

OFFICE OF THE ATTORNEY GENERAL
Attorney General Bob Ferguson

2018 Rate Day

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AGO Budget Director

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AGO Overview

The AGO represents all state agencies. About 110 agencies receive legal services every month.

Examples of AGO Client Services

- Child dependency, guardianship & terminations (~7,020 referrals annually)
- Vulnerable adult protective services
- Water quality, water rights & natural resources litigation
- Defend allegations filed against state agencies
- Representation in Collective Bargaining, Interest Arbitration & Labor Disputes
- Major Litigation: Skagit River Bridge Collapse

AGO Overview (cont'd)

What Does the Client Receive?

- 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; Hanford Tank Vapors)

Cost Avoidance:

- U.S. Department of Labor v. State of Washington: Between \$80 & \$100-Million in settlement cost avoidance.
- Defending State Agencies against high dollar lawsuits.
- Over 50% of Tort cases resolved with zero payout.

Current Events: Legal services in response to the Oso mudslide and Tulalip Tribes Litigation. Multiple state agencies involved.

What is the Rate?

- **AAG billing rates are calculated individually for each AGO division.**
- **Current AAG billing rates range from \$18,400 to \$25,900 per AAG FTE per month**
- **Paralegal billing rate: \$8,100 per PL FTE per month**
- **Investigator billing rate: \$10,100 per INV FTE per month**

Current rates are subject to change

(calculations & potential change drivers described later in presentation)

What Does the Client Purchase with this Rate?

- **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 .

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 FTEs

✖ 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 and types of services provided.**

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 staff reductions; AAG salaries are less than other government salaries.)
- Rates developed at the beginning of the biennium do not cover unanticipated or emergent needs such as the Oso Landslide or Skagit River Bridget Collapse.
- 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.

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