



**State of Minnesota
Department of Finance**

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January 25, 2005

The Minnesota Legislature
State Capitol
St. Paul, Minnesota

Dear Legislators,

I respectfully submit for your consideration the Governor's FY 2006-07 budget proposal for the Attorney General. The Governor respects the separation of powers and the desire of constitutional officers and officials in the judicial and legislative branches to independently present their budget requests directly to the legislature without specific recommendations from the Governor. However, since the Governor is required by law to submit a balanced budget to the legislature, it is necessary to identify funding for those offices as part of preparing a complete budget.

For the Attorney General, the Governor recommends a direct General Fund appropriation of \$22.270 million in FY 2006 and \$22.295 million in FY 2007. This budget recommendation reflects a biennial reduction of \$1.128 million, which is a 2.5% reduction from the agency's direct general fund appropriation, consistent with the recommendations for other constitutional officers and the legislature.

Sincerely,

A handwritten signature in cursive script that reads "Peggy S. Ingison".

Peggy Ingison
Commissioner

Dollars in Thousands

	Current		Governor Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	22,559	22,559	22,559	22,559	45,118
Recommended	22,559	22,559	22,270	22,295	44,565
Change		0	(289)	(264)	(553)
% Biennial Change from 2004-05					-1.2%
State Government Spec Revenue					
Current Appropriation	1,612	1,591	1,591	1,591	3,182
Recommended	1,612	1,591	1,778	1,794	3,572
Change		0	187	203	390
% Biennial Change from 2004-05					11.5%
Environmental					
Current Appropriation	145	145	145	145	290
Recommended	145	145	145	145	290
Change		0	0	0	0
% Biennial Change from 2004-05					0%
Remediation					
Current Appropriation	484	484	484	484	968
Recommended	484	484	484	484	968
Change		0	0	0	0
% Biennial Change from 2004-05					0%
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	23,650	29,661	22,270	22,295	44,565
State Government Spec Revenue	2,240	2,416	1,778	1,794	3,572
Environmental	63	227	145	145	290
Remediation	116	852	484	484	968
Statutory Appropriations					
General	5,937	5,563	5,505	5,505	11,010
Special Revenue	343	218	219	219	438
Federal	1,033	1,283	1,283	1,283	2,566
Miscellaneous Agency	6,366	27	0	0	0
Total	39,748	40,247	31,684	31,725	63,409
<u>Expenditures by Category</u>					
Total Compensation	28,679	33,533	28,989	29,030	58,019
Other Operating Expenses	11,069	6,714	6,297	6,297	12,594
Transfers	0	0	(3,602)	(3,602)	(7,204)
Total	39,748	40,247	31,684	31,725	63,409
<u>Expenditures by Program</u>					
Attorney General	39,748	40,247	31,684	31,725	63,409
Total	39,748	40,247	31,684	31,725	63,409
Full-Time Equivalentents (FTE)	361.3	372.8	374.8	374.8	

<i>Dollars in Thousands</i>				
	FY2005	Governor's Recomm.		Biennium
		FY2006	FY2007	2006-07
Fund: GENERAL				
FY 2005 Appropriations	22,559	22,559	22,559	45,118
Technical Adjustments				
Current Law Base Change		275	300	575
Subtotal - Forecast Base	22,559	22,834	22,859	45,693
Change Items				
Budget Reduction	0	(564)	(564)	(1,128)
Total Governor's Recommendations	22,559	22,270	22,295	44,565
Fund: STATE GOVERNMENT SPEC REVENUE				
FY 2005 Appropriations	1,591	1,591	1,591	3,182
Technical Adjustments				
End-of-session Estimate		187	203	390
Subtotal - Forecast Base	1,591	1,778	1,794	3,572
Total Governor's Recommendations	1,591	1,778	1,794	3,572
Fund: ENVIRONMENTAL				
FY 2005 Appropriations	145	145	145	290
Subtotal - Forecast Base	145	145	145	290
Total Governor's Recommendations	145	145	145	290
Fund: REMEDIATION				
FY 2005 Appropriations	484	484	484	968
Subtotal - Forecast Base	484	484	484	968
Total Governor's Recommendations	484	484	484	968
Fund: GENERAL				
Planned Statutory Spending	5,563	5,505	5,505	11,010
Total Governor's Recommendations	5,563	5,505	5,505	11,010
Fund: SPECIAL REVENUE				
Planned Statutory Spending	218	219	219	438
Total Governor's Recommendations	218	219	219	438
Fund: FEDERAL				
Planned Statutory Spending	1,283	1,283	1,283	2,566
Total Governor's Recommendations	1,283	1,283	1,283	2,566
Fund: MISCELLANEOUS AGENCY				
Planned Statutory Spending	27	0	0	0
Total Governor's Recommendations	27	0	0	0

ATTORNEY GENERAL

Change Item: Budget Reduction

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	(\$564)	(\$564)	(\$564)	(\$564)
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	(\$564)	(\$564)	(\$564)	(\$564)

Recommendation

The Governor recommends a direct General Fund appropriation of \$22.270 million in FY 2006 and \$22.295 million in FY 2007, a reduction of \$564,000 annually.

Background

The Governor respects the separation of powers and the desire of constitutional officers and officials in the judicial and legislative branches to independently present their budget requests directly to the legislature without specific recommendations from the Governor. However, since the Governor is required by law to submit a balanced budget to the legislature, it is necessary to identify funding for those offices as part of preparing a complete balanced budget.

As with the executive branch, the Governor suggests that these offices and institutions individually redesign their operations to increase efficiencies while minimizing the disruption to public services. They should also consider collaboration with other agencies to consolidate operations, co-locate facilities, or otherwise cooperate to share services in order to reduce costs.

Relationship to Base Budget

The Governor's recommendation reflects an annual reduction of \$564,000, which is a 2.5% reduction from the agency's direct General Fund appropriation, consistent with the recommendations for other constitutional officers and the legislature.



MIKE HATCH
ATTORNEY GENERAL

STATE OF MINNESOTA

OFFICE OF THE ATTORNEY GENERAL

102 STATE CAPITOL
ST. PAUL, MN 55155-1002
TELEPHONE: (651) 296-6196

January, 2005

The 2005 Minnesota Legislature

Re: The Attorney General's Budget Request for FY 2006/2007

Dear Members:

Attached is the budget request for the Attorney General's Office (AGO) for Fiscal Years 2006 and 2007. Our Office proposes to carry out its mission to protect the interests of Minnesota's citizens by:

Agency Representation (the AGO serves as legal counsel to all state agencies)

- ◆ Enforcing state laws
- ◆ Protecting taxpayer dollars
- ◆ Protecting the public from unsafe health care and childcare providers, intoxicated drivers, sexual predators and unethical licensed professionals
- ◆ Providing legal advice and representation to state agencies
- ◆ Reviewing state contracts, grants and bond issues to safeguard state resources

Defense of Claims (the AGO serves as defense counsel for the legislature, the State)

- ◆ Defending legislation and constitutional challenges
- ◆ Representing agencies in litigation brought against the State
- ◆ Saving the state millions of dollars by successfully defending claims against the State

Public Protection

- ◆ Enforcing the State's consumer, charities, Medicaid and antitrust laws to protect its citizens from fraud and to ensure fair business practices
- ◆ Advocating for the interests of residential and small business utility customers before the Public Utilities Commission
- ◆ Assisting county attorneys in prosecuting serious crimes and upholding criminal convictions on appeal to safeguard the public interest

The AGO returns, saves and protects taxpayer dollars. The AGO accomplishes this by an ongoing effort to provide high quality cost-effective legal services. The AGO works with state agencies to help them avoid legal problems before they occur. It has aggressively used alternative dispute resolution to prevent costly litigation.

The AGO carries out its mission by:

- ◆ Attracting highly qualified attorneys, legal assistants and support staff who provide effective/efficient legal services
- ◆ Addressing threats to the public by working with local authorities in areas such as the civil commitment of sexual predators, equity stripping, felony crime and gang violence
- ◆ Working with state agencies, county attorneys and other constituent groups to enable them to carry out their programs more effectively
- ◆ Working with agencies to educate staff about issues such as employment law, tort claims and the implementation of new statutes to reduce exposure to claims and to prevent costly litigation for the State

January, 2005

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- ◆ Developing legislative proposals to address the concerns of Minnesota's citizens
- ◆ Regularly examining staffing levels to ensure the efficient delivery of legal services by a core group of employees. Since 1999 the AGO has significantly reduced staff. At this point the AGO has one-third fewer employees than in 1999.

The AGO is committed to operating in a fiscally responsible manner. Ongoing fiscal challenges to the AGO include:

- ◆ Maintaining adequate funding for the Office in light of increasing demand for quality legal services
- ◆ Meeting the constantly changing demand for AGO services driven by new initiatives, amended laws, increased litigation and concerns about public safety
- ◆ Developing necessary legal expertise, recruiting and retaining highly qualified attorneys

Currently the AGO is funded by a mix of general fund appropriations and by funding agreements with "partner agencies."

As you review our budget request, I will be available to discuss any issues or questions you have.

Very truly yours,

A handwritten signature in black ink, appearing to read "MIKE HATCH", is written over a light gray rectangular background.

MIKE HATCH
Attorney General

ATTORNEY GENERAL

Agency Change Item: Additional Positions

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	\$810	\$810	\$810	\$810
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$810	\$810	\$810	\$810

Recommendation

The Attorney General Office (AGO) requests funding of \$810,000 for eight additional attorney positions and one investigator position to handle legal work involving: the civil commitment of sex offenders, recovery of funds from tobacco companies, equity stripping, antitrust violations, and illegal actions of the pharmaceutical industry. This work is directly related to public safety, pro-active legal services to protect the citizens of Minnesota and litigation on behalf of state agencies. It is expected that recoveries obtained from litigation with tobacco, pharmaceutical and lending industries will greatly exceed this budget request. Since 1999 the office has experienced the largest reduction in staff of any state agency. The office has absorbed these reductions to this point; however, it can no longer do so.

Background

Civil Commitment

Two attorney positions are requested to handle civil commitment cases. County attorneys from most counties in the state refer civil commitments for sex offenders to the AGO. Since the murder of Dru Sjodin in November 2003, the number of criminal commitment cases for sex offenders handled by the AGO has dramatically increased. In calendar year 2002, approximately ten cases were referred for civil commitment to counties assisted by the AGO. In calendar year 2003 the total number of cases referred was less than ten. In contrast, in calendar year 2004 the AGO worked with counties in 146 cases through 10-15-04. This office assists in all aspects of commitment litigation, including preparation of commitment petitions, handling of pre-trial matters, and litigation of the case at the hearing. It also is responsible for administrative hearings required by the Community Notification Act when a registered sex offender challenges an assessment of the offender's level of potential danger.

These attorney positions are necessary to handle the dramatic increase in cases. Even with the addition of two attorneys, the caseloads for these attorneys at current levels will be significantly higher than 2002 caseloads. Without additional help, it is unlikely that the office can continue to provide the current level of assistance to county attorneys in sex offender commitment cases.

Since 1-1-04, the Department of Corrections has made a significant procedural changes resulting in the case load increases. First, it has ignored its statutory mandate to make determinations of whether civil commitments might be appropriate for sex offenders prior to release from incarceration. Consequently, the AGO has assisted counties as they make their determinations in each commitment case. Second, the Corrections Department fails to give adequate notice to counties of upcoming releases of certain sex offenders. This policy often results in the need for an emergency hold order, and very tight time constraints for civil commitment cases. Third, the department has improperly released some dangerous sex offenders into the community without referring them for commitment, forcing the attorneys to expend resources to obtain an emergency hold order for these individuals.

Methamphetamine Cases

One attorney position is needed to assist with prosecuting methamphetamine cases. Methamphetamine use and methamphetamine manufacturing in Minnesota has reached epidemic proportions. Clandestine methamphetamine manufacturing laboratories exist in every county in the state. With the continuing emphasis among law enforcement agencies on finding and investigating methamphetamine labs, the number of cases reaching the court system will continue to grow. County attorneys with small offices rely on the AGO to handle these cases for them. The additional position will enable this office to address the rising demand statewide for methamphetamine prosecution.

Equity Stripping

One attorney and one investigator are needed to handle the increase in equity stripping cases. In recent years, there have been a record number of mortgage foreclosures in Minnesota. Some homeowners enter foreclosure following a job loss, death of a spouse, medical problems, or underemployment. At the same time, homes in many Minnesota communities have greatly appreciated in value. As a result, many foreclosed upon homeowners are unable to make their monthly mortgage payments, yet have substantial "equity" in their homes.

Unscrupulous mortgage foreclosure rescue counselors prey upon vulnerable homeowners in foreclosure. They contact homeowners and counsel them on how to save the equity in their homes. After earning the trust and confidence of the homeowner, however, these predators employ a variety of techniques to swindle homeowners out of their equity. In virtually all cases, the foreclosure counselor runs the clock on the redemption period in which the homeowner may sell or redeem their home. In some cases, after tricking the homeowner into sitting on his rights until the redemption period expires, the foreclosure counselor presents the homeowner with no choice other than to transfer title of the home to the foreclosure counselor. In other cases, foreclosure counselors misrepresent the documents being signed by the homeowner. For instance, they may represent that a document is a power of attorney or form needed to obtain refinancing for the homeowner, when in fact it is a warranty deed or mortgage which vests the counselor with title to the home. In yet other cases, the foreclosure counselor gives a loan to the homeowner, secured by a second mortgage on the property. After lulling the homeowners into sitting on their rights, the foreclosure counselor buys the property at the sale.

These schemes are particularly deplorable because home ownership is the way in which most consumers build a nest egg. These foreclosure scams not only wreak havoc on individual homeowner's financial situations and extract a heavy emotional toll, but they are destabilizing to the community.

Antitrust Cases

One attorney position is requested to handle antitrust cases. The number of corporate mergers and consolidations has increased dramatically in recent years and their impact on markets, competition and consumers in Minnesota requires prompt and in-depth evaluation. In addition, drug companies' manipulation of the introduction of generic drugs is a growing problem, which has damaged government Medicaid programs and consumers alike. In just the past two years, the state of Minnesota has initiated legal actions in such cases involving the drugs Cardizem, Taxol, Buspar and Remeron and is presently investigating manufacturers of certain other drugs. The level of activity in business consolidation and market manipulation by drug companies is expected to continue to increase.

Tobacco-Related Matters

One attorney position is requested to handle tobacco-related matters. These include representing the state of Minnesota in enforcement of: 1) State law which imposes a per-pack fee on "non-settlement cigarettes"; and 2) the provisions of the settlement agreement with certain tobacco companies which are attempting to circumvent payment to the state of Minnesota. The state faces losses of millions of dollars if the tobacco companies are successful in challenging the law and in their efforts to avoid payment under the settlement agreement.

Pharmaceutical Litigation

One attorney is requested to handle pharmaceutical litigation. It is estimated that Minnesota consumers, including the state of Minnesota and its Medicaid program, are losing millions of dollars to pharmaceutical companies as a result of their use of an "average wholesale price" as a basis upon which to price their drugs; through Medicaid rebate fraud; through the use of pharmaceutical benefit managers; through the use of various rebates and through various types of anticompetitive conduct. An additional attorney is needed to investigate and initiate legal action with respect to the actions of drug companies.

Relationship to Base Budget

Because the AGO provides legal services, its budget is 80% salary. In order to obtain results for Minnesota's citizens and state agencies, the AGO's base salary budget needs to be increased in order for the office to protect the public and obtain settlements on behalf of state agencies. Settlements are deposited to the General Fund.

Key Measures

- ◆ Settlements negotiated by the AGO are deposited to the General Fund.
- ◆ Sexual predators will be civilly committed in order to protect the public.
- ◆ Minnesota's citizens will be protected from equity strippers.
- ◆ The terms of the tobacco settlement will be aggressively enforced.
- ◆ Minnesota citizens and state institutions will be protected from unfair pricing of prescription drugs.

Alternatives Considered

Because of reductions in staff since 1999 when the office had 50% more attorneys on staff than it does today, the AGO is at a point at which it can no longer continue to absorb the growing need for legal services in its current budget.

Agency Purpose

The attorney general is the chief legal officer for the state. The duties of the office arise from the Constitution, state statutes, and common law. Every board, commission, and agency of the state of Minnesota receives legal counsel and representation in the courts by the attorney general. The attorney general also acts in a *parens patrie* capacity on behalf of the people of the state. Minnesota's attorney general is elected by the state's voters and serves a four-year term.

Core Functions

The attorney general has jurisdiction to:

- ◆ provide legal representation for state agencies;
- ◆ prosecute criminal actions at the request of local prosecutors;
- ◆ initiate legal actions to enforce civil laws; and
- ◆ provide education, information, and mediation to agencies and citizens of the state.

At A Glance

- ◆ During FY 2004, the AGO saved the state \$122 million in defending claims against state agencies.
- ◆ During FY 2004, the AGO recovered \$76 million for the state and consumers.
- ◆ During FY 2004, the AGO pursued \$32 million in pending penalties and judgments.
- ◆ The AGO prosecuted 22 murder cases and 76 drug cases in FY 2004.
- ◆ Over 4,000 "implied consent" cases relating to drunk driving arrests were prosecuted.
- ◆ Assisted county attorneys in civil commitments of sexual predators.

Operations

The Attorney General's Office (AGO) is divided into four sections, each headed by a deputy attorney general, and an administrative support section. Sections are divided into divisions specializing in fields such as trial, health, transportation, consumer protection, antitrust, finance, human services, agriculture, environment, utilities, public safety, and occupational licensing. The office has 372.8 full-time equivalent employees

The Attorney General's Office has direct and ongoing interaction with state agencies and officials, the legislature and staff, government entities and individual citizens. Much of the work of the office involves appearances before the courts and in administrative proceedings. The attorney general's work is categorized as follows.

Attorney General Representation

- ⇒ Protecting the public from unscrupulous and incompetent licensed professionals.
- ⇒ Protecting the state's natural resources.
- ⇒ Protecting taxpayers' dollars.
- ⇒ Providing opinions on legal issues to local governments and school districts.
- ⇒ Providing legal advice and representation on matters impacting transportation, human services, the environment, agricultural matters, public safety and other topics.
- ⇒ Representing counties in criminal matters in appellate courts.

Defense of Claims

- ⇒ Defending the state against claims and using alternative dispute resolution methods to save on legal costs.
- ⇒ Advising state agencies on legal issues to limit litigation.

Citizen Protection

- ⇒ Assisting county attorneys in prosecuting serious crimes such as murder, gang operations, drug dealing, and drunken driving.
- ⇒ Assisting county attorneys in civilly committing sexual predators.
- ⇒ Enforcing laws governing consumer protection, charities, Medicaid, anti-trust and unfair business practices.
- ⇒ Advocating interests of residential and small business utility customers before the Public Utilities Commission (PUC).

Budget

Of the total agency request for the FY 2006-07 biennium, 63.7% comes from the General Fund; 25.4% is received from other state entities through partner agreement billings for legal services; 6.7% is received from other appropriations (Fund 171, Fund 330, and Fund 331); and 4.2% is received from federal and special revenue funds.

Contact

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75 Rev. Dr. Martin Luther King Blvd.
Saint Paul, Minnesota 55155-1609
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TTY: (651) 297-7206

Dollars in Thousands

	Current		Governor Recomm.		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	22,559	22,559	22,559	22,559	45,118
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Change		0	0	0	0
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<u>Expenditures by Fund</u>					
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ATTORNEY GENERAL
 Program: ATTORNEY GENERAL

Program Summary

<i>Dollars in Thousands</i>					
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Transfers	0	0	(3,602)	(3,602)	(7,204)
Total	39,748	40,247	31,684	31,725	63,409
<u>Expenditures by Activity</u>					
Government Operations	7,086	7,802	4,796	4,796	9,592
Government Regulation	6,359	8,318	5,415	5,431	10,846
Solicitor General	16,201	11,966	10,359	10,384	20,743
Government Services	4,894	5,883	5,064	5,064	10,128
Administration	5,208	6,278	6,050	6,050	12,100
Total	39,748	40,247	31,684	31,725	63,409

ATTORNEY GENERAL

Program: ATTORNEY GENERAL

Program Summary

Dollars in Thousands

	Current		Governor Recomm.		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<i>Full-Time Equivalent (FTE)</i>	361.3	372.8	374.8	374.8	

ATTORNEY GENERAL

Program: ATTORNEY GENERAL

Activity: GOVERNMENT OPERATIONS

Narrative

Activity Description

Provide a wide range of cost-effective, efficient legal services to state agencies.

Population Served

- ◆ Department of Agriculture
- ◆ Department of Natural Resources (DNR)
- ◆ Department of Human Rights
- ◆ Department of Human Services
- ◆ Department of Finance
- ◆ Department of Administration
- ◆ State boards (non-health professions)
- ◆ Department of Corrections
- ◆ Department of Transportation (DOT)
- ◆ Department of Commerce (utilities issues)
- ◆ Department of Labor and Industry
- ◆ Department of Employment and Economic Development
- ◆ State Board of Investment
- ◆ Housing Finance Agency
- ◆ Teachers Retirement Association
- ◆ Minnesota State Retirement System
- ◆ Public Utilities Commission
- ◆ Department of Military Affairs

Activity at a Glance

- ◆ Provide expert legal advice and representation to state agencies

Services Provided

- ◆ Expert legal advice and representation to state agencies.
- ◆ Mediates and litigates human rights cases.
- ◆ Litigates workers compensation cases.
- ◆ Defends state agencies against litigation brought by various parties.
- ◆ Negotiates settlements in lawsuits brought against state agencies when warranted.
- ◆ Represents the state in prisoner litigation.
- ◆ Provides eminent domain representation to the Department of Transportation.
- ◆ Provides representation for Department of Commerce on behalf of utility ratepayers before the Public Utilities Commission.
- ◆ Litigates OSHA workplace safety cases.
- ◆ Represents state boards in disciplinary proceedings.

Historical Perspective

- ⇒ Provided legal support to the Department of Natural Resources in the area of ecological services, enforcement, fish, forestry, Indian law issues, minerals, real estate acquisitions, and real estate land exchange.
- ⇒ During FY 2004, the AGO provided legal advice including drafting, review of and approval of, approximately 126 DNR real estate transactions involving over 8,100 acres of land.
- ⇒ Obtained compensatory relief for Minnesota citizens in the amount of \$1,446,000 resulting from claims of discrimination filed with the Department of Human Rights.
- ⇒ Litigated to enforce occupational safety and health standards. In FY 2004 the AGO assisted in obtaining \$70,000 in OSHA fines.

ATTORNEY GENERAL

Program: ATTORNEY GENERAL

Activity: GOVERNMENT OPERATIONS

Narrative

- ⇒ Represented the Department of Human Services on issues involving public assistance, child support, licensing, health care, child welfare, and mental health. Defended Department in a number of legal actions challenging recent policy changes in public assistance and health care. Handled a large volume of licensing litigation under new licensing statutes that became effective in calendar years 2003 and 2004.
- ⇒ Facilitated over \$1.3 billion in bond issuance for state agencies.
- ⇒ Advised state agencies in connection with implementation of various communications and technology programs including MN Link, iSeek, CriMNet and MetNet.
- ⇒ Defended the state in litigation over contract and lease issues and data practices challenges.
- ⇒ Litigated eminent domain actions and appeals.
- ⇒ Represented DOT in its statutory prevailing wage enforcement responsibilities.
- ⇒ Successfully represented DOT in litigation involving Light Rail Transit.

Key Measures

- ◆ Claims brought against the state are defended.
- ◆ Interests of state agencies are advanced.
- ◆ Litigation brought by prisoners in correctional facilities is defended successfully.
- ◆ The AGO provides quality advice regarding the legal aspects of state transportation projects.

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ATTORNEY GENERAL

Program: ATTORNEY GENERAL

Activity: GOVERNMENT OPERATIONS

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	3,751	4,547	1,540	1,540	3,080
Statutory Appropriations					
General	3,335	3,255	3,256	3,256	6,512
Total	7,086	7,802	4,796	4,796	9,592
<u>Expenditures by Category</u>					
Total Compensation	6,963	7,648	6,988	6,988	13,976
Other Operating Expenses	123	154	144	144	288
Transfers	0	0	(2,336)	(2,336)	(4,672)
Total	7,086	7,802	4,796	4,796	9,592
Full-Time Equivalents (FTE)	75.4	77.9	77.9	77.9	

ATTORNEY GENERAL

Program: ATTORNEY GENERAL

Activity: GOVERNMENT REGULATION

Narrative

Activity Description

Provide a wide range of legal services to state agencies and citizens of Minnesota.

Population Served

- ◆ Pollution Control Agency
- ◆ Department of Health
- ◆ Board of Medical Practice
- ◆ Health-related Licensing Boards
- ◆ Citizens and businesses

Services Provided

- ◆ Provides client advice and legal representation to state agencies in the application and enforcement of state laws.
- ◆ Assists client agencies to recover fines, penalties and restitution.
- ◆ Provides client defense in suits brought against state agencies.
- ◆ Provides investigative services to health-related licensing boards.
- ◆ Investigates and, when appropriate, initiates legal action against persons engaged in anticompetitive conduct as well as utilities engaged in unlawful conduct.
- ◆ Represents the interests of residential customers and small business in proceedings before the Public Utilities Commission.

Historical Perspective

- ⇒ Provided legal assistance to the Pollution Control Agency in the areas of environmental law enforcement and environmental review litigation.
- ⇒ Provided legal services to the Department of Health including handling more than 25 cases concerning maltreatment of vulnerable adults in nursing homes and other healthcare facilities.
- ⇒ Initiated legal action against drug manufacturers and a software manufacturer for engaging in anti-competitive and illegal acts.
- ⇒ Provided legal representation and investigative services to 15 health-related licensing boards.
- ⇒ Handled complaints from residential and small business consumers.
- ⇒ Represented the interests of consumers and small businesses in issues before the Public Utilities Commission, including challenges to certain practices of Xcel Energy and Qwest Communications.
- ⇒ Initiated legal action against four telecommunications carriers for slamming and other unlawful activity.
- ⇒ Defended Wireless Consumer Protection Act against challenge by the industry.

Key Measures

- ◆ Effective and efficient legal advice is provided to state agencies.
- ◆ State agencies receive expert representation in all litigated matters.
- ◆ Investigations conducted are focused, thorough and timely.
- ◆ The rights of consumers and small businesses are protected in the purchase of and payment for services from utility companies.
- ◆ Prompt action is taken against those who engage in anti-competitive practices in the marketplace.

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Activity at a Glance

- ◆ Provides legal services to state agencies
- ◆ Litigates on behalf of the state

ATTORNEY GENERAL

Program: ATTORNEY GENERAL

Activity: GOVERNMENT REGULATION

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	2,079	3,286	1,384	1,384	2,768
State Government Spec Revenue	2,219	2,395	1,757	1,773	3,530
Remediation	116	852	484	484	968
Statutory Appropriations					
General	1,945	1,785	1,790	1,790	3,580
Total	6,359	8,318	5,415	5,431	10,846
<u>Expenditures by Category</u>					
Total Compensation	6,019	7,571	5,943	5,959	11,902
Other Operating Expenses	340	747	738	738	1,476
Transfers	0	0	(1,266)	(1,266)	(2,532)
Total	6,359	8,318	5,415	5,431	10,846
Full-Time Equivalent (FTE)	73.0	73.5	73.5	73.5	

Activity Description

Prosecute violent and serious crimes statewide. Defend felony convictions upon appeal. Obtain civil commitment of sex offenders. Criminal prosecution and civil enforcement of Medicaid Fraud violations including abuse or neglect of vulnerable adults. Enforce Minnesota consumer and nonprofit laws. Represent Department of Commerce and Department of Public Safety.

Activity at a Glance

- ◆ Handles over 4,000 implied consent cases (drunk driver license revocations) annually
- ◆ Prosecuted 22 murder cases and 76 drug cases in FY 2004

Population Served

- ◆ Department of Commerce
- ◆ Department of Public Safety
- ◆ Agencies connected with gambling
- ◆ Minnesota counties
- ◆ Gang strike force
- ◆ Citizens of the State of Minnesota
- ◆ Vulnerable adults

Services Provided

- ◆ Obtains civil commitment of sex offenders under psychopathic personality and sexually dangerous person statutes.
- ◆ Prosecutes gang crimes statewide.
- ◆ Prosecutes violent and serious crime.
- ◆ Prosecutes drug and white collar crime statewide.
- ◆ Handles over 4,000 implied consent cases (drunk driver license revocations) annually.
- ◆ Handles drunk-driving-related appeals of convictions.
- ◆ Provides training and prosecutorial assistance to local prosecutors throughout Minnesota.
- ◆ Defends felony conviction upon appeal.
- ◆ Enforce the State's consumer protection laws.
- ◆ Educate and advise consumers of their rights.
- ◆ Register and provide oversight of charities and non-profit organizations.
- ◆ Provide legal advice and representation to the Department of Commerce and the Department of Public Safety.

Historical Perspective

- ⇒ Represented the Commerce Department and Public Safety Department.
- ⇒ Defended the state against challenges to DWI statutes.
- ⇒ Handled over 4,000 district court implied consent proceedings that challenged revocations of driving privileges.
- ⇒ Maintained public registration information about over 8,000 charitable organizations, charitable trusts, and professional fundraisers.
- ⇒ In FY 2004 the AGO's Appeals Division handled 152 criminal appeals.
- ⇒ The AGO's Medicaid Fraud Division opened 58 abuse, neglect or fraud investigations.
- ⇒ The Medicaid Fraud Division reviewed 359 vulnerable adult cases in the Department of Health and 339 cases in the Department of Human Services.
- ⇒ In FY 2004 the Medicaid Fraud unit recovered Medicaid funds from providers who fraudulently billed the program for services provided. Over \$4 million was recovered for Medicare and Medicaid programs.
- ⇒ The AGO's Trial Division prosecuted violent and serious crime including first-degree, second-degree and first-degree premeditated murder cases throughout the state.

ATTORNEY GENERAL

Program: ATTORNEY GENERAL

Activity: SOLICITOR GENERAL

Narrative

- ⇒ The AGO prosecuted methamphetamine and other drug cases referred to it by county attorneys obtaining 75 convictions in 20 counties in FY 2004.
- ⇒ The AGO assisted county attorneys in the review of more than 146 sexual offenders for commitment as a sexually dangerous person/sexual psychopathic personality commitment cases in 2004.
- ⇒ The AGO trained law enforcement officers and prosecutors throughout the state on law-enforcement related issues.

Key Measures

- ◆ Implied consent cases are prosecuted vigorously.
- ◆ Challenges to DWI laws are defended effectively.
- ◆ Prosecutions are successful.
- ◆ Citizens are protected from criminal activities.
- ◆ Vulnerable adults are protected.
- ◆ Medicaid Fraud regulations are enforced.
- ◆ Top quality prosecution resources are provided to county attorneys across the state.
- ◆ Criminal convictions are upheld.
- ◆ Respond effectively to crime growth areas.
- ◆ Minnesota's citizens are protected from wrongful acts and illegal conduct.
- ◆ Minnesota's citizens are educated about their rights and responsibilities in the marketplace.
- ◆ Charities and non-profits registered in Minnesota comply with state law.
- ◆ The Department of Commerce and Department of Public Safety receive effective and efficient legal representation.

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ATTORNEY GENERAL
Program: ATTORNEY GENERAL
Activity: SOLICITOR GENERAL

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	9,153	11,312	9,783	9,808	19,591
Environmental	63	227	145	145	290
Statutory Appropriations					
General	300	240	271	271	542
Special Revenue	136	10	10	10	20
Federal	183	150	150	150	300
Miscellaneous Agency	6,366	27	0	0	0
Total	16,201	11,966	10,359	10,384	20,743
<u>Expenditures by Category</u>					
Total Compensation	8,954	10,679	9,404	9,429	18,833
Other Operating Expenses	7,247	1,287	955	955	1,910
Total	16,201	11,966	10,359	10,384	20,743
Full-Time Equivalents (FTE)	132.7	140.6	142.6	142.6	

ATTORNEY GENERAL

Program: ATTORNEY GENERAL

Activity: GOVERNMENT SERVICES

Narrative

Activity Description

Provide a wide range of legal services to state agencies.

Population Served

- ◆ Citizens of the state
- ◆ All state agencies
- ◆ Minnesota State Colleges and Universities (MNSCU)
- ◆ Department of Education
- ◆ Department of Revenue
- ◆ Department of Employee Relations
- ◆ Public Utilities Commission (PUC)

Services Provided

- ◆ Defense of challenges to the constitutionality of Minnesota law.
- ◆ Defense of tort claims against the state and its employees.
- ◆ Defense of employment claims against the state and its employees.
- ◆ Representation of state educational agencies.
- ◆ Litigating for Public Utilities Commission.
- ◆ Tax litigation for Revenue Department.

Historical Perspective

- ⇒ Saved the state millions of dollars by its defense and resolution of tort and employment law claims.
- ⇒ Represented MNSCU's 34 colleges and universities in litigation, discrimination/harassment issues, data practices issues and technology issues.
- ⇒ Provided legal advice to Department of Education regarding charter schools, special education and desegregation issues.
- ⇒ Obtained millions of dollars of tax revenue for the Department of Revenue.
- ⇒ Successfully defended state laws against constitutional attacks.
- ⇒ Obtained millions of dollars for PUC.

Key Measures

- ◆ Constitutional challenges are defended successfully.
- ◆ Tort and employment law claims brought against the state and its employer are successfully defended or settled thereby minimizing the state's fiscal and employment law exposure.
- ◆ Litigation brought against state educational institutions is defended successfully.
- ◆ The Department of Revenue's interests in tax collection and tax litigation matters are represented effectively.

Contact

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Activity at a Glance

- ◆ Saved the state millions of dollars by its defense and resolution of tort and employment law claims and its litigation of tax and utilities cases.

ATTORNEY GENERAL
Program: ATTORNEY GENERAL
Activity: GOVERNMENT SERVICES

Budget Activity Summary

Dollars in Thousands

	Current		Governor's Recomm.		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	3,679	4,458	3,728	3,728	7,456
State Government Spec Revenue	21	21	21	21	42
Statutory Appropriations					
General	344	271	182	182	364
Federal	850	1,133	1,133	1,133	2,266
Total	4,894	5,883	5,064	5,064	10,128
<u>Expenditures by Category</u>					
Total Compensation	4,368	5,410	4,614	4,614	9,228
Other Operating Expenses	526	473	450	450	900
Total	4,894	5,883	5,064	5,064	10,128
Full-Time Equivalents (FTE)	52.8	53.8	53.8	53.8	

Activity Description

Administrative Services provides overall administrative support to the AGO.

Population Served

- ◆ Employees of the Attorney General's Office
- ◆ State agencies and other government agencies
- ◆ Citizens of Minnesota

Services Provided

- ◆ Development and implementation of new administrative policies and procedures
- ◆ Upgrading and maintaining the AGO's systems network
- ◆ Budget development
- ◆ Purchasing
- ◆ Accounting
- ◆ Docketing/timekeeping system that provides billing information to state agencies
- ◆ Human resources services/personnel transactions

Key Measures

- ◆ Office mission is clear
- ◆ Procedures are implemented
- ◆ Budget is developed to provide funding for AGO activities
- ◆ AGO systems are up-to-date and operate efficiently
- ◆ Fiscal activities are accurate, complete and meet state standards
- ◆ Docketing/timekeeping is accurate. Invoices are produced on time
- ◆ Personnel transactions are accurate and timely

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ATTORNEY GENERAL
Program: ATTORNEY GENERAL
Activity: ADMINISTRATION

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	4,988	6,058	5,835	5,835	11,670
Statutory Appropriations					
General	13	12	6	6	12
Special Revenue	207	208	209	209	418
Total	5,208	6,278	6,050	6,050	12,100
<u>Expenditures by Category</u>					
Total Compensation	2,375	2,225	2,040	2,040	4,080
Other Operating Expenses	2,833	4,053	4,010	4,010	8,020
Total	5,208	6,278	6,050	6,050	12,100
Full-Time Equivalents (FTE)	27.4	27.0	27.0	27.0	

Dollars in Thousands

	Actual FY2004	Budgeted FY2005	Governor's Recomm. FY2006 FY2007		Biennium 2006-07
<u>Non Dedicated Revenue:</u>					
Departmental Earnings (Inter-Agency):					
General	1,835	1,200	1,200	1,200	2,400
Departmental Earnings:					
General	420	415	415	415	830
Other Revenues:					
General	2,352	1,336	1,336	1,336	2,672
Other Sources:					
General	1	1	1	1	2
Total Non-Dedicated Receipts	4,608	2,952	2,952	2,952	5,904
<u>Dedicated Receipts:</u>					
Departmental Earnings (Inter-Agency):					
General	5,890	5,508	5,499	5,499	10,998
Grants:					
Federal	1,033	1,283	1,283	1,283	2,566
Other Revenues:					
General	4	0	0	0	0
Special Revenue	250	176	176	176	352
Miscellaneous Agency	776	29	35	5	40
Other Sources:					
General	9	6	6	6	12
Total Dedicated Receipts	7,962	7,002	6,999	6,969	13,968
Agency Total Revenue	12,570	9,954	9,951	9,921	19,872

**Consolidated Listing of Appropriations
(\$ in thousands)**

	Agency Request		Senate Budget	House Finance
	FY 2006	FY 2007	Division	Division
<u>Submitted as Part of the Attorney General's Budget Request:</u>				
Direct Appropriations:				
General	\$22,834	\$22,859		
State Government Spec Revenue	1,778	1,794		
Environmental	145	145		
Remediation	484	484		
Statutory Appropriations:				
General	5,505	5,505		
Special Revenue	219	219		
Federal	1,283	1,283		
Miscellaneous Agency	0	0		
Total Agency Request	\$32,248	\$32,289	State Government	State Government
<u>Other Funding: Partner Agreements:</u>				
Direct Appropriations:				
General				
--Department of Human Services	2,336	2,336	Health, Human Services & Corrections	Health & Human Services
--Pollution Control Agency	441	441	Environment, Agriculture & Economic Development	Environment & Natural Resources
State Government Miscellaneous				
--State Board of Medical Practice	825	825	Health, Human Services and Corrections	Health & Human Services
Total Partner Agreement Funding	\$3,602	\$3,602		
TOTAL ALL	\$35,850	\$35,891		