

Attorney General's Office

FY 2024-25 Biennial Budget Change Item

Change Item Title: Operating Budget Adjustment

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures				
Revenues	12.676	12.676	12.676	12.676
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	12.676	12.676	12.676	12.676
FTEs	32	32	32	32

REQUEST:

The Office of the Minnesota Attorney General (AGO) respectfully requests an ongoing operating adjustment in the amount of \$12.68 million for FY2024 and 12.68 million FY2025. This will allow the AGO to attract and retain the best talent, ensure that we have sufficient administrative as well as legal staff to fulfill the Office's duties to serve, and to modernize our information technology infrastructure as part of our years-long effort to rebuild the Office.

RATIONALE/ BACKGROUND:

Over the past three decades, there has been a dramatic lack of investment in the Office of the Minnesota Attorney General. When adjusting for inflation, the base funding for the AGO has been in decline for decades. In fact, the FY 2024-25 base funding is only 65% of what it was 30 years ago, in FY 1994-95.

Biennium	Base Funding for AGO (not adjusted for inflation)	Base Funding for AGO (adjusted for inflation)
FY 1994-95	\$39.980 million	\$80.395 million
FY 2004-05	\$45.118 million	\$71.179 million
FY 2014-15	\$42.142 million	\$53.050 million
FY 2024-25	\$52.376 million	\$66.685 million

And yet, in that time, Minnesota's population has grown in number and diversity. Society has become more complex and more litigious. The challenges that all Minnesotans face in affording their lives and living with dignity, safety, and respect are more daunting by the day. We must close the gap between those challenges and the resources of the Attorney General's Office to help Minnesotans meet them. Moreover, during Attorney General Skip Humphrey's tenure, the AGO employed over 500 staff. Currently the number of AGO employees is approximately 340. It is not possible to do the work of the people of Minnesota today with less than two-thirds the capacity of 30 years ago. This adjustment will make significant progress in rebuilding and modernizing the Office, creating a 21st Century attorney general's office, to best fulfill our duties to serve the State.

This adjustment will allow the AGO to:

- Meet salary requirements to attract and retain talent in a cost-effective manner while maintaining excellent service to the State
- Ensure that the AGO has sufficient staff on both the administrative and legal sides to effectively serve the State
- Update and modernize necessary IT infrastructure

The recurring annual funding adjustment request of \$12,676 million increases the AGO general fund appropriation from \$26.188 million to \$38,864 million, a 48.4% increase in current base funding. However, it is only a 1% increase from the FY 1994-95 inflation-adjusted base funding.

General Operating Expenses

SALARY INCREASES

We are requesting a significant salary adjustment “catch up” and return AGO salaries to competitive parity with other large County Attorney offices in Minnesota to retain talented attorneys and legal assistants instead of losing them to higher paid similar positions in county attorney or U.S. Attorney offices. While the Legislature passed initial cost of living adjustments for Attorney General's Office staff in 2019 and 2021, the Office still struggles to not only match the salaries offered to staff, especially attorneys, at other comparably sized public law offices (Hennepin and Ramsey County), but also has seen our salaries continue to fall further behind. In fact, the gap in salary parity in 2018 was 8% and in 2021, it has grown to 10%. This disparity — which does not take into account the even greater disparities in salaries between the Office and the U.S. Attorney's Office (currently a 27% difference) or in private law firms — is an impediment to serving the State and the people of Minnesota at every step: in hiring, in retention, and in promotion. It poses a particular, predictable, and repeating challenge to attracting, retaining and promoting highly skilled, trained, and motivated attorneys at every point in their careers because the Office is unable to match salaries they can command at other public and private law offices. The Office, the State, and Minnesotans suffer the loss of investment in years of training and experience over and over again as our greatest resources — our staff and attorneys — take their expertise gained at the AGO to another office that pays more, only to be replaced by often less-experienced attorneys, and the cycle repeats itself. We request \$6,014,946 to create competitive parity and close the gap between the legal staff of the AGO and the staff of Hennepin and Ramsey County.

SUFFICIENT STAFF TO SERVE MINNESOTANS

Administrative Staff Needs

The capacity of the administrative, non-legal side of the Attorney General's Office to meet the growing complexity of enforcing the law, assisting county attorneys, serving State agencies, protecting Minnesota consumers and helping them afford their lives has always been tight, and has continued to steadily worsen over time, due primarily to no increase in the Office's General Fund appropriation for three successive biennia until 2019. Significantly, it has not kept pace with the more recent growth in the Office. While employees of the Office are very resourceful and continue to serve their colleagues well, the capacity of critical internal administrative functions such as policy, communications and outreach, information technology, human resources, and finance to meet the needs of the Office are stretched beyond their limits. As we rebuild the Office to better serve Minnesota, additional employees are needed in the following areas:

Policy, Communications, and Outreach

Minnesotans will be better served by enhancing the policy, communications, and outreach functions of the Office. The two current policy staff are far fewer in number than the Office's policy staff of the 1980s and 1990s, yet the law has become exceedingly more complex since then. Policy staff are tasked with tracking all changes in State and federal law that affect the Office and our ability to serve our clients and the people of Minnesota, and for identifying and proposing statutory changes that improve the Office's ability to do so. On behalf of the most vulnerable Minnesotans, a wide range of consumer protection initiatives — including pharmaceutical drug pricing, elder abuse, worker protections, tenant protections, charity regulations, and more — need immediate attention. Policy staff are also responsible for being in regular communication with legislators and policy colleagues in State agencies and the Governor's Office. Additionally, policy staff are responsible for various large-scale, complex projects, such as the recent effort of communicating with and convening numerous state and local stakeholders to reach agreement to maximize and equitably distribute more than \$300 million dollars awarded to Minnesota in the opioid litigation settlements.

Only two full-time staff currently run the communications and outreach function in the Office, a number far lower than in Attorney General offices of comparable size around the country. They are tasked with all external communication, including to news media and directly to the public, and all internal communication to staff and other government partners. Additionally, they lead outreach to communities to provide education about state laws and protections and resources for consumers, tenants, workers, ratepayers and more, across the state. Outreach staff are often the first to hear about predatory issues such as predatory college recruitment, price gouging, wage theft or telecommunications rip-offs. By increasing outreach we can better inform individuals and communities to prevent problems from growing and use our legal teams to stop them if they are already underway. Like policy staff, communications and outreach staff are also responsible for coordinating their work with communications staff in state agencies and the Governor's office, as well as in Attorney General offices around the country, and a variety of outside partners. The policy, communications and outreach functions of the Office require enhancements to handle the increasing complexity of the work of the Attorney General's Office and to contribute to a 21st-century Attorney General's Office that fully meets the needs of its clients and Minnesotans. The AGO requests 1 policy FTE and 2 communications and outreach FTEs.

Information Technology

Technology modernization is imperative to keep pace in the legal world. Due to decades long disinvestment of the AGO, IT needs had been an afterthought. Outdated equipment with patchwork approaches is no longer acceptable for the safety and security required of this area of the Office. This administration has taken a thoughtful, intentional approach to rebuilding the Office's systems needed with a keen focus on security for sensitive data. To build the team needed to modernize, implement and maintain our systems, the following FTEs are required. The AGO requests funding for the creation of a full-time Chief Information Officer (CIO). The CIO will be responsible for developing an office-wide IT, data privacy, and cybersecurity strategy for the AGO. The AGO is subject to several federal and state data security requirements because of the data it receives from state agency clients and members of the public. This role will manage the policies, procedures, and budget for technology at the AGO. This also includes a request for one FTE Business Analyst. The IT Business Analyst will oversee assessing information technology systems and making suggestions for how they can better meet business needs. Their duties will include refining the roles and responsibilities of IT professionals on the team, creating implementation requirements, and developing IT plans with stakeholders. A supervisor to help in the delegation of responsibilities, assist in training staff, fill the gap between the administrative work of the manager and support the team is also required. A Cloud Engineer will help us migrate our on-premise applications to the cloud. To round out the team, two positions in Infrastructure (Cloud technology and

network administrator) and one in Development (database maintenance) are also needed. The IT division requests 7 additional FTEs.

Human Resources and Finance

The Human Resources (HR) staff to employee ratio within the Attorney General's Office (AGO) is less than 1 (HR staff/total staff). This is well below the ratio for other state agencies and any recommended ratio from any reputable source. Data collected from cabinet level agencies in 2018 shows a ratio of 1.85. Bloomberg BNA's HR Department Benchmarks and Analysis report from 2021 recommends the ratio at a minimum of 1.4 and the Society for Human Resources (SHRM) Workforce Analytics report from 2018 recommends an average ratio of 2.57. The historic role of HR was always understaffed within the AGO and included administrative tasks that dominated the role. This administrative work has been shifted to administrative staff and the AGO has been rebuilding and developing an HR department that meets the needs of our Office. Our currently understaffed HR department cannot support our 340 staff through the complete cycle of employment from strategic recruitment, supportive onboarding, salary equity, employee development, leave management, workforce planning, compliance, policy, labor relations, diversity, equity, inclusion, accessibility, and more. To continue to build our office, 1 additional full-time professional is needed for this work.

Currently the AGO finance team consists of 6 employees, currently supervised by our Director of Administration (DOA). Not only is the DOA responsible for strategic planning, budgeting and reporting, but also has taken on the role of overseeing the finance team, plus routine tasks that could instead be performed by a supervisor. A full-time day-to-day supervisor of the finance team is needed to oversee finance projects, assign duties, train and cross-train as well as to coach employees, freeing up our DOA to fulfill their higher level duties, as part of our right sizing our finance team. The AGO requests 1 FTE for our finance team.

Security Guard

In the current political climate, government buildings face many real, targeted threats including bombings, sabotage, unlawful entries, threats of violence to staff, and theft. The safety of staff and visitors, as well as the security of important government and legal documents are of paramount importance. For this reason, addressing Office physical security with the addition of 1 FTE security officer is an imperative operational requirement.

Chief Diversity Officer

The Minnesota Attorney General's Office has a clear mission: we help Minnesotans afford their lives and live with dignity, safety, and respect. By hiring a full-time Chief Diversity Officer our Office will demonstrate our commitment to diversity, equity and inclusion. By developing Office-wide strategies, policies and training, we will not only further diversify our workforce to mirror Minnesota's demographics from a variety of ethnic, economic, and social backgrounds, but also will increase retention of our talented workforce. In turn, Minnesotans and our client stakeholders will benefit from increased productivity, continuity of expertise and from a variety of perspectives. The AGO requests 1 FTE for a Chief Diversity Officer.

Training Coordinator

The Attorney General's Office requests funding for a full-time position dedicated to staff training and professional development. Our research reflects that formal in-house training programs are a common element of law firms' professional development and training efforts. Programs are typically designed to help employees develop and maintain core competencies such as trial advocacy, deposition skills, and legal writing for litigators, or documentation and drafting techniques for transactional staff. In addition to

these general skills, most programs also offer practice-area specific training. Currently, staff volunteers plan trainings. A dedicated staff member who would engage with stakeholders across the office to plan, develop, coordinate, and implement quality skills-based and leadership development trainings would be immensely beneficial to staff development, and consequently, to the level of service AGO employees provide to the State. We request 1 FTE to serve as a training coordinator.

Legal Staff Needs

Charities Division

The Office requests additional staff to increase the capacity of our Charities division to better uphold its statutory duties. The Minnesota Attorney General's Office is the primary regulator of charitable interests in Minnesota. The Legislature has mandated that the AGO supervise, regulate, and enforce Minnesota laws governing charitable interests. Currently, the Charities Division has only 6 attorneys and 3 financial analysts dedicated full-time to overseeing nearly 15,000 regulated entities, assets, and activities. Charities Division attorneys and analysts divide their time between review and compliance matters and investigation and enforcement work.

The current regulatory landscape points to the increased need to further strengthen the Charities Division. For example, recent legislative efforts have sought to increase restrictions on nonprofits that receive state funding in light of oversight concerns. Further, the IRS has been substantially diminished in recent years, leaving state AGOs as the only regulators dedicated to ensuring the proper use of charitable assets. For these and other reasons, independent leaders in the non-profit sector like the Minnesota Council of Nonprofits have publicly supported increased resources to the Charities Division.

With respect to the Division's registration function, Minnesota law requires charitable interests to register and file annual reports with the Attorney General's Office. The Division currently has more than 12,000 soliciting charitable organizations, more than 2,600 charitable trusts, and more than 300 professional fundraisers registered. These entities collectively hold tens of billions of dollars of assets. In fiscal year 2022 alone, the Division deposited \$808,205 in registration-related fees into the State's general fund.

With respect to its oversight role, the Charities Division reviews for compliance multiple filings and notices from charitable interests. These filings and notices can involve complex and labor-intensive transactions, such as HMO mergers or the sale of hospitals. For charities and professional fundraisers, the Division reviews the tax returns, financial statements, and other registration documents from its thousands of registered entities for financial misuse, solicitation fraud, and other violations.

For its enforcement role, the Charities Division conducts informal and formal investigations into complaints and other allegations of fraud, misuse of funds, breaches of fiduciary duties, and other wrongdoing by regulated entities. Depending on the circumstances, investigations are resolved through a spectrum of remedies, from formal enforcement actions and litigation to voluntary education and compliance efforts. Funding of this proposal will build and increase the capacity of the office to protect donors and charitable assets in the state of Minnesota, and meet the AGO's duty to enforce Minnesota's charities' laws. Increased resources will result in an enhanced ability to initiate more investigations of violations of Minnesota charities and nonprofit law and bring increased law enforcement actions to seek remedies for violations. The Office requests 5 FTEs for its Charities Division.

Wage Theft Unit

In 2019, the Legislature enacted a wage theft law strengthening Minnesota's legal protection for workers. As part of this law, the Legislature expressly recognized that the Attorney General's Office had authority

to investigate violations and bring lawsuits to enforce Minnesota's wage and hour laws, Minn. Stat. §§ 177.45, 181.1721. At that time, however, the Legislature did not provide the funding to the Attorney General's Office to exercise the authority expressly given. Nevertheless, the Attorney General created a Wage Theft Unit to do this enforcement work initially with initial support from the Department of Labor and Industry and subsequently with support from the legislature for a 2-3 FTE Wage Theft Unit. We seek additional funding because there are more investigations and cases than our initial funding and staffing can manage. Additionally, there is broad support to assist workers, especially front-line and low-wage workers, in receiving every dollar they have earned. Given the initial limited resources, the Unit is very small, only one attorney and one investigator.

Since its creation, the Wage Theft Unit has opened dozens of investigations (not all are public at this time). A sample of the public cases include Madison Equities (hourly workers not paid overtime), Biltwell Restaurant and Bartmann Cos. (more than \$230,000 in backpay and unpaid overtime to restaurant workers), Loving Care Home Services (approximately 60 home health and nannies paid \$40,000 in backpay and overtime), Shipt (misclassification of employees as independent contractors), and Vikings Lakes subcontractor (obstruction of DLI's wage theft investigation). This proposal for increased wage theft enforcement would build and increase the capacity of the office to protect low-wage workers and meet its duty to enforce Minnesota's wage theft laws. Increased resources will result in an enhanced ability to ensure Minnesota employers are fairly competing with one another, initiate investigations of wage theft in Minnesota, and bring increased law enforcement actions to seek remedies for violations of state law. This will result be beneficial for Minnesota's vulnerable and low-wage workers and ensure a more fair and competitive labor market exists in the State. In addition, increased staffing should have an impact on recovery of damages and civil penalties by the state. The amount and timing of these expected revenues for the state are uncertain, so they are not reflected in the fiscal impact summary at the top of this change item. Nevertheless, funding of this change item does increase the ability of the State to seek and recover this revenue. The Office requests 3 FTEs for its Wage Theft Unit.

Antitrust Unit

The Minnesota Attorney General has authority to enforce both state and federal antitrust laws, which protect the marketplace and benefit consumers and businesses by maintaining competition. Antitrust laws are a critical piece of Minnesota's consumer protection framework. Rather than picking winners or losers among businesses, antitrust laws are designed to protect *competition*, allowing the marketplace to deliver superior goods and services to consumers at a higher quality and a lower price than a market without competition. Vigorous enforcement of antitrust laws is even more important in today's global economy. For example, a recent report by the U.S. House of Representatives about the dominance of Apple, Amazon, Google, and Facebook argued for more enforcement of antitrust laws to protect competition, improve innovation, and safeguard our democracy.

The Office of the Minnesota Attorney General currently has a small antitrust division with only 2.5 FTE attorneys. The Antitrust Division continues to focus its resources particularly on issues of importance to farmers, the agricultural sector, and rural Minnesotans. Although details of some of the Division's investigations remain confidential and non-public, the matters involve important aspects of the livestock industry and other agricultural products of importance in Minnesota. In one matter in September 2022, Minnesota joined the Federal Trade Commission and nine other states in a lawsuit against pesticide manufacturers Syngent and Corteva for using "loyalty programs" to suppress competition from generic manufacturers. The Office seeks relief on behalf of Minnesota farmers. Additionally, Minnesota and a coalition of states and territories have filed three complaints against a variety of generic-drug manufacturers and pharmaceutical companies. All three of the complaints allege that the defendants violated state and federal antitrust laws by conspiring to fix prices and allocate markets for more than 180 generic drugs.

Lastly, Minnesota and other states have filed a complaint alleging that manufacturers of the opioid addiction-treatment drug Suboxone violated state and federal antitrust laws by moving consumers from a tablet form of Suboxone to a film form to stifle generic competition.

Funding of this proposal will build and increase the capacity of the office to protect consumers and meet its duty to enforce Minnesota's antitrust laws to protect competition in the State of Minnesota. Increased resources will result in an enhanced ability to initiate investigations of anticompetitive conduct in Minnesota, and increased law enforcement actions to seek remedies for violations of state and federal law. This will result in increased enforcement of antitrust laws and be beneficial for Minnesota consumers and the economy of the state. In addition, increased staffing should have an impact on recovery of damages and civil penalties by the state. The amount and timing of these expected revenues for the state are uncertain, so they are not reflected in the fiscal impact summary at the top of this change item. Nevertheless, funding of this change item does increase the ability of the State to seek and recover this revenue. The Office requests 2 FTEs for its Antitrust Unit.

Postconviction Justice Division

The Postconviction Justice Division was created during FY2022 with initial support from the Department of Justice, the Minnesota Department of Health, and private philanthropy to carry out two important initiatives to seek justice for persons who have been convicted of crimes in the past. First, the Division seeks to identify cases in which a wrongful conviction may have occurred. Second, the Division seeks expungements to mitigate the collateral consequences of past criminal convictions for persons who have served their sentences and rehabilitated themselves.

The Postconviction Justice Division houses Minnesota's first-ever Conviction Review Unit ("CRU"). A CRU is an independent unit within a prosecutor's office with a mission to identify, remedy, and prevent wrongful convictions. Most CRUs throughout the country are housed in the office of a single-jurisdiction prosecutor, like a county attorney. Minnesota is one of several states that have developed a statewide CRU, giving it the ability to review cases in any county in the state.

The CRU has an application process to allow persons with a credible claim of actual innocence to request review of a conviction. For cases accepted for review, the CRU will conduct a comprehensive, non-adversarial review of the evidence in the case, in cooperation with both the applicant's counsel and the prosecuting attorney. The CRU review is an extrajudicial process, meaning it occurs outside of the court system. The CRU operates independently from the prosecutors that procured the conviction in the first place, and from the other prosecutors in the Criminal Division within the Office. The CRU has an Advisory Board consisting of prosecutors, criminal law and justice stakeholders, and community members. In cases where the CRU concludes there was a wrongful conviction, the CRU will work cooperatively to seek remedial measures necessary to correct injustices uncovered. The CRU will also study and collect data on the causes of wrongful convictions to shape policies and procedures to prevent them from occurring in the future.

The mitigation of collateral consequences through an expungement is the second service provided by the Postconviction Justice Division. It recognizes that for many people who have been convicted of crimes, criminal records can hamper their efforts to improve their prospects for jobs, housing, and education long after they have atoned for their crimes. To mitigate collateral consequences of convictions for people who have since rehabilitated themselves, the Division created a website where qualifying individuals can request that their records be sealed so they no longer appear on background checks.

Division staff accept applications for sealing records, determine eligibility under state law, and for those that qualify, work cooperatively with prosecutors across the state to prepare court filings. Under this program, because requests to seal records are filed by prosecutors, applicants also avoid expensive court filing fees and confusing forms that are difficult to navigate for non-lawyers. The Office requests 2 FTEs for its Postconviction Justice Division.

Civil Rights Unit

The creation of a Civil Rights Unit in the Office is needed to continue important work undertaken with one-time funding through ARPA that created our Special Outreach and Protection Unit that focuses on well-known disparities experienced by the most vulnerable communities and individuals in Minnesota. This new unit will promote equal justice under the law and seeks to enforce the civil rights of all Minnesotans. Important work already initiated includes successful litigation on behalf of 267 low-income tenant families in North Minneapolis against landlord Steven Meldahl who systematically denied his tenants' basic rights and rented them uninhabitable homes. The case resulted in an historic victory for the Office and substantial financial penalties against Meldahl, which acts as a powerful deterrent to other landlords engaging in similarly injurious practices. The Office has also initiated litigation against a large national landlord that fails to make timely and adequate repairs for the over 600 families it rents to in Minnesota. Other tenant protection work includes enforcement actions against a western Minnesota landlord that charged illegal utility fees to its hundreds of tenants and a property management company that illegally deducts amounts from tenants' security deposits. Other civil-protection work the Office has pursued includes investigating a seller of immigration legal services without a law license and a seller of predatory and illegal contracts for deed to Somali families.

The Unit will coordinate with the Minnesota Department of Human Rights and other partners to add strategic capacity to bring the coordination, investigation, and litigation experience of the Office to complaints and referrals alleging civil rights violations under state and federal laws that prohibit discrimination in employment, housing, financial services, public education, and public accommodation on the basis of disability, race, national origin, sex, religion, gender identity, sexual orientation, age, veteran or marital status, and source of income. The Office requests 4 FTEs for its Civil Rights Unit.

Consumer Protection – Lead Restitution Attorney

This assistant attorney general position will focus on numerous tasks central to the work of distributing restitution to Minnesota consumers harmed by consumer fraud and deceptive practices. Pursuant to Minn. Stat. § 16A.151, the Attorney General can recover and distribute restitution to harmed individuals and entities (with other recoveries and excess amounts returned to the General Fund). This position would be in the Consumer Protection Section and would be dedicated to distributing restitution. Duties would include: overseeing the administration and distribution of restitution secured from the Section's litigation and settlements; engaging in collection-related activity and litigation in enforcement cases where the Section has secured a favorable judgment but the defendant is not willingly paying; protecting the State's rights and pursuing collection in bankruptcy proceedings related to the Section's litigation; and, renewing unsatisfied judgments obtained by the Section. The Office requests 1 FTE for this role.

Technology

Hybrid Work

The AGO requests additional funding of \$455,000 each year beginning in FY 24 and each year thereafter to support hybrid work technology. This includes enhancements to virtual court appearance spaces, conference rooms, and other collaboration spaces where attendees appear in person and remotely. This

request will also allow the AGO to replace outdated hardware such as desktop computers with laptops. Finally, this request includes new applications to communicate and collaborate remotely, locate employees during emergency situations, and connect employees with the appropriate workspace based on the type of work they are performing at a given time.

Cloud Modernization, eDiscovery & Cybersecurity

The AGO requests additional funding of \$2,450,000 each year beginning in FY 24 and each year thereafter to support critical litigation technology resources necessary in modern litigation for a public law office.

This request includes improving the resilience of the AGO's technology by shifting from on-premises, custom-built applications to cloud-based services and infrastructure. As the AGO's client agencies and the judicial branch continue to enhance their electronic data management initiatives, the AGO must make additional investments in cybersecurity and infrastructure redundancy to reduce the risk of successful cyber attacks and IT service disruptions. Improved network connectivity and bandwidth is necessary to support increased cloud-based applications.

This also includes expansion of the AGO's eDiscovery tools – used to securely store and review terabytes of data the AGO maintains when representing client agencies or bringing consumer protection litigation. The AGO has resisted passing these data hosting costs on to client agencies but the data volumes continue to expand rapidly. Complex litigation matters often span multiple years, requiring large volumes of data to be hosted and searchable for long periods of time. This request will also allow the AGO to invest in additional data analysis tools commonly used in antitrust, wage theft, and other consumer protection actions.

AGO Library

The AGO requests additional funding of \$200,000 each year beginning in FY 24 and each year thereafter for additional library subscriptions in order to downsize the print collection as well as funding for digitization projects to convert historical records and other paper documents to digital versions.

PROPOSAL:

For all FTEs proposed, as soon as funds are appropriated, the Attorney General will recruit and train staff to pursue described benefits as soon as possible. Amounts respectfully requested for FY2024 and FY2025 combined are:

General Operating Expenses:

- Salary Increases \$6,014,946

Administrative Staff: 15 FTE \$5,535,000

Highly skilled staff supporting work of entire office to meet increased demands of our administrative side due to the increasingly complex work of the Attorney General's Office.

- Communications and Outreach (2 Legal Assistant)
2 FTE, \$618,000
- Policy (Legal Assistant)
1 FTE, \$309,000

- IT (2 Assistant Attorney General, 5 Legal Assistant)
7 FTE, \$2,523,000
- Finance (Assistant Attorney General)
1 FTE, \$489,000
- Human Resources (Legal Assistant)
1 FTE, \$309,000
- Security Guard (Legal Assistant)
1 FTE, \$309,000
- Chief Diversity Officer (Assistant Attorney General)
1 FTE, \$489,000
- Training Coordinator (Assistant Attorney General)
1 FTE \$489,000

Legal Staff: 17 FTE \$7,593,000

- Charities Division (3 Assistant Attorney General, 2 Legal Assistant)
5 FTE, \$2,085,000
- Wage Theft Unit (2 Assistant Attorney General, 1 Legal Assistant)
3 FTE, \$1,287,000
- Antitrust Unit (2 Assistant Attorney General)
2 FTE, \$978,000
- Postconviction Justice (2 Assistant Attorney General)
2 FTE, \$978,000
- Civil Rights and Outreach Unit (3 Assistant Attorney General, 1 Legal Assistant)
4 FTE, \$1,776,000
- Consumer Protection Lead Restitution Attorney (Assistant Attorney General)
1 FTE, \$489,000

Technology \$6,210,000

- Hybrid Work, \$910,000
- Cloud Modernization, eDiscovery & Cybersecurity, \$4,900,000
- AGO Library \$400,000

This request will make significant progress in rebuilding and modernizing the AGO, creating a 21st Century public law office, to best fulfill our duties to serve the State.

Impact on Children and Families:

The mission of the Minnesota Attorney General's Office is to help Minnesotans afford their lives and live with dignity, safety, and respect. The impact of this request on children and families is wide-ranging: from directly helping consumers mediate complaints with businesses so that money they lost can go directly back into their pockets, to fighting scams and fraud; from winning restitution and loan forgiveness for low-income students who were defrauded by for-profit colleges; to ensuring public school students can participate in school activities despite any lunch debt they may have; from holding the largest e-cigarette manufacturer legally accountable for deceptively addicting children and youth to their products; to supporting county attorneys in fighting sex trafficking, particularly in Greater Minnesota; and much more. This request for an operating adjustment will help ensure the most experienced attorneys can stay in public service and support children and families in many aspects of their lives.

Children and families, like all Minnesotans, benefit from increased enforcement of Minnesota's charities laws. These populations are often the intended beneficiaries of charitable assets and are deprived of critical resources when unscrupulous actors divert charitable funds from their intended beneficiaries. In one instance, the Charities Division ensured that \$66,000 that a charity had misused funds were redirected to their intended purpose of helping foster children.

Funding of increased law enforcement resources for wage theft enforcement will have a direct impact on children and families that depend on the resources of low-wage workers that are negatively impacted by wage theft. Such families would see more resources and fairer wages from increased enforcement of Minnesota's wage theft laws. Moreover, robust enforcement of Minnesota's wage theft and antitrust laws will make the marketplace fairer for all participants, which also brings benefits to children and families.

Finally, all Minnesotans deserve to be safe and feel safe in their homes and on the street: enhancing the ability of the Attorney General's Office to prosecute violent and exploitative crimes will contribute to their safety. This request will also help all Minnesotans, especially low-income Minnesotans and those raising children, better afford their lives by expanding the capacity of the office to prosecute serious economic crimes. This request, if funded, will for the first time provide statewide capacity for prosecuting sex trafficking, which is particularly under-addressed in Greater Minnesota due to lack of capacity and resources.

Equity and Inclusion:

Currently, Minnesotans in need of consumer protection and other types of assistance either call our office or submit a complaint online. This presumes that people know that the Attorney General's Office is available to support them with challenging issues. The increased communications and outreach capacity will allow us to reach out directly to communities that have traditionally been less aware of the Office such as Native American tribes, the Black community, other communities of color, and new Americans, many of whom may not read or speak English fluently. Direct and targeted outreach will provide resources to connect those communities to legal and other resources that the Office offers to all Minnesotans, which they might not otherwise be aware of or have access to.

The Attorney General's Office is deeply committed to its vision of helping Minnesotans afford their lives and live with dignity, safety, and respect. Over the past four years, the Office has demonstrated its special attention to communities that have experienced historic and lasting inequities by focusing efforts on entities that have targeted marginalized and vulnerable communities.

One example is the launch of the Wage Theft Unit, which has recovered hundreds of thousands of dollars for victimized workers. People of color and marginalized communities, like all Minnesotans, benefit from

increased enforcement of Minnesota's wage theft laws and a fair marketplace. Robust enforcement of wage theft laws will especially benefit marginalized and vulnerable communities who often are the victims of unlawful wage theft practices.

The Office initiated a Special Outreach and Protection Unit during the COVID pandemic to specifically focus on improving the lives of marginalized communities and individuals in Minnesota. One area where communities of color benefitted from this work was in the area of tenants' rights – securing important victories to protect low-income renters, the majority from communities of color. The expansion of that work through the creation of a Civil Rights Unit will create critical capacity focused on protecting a wider spectrum of the civil rights of all Minnesotans – especially those that have a history of disparities in Minnesota.

Increased enforcement of Minnesota's charities laws also has a major impact on equity and inclusion. Historically underserved populations are often the intended beneficiaries of charitable assets and are deprived of critical resources when unscrupulous actors divert charitable funds from their intended beneficiaries. For example, in *In the Matter of Minnesota Cameroon Community*, the Charities Division required the organization to restructure and correct deficiencies so it could better serve the communities it was intended to benefit.

Supporting enhanced criminal enforcement and initiatives will improve service to marginalized communities, including but not limited to persons of color, those with limited education or English-language skills, and those living on fixed incomes or at or near the poverty level, who are disproportionately represented among crime victims. However, crime victims cut across all groups and demographics. The Attorney General's criminal justice reform measures provide benefits to communities that have been overrepresented in the criminal justice system.

Increased enforcement of Minnesota's antitrust laws promotes a fair marketplace, resulting in positive changes to the state's economy and lower prices for higher-quality goods for everyone.

Finally, as this request includes a significant increase in staff size, it is important to state that the Attorney General's Office is deeply committed to and has had early success broadening its recruitment of attorneys, legal assistants and support staff that better reflects the State's diverse population.