



ATTORNEY GENERAL INTERNAL SERVICE FUND ADJUSTMENTS

HIGHER EDUCATION
STAFF: SEÁN FAHERTY

ISSUE BRIEF

SUMMARY

Following the 2015 release of the Office of the Legislative Auditor General report titled “2015-05: A Performance Audit of the Office of the Utah Attorney General”, the Office of the Legislative Fiscal Analyst (LFA) has worked with our partners to review the budget of and services provided by the Attorney General’s Office (AGO). The culmination of these efforts was the implementation of new rates and a new Internal Service Fund (ISF) for Attorney General legal services to agencies beginning in FY 2020.

The creation of this new ISF meant that funds that the Legislature previously appropriated directly to the Attorney General’s Office were appropriated instead to the client agencies that would utilize the AGO services. These funds were distributed based on estimated billable hours. In moving to an ISF model, the long-term goal is to allow the AGO to better manage and direct its resources and promote more deliberate legal service utilization by client agencies.

The Board of Regents and USHE institutions are concerned that the funding that has been distributed to them in FY 2020 might not reflect institutional costs and there is a concern that costs might exceed the appropriated funding.

The Analyst recommends several actions that can be implemented to support both the institution budgets and the larger goals of the transition to an ISF model for the Attorney General.

DISCUSSION AND ANALYSIS

USHE has been concerned that the appropriated levels of funding will not be enough to cover their expenses for the year. The Utah System of Higher Education (USHE) received \$1.06 million in FY20, split out among its 8 institutions and the Board of Regents. These concerns are based both on the adequacy of the levels of funding appropriated to each institution and the model they employ for AGO services which requires them to keep a full-time attorney from the AGO on staff prior to their hiring of any other legal staff.

In conversations with AGO and LFA Staff, USHE has requested and the AGO has agreed to, the creation of a “Not to Exceed” contract for USHE.

This would ensure that individual institutions would not be responsible for any costs that exceed appropriated funds while they work with the AGO and Analyst’s office to determine what the appropriate level of funding should be.

The Analyst recommends the following budget actions for the subcommittee’s consideration related to the Attorney General’s new ISF for both Fiscal Years 2020 and 2021.

RECOMMENDED ACTIONS

FY2020 and 2021 Supplemental Appropriation Changes:

Approximately \$1 million was appropriated in FY20 to the system to support the anticipated Attorney General costs by USHE institutions. Legislative and institutional analysts have reviewed distributions and agreed on reallocations based on the expected workload of attorneys at each school. We recommend making the following adjustments to the appropriated funds in both Fiscal Year 2020 and 2021 to right-size them to anticipated usage by agency. The total amount reallocated would be \$210,700. These proposed changes are as follows:

	Source				
Institution	Education Fund	General Fund	Total Available	Proposed Transfers (GF)	New FY20 and 21 Total
DSU	\$35,100	\$32,100	\$67,200	\$86,300	\$153,500
SLCC	\$65,900	\$56,600	\$122,500	\$30,900	\$153,400
Snow	\$23,800	\$13,300	\$37,100	\$81,700	\$118,800
SUU	\$64,800	\$120,600	\$185,400	\$6,000	\$191,400
Regents	\$10,000	\$38,000	\$48,000	(\$28,500)	\$19,500
UofU	\$32,900	\$44,000	\$76,900	\$0	\$76,900
USU	\$45,700	\$139,900	\$185,600	\$5,800	\$191,400
UVU	\$41,400	\$145,600	\$187,000	(\$107,800)	\$79,200
WSU	\$24,800	\$128,800	\$153,600	(\$74,400)	\$79,200
Totals:	\$344,400	\$718,900	\$1,063,300	\$0	\$1,063,300

FY2020 USHE/AGO Contract Language:

We recommend the use of a “Not to Exceed” contract between USHE and the AGO for one year (FY 2020).

Funding Model Review:

We recommend that the Committee and staff revisit the financing structure of the appropriated ISF funds. After FY20, we should work to determine if a centralized model, where all AGO ISF funds are appropriated to the Regent’s Office and billing and payments are handled centrally makes more sense for USHE.