

OFFICE OF THE ATTORNEY GENERAL FY 2027 BUDGET PRESENTATION

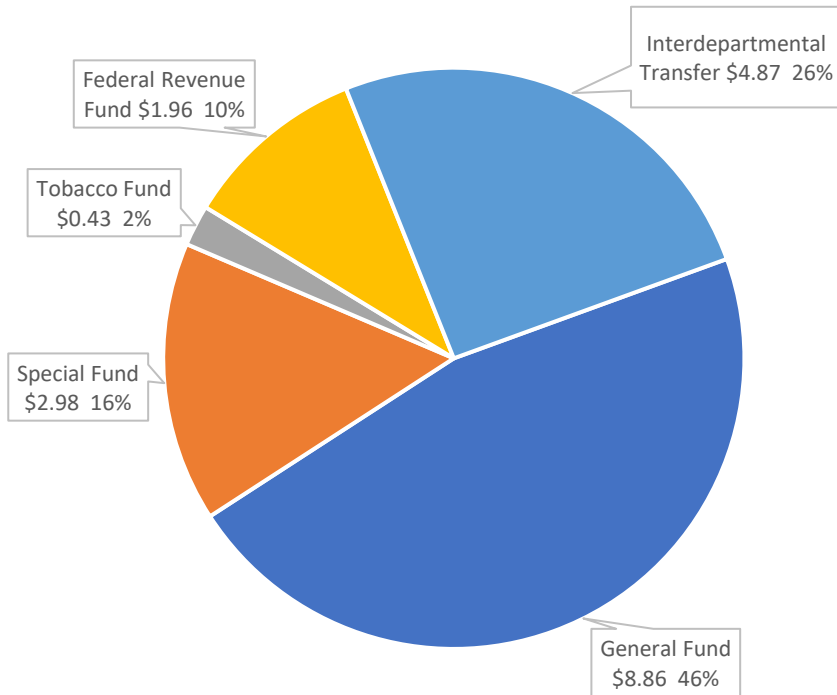
2026 Senate Judiciary Committee



OFFICE OF THE ATTORNEY GENERAL FY 2027 BUDGET REQUEST

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.

Governor's Recommend Budget
FY 2027 (\$19.1 million)



FY 2027 SUMMARY & OFFICE COMPILATION

- \$746,796, 9.2% GF increase over FY 2026
- 147 Positions Managed Statewide
 - 101 Exempts (97 AAGs), 46 Classifieds (1 AAG)
 - 93 Positions on AGO Payroll
 - 54 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
 - Pre- & Post-Charge Diversion
 - YSASP – Youth Substance Awareness Safety Program
 - DLS – Driving w/License Suspended Suspension
 - Pretrial Services



OFFICE OF THE ATTORNEY GENERAL FY 2027 BUDGET

	FY26 As Passed	FY27 Gov's Recommend	\$ Change	% Change
Major Object	\$ 17,358,504	\$ 19,098,302	\$ 1,739,798	10.0%
Personal Services	\$ 15,528,059	\$ 17,032,330	\$ 1,504,271	9.7%
Operating Expenses	\$ 1,810,445	\$ 2,045,972	\$ 235,527	13.0%
Grants	\$ 20,000	\$ 20,000	\$ -	0.0%
Funding Source	\$ 17,358,504	\$ 19,098,302	\$ 1,739,798	10.0%
General Fund	\$ 8,115,240	\$ 8,862,036	\$ 746,796	9.2%
Special Fund	\$ 2,468,889	\$ 2,976,044	\$ 507,155	20.5%
Tobacco Fund	\$ 434,660	\$ 434,660	\$ -	0.0%
Federal Revenue Fund	\$ 1,809,676	\$ 1,956,258	\$ 146,582	8.1%
Interdepartmental Transfer	\$ 4,530,040	\$ 4,869,304	\$ 339,265	7.5%

***Personal Services Increases:**
 7.70% Pay Act
 7.47% Retirement (Def Con)
 5.00% Health Ins

\$335,000 – Case Management System

***Operating Increases:**
 Net increase of internal service funds

- *General Fund** – 3% base increase PLUS 4.2% to cover salary & benefit base increases
 – 2% base increase for Case Management System
- *Special Fund** – **One-time** increased spending authority from Court Ordered Fees & Reimbursements
- *Federal Fund** – Medicaid Fraud & Residential Abuse personal services increases
- *InterDeptTrans** – Increased salaries & benefits



OFFICE OF THE ATTORNEY GENERAL FY 2027 BUDGET

What's Happening?

Defending Vermont:

- Large-capacity magazine ban and firearm purchase waiting period requirement
- Climate superfund law
- Private-school tuition funding statute (religious school challenge)
- Defending the Secretary of State in federal voter list lawsuit

Major Ongoing Enforcement Cases:

- Exxon & fossil fuel companies
- PFAS manufacturers
- Opioid marketers & distributors
- Meta (Instagram) & TikTok
- Monsanto
- CVS, Express Scripts, and other Pharmacy Benefit Managers (PBMs)

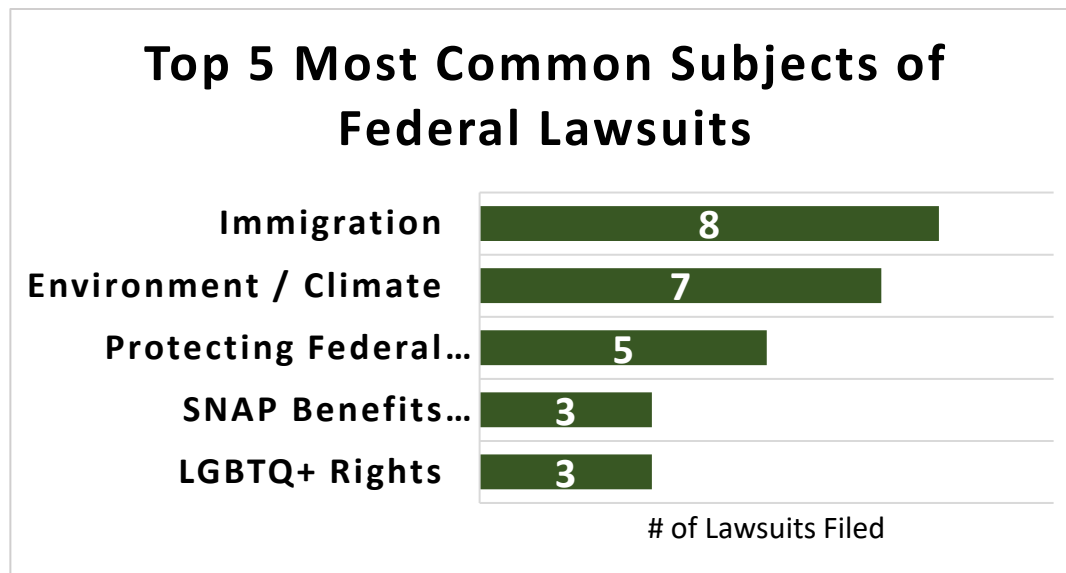


OFFICE OF THE ATTORNEY GENERAL FY 2027 BUDGET

What's Happening? - continued

Protecting Vermont from Federal Overreach:

- **41 lawsuits** filed since Jan 2025 challenging unlawful Trump Administration actions
- Winning in **over 90%** of cases to date
- One outcome of these lawsuits is **tens of millions of dollars** have been restored to Vermont



OFFICE OF THE ATTORNEY GENERAL FY 2027 BUDGET

What's Happening? - continued

Protecting Consumers:

- Settled or litigated **13 consumer protection cases** wide range of issues, including:
 - data privacy
 - social media use
 - prescription drug costs
 - deceptive marketing practices, and
 - pricing violations

Settlement
Totals

\$2.8M

FY 2025

\$2.6M

FY 2026 YTD

Tobacco Enforcement:

- Vermont receives annual payments from tobacco manufacturers under the tobacco Master Settlement Agreement (MSA).

Tobacco
MSA
Payments

\$23M
2025

\$817M
Since 1998



OFFICE OF THE ATTORNEY GENERAL FY 2027 BUDGET

What's Happening? - continued

In July 2024, the AGO launched its new strategic plan for fiscal years 2025–2026. The result was a new vision and mission for the AGO, along with a set of strategic measures and performance targets for the office. A sampling of these measures, targets, and the data collected for 2025 follows.



1,388 grants and contracts reviewed by the General Counsel and Administrative Law Division



335 investigations completed and **115** search warrants executed by the Internet Crimes Against Children Task Force (VT-ICAC)



\$1.2 million recovered and saved for consumers by the Consumer Assistance Program



8,000+ constituent contacts handled by the Consumer Assistance Program



815 inquiries from the public received and addressed by the Civil Rights Unit



OFFICE OF THE ATTORNEY GENERAL FY 2027 BUDGET

Requests in Addition to Governor's Recommend - \$85,000

➤ **\$85,000 – CONVERSION & BASE FUNDING FOR HOME IMPROVEMENT SPECIALIST**

Home Improvement Specialist – This limited-service position was created by the Legislature in Act 182 (2022) for a period of two years. Last year, the 2025 Legislature provided \$80,000 in one-time funds to continue this position and program through June 30, 2026.

Since filling the position in July 2023, through December 31, 2025, the Consumer Assistance Program has helped to resolve 194 home improvement complaints. These resolutions have resulted in recovery and/or savings of over \$1.22 million to Vermonters.

The cost to achieve these recoveries/savings to Vermonters thus far totals \$194,200. That is a **return on investment of 630% over 3 ½ years**.

The number of complaints received and resolved rise year over year. The one-time funding for this position will be exhausted at the end of FY 2026.

➤ **\$0 – CONVERT ASSISTANT DIRECTOR OF COURT DIVERSION – From Limited Service to Permanent – Funding included in base budget by 2025 Legislature.**



OFFICE OF THE ATTORNEY GENERAL FY 2027 BUDGET

Requests in Addition to Governor's Recommend - \$85,000

Home Improvement Matters Resolved						
Calendar Yr	2023		2024		2025	
County	Count	Amount	Count	Amount	Count	Amount
Addison	1	\$ 21,336	6	\$ 77,590	6	\$ 11,158
Bennington			4	\$ 114,828	1	\$ 250
Caledonia	2	\$ 29,000	4	\$ 23,068	2	\$ 12,200
Chittenden	11	\$ 71,127	19	\$ 114,881	32	\$ 170,044
Essex			1	\$ 660	1	\$ 443
Franklin	4	\$ 21,404	3	\$ 12,860	7	\$ 18,455
Grand Isle			2	\$ 4,400	1	\$ 68
Lamoille	1	\$ 1,000	2	\$ 2,200	3	\$ 19,181
Orange	1	\$ 7,963	2	\$ 13,125	2	\$ 60,722
Orleans	3	\$ 22,051	1	\$ 23,000	4	\$ 8,015
Rutland	5	\$ 48,650	4	\$ 12,213	3	\$ 3,230
Washington	1	\$ 10,000	10	\$ 27,284	12	\$ 45,031
Windham	5	\$ 40,612	6	\$ 8,861	3	\$ 21,184
Windsor	6	\$ 98,758	3	\$ 4,150	4	\$ 24,050
(blank)	1	\$ 1,720			5	\$ 17,195
Grand Total	41	\$373,621	67	\$439,121	86	\$411,225



OFFICE OF THE ATTORNEY GENERAL FY 2027 BUDGET

Base Reductions and Funding Increases

BASE REDUCTIONS	AMOUNT
➤ Discontinued utilization of a case mapping software	\$ 11,400
➤ Reductions in Travel & Communication Costs	\$ 6,500
TOTAL BASE REDUCTIONS	\$ 17,900
BASE FUNDING INCREASES	AMOUNT
➤ General Fund 9.2% Increase	\$ 746,796
➤ Consumer Settlement Fund Spending Authority Increase	\$ 461,400
➤ Inter-departmental Transfer Increase	\$ 339,264
TOTAL BASE FUNDING INCREASES	\$ 1,547,460



OFFICE OF THE ATTORNEY GENERAL FY 2027 BUDGET

Major Areas of Increased Expenditures - \$1,772,090

- \$681,090 Benefit rate increases (\$385,482 GF Portion)
- \$557,210 Annualization of Pay Act (\$230,055 GF Portion)
- \$335,000 Contracted Annual Case Management Agreement (All GF)
- \$198,790 ADS Internal Service Fund (\$173,243 Fungible)

Major Areas of Decreased Expenditures - \$(81,927)

- \$(70,527) Vacancy Savings from Increased Payroll Costs – no rate change
- \$(11,400) Discontinuation of Case Mapping Software



OFFICE OF THE ATTORNEY GENERAL FY 2027 BUDGET

Budget Development Form – aka Ups & Downs - Highlights

	General \$\$	Special \$\$	Federal \$\$	Interdept'l Transfer \$\$	All other \$\$	Total \$\$
Approp #1 [2100001000] Attorney General: FY 2026 Approp	8,115,240	2,468,889	1,809,676	4,530,040	434,660	17,358,505
Other Changes: (Please insert changes to your base appropriation that occurred after the passage of the FY24 budget)						0
FY 2026 Other Changes	0	0	0	0	0	0
Total Approp. After FY 2026 Other Changes	8,115,240	2,468,889	1,809,676	4,530,040	434,660	17,358,505
CURRENT SERVICE LEVEL/CURRENT LAW	746,796	507,155	146,582	339,264	0	1,739,797
<i>Personal Services</i>	<i>882,063</i>	<i>140,844</i>	<i>121,862</i>	<i>323,024</i>	<i>36,477</i>	<i>1,504,270</i>
500000: Salary & Wages: Classified Employees	500,055	88,425	51,942	177,633	9,155	827,210
500010: Salary & Wages: Exempt Employees						
501500: Health Insurance: Classified Employees	235,863	18,181	53,867	57,703	24,142	389,756
501510: Health Insurances: Exempt Employees						
502000: Retirement: Classified Employees	128,597	25,244	15,764	93,593	2,651	265,849
502010: Retirement: Exempt Employees						
All Other Employee Payroll Related Fringe Benefits	18,173	624	223	2,714	6	21,740
504040: VT Family & Medical Leave Insurance Premium	651	212	(153)	(632)	33	111
504045: Child Care Contribution	2,198	388	227	780	41	3,634
505200: Workers' Compensation Insurance Premium	2,053	1,856	(8)	233	449	4,583
506200: Other Personal Services - Included above in Salary	(270,000)					(270,000)
508000: Vacancy Turnover Savings	(70,527)					(70,527)
507200: End AGO budgetary involvement in Grand List Litigation				(9,000)		(9,000)
507544: Case Management System - annual hosting & licensing	335,000					335,000
Net contractual increase - UVM MOU		5,914				5,914

Brown Pay Act, Benefits, Internal Service fund changes & Vacancy Savings

Other Personal Services \$(270,000) – This is record keeping only – This is the money the 2025 Legislature appropriated to fund a new Assistant Attorney General and an Assistant Director of Court Diversion & Pretrial Services.



OFFICE OF THE ATTORNEY GENERAL FY 2027 BUDGET

Budget Development Form – aka Ups & Downs - Highlights

	General \$\$	Special \$\$	Federal \$\$	Interdept'l Transfer \$\$	All other \$\$	Total \$\$
<i>Operating Expenses</i>	(135,267)	366,311	24,720	16,240	(36,477)	235,527
515010: Fee-for-Space Charge	(39,411)	102,759	1,953	6,297	(34,810)	36,788
516000: Insurance Other Than Employee Benefits	(81)	(46)	(176)	33	(30)	(300)
516010: Insurance - General Liability	1,439	691	(1,500)	473	119	1,222
516660: ADS SLA	(75,127)	(30,365)	(24,955)	1,209	(11,232)	(140,470)
516671: VISION/ISD	4,934	12,675	(793)	621	(9,382)	8,055
516685: ADS Allocated Charge	(24,632)	282,223	50,502	13,112	18,055	339,260
519006: Human Resources Services	4,868	1,269	735	543	803	8,218
523620: Single Audit Allocation			655			655
519085: Elimination of CaseMap - Litigation case mapping software	(756)	(2,895)	(1,701)	(6,048)		(11,400)
Various operational cost savings	(6,501)					(6,501)
						0
<i>Grants</i>	0	0	0	0	0	0
						0
Subtotal of Increases/Decreases	746,796	507,155	146,582	339,264	0	1,739,797
FY 2027 Governor Recommend	8,862,036	2,976,044	1,956,258	4,869,304	434,660	19,098,302

Brown Internal Service funds



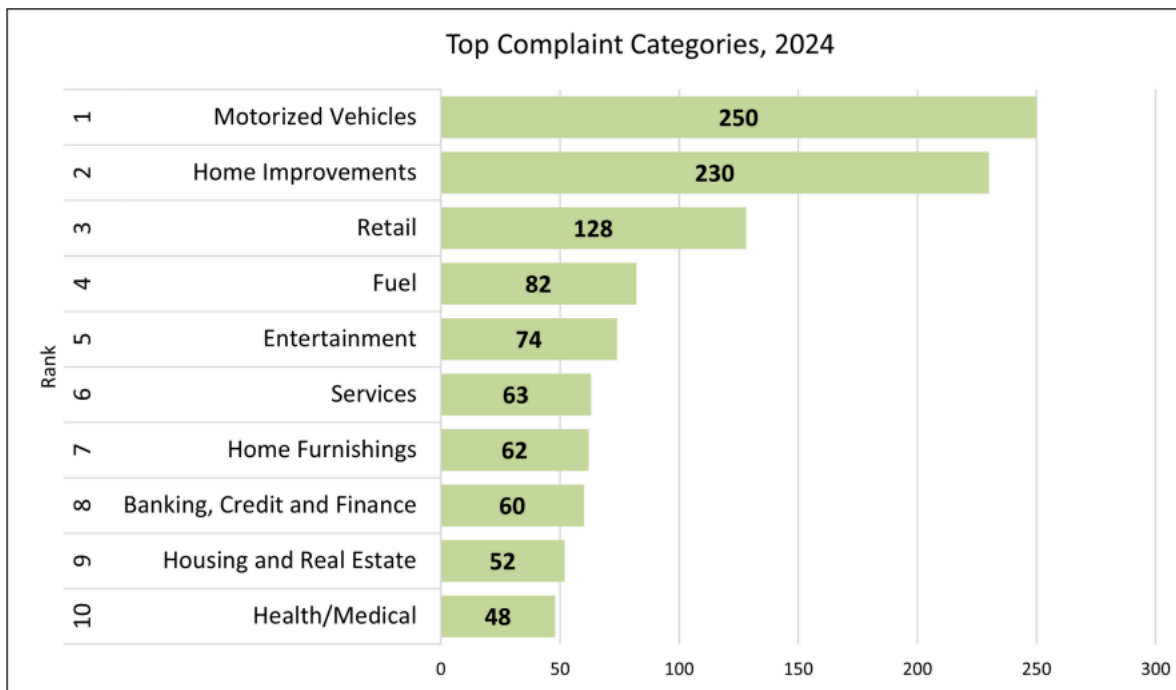
OFFICE OF THE ATTORNEY GENERAL FY 2027 BUDGET

Consumer Assistance Program

CAP Calendar Year
Recoveries & Savings to Consumers



CONSUMER ASSISTANCE PROGRAM: CALENDAR YEAR 2024



2025 Recoveries & Savings to Consumers are under review as we prepare the CAP Annual Report.

Savings example: A Vermont consumer received a \$20,000 phone bill from a major carrier – CAP was able to get the business to drop it. Not a recovery, but a relief to the consumer who was unable to resolve the billing error on their own.



OFFICE OF THE ATTORNEY GENERAL FY 2027 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 2027 BUDGET

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

FY	Actual Receipts	AGO Spending Authority	Replenish Complex Litigation Special Fund	Direct App to GF
2020	\$5,501,118	\$1,390,500	\$271,268	\$3,839,350
2021	\$5,001,369	\$1,390,500	\$314,852	\$3,296,017
2022	\$1,853,012	\$1,390,500	\$104,835	\$357,677
2023	\$5,412,884	\$1,545,393	\$185,918	\$3,681,573
2024	\$6,510,908	\$1,545,393	\$185,645	\$4,000,000
2025	\$2,800,403	\$1,749,700	\$77,228	\$0 ¹
2026 ²	\$2,606,464	\$1,802,200	\$300,000	\$2,000,000

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

The allocation waterfall of receipts is (1) AGO Spending Authority, (2) Replenishment of Complex Litigation Special Fund, and (3) Direct App to GF per Big Bill language.

¹ Utilization plan, as per Governor's Recommend, broken down on next slide

² FY2026 – Receipts are YTD through December 31, 2025; Replenishment amount is an estimate based on present knowledge.



OFFICE OF THE ATTORNEY GENERAL FY 2027 BUDGET

One-Time Utilization for FY 2025 Consumer Settlement Receipts

The Attorney General and Governor Recommend address two base funding shortfalls by utilizing the FY 2025 \$2million in consumer recoveries not transferred to the General Fund.

\$1,538,600 – to Medicaid Fraud & Residential Abuse Unit to cover lack of self-funding:

- Transfer from fund 21638 to fund 21054 to cover MFRAU 25% match to leverage \$4,615,800 in federal funding through FY 2029.
- AGO will assess causes of shortfall, which may include reduced federal action.
 - The last major global false claim matter settled in FY 2020 – Reckitt (Suboxone) \$1.076million.
 - Most of the Unit’s mission is criminal matters, which are not revenue generating. (Ie, sexual abuse of nursing home resident by a licensed nursing assistant, [example from 2025](#))

\$ 461,400 – Increased spending authority to cover growth in salaries and loss of federal \$:

- \$375,000 – Base increase in salaries & benefits in excess of 3% in budget instructions.
 - AGO will assess options and may seek additional base funds if deficit continues.
- \$ 86,400 – Backfill lost federal funding (sub-grant from The Vermont Network Against Domestic & Sexual Violence) for the Firearms Technical Assistance Program.



OFFICE OF THE ATTORNEY GENERAL FY 2027 BUDGET

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

ITEMIZATION OF CONSUMER UNIT'S ACTUAL RECEIPTS JULY 1, 2024 – DECEMBER 31, 2025

FY 2025	
Payor	Total
Johnson & Johnson	\$ 780,287
JUUL Labs	\$ 776,829
Marriot	\$ 590,292
Amazon	\$ 400,000
Unified Parking Partners	\$ 150,000
T-Mobile	\$ 31,653
Verizon Wireless	\$ 19,410
AT&T	\$ 16,175
JMD Hositality	\$ 15,900
Nano Hearing (King Crawford)	\$ 15,000
Road One Paving	\$ 2,702
VT E-Commerce	\$ 1,440
Merrit	\$ 500
Stanley	\$ 215
Total Collected	\$ 2,800,403

FY 2026 YTD (12.31.2025)	
Payor	Total
JUUL Labs	\$ 1,165,243
Johnson & Johnson	\$ 785,021
Walgreens	\$ 475,000
Angi	\$ 100,000
Airlines Reporting Corp	\$ 70,000
Baxter Health Care	\$ 10,000
Road One Paving	\$ 1,200
Total Collected	\$ 2,606,464



OFFICE OF THE ATTORNEY GENERAL FY 2027 BUDGET

Tobacco Litigation Settlement Fund

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

Fiscal Year	Base Payment (Millions)	Strategic Payment	Total (Millions)
2017	\$22.78	\$11.94	\$34.72
2018	\$17.55	*	\$58.95
2019	\$23.65	**	\$23.65
2020	\$23.99	**	\$23.99
2021	\$25.50	**	\$25.50
2022	\$26.18	**	\$26.18
2023	\$27.92	**	\$27.92
2024	\$24.89	**	\$24.89
2025	\$23.10	**	\$23.10

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 2026 \$16.08

FY 2027 \$14.20

*Pending further adjustments, estimates could be \$5-\$7 million higher than noted above



OFFICE OF THE ATTORNEY GENERAL FY 2027 BUDGET

Itemization Of Environmental Protection’s Settlements July 1, 2024 – December 31, 2025

FY 2025		FY 2026 YTD (12/31/2025)	
PAYOR	TOTAL	PAYOR	TOTAL
Desmarias	\$11,000	St. Albans Creamery	\$210,500
Limlaw	\$10,332	Desmarias	\$ 7,000
Ruggiero	\$10,000	Grand Total	\$217,500
Sizen Dairy Farm	\$ 458		
Westminster Meats	\$ 37		
Grand Total	\$31,827		

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



OFFICE OF THE ATTORNEY GENERAL FY 2027 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 2027 BUDGET

Medicaid Fraud & Residential Abuse Unit (MFRAU) Settlements

JULY 1, 2024 - DECEMBER 31, 2025

SETTLEMENTS

RECEIPTS

Type	# of Cases	Total Amt State & Fed	State Only Amt	MFRAU ONLY
Multi-State Global	5	\$113,585	\$69,306	\$55,642
Vermont Civil	6	\$2,969,554	\$1,587,979	\$61,139
Vermont Criminal	16	\$220,644	\$94,130	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 2027 BUDGET

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

Fund Utilization Since Creation in 2018

FY 2021	\$314,852	Total Utilization
FY 2022	\$104,835	Total Utilization
FY 2023	\$185,918	Total Utilization
FY 2024	\$185,645	Total Utilization
FY 2025	\$ 77,278	Total Utilization
FY 2026 YTD 12/31/2025	\$ 33,348	Up to \$300k PROJECTED 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.
- Contracted mental health expert witnesses for complex criminal matters



OFFICE OF THE ATTORNEY GENERAL FY 2027 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

➤ Court Diversion:

➤ **Pre-Charge & Post-Charge** Restorative justice alternative to court for youth & adults and victims of those crimes

❑ 71% targeted successful completion (Post-Charge)

➤ **YSASP (Youth Substance Awareness Safety Program):** Intervention for underage possession of alcohol and cannabis

❑ 80% targeted successful completion

➤ **DLS (Driving w/License Suspended):** Helping Vermonters to regain their driving privileges

➤ **Pretrial Services:** Connecting defendants to substance use and mental health treatment

