,135
495 Agriculture	AHD	10,342
540 ESD (BCU See %)	BCU	2,751
540 ESD (LAL See %)	LAL	18,437
540 ESD (RSD See %)	RSD	1,013
540 ESD (SPO See %)	SPO	369
540 ESD (TAC See %)	TAC	2,846
540 ESD (SGO-Appellate No %)	SGO	
550 Convention-Trade	GOV	874
699 SBCTC (EDU See %)	EDU	29,879
699 SBCTC (RSD See %)	RSD	7,100
699 SBCTC (SPO See %)	SPO	935
<b>Total Client Agency Allocations</b>		<b>2,002,036</b>
<b>BDS - LSRF</b>		<b>2,002,036</b>
<b>Variance</b>		<b>0</b>

AGO LEASES / VENDOR	Space type	LEASE #	CURRENT SQUARE FOOTAGE	LEASE START DATE	LEASE END DATE	PROPERTY ADDRESS	CITY / STATE / ZIP	Current Annual Cost (FY2010)	Cost per SQ Ft (FY2010)	Next Scheduled Lease Rate Change	Projected Square Footage (FY2013)	Projected Annual Lease Rate (FY2013)	New Cost per SQ Ft (FY2013)	Services Include in Lease	Requested 1-Time Costs
	Office	SR 107-04-03	8,111	Apr 1, 2010	Mar 31, 2015	103 E. Holly Street, (Suites 301, 302, 303, 305, 308, 309, 310, 315, 320)	Bellingham, WA	113,550	14.00	APR 2012	8,111	130,015	16.03	Includes taxes, assessments, insurance, storm water, sewer, garbage, maintenance and repairs, natural gas, electricity, elevator, window washing (interior and exterior), landscape & irrigation, restroom supplies and light bulb replacement, janitorial services.	None
<b>Bristol Court</b> <i>Drebick Investments</i>	Office	SRL 00-0046	54,744	Aug 1, 2000	July 31, 2010	2425 Bristol Court SE	Olympia, WA 98502	1,052,729	19.23	AUG 2010	54,744	993,421	18.15	Includes taxes, assessments, insurance, storm water, maintenance and repairs.	None
<b>Capitol Court</b> <i>General Administration</i>	Office	PMO 08-0071	26,991	July 1, 2008	June 30, 2011	1110 Capitol Way S	Olympia, WA 98501	728,757	27.00	MAR 2011	26,991	838,071	31.05	Includes taxes, assessments, utilities, water, storm water, landscape & irrigation, sewer, garbage, natural gas, maintenance and repairs, electricity, elevator, restroom supplies and light bulb replacement, janitorial services.	None
<b>Everett</b> <i>CEP Grenwhich 06, LLC</i>	Office	SR 00-0129	14,433	June 1, 2001	May 31, 2011	3501 Colby Ave	Everett, WA	371,367	25.73	June 2011	14,433	427,068	29.59	Includes taxes, assessments, insurance, storm water, maintenance and repairs.	None
<b>Highway License Bldg</b> <i>General Administration</i>	Office	CCL 09-0011	72,639	July 1, 2009	June 30, 2011	1125 Washington SE	Olympia, WA 98501	1,615,492	22.24	JULY 2011	72,639	1,857,816	25.58	Includes taxes, assessments, utilities, water, storm water, landscape & irrigation, sewer, garbage, natural gas, maintenance and repairs, electricity, elevator, landscape maintenance, , janitorial services with restroom supplies & light bulb replacement.	None
<b>Kennewick</b> <i>Tippett Company</i>	Office	SR 049-03-07	6,200	March 1, 2009	Feb 28, 2019	8127 E. Klamath Court, Bldg 6, Suite A	Kennewick, WA 99336	130,200	21.00	MAR 2014	6,200	130,200	21.00	Includes taxes, assessments, insurance, storm water, exterior window washing, landscape & irrigation, maintenance and repairs.	None
<b>Kent</b> <i>King County</i>	Office	1591	190	April 1, 2009	March 31, 2010	401 4th Ave N, Room 1261	Kent, WA 98032	2,950	15.53	MAY 2010	190	3,396	17.87	Utilities, water, sewer, garbage, electricity, restrooms, insurance, storm water, taxes.	None
<b>Port Angeles</b> <i>Port of Port Angeles</i>	Office	SR 030-02-08	3,052	Aug 1, 2007	July 31, 2012	115 E. Railroad, Suite 306	Port Angeles, WA 98362	66,839	21.90	AUG 2012	3,052	76,025	24.91		None
<b>Port Orchard</b> <i>King Co. Prosecutor's Off</i>	Office	SR 09-0104	88	Nov 1, 2009	Oct 31, 2010	619 Division, Street	Port Orchard, WA 98366	1,056	12.00	NOV 2010	88	1,212	13.77	Taxes and assessments, insurance, storm water, water, sewer, garbage, maintenance and repair, natural gas, electricity, janitorial services and restroom supplies, elevator, landscape and irrigation.	None
<b>Seattle</b> <i>Bank of America</i>	Office	SSL 05-0010	118,390	July 1, 2007	June 30, 2017	800 5th Ave	Seattle, WA 98104	2,602,202	21.98	JUL 2012	118,390	3,312,542	27.98	Full Service lease.	None

AGO LEASES / VENDOR	Space type	LEASE #	CURRENT SQUARE FOOTAGE	LEASE START DATE	LEASE END DATE	PROPERTY ADDRESS	CITY / STATE / ZIP	Current Annual Cost (FY2010)	Cost per SQ Ft (FY2010)	Next Scheduled Lease Rate Change	Projected Square Footage (FY2013)	Projected Annual Lease Rate (FY2013)	New Cost per SQ Ft (FY2013)	Services Include in Lease	Requested 1-Time Costs
Spokane <i>North Coast Life Ins.</i>	Office	SRL 08-0167	28,009	Nov 1, 2009	Oct 31, 2014	W. 1116 Riverside Ave	Spokane, WA 99207	490,811	17.52	NOV 2015	28,009	506,123	18.07	Taxes and assessments, insurance, storm water, water, sewer, garbage, maintenance and repair, natural gas, electricity, janitorial services and restroom supplies, elevator, landscape and irrigation.	None
Tacoma WA Bldg <i>Tacoma Assoc(old lease)</i>	Office	SRL 132-06-09	38670	Aug 1, 2010	July 31, 2020	1250 Pacific Ave, Tacoma 98402	Tacoma, WA	579,376	14.98	JULY 2020	32768	998774	30.48	Fully serviced including: water, sewer, garbage, natural gas, electricity, elevator, window washing (interior and exterior), restroom supplies and light bulb replacement, janitorial services.	None
Tumwater <i>Simon Johnson LLC</i>	Office	SRL 04-0130	148,311	Dec 1, 2006	Nov 30, 2021	7141 & 7153 Cleanwater Lane	Tumwater, WA 98501	2,810,493	18.95	DEC 2011	148,311	3,233,180	21.80	Maintenance and repair.	None
Tumwater Warehouse <i>Kaufman Brothers Const.</i>	Office & Warehouse	SRL 09-0105	17,142	Jan 1, 2010	Dec 31, 2014	818 79th Ave	Olympia, WA 98501	13,662	0.80	JAN 2012	17,142	183,613	10.71	Taxes and assessments, insurance, storm water, water, sewer, maintenance and repair, landscape and irrigation, and lightbulbs	None
Vancouver <i>First Independent Bank</i>	Office	SRL 09-0003	9,172	April 1, 2009	March 31, 2014	1220 Main Street, St 510	Vancouver, WA 98660	204,627	22.31	APR 2014	9,172	204,627	22.31	Taxes and assessments, insurance, storm water, water, sewer, garbage, maintenance and repair, natural gas, electricity, elevator, exterior & interior window washing, landscape and irrigation, janitorial service with supplies and lightbulbs.	None
Wenatchee <i>Camp Properties</i>	Office	SR 155-06-08	4,541	Nov 1, 2009	Oct 31, 2014	18. S. Mission, Suite 204	Wenatchee, WA 98801	64,511	14.21	NOV 2015	4,541	65,752	14.48	Taxes and assessments, insurance, storm water, water, sewer, garbage, maintenance and repair, natural gas, electricity, elevator, exterior & interior window washing, landscape and irrigation, janitorial service with supplies and lightbulbs.	None
Yakima <i>Lakefront LLC</i>	Office	SRL 05-0047	5,870	Aug 1, 2005	July 31, 2015	1433 Lakeside Court, St 102	Yakima, WA 98902	99,790	17.00	AUG 2015	5,870	99,790	17.00	Taxes and assessments, insurance, storm water, landscape and irrigation, water, sewer, garbage, maintenance and repair.	None

TAB D

REVENUES







## State of Washington

### Summarized Revenue by Account and Source

Budget Period: 2011-13  
 Dollars in thousands  
 100 - Office of Attorney General  
 Agency Level  
 S2 - 2011-13 Biennial Budget Request  
 Supporting Text Excluded

8/10/2010

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	Maintenance Level		Performance Level		Biennium Totals		Total
	FY2012	FY2013	FY2012	FY2013	FY2012	FY2013	
<b>12F - Man/Mobile Dispute</b>							
8L - Lease Rate Adjustments		9					
Total - 0299 - Other Licenses Permi - S		9				9	9
<b>12F - Man/Mobile Dispute - State</b>		<b>9</b>				<b>9</b>	<b>9</b>
<b>Total - 12F - Man/Mobile Dispute</b>		<b>9</b>				<b>9</b>	<b>9</b>
<b>154 - Motor Vehicle Arbitrn</b>							
8L - Lease Rate Adjustments		12					
Total - 0299 - Other Licenses Permi - S		12				12	12
<b>154 - Motor Vehicle Arbitrn - State</b>		<b>12</b>				<b>12</b>	<b>12</b>
<b>Total - 154 - Motor Vehicle Arbitrn</b>		<b>12</b>				<b>12</b>	<b>12</b>
<b>405 - Legal Serv Rev Acct</b>							
8L - Lease Rate Adjustments	839	1,163					
9X - Self Insurance Premium	98	98					
BA - US v WA Boldt Culverts Litigation	263	263					
BB - T.R. v Dreyfus DSHS Litigation	503	303					
BC - Hazardous Substance Tax Litigation	54						
BD - Moore et al v HCA Litigation	886	886					
BE - Secretary of State Litigation	64	64					
BF - Stormans v DOH Litigation	250	250					
BG - Teck Cominco Metals Litigation	400						
BK - Restore DSHS Legal Services Funding	2,500	2,500					
BM - OSPI State & Federal Civil Rights	266	266					
BN - Unemployment Insurance ESD IAA	258	258					
BP - University of WA IAA to Base Funds	85	85					
BQ - DSHS ESH Legal Services	107	107					

## State of Washington

### Summarized Revenue by Account and Source

Budget Period: 2011-13

8/10/2010

Dollars in thousands

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100 - Office of Attorney General

Agency Level

S2 - 2011-13 Biennial Budget Request

Supporting Text Excluded

	Maintenance Level		Performance Level		Biennium Totals		Total
	FY2012	FY2013	FY2012	FY2013	FY2012	FY2013	
<b>405 - Legal Serv Rev Acct</b>							
Total - 0420 - Charges for Services - S	6,573	6,243			6,573	6,243	12,816
<b>405 - Legal Serv Rev Acct - State</b>	<b>6,573</b>	<b>6,243</b>			<b>6,573</b>	<b>6,243</b>	<b>12,816</b>
<b>Total - 405 - Legal Serv Rev Acct</b>	<b>6,573</b>	<b>6,243</b>			<b>6,573</b>	<b>6,243</b>	<b>12,816</b>
<b>424 - Anti-Trust Revolving</b>							
8L - Lease Rate Adjustments		23					
Total - 0420 - Charges for Services - S		23				23	23
<b>424 - Anti-Trust Revolving - State</b>		<b>23</b>				<b>23</b>	<b>23</b>
<b>Total - 424 - Anti-Trust Revolving</b>		<b>23</b>				<b>23</b>	<b>23</b>
<b>100 - Office of Attorney General - State</b>	<b>6,573</b>	<b>6,287</b>			<b>6,573</b>	<b>6,287</b>	<b>12,860</b>
<b>Total - 100 - Office of Attorney General</b>	<b>6,573</b>	<b>6,287</b>			<b>6,573</b>	<b>6,287</b>	<b>12,860</b>

## Proposed Tax and Fee Changes

- Not Applicable -

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Working Capital Reserve

**Budget Period:** 2011-13  
**Agency:** 100 Office of Attorney General  
**Version:** S2 2011-13 Biennial Budget Request

08/05/2010

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Page: 1

		FUND ADMINISTRATOR AGENCY ONLY	FUND ADMINISTRATOR AGENCY ONLY
		RECOMMENDED ENDING FUND BALANCE	RECOMMENDED ENDING FUND BALANCE
FUND	FUND TITLE	Current Biennium	Ensuing Biennium
12F	Man/Mobile Home Dispute Resolution	90,000	90,000
154	New Motor Vehicle Arbitration Acct	220,000	220,000
405	Legal Services Revolving Account	20,000,000	20,000,000
424	Anti-Trust Revolving Account	1,400,000	1,400,000

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# Revenue Transfer Reconciliation Statement

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Code	Title
100	Office of the Attorney General

**2011-2013 Federal Funding Estimates Summary**

Date: July 28, 2010

CFDA NO.*	Agency Total	Federal Fiscal Year	State Fiscal Year	State Match Amounts
	<b>Agency Total</b>			
	FY 2010	2,361,000	2,361,000	787,000
	FY 2011	2,361,000	2,361,000	787,000
	FY 2012		2,361,000	787,000
	FY 2013	2,361,000	2,361,000	787,000
	<b>13.775 Health and Human Services</b>			
	FY 2010	2,361,000	2,361,000	787,000
	FY 2011	2,361,000	2,361,000	787,000
	FY 2012	2,361,000	2,361,000	787,000
	FY 2013	2,361,000	2,361,000	787,000
<b>Activity # A009 - Investigation and Prosecution of Medicaid Fraud and Resident Abuse</b>				

\* Catalog of Federal Domestic Assistance

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## Non-Budgeted Local Fund Summary

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## Puget Sound Action Agenda Expenditures

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## JLARC Audit Responses

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TAB E

TARGETED BUDGET  
INSTRUCTION  
RESPONSES





## Targeted Budget Instruction Responses

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