

OFFICE OF THE ATTORNEY GENERAL
Attorney General Bob Ferguson

2022 Rate Day

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AGO Overview

The AGO represents all state agencies. More than 150 agencies, boards and commissions receive legal services every month.

Examples of AGO Client Services

- Child dependency, guardianship & terminations (~7,145 open cases which includes 3,345 new dependency, termination, and guardianship cases in FY 2021)
- Vulnerable adult protective services
- Environmental protection & natural resources litigation
- Defend allegations filed against state agencies
- Representation in Collective Bargaining, Interest Arbitration & Labor Disputes
- Major Litigation: Opioids, Tobacco Diligent Enforcement, Monsanto, Motel 6, College System Benefits, and Amazon

How is the AGO Funded?

- **Legal Services Revolving Account**
 - ❖ **Billing Authority is provided in the Central Service Model and One-Time funding is outside of the Model**
- **General Fund State and Federal:**
 - ❖ **Prosecution of Sexual Violent Predators**
 - ❖ **Medicaid Fraud Control**
 - ❖ **Sexual Assault Kit Initiative**
- **Misc. Other Funds/Accounts:**
 - ❖ **Anti-Trust Revolving, Charitable Asset Protection, Local Government Archives, Manufactured/Mobile Home Dispute Resolution, New Motor Vehicle Arbitration, Medicaid Fraud Penalty, Child Rescue, and Tobacco Prevention/Control**

What Does WA State Purchase with AGO Legal Services?

- **Advice on Legal Matters:**
 - ❖ Constitutional and RCW interpretation
 - ❖ Rulemaking guidance and assistance
 - ❖ Policy advice and review
- **Lawsuit Services:**
 - ❖ Case discovery & investigation
 - ❖ Litigation defense
 - ❖ Appellate court work
- **Risk Management: Objective, comprehensive, and expert legal guidance that reduces risk of future liabilities**

*AAG rates cover the full cost of providing legal services.
Costs include support staff (admin & legal), supplies, travel and IT .*

What Does the Client Purchase with this Rate?

Cost Avoidance:

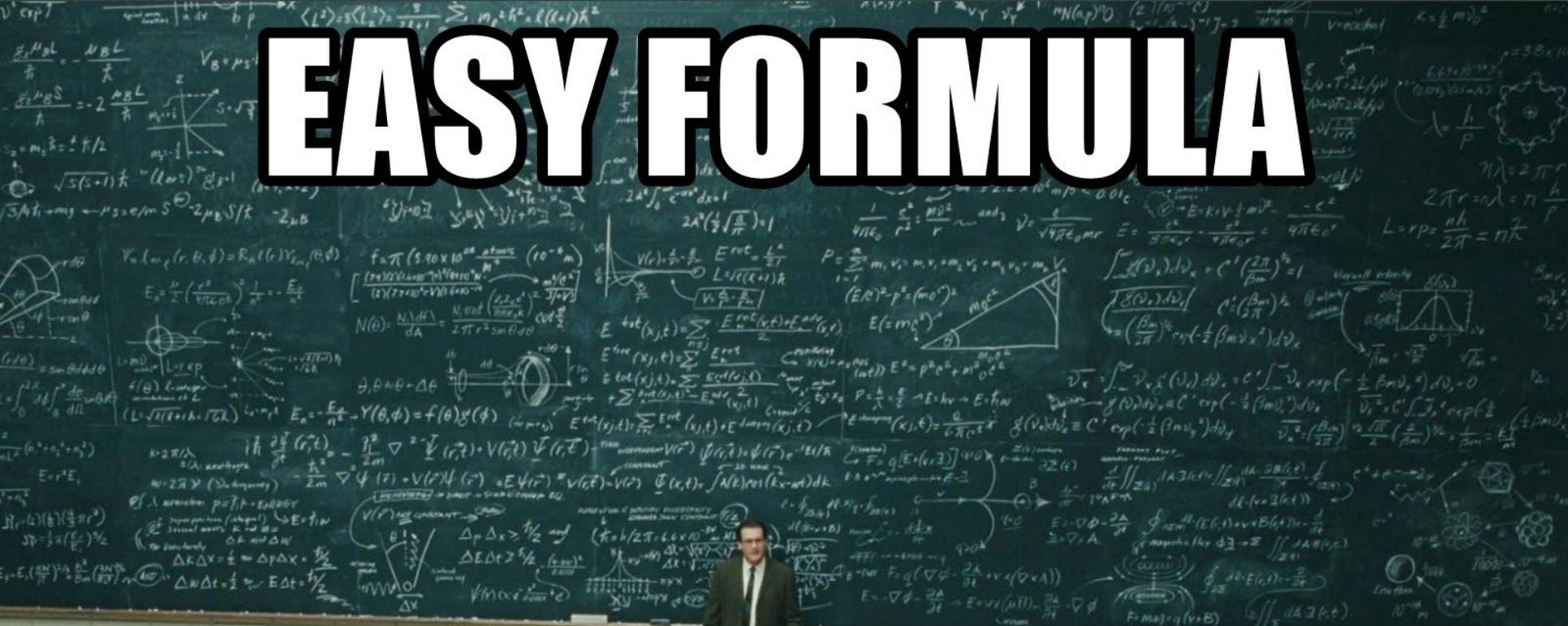
- Defending State Agencies against high dollar lawsuits.
- 47% of Tort cases resolved with zero payout.
- Expert legal services and representation
- Client needs range from 15 minutes of advice on a phone call to multi-biennial court cases (*Ride the Ducks*, *McCleary v. WA State*, & *Wahkiakum County v. WA State* (Basic Education Construction))

*Current Events: Legal services in response to the College benefit cases (*Rush v. WA State* and *Wolf v. WA State*). Multiple state agencies involved.*

Why is the Rate at its Respective Level?

- Rates are designed to recover the costs of providing legal services to the client.
- Costs are as low as possible. (Administrative and other support staffing at minimal levels, maximizes technology to reduce travel costs, limited office supplies, reduced printing)
- Rates developed at the beginning of the biennium do not cover unanticipated or emergent needs such as the Basic Education Construction litigation or Voting Rights litigation.
- The allocation client agencies receive from the OFM Central Service Model is an estimate based on previous spending levels. A client's actual needs may exceed this estimate.

EASY FORMULA



FOR AAG BILLING RATE

What is the Rate?

- **AAG billing rates are calculated individually for each AGO division.**
- **Current AAG billing rates range from \$16,100 to \$56,000 per AAG FTE per month, and averages \$23,589**
- **Paralegal billing rate: \$9,000 per PL FTE per month**
- **Investigator billing rate: \$11,200 per INV FTE per month**

*Current rates will be changing effective July 2022 to incorporate the 2022 supplemental funding changes
(calculations & potential change drivers described later in presentation)*

Overview of Rate Methodology

AAG Billing Rates

Projected AGO division expenditures



÷ Division's total AAG FTEs
(Number of AAGs needed to meet client needs)



÷ Number of months



= Monthly billing rate per AAG

Overview of Rate Methodology (Cont'd)

How Bills are Calculated

Legal services work is tracked in timesheets

↓
Time is converted to FTE

↓
✘ Rate per FTE

↓
✚ Direct litigation costs

↓
≡ Monthly bill to client

FTE Billing

- **Clients are not billed additional costs for time worked in excess of 174 hours a month (average based on 2088 hours per year).**
- **Clients are only billed when legal services are provided.**
- **Clients can receive legal services from more than one AGO division.**
- **All legal services are tracked to reporting categories based on client requirements, types of services provided, and legislative budget provisos.**

Future Variables Impacting Rates & Bills

RATES:

- Legislative increase or decrease to costs
- Central Service Model changes
- AAG Recruitment & Retention funding
- Unanticipated / Emergent costs

BILLS:

- Changes in clients need for legal services
- Unanticipated / Emergent litigation
- Expert witnesses, Court Reporters, filing fees

Questions

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