

OFFICE OF MANAGEMENT & BUDGET

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To: The Honorable Marvin L. Abney

Chairman, House Finance Committee The Honorable Ryan W. Pearson Chairman, Senate Finance Committee

From: Jonathan Womer

Director, Office of Management & Budget

Date: June 6, 2021

Subject: Amendments to FY 2022 Appropriations Act (21-H-6122)

The Governor requests that an amendment be made to the FY 2022 Appropriations Act for a new budget initiative which provides the Office of the Attorney General (Office) with the resources necessary to grow its participation in multistate affirmative litigation. The amendment would increase the amount of multistate litigation proceeds retained by the Office to allow them to staff a Civil Division unit dedicated to these high-value cases. It would direct the General Treasurer to transfer up to \$600,000 in multistate revenues to the Office of the Attorney General each year and require that any balance exceeding \$600,000 be transferred back to the general fund at the end of each year. In FY 2022, the Office would utilize these funds to onboard a four-person Civil Division unit, including two staff attorneys and two paralegals estimated to cost \$406,326 in total. The proposed amendment will increase the Office's ability to participate in multistate litigation and this initiative is expected to lead to estimated revenue increases for multistate settlements in the outyears. Of the total estimated settlement collections by the Office in FY 2022, \$600,000 would be dedicated to the additional resources for the Attorney General. A corresponding FY 2022 Budget Amendment (Civil Division FTEs – Multistate Litigation Revenue Support - 22-AG1) is submitted under separate cover for this initiative.

<u>2021 – H 6122 Making Appropriations For The Support of The State For the Fiscal Year Ending June 30, 2022</u>

1. Article 3 – Relating to Government Reform and Reorganization

<u>NEW SECTION 7.</u> This amendment would direct up to \$600,000 per year to the Office of the Attorney General to all for a new four-person Civil Division in order to increase the Office's ability to participate in multi-state litigation which would be expected to increase future year revenues for the State.

Add new Section 7 on Page 65, after line 15, and renumber subsequent sections:

SECTION 7. Section 42-9-19 of the General Laws in Chapter 42-19 entitled "Department of Attorney General" is hereby amended to read as follows:

42-9-19. Acceptance of settlements – Attorney General settlement restricted account.

- (a) The attorney general is hereby authorized and empowered to accept in the name of the state any settlement resulting from a multi-state initiative. The attorney general is additionally authorized and empowered to recover attorney's fees and costs that shall be considered settlement proceeds for purposes of this chapter.
- (b) The settlement proceeds shall be transferred to the general treasurer for deposit in the general fund. The general treasurer shall transfer ten percent (10%) of such proceeds, up to sixty five six hundred thousand dollars (\$6500,000) in any fiscal year, to the "attorney general multi-state initiative restricted-receipt account." Any balance in excess of six hundred thousand dollars (\$600,000) remaining in the account at the end of the fiscal year shall be transferred back to the state general fund. The restricted-receipt account shall be used to pay for staff, operational, and litigation costs associated with multi-state initiatives.
- (c) Expenditure of all settlement proceeds accepted by the attorney general as part of the terms of the relevant master settlement agreement shall be subject to the annual appropriation process and approval by the general assembly.

Please feel free to contact me with any questions about these requested changes.

JW:21-Amend-15

cc: Sharon Reynolds Ferland, House Fiscal Advisor Stephen Whitney, Senate Fiscal Advisor James E. Thorsen, Director of Administration Joseph Codega Jr., Deputy Budget Officer