

# OFFICE OF THE ATTORNEY GENERAL FY 2025 BUDGET PRESENTATION

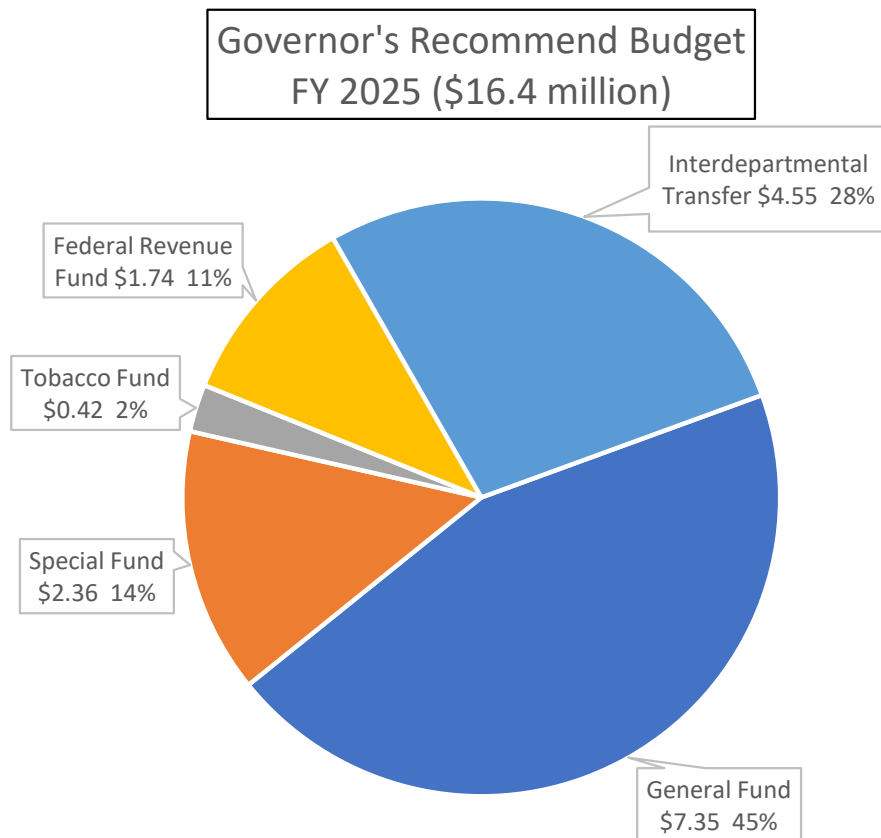
2024 House and Senate Appropriations  
Committees



# OFFICE OF THE ATTORNEY GENERAL FY 2025 BUDGET REQUEST

# FY 2025 SUMMARY & OFFICE COMPILATION

**MISSION:** To use our authority and expertise as the State of Vermont's independent law office to represent state government, protect the public interest and the environment, and enforce the law with equal right and justice to all.



- \$281,038, 4.0% GF increase over FY 2024
- 149 Positions Managed Statewide
  - 103 Exempts (99 AAGs), 46 Classifieds
  - 92 Positions on AGO Payroll
  - 57 Positions embedded in agencies & departments across state government
- The Office has two (2) appropriations:
  - Attorney General – Six (6) Divisions
    1. Administration
    2. Environmental & Public Protection
    3. Criminal
    4. General Counsel & Administrative Law
    5. Human Services
    6. Civil
  - Vermont Court Diversion



# OFFICE OF THE ATTORNEY GENERAL FY 2025 BUDGET

Major Object	FY24 As Passed	FY25 Gov's Recommend	\$ Change	% Change
	\$ 14,766,400	\$ 16,418,546	\$ 1,652,146	11.2%
Personal Services	\$ 13,050,133	\$ 14,383,517	\$ 1,333,385	10.2%
Operating Expenses	\$ 1,696,267	\$ 2,015,028	\$ 318,761	18.8%
Grants	\$ 20,000	\$ 20,000	\$ -	0.0%
Funding Source	\$ 14,766,400	\$ 16,418,546	\$ 1,652,146	11.2%
General Fund	\$ 7,067,624	\$ 7,348,661	\$ 281,038	4.0%
Special Fund	\$ 2,142,680	\$ 2,355,424	\$ 212,744	9.9%
Tobacco Fund	\$ 422,000	\$ 422,000	\$ -	0.0%
Federal Revenue Fund	\$ 1,583,958	\$ 1,743,215	\$ 159,257	10.1%
Interdepartmental Transfer	\$ 3,550,138	\$ 4,549,245	\$ 999,107	28.1%

## \*Personal Services Increases:

- 15.0% Health Insurance
- 1.8% Pay Act
- 4.6% Retirement

\$677k (4.6%) increase due to Legal & Expert Witness Process Change - NET 6.6% increase in spending authority

## \*Operating Increases:

- 16.8% ADS Service Level Agreement
- 15.3% Internal Service Funds (ISF)

- \*General Fund – 3% base increase PLUS 1% to cover benefit and ISF increases
- \*Special Fund – Increased spending authority from Court Ordered Fees & Reimbursements special fund
- \*Federal Fund – Medicaid Fraud & Residential Abuse personal services increases
- \*InterDeptTrans – Business process change to achieve administrative efficiencies in processing payments to legal & expert witnesses relative to Risk Management and Board of Medical Practice matters



# OFFICE OF THE ATTORNEY GENERAL FY 2025 BUDGET

## WHAT'S HAPPENING?

- Pursuing enforcement actions related to:
  - Exxon and similar petroleum companies for concealing information and disseminating misleading statements about fossil fuels and climate change;
  - Manufacturers of PFAS and related chemicals for contaminating Vermont;
  - Opioid marketers and others responsible for the opioid crisis;
  - Facial recognition technology company for collecting and storing Vermonters' photos and biometric data;
  - Meta for Instagram's harm to teens' mental health; and
  - Monsanto for producing, marketing and selling harmful PCB toxic chemicals and damages to Vermont's natural resources and schools.
- Secured jury conviction in first-degree domestic violence homicide, now defending on appeal.
- Defending laws passed by Vermont Legislature including: Vermont's large-capacity magazine ban and waiting period, now pending in federal court, and lawsuit regarding crisis pregnancy centers.
- General counseling to state agencies including contract review and guidance on rapidly changing law.
- Continuing to lead on privacy & data security, including enforcing Vermont's data breach laws, protecting Vermonters through education about data privacy, and ensuring compliance with the first-in-the-nation data broker registry.
- Negotiated the return of wrongfully withheld security deposits for motel program participants (\$300k).



# OFFICE OF THE ATTORNEY GENERAL FY 2025 BUDGET

## Major Areas of Increased Expenditures - \$1,662,662

- \$677,045 Process Change – AGO handles legal & expert witness invoicing – No new statewide costs (streamlines processing)
- \$492,881 Benefit rate increases (\$209,048 GF Portion)
- \$245,908 Annualization of Pay Act (\$45,916 GF Portion)
- \$186,800 Internal Service Funds (\$74,500 GF Portion)
- \$ 60,028 New Family Medical Leave Insurance & Childcare Contribution (\$30,192 GF Portion)

## Major Areas of Decreased Expenditures - \$(197,548)

- \$(42,568) Reduction in Temporary Employee Utilization
- \$(18,899) Increased Vacancy Savings From Increased Position Costs



# OFFICE OF THE ATTORNEY GENERAL FY 2025 BUDGET

## Budget Pressures: Funding Solutions and Cost Avoidance

FUNDING SOLUTIONS	AMOUNT
➤ Court Ordered Fees & Reimbursements Fund Increased Spending Authority	\$ 204,307
➤ GF Vacancy Savings Increase (From Increased Position Costs)	\$ 18,899
➤ Indirect Earnings Increase	\$ 60,000
<b>TOTAL SOLUTIONS</b>	<b>\$ 283,206</b>

INCREASED EFFICIENCY & COST AVOIDANCE	AMOUNT
➤ Reorganization - Merger of Two Divisions	\$ 44,000
➤ Reduction in Utilization of Temporary Staff	\$ 42,568

ORGANIC CIRCUMSTANCE	AMOUNT
➤ Annualization of Staff Turnover - 7 Positions	\$ 146,000
<b>TOTAL COST AVOIDANCE</b>	<b>\$ 232,568</b>

### HISTORIC EXPENDITURE AVOIDANCE MEASURE

- Since 2011 - Division Chiefs' only salary increases were by way of ABIs



# OFFICE OF THE ATTORNEY GENERAL FY 2025 BUDGET

## Budget Development Form – aka Ups & Downs - Highlights

	General \$\$	Special \$\$	Federal \$\$	Interdept'l Transfer \$\$	Total \$\$
<b>Approp #1 [210001000] Attorney General: FY 2024 Approp</b>	<b>6,974,796</b>	<b>2,564,678</b>	<b>1,583,958</b>	<b>3,550,138</b>	<b>14,673,570</b>
<b>Other Changes:</b> (Please insert changes to your base appropriation that occurred after the passage of the FY24 budget]	92,828				92,828
<b>FY 2024 Other Changes</b>	<b>92,828</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>92,828</b>
<b>Total Approp. After FY 2024 Other Changes</b>	<b>7,067,624</b>	<b>2,564,678</b>	<b>1,583,958</b>	<b>3,550,138</b>	<b>14,766,398</b>
<b>CURRENT SERVICE LEVEL/CURRENT LAW</b>	<b>281,037</b>	<b>212,746</b>	<b>159,257</b>	<b>999,108</b>	<b>1,652,148</b>
<i>Personal Services</i>	253,590	(11,465)	124,833	966,429	1,333,387
500000: Salary & Wages: Classified Employees	45,916	(63,551)	83,794	179,749	245,908
500010: Salary & Wages: Exempt Employees					
501500: Health Insurance: Classified Employees	95,729	(4,084)	39,362	107,392	238,399
501510: Health Insurances: Exempt Employees					
502000: Retirement: Classified Employees	102,556	7,551	22,680	93,158	225,945
502010: Retirement: Exempt Employees					
All Other Employee Payroll Related Fringe Benefits	10,763	(5,993)	7,099	16,668	28,537
504040: VT Family & Medical Leave Insurance Premium	15,703	4,635	2,642	8,519	31,499
504045: Child Care Contribution	14,489	4,118	2,348	7,574	28,529
505200: Workers' Compensation Insurance Premium	701	223	108	1,324	2,356
508000: Vacancy Turnover Savings	(18,899)				(18,899)
Reduction in Usage of Temporary Employees	(9,368)		(33,200)		(42,568)
<b>CONTRACTS:</b>					
Legal & Expert Witness Contracts - Process Change w/Risk Management & Board of Medical Practice				677,045	677,045
IT Contracts Moved to ADS - Now Operating vs Personal Services	(4,000)			(125,000)	(129,000)
Cost-Share Agreements in Multi-State Matters		45,636			45,636

- Brown Pay Act, Benefits, Internal Service fund changes & Vacancy Savings
- Purple Cost Avoidance – Reduction in Temp Staffing
- Green Administrative efficiency – Net \$0 impact statewide – Legal & Expert Witness Invoice Processing
- Orange Switch from Personal Services to Operating (offset on next page)





# OFFICE OF THE ATTORNEY GENERAL FY 2025 BUDGET

## Budget Development Form – aka Ups & Downs - Highlights

	General \$\$	Special \$\$	Federal \$\$	Interdept'l Transfer \$\$	Total \$\$
<i>Operating Expenses</i>	27,447	224,211	34,424	32,679	318,761
515010: Fee-for-Space Charge	78,468	11,659	5,679	26,293	122,099
516000: Insurance Other Than Employee Benefits	(853)	1,182	(111)	(1,509)	(1,291)
516010: Insurance - General Liability	1,705	19,205	271	(15,077)	6,104
516671: VISION/ISD	150	21,549	68	(17,989)	3,778
516685: ADS Allocated Charge	838	31,774	1,123	(26,107)	7,628
519006: Human Resources Services	5,448	22,244	776	(15,359)	13,109
523620: Single Audit Allocation			159		159
516660: ADS SLA (Service Level Agreement)	(11,957)	48,709	23,113	(27,007)	32,858
IT Contracts Moved to ADS - Now Operating vs Personal Services	4,000			125,000	129,000
IT Operating Costs Funding Shifts - Net Reduction	(13,789)	11,069	1,701	(3,865)	(4,884)
Bank Processing Fees - Payment Portal		10,201			10,201
Various Adjustments to Balance Available Funding Resources	(36,563)	46,619	1,645	(11,701)	0
<b>Subtotal of Increases/Decreases</b>	<b>281,037</b>	<b>212,746</b>	<b>159,257</b>	<b>999,108</b>	<b>1,652,148</b>
<b>FY 2025 Governor Recommend</b>	<b>7,348,661</b>	<b>2,777,424</b>	<b>1,743,215</b>	<b>4,549,246</b>	<b>16,418,546</b>

- Brown Internal Service fund & ADS Service Level Agreement Increases
- Orange Switch from Personal Services to Operating (offset on previous page)
- Red Payment Portal Processing Fees – Administrative Efficiency





# OFFICE OF THE ATTORNEY GENERAL FY 2025 BUDGET

## Programmatic Performance Measure Report Consumer Assistance Program

Program Description: Consumer Assistance Program (CAP), a partnership with the University of Vermont, is Vermont’s designated office for reporting of scams and other consumer complaints. CAP makes referrals and uses a letter mediation process to resolve consumer complaints. CAP also provides outreach and education to Vermont consumers.

Measure Name	Measure Type	FY 2021	FY 2022	FY 2023
Constituent initial contacts (intakes and complaints filed)	How Much?	11,284	8,211	7,987
Percentage of closed complaints resolved	How Well?	33%	32%	39%
Average constituent recovery per resolved complaint	Better Off?	\$1,937	\$630	\$1,416

### PLEASE NOTE:

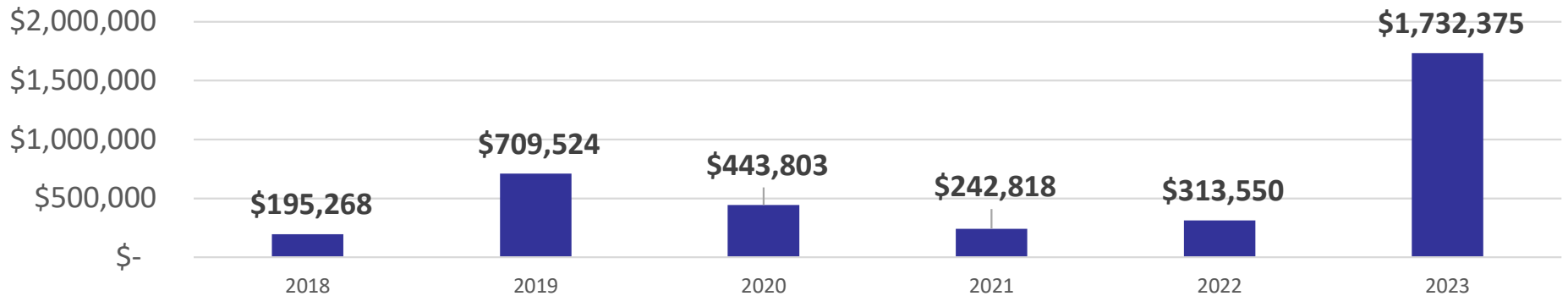
- These measures can be tricky in that many complaints do not involve a financial recovery. An example would be a constituent who needs propane delivered or a consumer who was scammed and needs advice about identity theft.
- The third measure – “average constituent recovery per resolved complaint” – is not a perfect one in that, as mentioned above, many resolutions do not involve a financial recovery.



# OFFICE OF THE ATTORNEY GENERAL FY 2025 BUDGET

## Consumer Assistance Program

CAP Calendar Year  
Recoveries & Savings



The new limited-service home improvement specialist position has helped Vermonters recover and save more than \$400,000 in the last 6+ months.

Among the administrative improvements we have implemented and continue to monitor:

- 90-day resolution process with notice to consumers;
- Telephone scam reporting system to improve reporting efficiency;
- Ongoing Outreach/Education Efforts (“CAP In Your Community”), includes Small Business and Home Improvement Outreach

### \*Notes

- Recoveries and savings are under review as we prepare the first ever CAP Annual Report.
- 2024’s \$310,000 recovered in the “hotel/motel security deposit” settlement is NOT included above.
- Savings example: A Vermont consumer received a \$20,000 phone bill from a major carrier – CAP was able to get them to drop it. Not a recovery, but a huge relief to the consumer who was stressed and anxious from the prospect of that kind of debt over what ended up being a billing error that they were unable to resolve themselves.



# OFFICE OF THE ATTORNEY GENERAL FY 2025 BUDGET

## ENFORCEMENT SETTLEMENTS

### COMMON POINTS OF CONFUSION:

- Settlement announcements generally encompass the entire settlement amount, not just the state share (if any) and not necessarily the payment terms.
- Some settlement agreements have extended payment plans. Others are paid in a lump sum. Still others do not result in any deposit to the State but protect and, in some cases, reimburse Vermonters.
- Settlement agreement terms often become public before funds are actually received.



# OFFICE OF THE ATTORNEY GENERAL FY 2025 BUDGET

## Special Fund 21638 – AG-Fees & Reimbursements – Court Order

	Actual Receipts	Direct App to GF	
FY 2019	\$7,834,148	\$4,493,648	Plus \$1.7M to AOT for vehicle incentive & emissions repair
FY 2020	\$5,501,118	\$3,839,350	Plus \$271,268 to Complex Litigation Special Fund
FY 2021	\$5,001,369	\$3,296,017	Plus \$314,852 to Complex Litigation Special Fund
FY 2022	\$1,853,012	\$ 357,677	Plus \$104,835 to Complex Litigation Special Fund
FY 2023	\$5,412,884	\$3,681,573	Plus \$185,918 to Complex Litigation Special Fund
FY 2024 YTD (1/31/23)	\$6,454,384	Year-end calculation	\$200,000 - \$300,000 ESTIMATED need for Complex Litigation Special Fund

The table above reflects all the AGO's actual collection of settlement dollars into the AG-Fees & Reimbursements-Court Order fund (this does **not** include tobacco or Medicaid fraud, **nor** does it reflect settlement announcements).

The AGO's base budget includes \$1,749,700 of these revenues annually. Receipts then replenish the Complex Litigation special fund. Receipts exceeding these needs are distributed via Big Bill language, usually as a direct app to the General Fund.

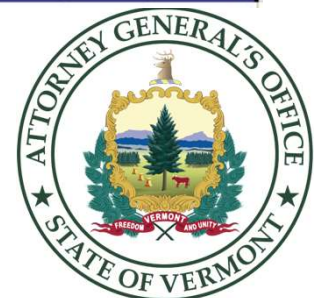


# OFFICE OF THE ATTORNEY GENERAL FY 2025 BUDGET

## Special Fund 21638 – AG-Fees & Reimbursements – Court Order

### ITEMIZATION OF CONSUMER UNIT'S ACTUAL RECEIPTS JULY 1, 2022 – JANUARY 31, 2024

FY 2023		FY 2024 YTD (01.31.2024)	
Payor	Total	Payor	Total
Google Location Tracking	\$ 4,028,782	Road One Paving	\$ 3,375
Juul Labs, Inc.	\$ 772,789	Limlaw's Pulpwood	\$ 25,000
Coughlin, Inc. / McDonalds	\$ 125,000	Indivior (aka Suboxone)	\$ 2,014,408
Experian - T-Mobile	\$ 100,000	Blackbaud	\$ 3,050,904
VTM e-Commerce	\$ 89,060	Morgan Stanley	\$ 506,182
5 - Vaping/e-cig Online Sales	\$ 65,667	JUUL Labs	\$ 776,829
Limlaw's Pulpwood	\$ 50,000	Adore Me	\$ 34,186
Telecom Carrier Access	\$ 37,500	Renaissance Jewelry, Ltd	\$ 1,000
Experian - Court Ventures	\$ 36,667	ACI Worldwide	\$ 20,000
Staffing Solutions	\$ 30,000	Tempoe	\$ 15,000
Visibly Inc.	\$ 27,058	South Smoke	\$ 7,500
T-Mobile	\$ 19,083	<b>Total Collected</b>	<b>\$ 6,454,384</b>
7 - Data Brokers	\$ 17,300		
Carnival Corporation	\$ 10,000		
Road One Paving	\$ 3,375		
Matthew Smith v. NSK Steering	\$ 500		
<b>Total Collected</b>	<b>\$ 5,412,781</b>		



# OFFICE OF THE ATTORNEY GENERAL FY 2025 BUDGET

## Tobacco Litigation Settlement Fund

Vermont's actual receipts of base payment & Strategic Contribution Payment of settlement funds (in millions):

Fiscal Year	Base Payment	Strategic Payment	Total
2015	\$21.88	\$11.69	\$33.57
2016	\$23.00	\$12.07	\$35.08
2017	\$22.78	\$11.94	\$34.72
2018	\$17.55	*	\$58.95
2019	\$23.65	**	\$23.65
2020	\$23.99	**	\$23.99
2021	\$25.51	**	\$25.51
2022	\$26.18	**	\$26.18
2023	\$27.92	**	\$27.92

Totals do not take into account Tobacco Litigation Settlement Fund Account performance due to interest income or expense.

\*Total includes \$41.4M in one-time settlement of disputed diligent enforcement years 2004 – 2017.

\*\*Strategic payments issued on a time-limited basis to certain states and expired after 2017.

### FUTURE PROJECTIONS

Assuming full withholdings, estimated future payments are:

FY 2024 \$18.49

FY 2025 \$17.90

\*Pending further adjustments, estimates could be \$2-\$6 million higher than noted above





# OFFICE OF THE ATTORNEY GENERAL FY 2025 BUDGET

## ITEMIZATION OF ENVIRONMENTAL PROTECTION'S SETTLEMENTS

**JULY 1, 2022 – JANUARY 31, 2024**

FY 2023		FY 2023 YTD 01/31/2024	
PAYOR	TOTAL	PAYOR	TOTAL
JC Rendering	46,500	Parkway Cleaners	2,350,733
VT Packing House	37,000	Thomas Tremonte	75,000
Sizen Dairy	7,500	Green Mountain Power	57,000
<b>Grand Total</b>	<b>91,000</b>	Desmarias	26,500
		Howrigan & Paradis	25,500 <sup>1</sup>
		Mark & Amanda St. Pierre	20,000
		<b>Grand Total</b>	<b>2,554,733</b>

**FISCAL NOTE:** Environmental Protection Settlements are deposited **either** directly into the General Fund OR sent to ANR to fund environmental clean-up.

<sup>1</sup> \$20,000 suspended due to demonstrated inability to pay.





# OFFICE OF THE ATTORNEY GENERAL FY 2025 BUDGET

## MEDICAID FRAUD & RESIDENTIAL ABUSE UNIT (MFRAU) SETTLEMENTS

Multi-State Global: Settlements, which include Medicaid damages, and additional penalties and recoveries,\* are typically paid in one lump sum.

Vermont Civil: Settlements are on a case-by-case basis and may include additional penalties and recoveries.\*

Vermont Criminal: Criminal cases with Restitution Orders only include Medicaid damages. There are no additional penalties or recoveries. MFRAU does not receive any of the restitutions paid in criminal cases.

\*Revenue Sharing – Per the MOU with DVHA, all additional penalties and recoveries, less any relator (private party who initiates the suit) fees, are split 50/50.

Any instance of the MFRAU receiving funds is strictly related to additional penalties and recoveries without any sacrifice to restitution owed to the State.



# OFFICE OF THE ATTORNEY GENERAL FY 2025 BUDGET

## MEDICAID FRAUD & RESIDENTIAL ABUSE UNIT (MFRAU) SETTLEMENTS

**JULY 1, 2022 - DECEMBER 31, 2023**

### SETTLEMENTS

### RECEIPTS

Type	# of Cases	Total Amt State & Fed	State Only Amt	MFRAU ONLY
Multi-State Global	4	\$40,816	\$24,004	\$53,520
Vermont Civil	3	\$497,357	\$281,973	\$45,349
Vermont Criminal	15	\$36,393	\$14,710	N/A

Revenues achieved and retained by MFRAU are classified as special funds. These special funds represent the 25% match to the federal agreement that funds MFRAU (providing 75% federal funding).



# OFFICE OF THE ATTORNEY GENERAL FY 2025 BUDGET

## Complex Litigation Special Fund 3 V.S.A. § 167a

### Fund Utilization Since Creation in 2018

FY 2020	\$271,268	Total Utilization
FY 2021	\$314,852	Total Utilization
FY 2022	\$104,835	Total Utilization
FY 2023	\$185,918	Total Utilization
FY 2024 YTD 01/31/2024	\$ 4,503	\$200k - \$300k <b>PROJECTED</b> Total Utilization

Examples of the utilization include:

- Contracted counsel and expert witnesses necessary for complex civil claims against the State. E.g., defense of Vermont's large capacity magazine ban and waiting period.
- Costs associated with major crimes involving insanity defenses from cases reviewed at the request of Governor.
- Costs associated with PFAS not covered by contracted counsel.



# OFFICE OF THE ATTORNEY GENERAL FY 2025 BUDGET

## Programmatic Performance Measure Report Court Diversion & Pretrial Services

Measure Name	Measure Type	FY 2021	FY 2022	FY 2023
YSASP – Successful Completion	Better Off?	89%	80%	82%
Pretrial Services – Court Orders Issued	How Much?	732	832	1,176
Diversion – Victim Restitution Paid	How Well?	100%	100%	100%
Diversion – Successful Completion	Better Off?	72%	73%	88%

### MISSION STATEMENT

Programs within Court Diversion share a common goal of diverting offenders out of the standard judicial system to community-based providers where they are held accountable, respond to the needs of victims, and address underlying reasons for their actions. The programs are Court Diversion, Youth Substance Awareness Safety Program (YSASP), and the DLS (Driver License Suspension) Program.

Pretrial Services' goal is to address defendants' substance use and mental health treatment needs and thereby limit future adverse involvement with the criminal justice system. Pretrial Services encompass risk assessment and needs screening, court-ordered pretrial services, and the Tamarack Program.



# OFFICE OF THE ATTORNEY GENERAL FY 2025 BUDGET

## Court Diversion & Pre-Trial Services

### Diversion is Cost Effective\*

Case Cost	Diversion	Court Prosecution
Simple Assault	\$216	\$1,480

\*2019 Crime Research Group Study

- **Diversion:** Restorative justice alternative to court for youth & adults
  - ❑ 88% successful completion
- **YSASP:** Intervention for underage possession of alcohol and marijuana
  - ❑ 82% successful completion
- **DLS:** Helping Vermonters to regain their driving privileges
- **Pretrial Services:** Connecting defendants to substance use and mental health treatment



# OFFICE OF THE ATTORNEY GENERAL FY 2025 BUDGET

## Funding Requested in Addition to Governor's Recommend

**\$296,700 GF Base Funding** – Requested in addition to the Governor's Recommend, to address caseload & staffing pressures.

A multi-year analysis of grantees' statewide staffing and caseload pressures identified four grantees whose staff carry a significantly higher caseload than current staffing levels support. Additional staffing is needed in these counties to bring caseloads closer to the average of 110 new referrals per FTE during a fiscal year. The analysis is based on referral data from fiscal years 2020, 2022, and 2023.

Counties Served	Excess Caseload	FTE Need	Salary & Benefits	20% Indirect	Total
Chittenden	60	1	\$ 88,900	\$ 17,780	\$ 106,680
Franklin/Grand Isle	67	1	\$ 60,760	\$ 12,150	\$ 72,910
Lamoille	42	0.5	\$ 31,440	\$ 6,290	\$ 37,730
Washington	66	1	\$ 66,150	\$ 13,230	\$ 79,380
<b>Total</b>		<b>3.5</b>	<b>\$247,250</b>	<b>\$49,450</b>	<b>\$296,700</b>

**\*Thank you\*** The \$54,000 Court Diversion base budget increase in FY 2024, eliminating the fees in both DLS and Family Division, has been well received and appreciated by both program staff and participants!

Respectfully: Attorney General Clark

