



Peat Marwick

Certified Public Accountants

**GOVERNOR'S  
MANAGEMENT  
REVIEW  
COMMISSION**

**MANAGEMENT REVIEW  
OF  
THE DIVISION OF LAW**

**APRIL 1991**

**New Jersey State Library**

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**GOVERNOR'S MANAGEMENT REVIEW COMMISSION  
OPERATIONAL REVIEW OF  
THE DIVISION OF LAW**

**OBJECTIVE**

The Governor's Management Review Commission reviewed the State's Legal Services operations to identify cost reduction and performance improvement opportunities in the management and operations of the Division of Law.

**INTRODUCTION**

The Division of Law provides legal representation to all departments of State Government in New Jersey, including independent and quasi-independent authorities and, upon request, to the Legislative and Judicial branches of Government. In order to discharge its statutory responsibility as legal counsel to state agencies, the Division of Law staff is composed primarily of attorneys supported by paralegal, secretarial and other clerical staff.

The organization of the Division is similar to that of a large law office representing a highly diversified client base. The Division's primary managers (i.e. Section Chiefs) are typically more senior attorneys responsible for organizing, supervising, and supporting the work of attorneys in their section while maintaining their own case load.

In addition to the sections responsible for supporting the various client departments, the Division of Law also maintains a section which supports the administrative needs of the Division. This Section is divided into four sub-sections:

- Management Information Systems/Data Processing;
- Budget and Fiscal;
- Facilities Planning; and
- Personnel.

**GOVERNOR'S MANAGEMENT REVIEW COMMISSION  
OPERATIONAL REVIEW OF  
THE DIVISION OF LAW**

This Section is charged with a full range of responsibilities necessary to manage the Division's classified and confidential clerical staff. While the Division is a very dynamic organization, there have been events within the last year which are particularly significant in relation to the management review of the organization, these include:

- The Issuance of Executive Order No. 6; and
- The Division of Law Reorganization.

Executive Order No. 6 maintains that the Attorney General is generally charged by law to be the sole legal adviser, attorney or counsel for all officers, departments, boards, bodies, commissions and instrumentalities of State Government, except as specifically provided by statute. Specifically, this Executive Order addresses legal counsel and advice that was being provided by attorneys employed by the State as staff attorneys working directly for various departments. Since the Attorney General is responsible for all legal advice and counsel provided to the departments and agencies of the State, there were concerns regarding the appropriateness of a department's staff attorneys providing this same type of advice. Executive Order 6 specifically addresses this concern, since the attorneys who were working directly for the departments and providing the types of advice in question have become Deputy Attorneys General, working directly for the Division of Law.

On June 28, 1990 the Division of Law announced its first major reorganization in over a decade. The primary objective of the reorganization was to improve the response time in delivering legal advice to the Division's clients. Additional objectives of the reorganization included:

- Establishing clearer lines of authority;
- Providing greater flexibility in assigning lawyers to cases;
- Improving morale; and

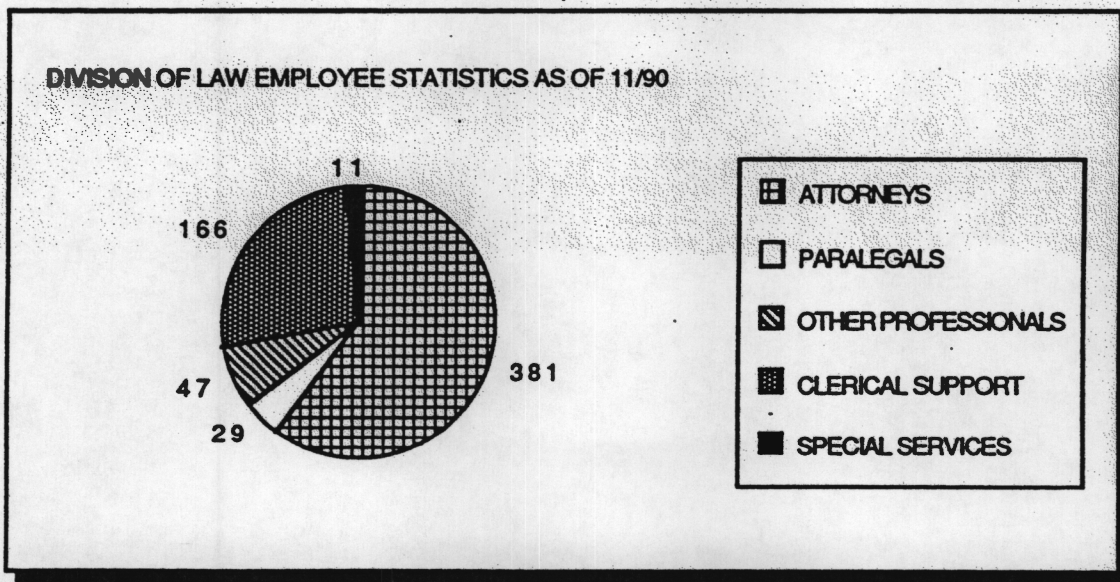
**GOVERNOR'S MANAGEMENT REVIEW COMMISSION  
OPERATIONAL REVIEW OF  
THE DIVISION OF LAW**

- Furthering the professional development of attorneys.

Under the New Organization, the Sections are grouped into four clusters according to the nature of services they provide. Each cluster is headed by an Assistant Deputy Director who reports to the Director of the Division through the Deputy Director.

The reorganization also included the formation of a management committee, a concept commonly used by private law firms. The committee is responsible for formulating policy and establishing subcommittees to address issues such as training, recruitment and the like.

As of November 16, 1990 the Division of Law reported the following employee headcount (i.e. 634 employees) including attorneys transferred under Executive Order No. 6:



In relation to the above Division Attorney headcount and support staff available to support the attorneys' efforts, the Division achieved the following results in FY 1990.

**GOVERNOR'S MANAGEMENT REVIEW COMMISSION  
OPERATIONAL REVIEW OF  
THE DIVISION OF LAW**

<u>Case Status</u>	<u>Number of Cases</u>
Settled/Concluded cases	12,523
Pending Cases	11,004
Open Cases	10,310

In support of their efforts, the Division maintains a Data General information system which provides word processing and electronic office facilities to the administrative and clerical staff. The system is comprised of an MV/20000 Model II located in Trenton at the Richard J. Hughes Justice Complex and a MV/15000 Model 8 located in the Division of Law's offices in Newark. The system is commonly referred to as "DOLIS" (Division of Law Information System).

#### **PROJECT OBJECTIVES**

As a result of the initial project meeting with the Governor's Management Review Commission and the Division of Law, the objectives of the review were established to include the identification of opportunities for improved effectiveness and efficiency as they relate to the the following areas:

- Administrative support provided by: paralegals, legal secretaries, and back-office administration;
- Resource Management (e.g. attorney time keeping)
- Technology applications and other office automation (e.g. case tracking, on-line brief bank);
- Identification of barriers to increased efficiency; and
- Development of the professional and administrative staff.

**GOVERNOR'S MANAGEMENT REVIEW COMMISSION  
OPERATIONAL REVIEW OF  
THE DIVISION OF LAW**

**METHODOLOGY**

The Governor's Management Review Commission established a committee to identify opportunities to improve performance and reduce costs associated with the operation of the Division of Law. The membership included key managers from the Division of Law, Office of the Attorney General and representatives from KPMG Peat Marwick:

- Tom O'Reilly, Administrator, Dept. of Law & Public Safety
- Robert Caccese, Director, Strategic Management Development Group
- Steve Long, Director, Data Processing
- Jenny Healy, Analyst, Office of the Attorney General
- James J. Tuchi, Principal, KPMG Peat Marwick
- Edward Post, Manager, KPMG Peat Marwick
- David Duplay, Consultant, KPMG Peat Marwick

Upon reviewing the project objectives, the Peat Marwick review team determined that structured interviews would be used to gather data. This technique provided the consultants with the information necessary in order to identify issues and concerns that were deemed critical to the operation of the Division.

The review team developed an interview outline which was used as a guide for collecting data related to the following topics:

- Individual Functions/Responsibilities;
- Section Staffing;
- Support Resources;
- Automation/Technology;
- Information Flow; and
- Opportunities for Improvement.

**GOVERNOR'S MANAGEMENT REVIEW COMMISSION  
OPERATIONAL REVIEW OF  
THE DIVISION OF LAW**

KPMG Peat Marwick conducted over 70 interviews to ensure that representatives from each of the sections within the Division had the opportunity to contribute their observations and insight to the review.

Interviews and discussions were conducted at various times with the following management staff:

Robert Del Tufo	Attorney General
Doug Eakley	First Assistant Attorney General
Ken Levy	Former Director, Division of Law
Andrea Silkowitz	Deputy Director, Division of Law

Cluster Chiefs

Jack Sabatino	Assistant Deputy Director in Charge
Robert Stoloff	Assistant Deputy Director in Charge
Alfred Ramey	Assistant Deputy Director in Charge

In addition to the management group members identified above, each of the Section Chiefs participated in the review. Nonmanagement Deputy Attorney Generals from each section were also interviewed during the data gathering phase of the project. Additionally, a number of legal secretaries and paralegals were also interviewed for their insights into the current operation of the Division.

Upon completion of the interview process the review team identified key themes (e.g. Funding, Administrative Support, etc.) that were continually cited during the fact finding phase of the project. These themes were then explored in greater detail in an effort to identify the underlying facts relative to the areas of potential opportunity. Upon obtaining the necessary information the themes were then incorporated in the following section of this report.

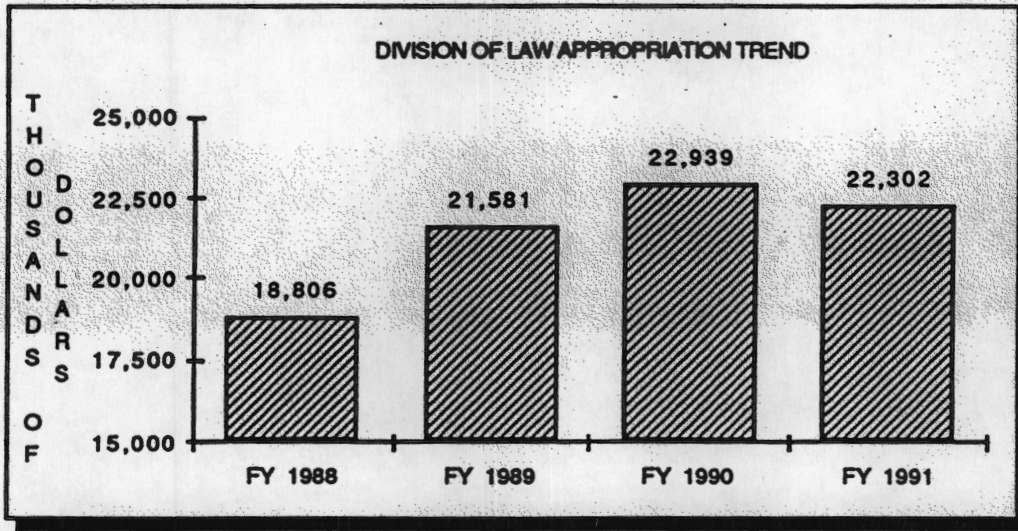
**GOVERNOR'S MANAGEMENT REVIEW COMMISSION  
OPERATIONAL REVIEW OF  
THE DIVISION OF LAW**

**FINDINGS AND OBSERVATIONS**

Upon completing the data gathering phase of the project, the Peat Marwick team identified key themes that had been observed during the interviews. These themes are identified below and are organized by topic.

**FUNDING**

The Division of Law has a complex funding structure which is comprised of a number of component sources. Prior to the implementation of the on-line budget system in 1986, the annual appropriation was the only significant source of funds available to the Division.



With the implementation of the on-line budget system came additional flexibility in transferring funds between the Division and their client departments. This flexibility, in conjunction with increased budgetary pressures, fostered the current practice of Debit/Credit funding for the legal services of the Division. The Debit/Credit process is particularly important since there have been significant budget reductions in recent years which have adversely affected the number of funded attorney positions available to

**GOVERNOR'S MANAGEMENT REVIEW COMMISSION  
OPERATIONAL REVIEW OF  
THE DIVISION OF LAW**

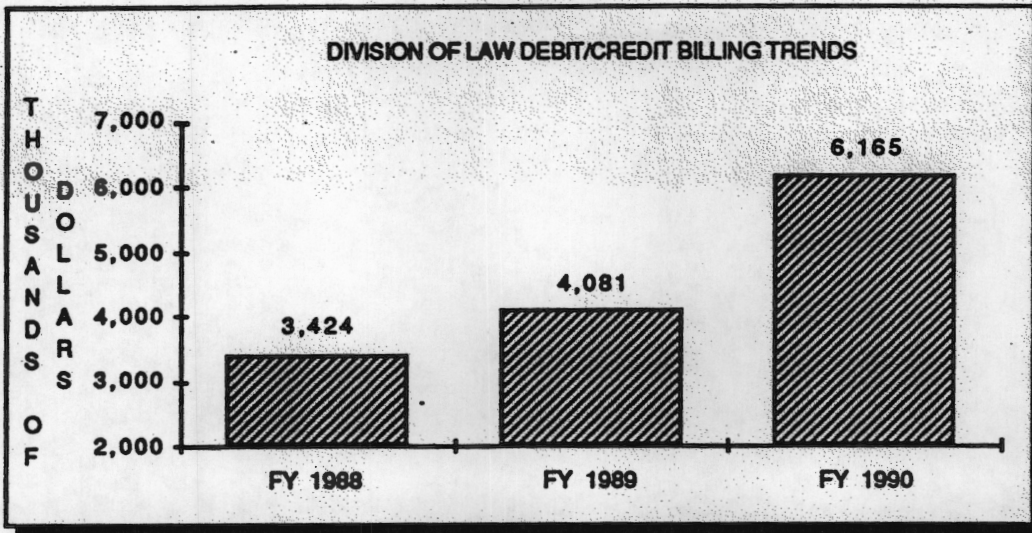
support the Division's clientele. This process has allowed the client departments to retain the services of the Division through the transfer of funds to the Division's budget. There are four types of funding for attorney positions available to the Division, these include:

- **Budgeted/Funded** - Positions in this category are funded through the Division's annual appropriation. These positions have been affected the most by budget reductions in recent years.
- **Budgeted/Unfunded** - These are positions that lack corresponding funding and are supported through the Debit/Credit billing mechanism. The funds are typically from undedicated sources in the client's budget.
- **Small Funding Sources** - Positions in this category represent a mix of both unfunded positions and positions in addition to those identified in the Division's budget. The source of these funds is typically from smaller programs and often for less than a full attorney position (e.g. one half of an attorney full time equivalent).
- **Dedicated Funding Sources** - This category represents the largest group of positions that are funded from sources beyond the Divisions appropriation. The funding sources for these positions are typically driven by legislative and administration initiatives (e.g The FAIR Act, Green Acres, etc.). This category has sustained the largest growth in attorney positions due to the nature of initiatives and availability of funding.

In order to administer these funding sources, a billing procedure was implemented to support the budgetary transfers. The billing process is primarily a manual procedure which is performed quarterly for sections affected by the Debit/Credit funding mechanism. At the end of every quarter bills are prepared based upon the time expended by an attorney working for a particular client. The attorneys rely on

**GOVERNOR'S MANAGEMENT REVIEW COMMISSION  
OPERATIONAL REVIEW OF  
THE DIVISION OF LAW**

their manually maintained records (e.g. legal diaries) for the quarter as the basis of their billing to the client.



Upon gathering this information for all of the attorneys in the Section, the Section Chief forwards the data to the Administrative Section where the bills are prepared.

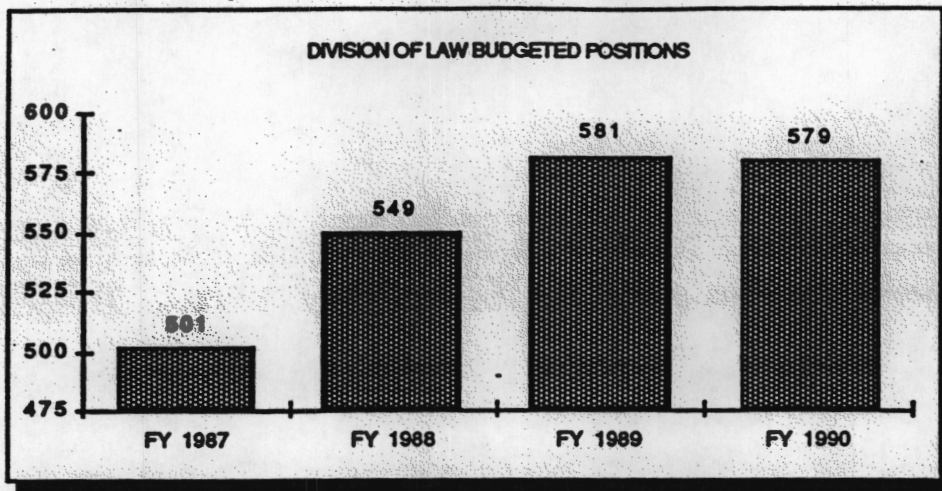
While the Debit/Credit funding mechanism is an essential element in funding the operations of the Division, it is a manually intensive process which is primarily paper driven. Administering and managing this process requires significant resources due to the manual nature of the existing procedures and the large number of funding sources involved. Management information is not readily available since there is no automated system for linking billing and budget transfer information. From an auditability perspective, there is not a consistent set of guidelines regarding the details of a client bill. In some instances the client will perform the detailed accounting based upon a summary billing from the Division, while other clients require a detailed billing to support the budgetary transfers.

**GOVERNOR'S MANAGEMENT REVIEW COMMISSION  
OPERATIONAL REVIEW OF  
THE DIVISION OF LAW**

On the funding side of the equation there are often issues involving the lack of funds after the services have been performed and the client bills created. Since the Debit/Credit process is driven by clients committing resources for legal services at the beginning of a budget year without the obligation of funds at that time, the process is subject to budget shortfalls as the year comes to an end. It is not uncommon for a client to be unable to pay a bill submitted by the Division due to unavailability of funds at the end of the year. This results in deficits in the Division's salary account which must then be resolved internally.

In addition to the administrative issues the Debit/Credit funding mechanism creates some anomalies due to its structure. For instance, in recent years the Division's budget has been shrinking while the number of positions has increased (there were 341 approved attorney positions in July, 1989 and 448 in August, 1990). The increases were primarily in the areas of the Dedicated/Funded positions, while there were decreases in the Budgeted/Funded positions. Since the Dedicated/Funded positions are typically focused on certain initiatives (e.g. FAIR Act, JUA, etc.), the increase in positions was outside the core of the Division's traditional practice areas (i.e. supporting client departments in a variety of matters) and provided no additional resources to support the related caseload. The decrease in the Budgeted/Funded positions had the effect of removing resources from those previously available to address the core services of the Division and effectively increased attorney workload, assuming the same number of cases spread over fewer resources.

**GOVERNOR'S MANAGEMENT REVIEW COMMISSION  
OPERATIONAL REVIEW OF  
THE DIVISION OF LAW**



(Note: Budgeted figures above also include vacant positions.)

While the Debit/Credit funding mechanism provides the Division with additional funding sources, it restricts the flexibility in assigning resources. Many of the departments supporting the Dedicated/Funded positions require specific individuals be used with little latitude for exchanging equivalent resources for a particular case or group of cases. This also fosters a perception of unbalanced workloads, particularly when the ranks of the attorneys providing the core services are being reduced.

### **TECHNOLOGY**

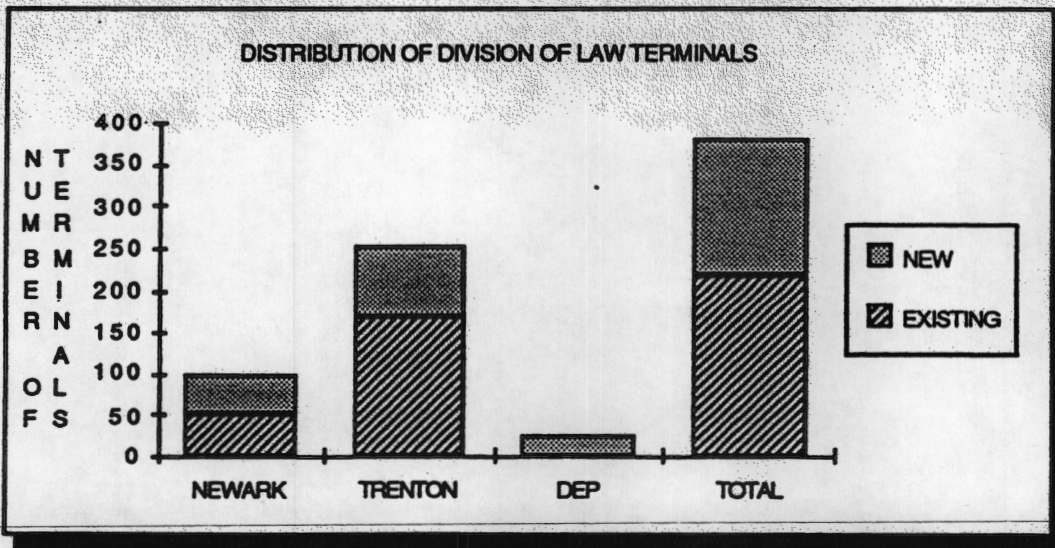
Technology is a critical component in the delivery of quality, timely and effective legal service as well as a necessity for managing and administering a legal practice the size of the Division of Law. While the Division has implemented some technology within the organization, it is not taking full advantage of the available benefits. The Division has fallen behind in terms of the technologies that large law firms are using to support their operations.

At the operational level few attorneys have access to technology (e.g. word processing, brief banks, research databases etc.) to support their day-to-day workload. Many attorneys interviewed

**GOVERNOR'S MANAGEMENT REVIEW COMMISSION  
OPERATIONAL REVIEW OF  
THE DIVISION OF LAW**

indicated that they would prefer to do their own document drafting, however they also noted that there are only a few terminals available for these purposes. This observation is supported by an informal survey which was conducted by the Division in March, 1990, which indicated that over 90% of the attorneys surveyed would like to have access to the Data General Office Automation System or a personal computer. Presently terminals are only available to Division management, Section Chiefs and secretaries.

The Division is, however, making progress in this area with the recent purchase of additional terminals which will be installed in secretarial and attorney work spaces. If the Division is to reap the benefits of these new terminals placed in attorney work spaces, structured training in the use of the system must be provided and focused on the needs of the attorneys. Lack of training was cited by attorneys as one of the reasons they were not using office automation resources even when they were available (e.g. some attorneys had terminals in their offices which they did not know how to use).



In addition to the word processing benefits, the existing electronic mail capability of the Data General system could be further utilized to avoid unnecessary messenger costs and delays when documents

**GOVERNOR'S MANAGEMENT REVIEW COMMISSION  
OPERATIONAL REVIEW OF  
THE DIVISION OF LAW**

resident on the system could be electronically transferred from one location to another (e.g. Newark to Trenton).

Another tool required within the Division is an effective Case Management System. Although the Division currently maintains a system for tracking cases, the system provides little utility for the active management and tracking of cases. The system is primarily used as an inventory for all of the cases and activities handled by the Division. Since the system is described as "user-unfriendly", it has not generated much user enthusiasm which has resulted in people using the system only when required. The status of many cases on the system is not current (e.g many cases remain open on the system long after they have been closed) leading to inaccurate management information. While there are a number of management reports available, most of these are only available in printed form and are not available online. Without an effective system for Case Management the Division will continue to expend additional effort in determining the status of a particular case, identifying which attorney(s) are working on a case, determining how many cases were closed in the previous quarter, etc.

One of the most important functions which has not been automated within the Division is time accounting. Although there were previous attempts at automating this function, none of those efforts remain in place today. The Division desperately needs an automated time accounting system for a variety of reasons including:

- Billing client agencies;
- Capturing the actual hours expended by the Division;
- Supporting the preparation of annual budgets; and
- Managing attorney resources.

With the increasing use of the Debit/Credit funding mechanism, client billing becomes a very significant activity. As previously indicated, the quarterly bills are often prepared based upon an attorney's legal diary or calendar which often results in estimates of effort long after the work was performed. This information must then be manually tabulated and transformed into a client bill with all of the corresponding accounting data necessary to effect the

**GOVERNOR'S MANAGEMENT REVIEW COMMISSION  
OPERATIONAL REVIEW OF  
THE DIVISION OF LAW**

funding transfers. With over 200 funding sources, this process becomes a significant manual effort every quarter and the Division could therefore benefit substantially by automating in this area.

Management information regarding the efforts expended (i.e. in terms of hours worked) by the Division is often difficult or impossible to gather. In many instances this information is required as support for a client bill or for use in determining the current efforts expended on a case. Unless this information is gathered and maintained manually by the Section Chiefs, there is currently no way to accurately obtain management information on hours expended since there is no automated system containing this information. While many attorneys interviewed expressed apprehension about a time accounting system, those that supported the system felt it would be a vehicle to identify individuals who were over or under-utilized due to their workloads.

With the current trend towards leaner government operations there are increasing pressures on the Division's budget and attorney headcount. However, external factors continue to cause the need for legal services to grow year after year creating a dilemma for the Division. The information provided by a time accounting system (e.g. hours worked by client) would be invaluable in establishing priorities and justifying the need for a certain level of attorney resources necessary to support their client's legal needs in the future. Currently, this information must be manually extrapolated from a variety of sources of information.

Many of the existing Debit/Credit agreements with client agencies provide the Division with little flexibility in assigning attorney resources. This is due in part to the client's request for a certain individual to provide the desired legal support to their agency. While in some cases this is unavoidable, the Division is looking to move away from these agreements and towards committing resources in terms of full time equivalents (FTE's). In order to accomplish this objective a mechanism for detailing the Division's services to the client is required. Again, the time accounting system would support this objective since it would be used to

**GOVERNOR'S MANAGEMENT REVIEW COMMISSION  
OPERATIONAL REVIEW OF  
THE DIVISION OF LAW**

capture the attorney's time related to a particular client and subsequently report the information to the client.

The Division has been making progress in the area of a new time accounting system. With the assistance of the Department of Law and Public Safety's (DLPS) Data Processing organization, the Division had developed a preliminary design of a system to meet their time accounting needs. This design was then used as the basis for reviewing commercial legal time accounting/case management software products currently available on the market. Upon review of some of these products currently available on the market. Upon review of some of these products the decision was made that the needs of the Division of Law were unique enough to warrant a custom developed system. Modifying a commercial package was ruled out due to the magnitude of changes required to meet the Division's requirements. Subsequently, the DLPS Data Processing organization has begun the development of a prototype time accounting system which is currently being piloted within selected sections of the Division. The current plans call for modifying the prototype based upon user comment and feedback and subsequently developing the time accounting system on the Division's Data General System.

**ADMINISTRATIVE SUPPORT**

Effective administrative support is an essential element in the smooth operation of any law firm. While there are many facets of administrative support, one of the most important factors is leveraging attorney time through the use of paralegal support. Currently, paralegals are applied in many sections throughout the Division. However, the levels are disproportionately low when compared to the private bar. As indicated in the headcount statistics included earlier in the report, the Division employed 381 attorneys and 29 Paralegals/Legal Clerks as of November 16, 1990 or a ratio of attorneys to paralegals of approximately 13 to 1. This is considerably less than the average 4 to 1 ratio maintained by many of the large private law firms. Many of these firms are using paralegals to performs tasks once reserved for associates such as

**GOVERNOR'S MANAGEMENT REVIEW COMMISSION  
OPERATIONAL REVIEW OF  
THE DIVISION OF LAW**

researching facts, analyzing documents, checking cites and drafting certificates and pleadings.

One of the motivating factors in the increased utilization of paralegals in the private bar has been the increasing client sensitivity towards fees, forcing firms to look for ways to bill at lower rates. The Division is faced with a very similar scenario and could benefit substantially by increasing the number of paralegal resources in order to address the ever increasing workloads. For many tasks this would mean having a resource at a substantially reduced cost performing at the same level as a junior attorney.

With the increased utilization of paralegals comes the correspondent demand for resources in the market place which has resulted in higher salaries for these para-professionals. In some major metropolitan areas (e.g. Dallas), starting salaries, including bonus and overtime, for paralegals exceed \$35,000. Although it would be difficult to compare these markets with Trenton and Newark, it should be noted that the current salary cap for the paralegal Technician 1 title is \$35,809. Throughout the interview process many attorneys expressed concern regarding the Division's ability to attract paralegals to the public sector due primarily to the disparity in compensation levels. This point was emphasized by attorneys in the Newark office who cited the number of large law offices in the area as well as the proximity to New York City as factors in recruiting and retaining paralegals.

A probable symptom of the high ratio of attorneys to paralegals is the extent of clerical and administrative work performed by attorneys. In many cases, the only administrative support an attorney has is his or her secretary. Under the current structure one secretary must support two or more attorneys. Since the majority of attorneys have no means of drafting their own documents, they rely solely on their secretaries and the word processing pools for typing support. Since there is frequently a backlog of typing, there is little time left for the secretary to perform other necessary clerical and administrative tasks such as filing, copying, messengering, etc. Therefore the attorneys must perform these tasks if they are to be completed in an expeditious manner, which is

**GOVERNOR'S MANAGEMENT REVIEW COMMISSION  
OPERATIONAL REVIEW OF  
THE DIVISION OF LAW**

often a requirement in the legal environment. This situation obviously results in the ineffective application of resources and has a detrimental effect on both productivity and morale. It seems that some of these issues could be remedied through a few quick fixes (e.g. additional copying resources, in-house messengers and fax machines) however, the crux of the issue centers around the current need for the secretaries to draft and modify documents. If attorneys had the ability to draft and edit documents on-line, much of the secretaries time could be freed to perform other necessary tasks, allowing attorneys to focus on their case work.

***ATTORNEY DEVELOPMENT***

The Division of Law's primary resources are its attorneys. Cultivating these resources is an essential element in maintaining a high caliber legal services organization. While the Division has implemented programs for attorney development in the past, there are other initiatives which could yield significant benefits in terms of improved morale and productivity.

There is currently a system in place for recognizing attorney performance. The system provides for monetary merit increases based upon Division guidelines. Once a merit increase is proposed and approved by the Office of the Attorney General it is forwarded to the Department of Personnel for review and approval by the Salary Advisory Commission (SAC). The process as it currently exists seems to be breaking down somewhere along the line. This is manifested by the number of merit increases that have not been acted on by the SAC in a timely manner. In some cases merit increases have been tied up in the process for over a year. However, the norm is closer to four to six months. This is an exceptionally long waiting period when you consider that many of the increases are not approved by the SAC. While the Division recognizes the State's financial situation, these delays in determining the disposition of salary increases have a significant impact on attorney morale and turnover.

In conjunction with the issue of merit raises, attorney compensation was also explored, in particular, the disparity in compensation

**GOVERNOR'S MANAGEMENT REVIEW COMMISSION  
OPERATIONAL REVIEW OF  
THE DIVISION OF LAW**

levels between the Division and private practice. This disparity was highlighted by recent articles in both New Jersey and National Law Journals detailing starting salaries in 1990 for associates at major firms. The study indicated that the average starting salary for an associate in 1990 was in excess of \$60,000 in New Jersey. The starting salary for an entry level Deputy Attorney General (i.e. DAG 5) was approximately \$33,000. This enormous gap in starting salaries affects the Division's ability to attract attorneys since they are competing for the same pool of resources with firms in private practice. While it is clear that the Division will never compete on a dollar for dollar basis with private practice, a differential in compensation approaching 100% for entry level attorneys certainly warrants attention if the State is to maintain a high caliber legal services organization.

A component part of an attorney's performance review should not only include the evaluation of their day-to-day performance over the review period, but should include an evaluation of their accomplishments as they relate to the advancement of their professional careers. Many of the attorneys interviewed indicated that they were unaware of any formal requirements for advancement within the organization. While they understood what was required of them on a daily basis, they could not identify the criteria for promotion within the Division. The Division should explore the implementation of an attorney development program which would formalize the process of attorney performance objectives and professional development objectives (i.e. training).

Since continuing professional education is a necessary element in the development of an attorney's career, the Division should explore ways of providing this training within the organization. Some of the attorneys interviewed indicated that they were reluctant to enroll in legal seminars since they are often not reimbursed by the Division for the costs incurred. A similar scenario was described relative to membership in certain legal organizations to which many of the Division's adversaries belong. While it would not be economically feasible to fund the costs for every training seminar and membership requested by an attorney, some middle ground should be established to facilitate the development of the Division's

**GOVERNOR'S MANAGEMENT REVIEW COMMISSION  
OPERATIONAL REVIEW OF  
THE DIVISION OF LAW**

resources. With a legal organization the size and stature of the Division, there should be many avenues available for obtaining training and memberships at reasonable costs. If these arrangements currently exist, it appears that much of the Division's staff are unaware of their existence and potential benefits.

**GOVERNOR'S MANAGEMENT REVIEW COMMISSION  
OPERATIONAL REVIEW OF  
THE DIVISION OF LAW**

**RECOMMENDATIONS**

The recommendations that follow are organized by topic in the same manner in which the Findings and Observations were presented. The objectives of this review are to identify opportunities for improvements in operational efficiency and effectiveness. During the interview process and throughout the review of the information that was gathered, many obvious recommendations surfaced. While the obvious recommendations can be considered elementary, some of the factors contributing to the underlying problems are complex and long standing. While these recommendations, if implemented, will achieve the objectives of this review, they do not provide the multi-million dollar savings that are achievable in other areas within the State. However, these recommendations will better position the department for future growth, through better leverage of attorneys and more effective application of technology.

**FUNDING**

- The establishment of a revolving account, similar to the OTIS revolving account, should be explored as a means of funding the operations of the Division. This would be particularly helpful in terms of gaining funding commitments at the beginning of a fiscal year. This would aid in alleviating the current problems frequently encountered when client agencies are unable to pay for the Division's services out of budget reserves as the year progresses.
- A standard billing rate structure for attorneys and paralegals should be actively explored. Standard billing rates would greatly simplify the client billing process, particularly if supported by a time accounting system. This would also eliminate the need to go through the tedious cost allocation process each time a client bill is formulated. Standard billing rates which include allocated support and administrative expenses could be established once at the beginning of each fiscal year and could be organized according to DAG titles.

**GOVERNOR'S MANAGEMENT REVIEW COMMISSION  
OPERATIONAL REVIEW OF  
THE DIVISION OF LAW**

**TECHNOLOGY**

- The selection and implementation of a time accounting system should be actively pursued, as this will be an integral component in detailing the efforts put forth by the Division. This information is essential in order to make management decisions regarding the deployment of available resources and for developing future year budget requests and projections.
- Access to legal information developed within the Division, primarily legal brief and case information, must be centrally available to all attorneys. This could best be accomplished through an automated system focused on this type of information. Current efforts to select and obtain a system of this nature should be actively pursued, as this type of information is a high priority with many of the attorneys who were interviewed. Additionally, this system has the potential for optimizing attorney efforts when drafting new briefs, since an automated system could be queried on a variety of criteria for any pertinent briefs already in existence.
- Additional access to the office automation system must be provided to the attorneys. While the concept of providing a pool of centrally located terminals may prove to be a cost effective means of delivering this capability, many of the attorneys interviewed require the facilities of their offices (i.e. telephone, files, etc.) in order to conduct business. Optimally, terminals should be made available in the offices of those attorneys who prefer to draft their work on the system.
- Telephone configuration and procedures should be examined to optimize both attorney and secretary time. Given limited secretarial resources, an automated voice messaging system could significantly leverage secretarial time, shifting time spent answering telephones to time spent supporting the attorneys' workload.
- Mechanisms to aid in balancing the workload of attorneys need to be explored. There is a perceived imbalance in the workloads

**GOVERNOR'S MANAGEMENT REVIEW COMMISSION  
OPERATIONAL REVIEW OF  
THE DIVISION OF LAW**

of attorneys working in certain sections compared to others. While this is inevitable to some extent, it appeared to be extensive in certain instances. This situation was cited as leading to poor morale and, in the worst cases, to the loss of a valued attorney.

**ADMINISTRATIVE SUPPORT**

- The level of paralegal support must be increased substantially from current levels in order to leverage the Division's attorneys. This could be accomplished by trading vacant attorney positions for paralegal positions and seeking Department of Personnel support to establish these positions in the unclassified service.
- Increased emphasis should be placed on training attorneys in the capabilities and use of the existing Office Automation System. This could eliminate some of the redundant efforts taking place today, since attorneys could draft a document directly on the system as opposed to dictating or writing in long-hand.
- Additional messengering capabilities (i.e. both physical and electronic (FAX)) must be added to support the effective flow of information from the Division to its clients and the courts.

**ATTORNEY DEVELOPMENT**

- Attorney recognition for a job well done should not be limited to the annual attorney review. Some mechanism for recognizing the efforts of the attorneys on a regular basis (quarterly) should be implemented to aid in motivating these professionals and maintaining morale.
- The initiatives relating to timely increases in attorney compensation levels should continue to be actively pursued. Based on information gathered during the interview process, this appears to be an issue which is impacting attorney morale and ultimately resulting in the turnover of valued personnel.

**GOVERNOR'S MANAGEMENT REVIEW COMMISSION  
OPERATIONAL REVIEW OF  
THE DIVISION OF LAW**

(Note: There has recently been significant progress in providing timely merit increases to attorneys within the Division of Law. The Attorney General now has the authority to approve all DAG merit increases; the process no longer requires the review of the Salary Adjustment Commission (SAC). This should eliminate many of the delays that were previously associated with merit increases and should have a positive affect on morale throughout the organization.)

- Deputy Attorney General compensation levels must also be reviewed in relation to those available in the private bar. Although it is unlikely that the Division will ever compete directly with the private bar in terms of compensation, the disparity cannot be so great that it will discourage all but the most civic-minded lawyers from joining the Division.

**GOVERNOR'S MANAGEMENT REVIEW COMMISSION  
OPERATIONAL REVIEW OF  
THE DIVISION OF LAW**

**CONCLUSION**

The Division of Law has undergone many changes since its inception in 1948. There has been significant growth in the number of attorneys, areas of specialization and corresponding case loads. Throughout this period the Division has continually met the challenge of addressing the increasingly litigious environment on both the civil and criminal fronts. As illustrated in the findings and observations of this report, the Division is once again faced with some unique challenges, as are most agencies within the State. However, the argument could be made that some of these changes affect the Division of Law in a somewhat different manner. Many of the findings appear to be symptoms of a complex issue related to departmental funding in contrast with organizational objectives.

Many of the observations relate to insufficient professional and administrative support. These levels of support become increasingly important as workloads grow. The growth in workloads can be attributed to a number of factors including:

- Legislative initiatives (i.e. FAIR Act, Environmental Protection);
- Departmental programs initiated and terminated; and
- An increasingly litigious environment.

Although these factors are out of the direct control of the Division, they contribute directly to the day-to-day case load. Budget reductions in some other agencies of State government have a different effect than in the Division of Law. In many agencies reductions in funding result in reductions or the elimination of the service. ~~Reductions in the Division of Law result in fewer resources available to address an ever increasing case load.~~

While the recommendations identified in this report will yield genuine results in terms of operational effectiveness and efficiency, the State must look closely at the relationships and the services the Division of Law provides to its client agencies. It would be difficult

**GOVERNOR'S MANAGEMENT REVIEW COMMISSION  
OPERATIONAL REVIEW OF  
THE DIVISION OF LAW**

to project significant long-term improvements to the current scenario, that is, increased workloads and decreasing resources, without some change in either the methods of client-funded positions or the extent of services provided to the client agencies.

In many instances the Division is responding reactively to emergent matters and, in general, defending the State's interests. In these situations there is no choice but to become involved in a case. On the other hand, the State often takes the proactive posture of pursuing actions against parties who are in violation of State laws and policies. It is in this area where cutbacks can be the most detrimental since stepped-up prosecutions could be considered discretionary. Additionally, these are the cases which most frequently yield monetary rewards to the State Treasury. Given this situation, it would be beneficial for the State to explore in detail how to get the most value out of an important resource (i.e. the Division of Law). This can only be done by looking at the services being provided to each of the departments and making a determination regarding the merit of continuing to perform the current level of service.

As expressed in interviews with some of the Division's Section Chiefs and management, the Division is chartered to be the legal counsel for their client agencies addressing all matters and issues arising from that client. While this objective has been achievable in the past, it will be difficult for the Division to provide the same level of service in the years to come. The Division will need to become selective in terms of the cases it will pursue, given increasingly limited resources. These decisions can only be made at the highest levels of State Government both within the Division and in conjunction with the client agencies.