

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Joint Budget Committee
FROM Scott Thompson, JBC Staff (303-866-4957)
DATE March 16, 2017
SUBJECT Department of State: R2 Outside Legal Counsel

REQUEST: The Department requests its Personal Services line item be increased by \$25,000 to allow it to continue to purchase services from outside counsel when the Attorney General's Office has an unresolvable conflict of interest.

RECOMMENDATION: JBC Staff recommends the Committee approve the Department request but include the increased appropriation on a separate line item titled "Outside Legal Services".

ANALYSIS: After the Committee took action on the Department of Law's R1 Legal Allocations and Billings, legal services appropriations will only cover services provided by the Department of Law to agencies and the legal services appropriation for each agency will be billed out in full each year.

The change means that the Department will no longer have the ability to expend up to ten percent of its legal services appropriation on expenses that are permitted by Section 24-75-112(1)(i), C.R.S.. The Department's largest such expense in recent years has been payments to outside legal counsel to provide representation to the Department in cases where the Department of Law has a conflict of interest.

In recent years, the Department's Legal Services appropriations have ranged from \$408,715 (FY 2016-17) to \$704,753 (FY 2014-15). Thus, the 10 percent of this appropriation that is allowed to be expended on areas other than services from the Department of Law has ranged from \$40,872 to \$70,475.

In FY 2015-16, the Department of State expended \$23,000 for the services of outside legal counsel. CDOS assumes that its need for outside legal counsel in FY 2017-18 and beyond will be similar to or slightly higher than in FY 2015-16. If, in the longer term, the Department ends up needing a greater amount of services from outside legal counsel than it currently anticipates, it is possible that it will need to request additional expenditure authority through a future decision item or a supplemental request.