

**Attorney General
Budget 125
Senate Bill No. 2003**

| | FTE Positions | General Fund | Other Funds | Total |
|---|----------------------|---------------------|--------------------|-------------------|
| 1999-2001 legislative appropriation | 159.50 | \$13,833,692 | \$15,922,565 | \$29,756,257 |
| 1997-99 legislative appropriation | <u>153.50</u> | <u>12,854,430</u> | <u>13,786,432</u> | <u>26,640,862</u> |
| 1999-2001 appropriation increase (decrease) to 1997-99 appropriation | 6.00 | \$979,262 | \$2,136,133 | \$3,115,395 |

NOTE: The 1999-2001 appropriation amounts include \$126,929, \$100,282 of which is from the general fund, for the agency's share of the \$5.4 million funding pool appropriated to the Office of Management and Budget (OMB) for special market equity adjustments for classified employees and \$4,324, \$3,309 of which is from the general fund, for the agency's share of the \$1.4 million funding pool appropriated to OMB for assisting agencies in providing the \$35 per month minimum salary increases in July 1999 and July 2000.

Item Description

Operating expense reduction - The 1999 Legislative Assembly reduced operating expenses by \$200,000 from the general fund and allowed the Attorney General to determine the specific areas to reduce.

Reimbursement of legal fees and costs relating to the tobacco settlement.

Status/Result

The Attorney General has made general reductions in a number of operating expenses areas. The majority of the reductions will result in fewer mailings and less travel, training, and use of West Law, a legal research service.

The Attorney General received \$590,763 as reimbursement for costs and fees incurred as a result of the tobacco settlement. The Attorney General deposited these funds in its refund fund (the fund used for recoveries made through the Attorney General's Consumer Protection Division). The Attorney General used \$337,448 of this funding to reimburse the refund fund, the Attorney General's operating fund, and the general fund for the costs actually incurred and \$4,549 for costs associated with the case that have been incurred since the payment was received. The Attorney General was allowed to request reimbursement at standard attorneys' rates in North Dakota which are higher than the salaries and wages actually paid to attorneys and other staff that were involved in the case. The remaining balance of \$253,315 remains in the refund fund.

In March 2000 the Attorney General requested Emergency Commission and Budget Section approval to use \$197,714 of this funding for increasing the funding available for local gaming enforcement grants (see next item). The Emergency Commission approved the request; however, the Budget Section delayed acting on the request until its June 2000 meeting.

The Attorney General could potentially receive additional reimbursement payments of up to \$147,691. The first distribution of payments for reimbursement of costs and fees was made to the states at 80 percent of the billed amount. North Dakota billed a total of \$738,454 and at 80 percent received \$590,763. If funding remains available to reimburse for costs and fees above the 80 percent level, an additional payment of up to \$147,691 could be received by the state.

Local gaming enforcement grants - The 1999 Legislative Assembly provided \$221,877 from the general fund for local gaming enforcement grants, \$792,278 less than the \$1,014,155 provided from the general fund for gaming enforcement grants during the 1997-99 biennium. For the 1999-2001 biennium, the Legislative Assembly provided that the grants be distributed on a competitive grant basis as determined by the Attorney General rather than by a formula based on adjusted gross proceeds of gaming revenues as in previous bienniums.

A section was added in Senate Bill No. 2015 authorizing the Attorney General to seek Emergency Commission approval to transfer up to \$310,086 between line items of the Attorney General's appropriation to provide additional funding for local gaming enforcement grants during the 1999-2001 biennium.

The Attorney General developed an application form for local units of government to complete in order to be considered for a grant. The Attorney General requires that grant funds may be used only for:

- Payroll or contract costs for time directly applied toward gaming enforcement.
- Equipment and supplies that directly relate to gaming enforcement.
- Site authorizations and local permits approval and issuance.
- Issuing local work permits.
- Conferences, seminars, and training that directly relate to gaming enforcement.

The Attorney General distributed the grants based on the following criteria:

- The use of prior local gaming enforcement grants directly for gaming enforcement.
- The amount of gaming activity in the jurisdiction.
- The need for financial resources.

The grants were distributed in December 1999 as follows:

| City/County | Amount Requested | 1999-2001 Grant Award Total | Difference |
|---------------|---------------------|-----------------------------|---------------------|
| Harvey | \$4,100.00 | \$2,844.00 | \$1,256.00 |
| Carrington | 9,414.00 | 2,511.85 | 6,902.15 |
| Minot | 16,000.00 | 16,000.00 | 0.00 |
| Linton | 1,330.50 | 824.43 | 506.07 |
| Mandan | 16,250.00 | 11,241.87 | 5,008.13 |
| Casselton | 1,342.00 | 1,083.13 | 258.87 |
| Gackle | 700.00 | 118.47 | 581.53 |
| Bottineau | 2,150.00 | 1,569.48 | 580.52 |
| Upham | 300.00 | 230.66 | 69.34 |
| Ward County | 3,260.00 | 3,260.00 | 0.00 |
| Fargo | 178,300.00 | 71,195.96 | 107,104.04 |
| Rolla | 10,100.00 | 170.90 | 9,929.10 |
| Stanley | 500.00 | 411.04 | 88.96 |
| Williston | 5,000.00 | 5,000.00 | 0.00 |
| Butte | 160.00 | 68.03 | 91.97 |
| Bismarck | 107,700.00 | 43,528.07 | 64,171.93 |
| Belfield | 12,848.46 | 501.60 | 12,346.86 |
| Barnes County | 3,645.00 | 1,000.06 | 2,644.94 |
| Grant County | 50.00 | 29.83 | 20.17 |
| Oakes | 3,000.00 | 1,525.84 | 1,474.16 |
| Arthur | 96.00 | 93.79 | 2.21 |
| Minto | 1,680.00 | 732.87 | 947.13 |
| Grand Forks | 59,257.00 | 49,450.22 | 9,806.78 |
| Fordville | 100.00 | 84.13 | 15.87 |
| Cooperstown | 1,200.00 | 948.77 | 251.23 |
| Dickinson | 5,000.00 | 5,000.00 | 0.00 |
| Jamestown | 2,452.00 | 2,452.00 | 0.00 |
| Total | \$445,934.96 | \$221,877.00 | \$224,057.96 |

The Attorney General requested Emergency Commission and Budget Section approval to use \$197,714 of funds received as cost and fee recoveries relating to the tobacco settlement case for additional gaming enforcement grants. The funding is available because the reimbursement was in excess of actual costs incurred by the Attorney General relating to this case (see previous item). The Emergency Commission approved the request; however, the Budget Section delayed acting on the request until its June 2000 meeting.