

Agency Legal Services Major Budget Highlights
<ul style="list-style-type: none"> ◆ The program is requesting an increase to the internal services proprietary fund rates approved for the 2013 biennium ◆ The only budget increases are for statewide present law adjustments

Proprietary Rates

Proprietary Program Description

Agency Legal Services – Fund 06500

Proposed Budget

The 2015 Biennium Report on Internal Service and Enterprise Funds for fund 06500 shows the financial information for the fund from FY 2010 through FY 2015. The report is provided as submitted by the executive and can be found in the appendix to this publication.

LFD COMMENT	<p>The fund balance for the agency legal services fund (fund 06500) has been declining since 2009 due to expenses that have exceeded revenues. During this period, the rates have remained the same. The operating losses of the program have been financed by cash reserves that have declined from \$189,000 in FY 2009 to \$108,000 in FY 2012. For the 2015 biennium, the executive proposes to increase the hourly rate for both attorneys and investigators. The 2015 Biennium Report on Internal Service and Enterprise Funds shows that, if approved, the rate increases proposed would result in a turnaround where revenues would exceed expenses for the 2015 biennium. The executive determined that the higher rates would not impact demand for the services.</p>
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Program Description

The Agency Legal Services Bureau (ALS) provides legal, hearing examiner, and investigative services to state agency clients on a contract basis. ALS attorneys and investigators bill clients for their services, case-related, and incidental costs. The division consists of 17.00 FTE funded from the revenues generated. The customers served are state agencies, boards, and commissions that have entered into contracts with ALS.

The Attorney General is the legal officer for the state per Article VI, Section 4(4), of the Montana Constitution. 2-4-611(2), MCA provides that state agencies may request from the Attorney General's Office a hearing examiner in a contested case. State agencies have the option to use in-house or private counsel and investigators instead of ALS. Executive Order 5-93 provides that agencies must receive approval from the Legal Services Review Committee (made up of a representative of the Attorney General, Budget Director, and the Governor's Chief Legal Counsel) prior to contracting for outside legal services.

Program Narrative

Expenses

The primary costs for the division are personal services and operating costs. Factors that influence costs include the state pay plan, the ability to recruit and retain staff, and general inflationary pressures that increase costs for items such as utilities, rent, supplies, and equipment.

Revenues

Revenues are generated by fees charged to this and other state agencies for services provided.

Present Law Adjustments

The only present law adjustments for this fund are statewide present law adjustments.

Proprietary Rates

For the 2015 biennium the following rates are proposed by the executive.

Agency Legal Services Requested Rates				
	Actual FY 2012	Budgeted FY 2013	Budgeted FY 2014	Budgeted FY 2015
Attorney rate per hour	\$93.00	\$93.00	\$95.50	\$95.50
Investigators rate per hour	53.00	53.00	55.50	55.50

The executive is proposing increases of \$2.50 per hour for both attorneys and investigators.

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.