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State AGs grapple with plummeting revenue, increased costs

by Chris Rizo

SACRAMENTO -- Attorneys general around the West could see their administrative budgets trimmed as state lawmakers face the daunting task of drafting spending plans in the wake of plummeting state revenues and skyrocketing costs.

Legal observers say with state revenue forecasts awash in red ink, some attorneys general might have no other choice but to pare expenses and eschew pursuing some high-cost civil cases -- ones that can thrust them into the news spotlight and boost their profiles.

However, that might not be the case in California, where budget architects are grappling with a \$16 billion revenue shortfall.

There, Attorney General Jerry Brown, one of the nation's most high profile AGs, is expected by one leading observer to "launch more crusades" against the federal government, particularly on the environmental front, having less money to enforce the state's laws, which is more expensive to do.

"The environment has been one of his major concerns" since he was governor from 1975 to 1983, said Barbara O'Connor, director of the Institute for the Study of Politics and the Media at Sacramento State University. "He has a long legacy of caring about the environment; this is not a bandwagon issue for him."

Brown, who is considering another run for governor in the Golden State, will surely use the resources and legions of appellate attorneys at his disposal to advance his green agenda, she told LegalNewsLine.

"You'll see a lot of federal battles and you'll see him pushing the envelope on existing law," O'Connor said, noting that with his existing staff Brown with even less resources will easily be able to defend such things as decisions from Cal-EPA.

In Colorado, where lawmakers did not face a revenue shortfall this year, Attorney General John Suthers was able to get a 3 percent overall budget increase, raising his 2008-09 appropriation to \$47.6 million, said spokesman Nate Strauch.

Suthers, a Republican, was also able to get \$258,000 for additional security at the attorney general's office. He made the budget request after a gunman was killed outside the offices of Gov. Bill Ritter last year, Strauch said.

Additionally, the state Legislature will also pay for the Colorado Department of Law attorney's registration fees and part of their continuing legal education coursework.

In Arizona, where budget writers are busy drafting a 2008-09 state spending plan, lawmakers are trying to plug a \$1.5 billion structural deficit, and a cash deficit of only slightly less.

Since voters there have shielded public schools and certain healthcare programs from budget cuts, legislators are, among other things, considering cuts to law enforcement programs to help balance the books.

For Arizona Attorney General Terry Goddard, a smaller agency pocketbook might mean fewer resources to target cross-border smuggling operations and less money to curtail illegal immigration: two of the popular Democrat's signature initiatives.

However, deep cuts to the attorney general's office might be tempered by the fact that Arizona Gov. Janet Napolitano, a Democrat, is the former state at-

torney general, said state Senate Appropriations Committee Chairman Bob Burns, R- Peoria.

"I would expect that is going to be one of her higher priorities to protect," Burns told LNL. He said Monday there is a "strong protection and a weak argument" for shielding the AG's office from its share of cuts.

For their part, budget crafters in Nevada are bracing for a deficit of \$900 million by the middle of 2009.

Gov. Jim Gibbons, a first-term Republican governor who ran an anti-tax pledge, has already ordered a 4.5 percent budget cut at most state agencies, and has called for a commission to identify wasteful spending and inefficiencies.

"When you're looking at a deficit in the state budget of almost \$900 million, there are going to be some pretty substantial cuts all around," said Kathy Jacobs, vice-chair of the Alliance for Victims' Rights. "But when you make cuts to law enforcement agencies, of course, it's horrifying."

In all, at least 25 states are battling budget shortfalls going into the 2009 fiscal year, which for many states begins July 1.

The nonpartisan Center on Budget and Policy Priorities, a Washington, D.C.-based budget watchdog, predicts that states will face a combined short-fall of at least \$39 billion.

Adding to budget angst among many attorneys general is that states' revenues are widely expected to fall further, and that could translate into even bigger cuts for the states' top cops farther down the road.

A study released recently by the Rockefeller Institute of Government found that tax collections during the fourth quarter of 2007 were the lowest in almost five years, and cost-inflation grew faster than the overall economy - a trend that many experts say will continue.

"States are experiencing a classic nutcracker effect: Costs are rising sharply just as revenues falter," Robert Ward, deputy director of the Rockefeller Institute and co-author of the report, said in a statement "The result may be a squeeze on states' ability to fund services."

According to figures compiled by the Rockefeller Institute, tax revenues were healthiest in the Rocky Mountain region, while tax collections were lackluster in the Southeast.

Among individual states, revenues dropped significantly in Oregon, Florida, West Virginia, Mississippi, Arizona and Nevada. Meanwhile, revenue growth was strongest in Alaska, Colorado, Iowa, Montana, North Dakota, South Dakota and Texas, the group's report found.

Kevin McCarthy, president of the Arizona Tax Research Association, is among taxpayer advocates who say that states' budget woes could force policymakers, including attorneys general, to streamline their offices and cut programs that have yielded lackluster results.

"The only way out of this mess is significant budget reductions - reductions that it doesn't look like most policy makers are willing to make," McCarthy said.