OFFICE OF THE ATTORNEY GENERAL
Attorney General Bob Ferguson

2014 Rate Day

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AGO Chief Financial Officer

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The AGO represents all state agencies, about 110 of those agencies receive services every month.

**Types of AGO Functions:**

- Child dependency (~5,900 open cases)
- 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
- Alaskan Way Viaduct Bored Tunnel Project (Bertha)
AGO Overview (cont’d)

What Does the Client Receive?

- Expert legal services and representation
- Client needs range from a 15 minute advice phone call to multi-biennial court cases (Moore v. HCA, Boldt Culverts)

Cost Avoidance:

- Rekhter v. DSHS: $51,000,000 in prejudgment interest waived.
- Over 60% of Tort cases resolved with zero payout.

Current Events: Potential legal services due to the Oso mudslide.
Multiple state agencies involved.
What is the Rate?

- AAG billing rates are calculated individually for each AGO division.

- Current AAG billing rates range from about $14,000 to $22,000 per AAG FTE per month.

- Paralegal billing rate: $7,128 per PL FTE per month.

- Investigator billing rate: $8,236 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. The 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 it takes to serve the client agency)

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 for time worked in excess of 174 hours a month (avg 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 unique reporting categories based on the requirements of each client.
Why is the Rate at it’s Respective Level?

- Rates are limited by AGO and client agency legal services appropriations.

- Rates are reviewed by the AGO Budget Office monthly and updated when necessary.

- Rate determination incorporates division costs, client allocations, forecasted client workload, and historic utilization data.
**Future Variables Impacting Rates & Bills**

<table>
<thead>
<tr>
<th><strong>RATES:</strong></th>
<th><strong>BILLS:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative increase or decrease to costs</td>
<td>Changes in clients need for legal services</td>
</tr>
<tr>
<td>Central Service Model changes</td>
<td>Unanticipated litigation</td>
</tr>
<tr>
<td>AAG Recruitment &amp; Retention funding</td>
<td>Expert witnesses, Court Reporters, filing fees</td>
</tr>
</tbody>
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