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↻ Designates that this item is a change item



January 27, 2009

To the 2009 Legislature:

I respectfully submit for your consideration the Governor's FY 2010-11 budget proposals 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.

The Governor's general recommendations for the legislative and judicial branches and other constitutional officers reflect his concern with the magnitude of the projected budget shortfall and the desire to protect core government functions. As with the executive branch, the Governor suggests that these offices and institutions individually redesign their operations to increase efficiencies while minimizing the disruption of public services as much as possible.

For the Attorney General, the Governor recommends \$46.026 million in general fund appropriations for the FY 2010-11 biennium, which reflects a 5.0% reduction in appropriations from the agency's forecast budget. This is consistent with recommendations for other constitutional officers. The Governor makes no other recommendations on agency requests for the FY 2010-11 biennium.

Sincerely,

A handwritten signature in black ink that reads "Tom J. Hanson". The signature is written in a cursive, slightly slanted style.

Tom J. Hanson
Commissioner

Agency Purpose

The attorney general is the chief legal officer for the state of Minnesota. 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 from the attorney general. The attorney general also acts in a *parens patriae* 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:

- ◆ provides legal representation to state agencies;
- ◆ appears in all courts and administrative hearings for state government and its agencies;
- ◆ assists county prosecutors in criminal trials and appeals;
- ◆ initiates legal actions to enforce Minnesota laws.

Operations

The Attorney General's Office (AGO) is divided into five sections, each headed by a deputy attorney general, and an administrative support unit. Sections are divided into divisions specializing in fields such as trial, health, transportation, human services, agriculture, environment, utilities, public safety, civil litigation, and occupational licensing.

The AGO has direct and ongoing interaction with state agencies and officials, the legislature and staff, government agencies and individual citizens and businesses. 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

- ◆ Represent state agencies through the issuance of legal advice and in courts and administrative hearings.
- ◆ Defend the state against claims, including using alternative dispute resolution methods to save on legal costs.
- ◆ Protect taxpayers' dollars.
- ◆ Provide legal advice and representation on matters that have an impact on issues as diverse as transportation, human services, the environment, public safety, and other matters.
- ◆ Provide opinions on legal issues to local governments and school districts.
- ◆ Protect the public from unscrupulous businesses and individuals.
- ◆ Assist county attorneys in prosecuting serious crimes such as murder and gang operations, in criminal appeals, as well as the civil commitment of sexual predators.
- ◆ Enforce laws governing consumer protection, charities, Medicaid Fraud, antitrust and unfair business practices, and advocate interests of residential and small business utility customers before the Public Utilities Commission (PUC).
- ◆ Provide client advice and legal representation to state agencies in the application and enforcement of state laws in federal, state and administrative courts.
- ◆ Assists client agencies to recover fines, penalties and restitution.
- ◆ Provides client defense in suits brought against state agencies.

Budget

Of the total agency request for the FY 2010-11 biennium, 66.1% comes from the general fund; 23.7% is received from partner agreements with certain state agencies; 6.1% 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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Dollars in Thousands

	Current		Governor Recomm.		Biennium 2010-11
	FY2008	FY2009	FY2010	FY2011	
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	24,048	24,225	24,225	24,225	48,450
Recommended	24,048	24,225	23,013	23,013	46,026
Change		0	(1,212)	(1,212)	(2,424)
% Biennial Change from 2008-09					-4.7%
State Government Spec Revenue					
Current Appropriation	1,719	1,724	1,724	1,724	3,448
Recommended	1,719	1,724	1,827	1,827	3,654
Change		0	103	103	206
% Biennial Change from 2008-09					6.1%
Environmental					
Current Appropriation	145	145	145	145	290
Recommended	145	145	145	145	290
Change		0	0	0	0
% Biennial Change from 2008-09					0%
Remediation Fund					
Current Appropriation	250	250	250	250	500
Recommended	250	250	250	250	500
Change		0	0	0	0
% Biennial Change from 2008-09					0%
<u>Expenditures by Fund</u>					
Carry Forward					
Miscellaneous Special Revenue	0	200	0	0	0
Direct Appropriations					
General	23,398	29,347	23,013	23,013	46,026
State Government Spec Revenue	1,983	2,331	1,827	1,827	3,654
Environmental	12	145	145	145	290
Remediation Fund	128	250	250	250	500
Statutory Appropriations					
General	6,168	5,897	5,894	5,894	11,788
Miscellaneous Special Revenue	99	141	141	141	282
Federal	1,088	1,356	1,378	1,387	2,765
Miscellaneous Agency	2,942	718	60	60	120
Total	35,818	40,385	32,708	32,717	65,425
<u>Expenditures by Category</u>					
Total Compensation	28,531	33,298	29,479	29,554	59,033
Other Operating Expenses	7,287	7,087	5,968	5,968	11,936
Transfers	0	0	(2,739)	(2,805)	(5,544)
Total	35,818	40,385	32,708	32,717	65,425
<u>Expenditures by Program</u>					
Attorney General	35,818	40,385	32,708	32,717	65,425
Total	35,818	40,385	32,708	32,717	65,425
Full-Time Equivalents (FTE)	337.7	351.3	351.3	351.3	

<i>Dollars in Thousands</i>				
	FY2009	Governor's Recomm.		Biennium
		FY2010	FY2011	2010-11
Fund: GENERAL				
FY 2009 Appropriations	24,225	24,225	24,225	48,450
Subtotal - Forecast Base	24,225	24,225	24,225	48,450
Change Items				
Operating Budget Reduction	0	(1,212)	(1,212)	(2,424)
Total Governor's Recommendations	24,225	23,013	23,013	46,026
Fund: STATE GOVERNMENT SPEC REVENUE				
FY 2009 Appropriations	1,724	1,724	1,724	3,448
Technical Adjustments				
End-of-session Estimate		103	103	206
Subtotal - Forecast Base	1,724	1,827	1,827	3,654
Total Governor's Recommendations	1,724	1,827	1,827	3,654
Fund: ENVIRONMENTAL				
FY 2009 Appropriations	145	145	145	290
Subtotal - Forecast Base	145	145	145	290
Total Governor's Recommendations	145	145	145	290
Fund: REMEDIATION FUND				
FY 2009 Appropriations	250	250	250	500
Subtotal - Forecast Base	250	250	250	500
Total Governor's Recommendations	250	250	250	500
Fund: GENERAL				
Planned Statutory Spending	5,897	5,894	5,894	11,788
Total Governor's Recommendations	5,897	5,894	5,894	11,788
Fund: MISCELLANEOUS SPECIAL REVENUE				
Planned Statutory Spending	341	141	141	282
Total Governor's Recommendations	341	141	141	282
Fund: FEDERAL				
Planned Statutory Spending	1,356	1,378	1,387	2,765
Total Governor's Recommendations	1,356	1,378	1,387	2,765
Fund: MISCELLANEOUS AGENCY				
Planned Statutory Spending	718	60	60	120
Total Governor's Recommendations	718	60	60	120

ATTORNEY GENERAL

Change Item: Operating Budget Reduction

Fiscal Impact (\$000s)	FY 2010	FY 2011	FY 2012	FY 2013
General Fund				
Expenditures	\$(1,212)	\$(1,212)	\$(1,212)	\$(1,212)
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$(1,212)	\$(1,212)	\$(1,212)	\$(1,212)

Recommendation

The Governor recommends general fund operating budget reductions of \$1.212 million in FY 2010 and \$1.212 million in FY 2011 for the Attorney General's Office. The reductions are necessary to balance the budget in the general fund.

Background

The Governor respects the separation of powers and the desire of constitutional officers and officials in the judicial and legislative branches to present their budget requests independently 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 similar agencies in the executive branch, the Governor suggests that the Attorney General's office receive a reduction of 5% to direct appropriated funds to help address the budget deficit. While the Governor recommends a total amount for the decrease, he respects the Attorney General's authority to decide whether to adopt the reduction and to determine how to distribute it among its divisions. For the purposes of producing a complete budget presentation, however, the expenditure reduction was distributed proportionally across the divisions of the Attorney General's office.

The Governor makes no recommendations regarding any specific initiatives that may be put forward by the Attorney General.

Relationship to Base Budget

This proposal represents a 5% base level reduction to the Attorney General's general fund budget.

Statutory Change: Not Applicable

Program Description

The Attorney General's Office (AGO) is organized under one program consisting of five sections and an administrative division as listed under the following budget activities.

Budget Activities

This program includes the following budget activities:

- ◆ Government Operations
- ◆ Civil Regulation
- ◆ Solicitor General
- ◆ Public Enforcement
- ◆ Civil Protection
- ◆ Administration

Activity Description

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

Program at a Glance

Provide expert legal advice and representation to state agencies

Population Served

- ◆ Citizens of Minnesota
- ◆ Department of Agriculture
- ◆ Department of Natural Resources (DNR)
- ◆ Department of Human Rights
- ◆ Department of Human Services
- ◆ Department of Finance
- ◆ Department of Administration
- ◆ Minnesota State boards
- ◆ Department of Corrections
- ◆ Department of Transportation (MnDOT)
- ◆ Department of Commerce
- ◆ Department of Labor and Industry
- ◆ Department of Employment and Economic Development
- ◆ State Board of Investment
- ◆ Housing Finance Agency
- ◆ Minnesota Counties and Cities
- ◆ Teachers Retirement Association
- ◆ Minnesota State Retirement System
- ◆ All Constitutional Officers
- ◆ Public Utilities Commission
- ◆ Department of Military Affairs

Services Provided

- ◆ Provides client advice and legal representation to state agencies in the application and enforcement of state laws in federal, state and administrative courts.
- ◆ Assists client agencies to recover fines, penalties and restitution.
- ◆ Provides client defense in suits brought against state agencies.
- ◆ Negotiates settlements in lawsuits brought against state agencies when warranted.
- ◆ Files civil lawsuits to represent and defend the public interest.

Historical Perspective

- ◆ Advised MnDOT regarding numerous legal issues arising out of the I-35W bridge collapse.
- ◆ During FY 2008, the Attorney General's Office (AGO) provided legal advice including drafting, review of and approval of real estate transactions involving over 17,564 acres of land.
- ◆ Facilitated over \$2.7 billion in bond issuance for state agencies in FY 2008.
- ◆ Represented Department of Human Services (DHS) in disputes involving the federal Centers for Medicare & Medicaid Services (CMS) regarding CMS disapproval of state Medical Assistance (MA) plan provisions and disallowance of federal funding for state plan expenditures, including two disallowance appeals decided in favor of the state, resulting in savings to the state of approximately \$25 million.
- ◆ In FY 2008, recovered \$2.8 million for landfill cleanup costs under the Landfill Cleanup Act.
- ◆ 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 and technology issues.
- ◆ Successfully defended state laws against constitutional attacks.

- ◆ Represents the Commissioner of Public Safety in over 5,800 implied consent cases (drunk driver license revocations) annually.
- ◆ Assists counties in defending felony convictions upon appeal.

Key Program Goals

Identify a broader goal or goals that the program supports. This should likely come from one of the following:

- ◆ Minnesota Milestones statewide goals – not the specific goal that the activity supports (<http://server.admin.state.mn.us/mm/goal.html>)
- ◆ agency strategic goals – include reference or link to agency strategic plan if applicable
- ◆ other statewide goals – indicate goal and include any relevant links or context for the goal

Key Program Measures

- ◆ Citizens of state are well served.
- ◆ Effective and efficient legal advice is provided to state agencies.
- ◆ State agencies receive expert representation in litigated matters.
- ◆ Public interest is advanced in civil litigation and criminal cases.

Contact

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ATTORNEY GENERAL
 Program: ATTORNEY GENERAL

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Expenditures by Fund</u>					
Carry Forward					
Miscellaneous Special Revenue	0	200	0	0	0
Direct Appropriations					
General	23,398	29,347	23,013	23,013	46,026
State Government Spec Revenue	1,983	2,331	1,827	1,827	3,654
Environmental	12	145	145	145	290
Remediation Fund	128	250	250	250	500
Statutory Appropriations					
General	6,168	5,897	5,894	5,894	11,788
Miscellaneous Special Revenue	99	141	141	141	282
Federal	1,088	1,356	1,378	1,387	2,765
Miscellaneous Agency	2,942	718	60	60	120
Total	35,818	40,385	32,708	32,717	65,425
<u>Expenditures by Category</u>					
Total Compensation	28,531	33,298	29,479	29,554	59,033
Other Operating Expenses	7,287	7,087	5,968	5,968	11,936
Transfers	0	0	(2,739)	(2,805)	(5,544)
Total	35,818	40,385	32,708	32,717	65,425
<u>Expenditures by Activity</u>					
Government Operations	4,584	6,391	5,508	5,508	11,016
Civil Regulation	6,318	7,635	4,120	4,120	8,240
Solicitor General	8,732	6,736	5,074	5,074	10,148
Public Enforcement	5,373	5,769	5,106	5,106	10,212
Civil Protection	5,263	6,895	6,259	6,268	12,527
Administration	5,548	6,959	6,641	6,641	13,282
Total	35,818	40,385	32,708	32,717	65,425
Full-Time Equivalent (FTE)	337.7	351.3	351.3	351.3	

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

- ◆ Citizens of the state;
- ◆ Department of Agriculture;
- ◆ Department of Natural Resources (DNR);
- ◆ Department of Finance;
- ◆ Department of Administration;
- ◆ State boards (non-health professions), such as
 - Campaign Finance,
 - Crime Victims Reparation,
 - State Investment,
 - Teaching,
 - Veterans Home, and
 - Water & Soil Resources;
- ◆ Department of Transportation (MnDOT);
- ◆ Department of Commerce;
- ◆ Minnesota Counties, Cities, and School Boards;
- ◆ Department of Labor and Industry (Construction Codes and Licensing Division);
- ◆ Department of Employment and Economic Development;
- ◆ State Board of Investment;
- ◆ Housing Finance Agency;
- ◆ Iron Range Resources;
- ◆ State Auditor; and
- ◆ Secretary of State.

Activity at a Glance

- ◆ Obtained millions of dollars in civil penalties and settlements for the state.
- ◆ Registered and maintains oversight of 7,800 charitable organizations.

Services Provided

- ◆ Provides expert legal advice and representation to state agencies.
- ◆ Defends state agencies against litigation brought by various parties.
- ◆ Negotiates settlements in lawsuits brought against state agencies when warranted.
- ◆ Provides representation to the MnDOT.
- ◆ Provides representation for Department of Commerce on behalf of utility ratepayers before the Public Utilities Commission.
- ◆ Register and provide oversight of charities and non-profit organizations.
- ◆ Represents state agencies and boards in disciplinary proceedings.

Historical Perspective

- ◆ Advised MnDOT regarding numerous legal issues arising out of the I-35W bridge collapse.
- ◆ Provided legal support to the DNR in the area of ecological services, enforcement, fish, forestry, Indian law issues, minerals, real estate acquisitions, and real estate land exchange.
- ◆ During FY 2008, the Attorney General's Office (AGO) provided legal advice including drafting, review of and approval of real estate transactions involving over 17,564 acres of land.
- ◆ Facilitated over \$2.7 billion in bond issuance for state agencies in FY 2008.
- ◆ Litigated eminent domain actions and appeals.
- ◆ Represented MnDOT in its statutory enforcement responsibilities.
- ◆ Advised and represented the Secretary of State in various election matters.

ATTORNEY GENERAL

Program: ATTORNEY GENERAL

Activity: GOVERNMENT OPERATIONS

Narrative

Key Measures

- ◆ Citizens of state are well served.
- ◆ Effective and efficient legal advice is provided to state agencies.
- ◆ State agencies receive expert representation in litigated matters.
- ◆ Interests of state agencies are advanced.
- ◆ Litigation brought against state agencies is defended successfully.
- ◆ Constitutional challenges are defended successfully.
- ◆ Charities and non-profits registered in Minnesota comply with state law.

Contact

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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
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	4,357	3,516	2,633	2,633	5,266
Statutory Appropriations					
General	227	2,875	2,875	2,875	5,750
Total	4,584	6,391	5,508	5,508	11,016
<u>Expenditures by Category</u>					
Total Compensation	4,450	6,219	5,350	5,350	10,700
Other Operating Expenses	134	172	158	158	316
Total	4,584	6,391	5,508	5,508	11,016
Full-Time Equivalents (FTE)	50.2	59.8	59.8	59.8	

ATTORNEY GENERAL

Program: ATTORNEY GENERAL

Activity: CIVIL REGULATION

Narrative

Activity Description

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

Population Served

- ◆ Citizens of the state;
- ◆ Department of Human Rights;
- ◆ Department of Human Services;
- ◆ Department of Corrections;
- ◆ Department of Labor and Industry;
- ◆ Department of Employment and Economic Development;
- ◆ Pollution Control Agency;
- ◆ Board of Medical Practice;
- ◆ Health-related Licensing Boards, such as the
Chiropractic,
Dentistry,
Nursing,
Psychology,
Social Work, and
Veterinary Medicine;
- ◆ Environmental Quality Board;
- ◆ Teachers Retirement Association;
- ◆ Minnesota State Retirement System;
- ◆ Public Employees Retirement Association; and
- ◆ Veterans Homes.

Activity at a Glance

- ◆ Conducted over 350 complex investigations on behalf of the state medical boards.
- ◆ Obtained civil penalties and savings for the state in excess of \$50 million.

Services Provided

- ◆ Provides client advice and legal representation to state agencies in the application and enforcement of state laws in federal, state and administrative courts.
- ◆ 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.
- ◆ Conciliates and litigates human rights cases.
- ◆ Litigates workers' compensation and public employee pension cases.
- ◆ Represents the state in prisoner litigation in state and federal court.
- ◆ Litigates OSHA workplace safety cases and federal Fair Labor Standards Act cases.
- ◆ Represents state boards in disciplinary proceedings involving medical providers and health-related licensees.

Historical Perspective

- ◆ Provided legal assistance to the Minnesota Pollution Control Agency (MPCA) in the areas of environmental law enforcement and environmental review litigation. In FY 2008, environmental enforcement actions resulted in approximately 200 administrative penalty orders and 50 stipulated agreements, imposing approximately \$1.8 million in civil fines.
- ◆ Represented the MPCA in negotiating a stipulated agreement with ethanol plant for production in violation of its state permit. Under the stipulated agreement, the company agreed to pay a \$300,000 civil penalty.
- ◆ Represented Department of Human Services (DHS) in disputes involving the federal Centers for Medicare & Medicaid Services (CMS) regarding CMS disapproval of state Medical Assistance (MA) plan provisions and disallowance of federal funding for state plan expenditures, including two disallowance appeals decided in favor of the state, resulting in savings to the state of approximately \$25 million.

ATTORNEY GENERAL

Program: ATTORNEY GENERAL

Activity: CIVIL REGULATION

Narrative

- ◆ Provided legal advice to the Environmental Quality Board (EQB) and assisted in legal aspects of the environmental review process carried out by local and state government units under the Minnesota Environmental Policy Act.
- ◆ In FY 2008, recovered \$2.8 million for landfill cleanup costs under the Landfill Cleanup Act.
- ◆ Provided legal advice and services to the MPCA involving Superfund cleanups, natural resource damages, asbestos removals, hazardous and solid waste disposal, creation of conservation easements and commercial feedlot odor problems.
- ◆ Represented the MPCA in numerous environmental review and permitting appeals in state district court, the Office of Administrative Hearings, the Minnesota Court of Appeals and before the Minnesota Supreme Court and federal district courts.
- ◆ Assisted in resolving OSHA cases.
- ◆ Protected the state's interest in collecting unemployment benefit overpayments in FY 2008. Cases brought prevented the discharge in bankruptcy of approximately \$101,000 of improperly received benefits.
- ◆ Assisted the Department of Human Rights in FY 2008 in obtaining compensatory relief for Minnesota citizens of approximately \$378,000.
- ◆ Represented the Department of Human Services on issues involving public assistance, child support, licensing, healthcare, child welfare, mental health, aging and adult services, disability services, and deaf and hard-of-hearing services.
- ◆ Assisted in a variety of legal matters concerning the Minnesota Health Care Programs, which cover approximately 659,000 Minnesotans.
- ◆ Assisted at the request of DHS in a dispute between the Red Lake Band of Chippewa Indians and Beltrami County over the payment of foster care to families that were caring for Red Lake children.
- ◆ Defended the commissioner and numerous state officials at the Minnesota Sex Offender Program from allegations that the program violated the constitutional rights of individuals committed to the sex offender program.
- ◆ Assisted DHS in recovering millions of dollars in MA and alternative care services through liens, tort claims and lawsuits against third parties and from special needs trusts.
- ◆ Represented numerous health-related boards in actions in state administrative, district and appeals courts, including the Board of Medical Practice, Board of Nursing, Board of Veterinary Medicine and Board of Chiropractic Examiners.

Key Measures

- ◆ Effective and efficient legal advice is provided to state agencies.
- ◆ State agencies receive expert representation in litigated matters.
- ◆ Interests of state agencies are advanced.
- ◆ Litigation brought against state agencies is defended successfully.
- ◆ Constitutional challenges are defended successfully.

Contact

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ATTORNEY GENERAL
Program: ATTORNEY GENERAL
Activity: CIVIL REGULATION

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	1,591	3,413	402	402	804
State Government Spec Revenue	1,962	2,310	1,806	1,806	3,612
Remediation Fund	128	250	250	250	500
Statutory Appropriations					
General	2,637	1,662	1,662	1,662	3,324
Total	6,318	7,635	4,120	4,120	8,240
<u>Expenditures by Category</u>					
Total Compensation	5,981	7,086	6,347	6,413	12,760
Other Operating Expenses	337	549	512	512	1,024
Transfers	0	0	(2,739)	(2,805)	(5,544)
Total	6,318	7,635	4,120	4,120	8,240
Full-Time Equivalents (FTE)	64.6	69.0	69.0	69.0	

ATTORNEY GENERAL

Program: ATTORNEY GENERAL

Activity: SOLICITOR GENERAL

Narrative

Activity Description

Provide a wide range of legal services to state agencies.

Population Served

- ◆ Citizens of the state;
- ◆ All state agencies;
- ◆ Department of Health;
- ◆ Minnesota State Colleges and Universities (MnSCU);
- ◆ Department of Education;
- ◆ Department of Revenue;
- ◆ Department of Employee Relations;
- ◆ Public Utilities Commission (PUC); and
- ◆ Constitutional Officers.

Services Provided

- ◆ Defense of challenges to the constitutionality of Minnesota laws.
- ◆ Defense of tort claims against the state and its employees.
- ◆ Defense of employment claims against the state and its employees.
- ◆ Advice and legal representation to the Department of Health in the application and enforcement of state laws.
- ◆ Tax litigation for the Department of Revenue.
- ◆ Investigates and, when appropriate, initiates legal action against persons engaged in anticompetitive conduct.
- ◆ Advice and representation of state educational agencies.
- ◆ Advice and representation of PUC.

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 and technology issues.
- ◆ Provided legal advice to Department of Education regarding, for example, special education issues.
- ◆ Obtained millions of dollars of tax revenue for the Department of Revenue.
- ◆ Successfully defended state laws against constitutional attacks.
- ◆ Obtained millions of dollars on behalf of PUC.
- ◆ Provided legal services to the Department of Health including the litigation of cases concerning, for example, maltreatment of vulnerable adults in nursing homes and other healthcare facilities.

Key Measures

- ◆ Citizens of state are well served.
- ◆ Constitutional challenges are defended successfully.
- ◆ Tort and employment law claims brought against the state and its employees 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.
- ◆ Effective and efficient legal advice is provided to state agencies.
- ◆ State agencies receive expert representation in all litigated matters.
- ◆ Action is taken against those who engage in anti-competitive practices in the marketplace.

Activity at a Glance

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

ATTORNEY GENERAL

Program: ATTORNEY GENERAL

Activity: SOLICITOR GENERAL

Narrative

Contact

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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
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	2,855	4,868	3,864	3,864	7,728
Environmental	12	145	145	145	290
Statutory Appropriations					
General	2,884	1,005	1,005	1,005	2,010
Miscellaneous Special Revenue	39	0	0	0	0
Miscellaneous Agency	2,942	718	60	60	120
Total	8,732	6,736	5,074	5,074	10,148
<u>Expenditures by Category</u>					
Total Compensation	5,473	5,446	4,467	4,467	8,934
Other Operating Expenses	3,259	1,290	607	607	1,214
Total	8,732	6,736	5,074	5,074	10,148
Full-Time Equivalents (FTE)	59.3	49.4	49.4	49.4	

ATTORNEY GENERAL

Program: ATTORNEY GENERAL

Activity: PUBLIC ENFORCEMENT

Narrative

Activity Description

Assist county attorneys in prosecuting serious crime statewide, defending felony convictions upon appeal, and obtaining civil commitment of sex offenders. Represents the Department of Public Safety.

Population Served

- ◆ Citizens of Minnesota;
- ◆ Department of Public Safety;
- ◆ Gambling Control Board; and
- ◆ Minnesota counties.

Services Provided

- ◆ Assists counties in civil commitment of sex offenders under psychopathic personality and sexually dangerous person statutes.
- ◆ Assists county attorneys in prosecuting serious crimes.
- ◆ Represents the Commissioner of Public Safety in over 5,800 implied consent cases (drunk driver license revocations) annually.
- ◆ Handles drunk-driving-related appeals of convictions.
- ◆ Assists counties in defending felony convictions upon appeal.
- ◆ Provides legal advice and representation to the Department of Public Safety.
- ◆ Provides legal advice and representation to the Gambling Control Board.

Historical Perspective

- ◆ Represented the Department of Public Safety.
- ◆ Defended the state against challenges to Driving While Impaired (DWI) statutes.
- ◆ Represents the Commissioner of Public Safety in over 5,800 district court implied consent proceedings that challenged revocations of driving privileges.
- ◆ Handled criminal appeals for county attorneys.
- ◆ Prosecuted violent and serious crime.
- ◆ Assisted county attorneys in the commitment of sexually dangerous person/sexual psychopathic personality commitment cases.

Key Measures

- ◆ Citizens of state are well served.
- ◆ Citizens are protected from criminal activities.
- ◆ Implied consent cases are prosecuted vigorously.
- ◆ Challenges to DWI laws are defended effectively.
- ◆ Prosecutions are successful.
- ◆ Criminal convictions are upheld.
- ◆ Minnesota's citizens are protected from wrongful acts and illegal conduct.
- ◆ The Department of Public Safety receives effective and efficient legal representation.

Contact

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Activity at a Glance

- ◆ Handled over 5,800 implied consent cases (drunk driver license revocations) annually.
- ◆ Assisted county attorneys in prosecuting serious crime.

ATTORNEY GENERAL
Program: ATTORNEY GENERAL
Activity: PUBLIC ENFORCEMENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	4,786	5,278	4,615	4,615	9,230
Statutory Appropriations					
General	404	341	341	341	682
Federal	183	150	150	150	300
Total	5,373	5,769	5,106	5,106	10,212
<u>Expenditures by Category</u>					
Total Compensation	5,167	5,545	4,891	4,891	9,782
Other Operating Expenses	206	224	215	215	430
Total	5,373	5,769	5,106	5,106	10,212
Full-Time Equivalents (FTE)	59.8	59.4	59.4	59.4	

Activity Description

Enforce Minnesota laws respecting unfair, discriminatory, and other unlawful practices in business, commerce, or trade. Represent and further the interests of small business and residential utility customers by participating in matters before the Public Utilities Commission and in courts. Criminal prosecution and civil enforcement of Medicaid Fraud violations including abuse or neglect of vulnerable adults.

Population Served

- ◆ Citizens of the state of Minnesota; and
- ◆ Minnesota businesses by protecting the integrity of the marketplace.

Services Provided

- ◆ Investigates and when appropriate initiates legal action against individuals and businesses engaged in violations of the law respecting unfair, discriminatory, and other unlawful practices in business, commerce or trade.
- ◆ Represents the interests of small businesses and residential customers in proceedings before the Public Utilities Commission and the courts.
- ◆ Prosecutes abuse, neglect, and financial exploitation of vulnerable adults and prosecutes healthcare providers who commit fraud in delivery of Medicaid Assistance program.

Historical Perspective

- ◆ Represented the interests of consumers and small businesses in issues before the Public Utilities Commission, including rate increases proposed by utility companies.
- ◆ Advanced litigation to enforce laws of the state of Minnesota.
- ◆ In FY 2008, total recoveries to the Minnesota Medicaid program were over \$10 million.

Key Measures

- ◆ Citizens of state are well served.
- ◆ Minnesota's citizens are assisted in resolving disputes with businesses and other persons.
- ◆ Public interest is advanced in civil litigation.
- ◆ The rights of consumers and small businesses are protected in the purchase of and payment for services from utility companies.
- ◆ Medicaid Fraud regulations are enforced.

Contact

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Activity at a Glance

- ◆ During FY 2008, the Attorney General Office (AGO) obtained the opportunity for citizens to claim restitution of over \$500 million in complex litigation cases.
- ◆ During FY 2008 the AGO participated in utility cases that resulted in saving Minnesota small businesses and consumers over \$7 million in rate increases.

ATTORNEY GENERAL
Program: ATTORNEY GENERAL
Activity: CIVIL PROTECTION

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	4,331	5,665	5,010	5,010	10,020
State Government Spec Revenue	21	21	21	21	42
Statutory Appropriations					
General	6	3	0	0	0
Federal	905	1,206	1,228	1,237	2,465
Total	5,263	6,895	6,259	6,268	12,527
<u>Expenditures by Category</u>					
Total Compensation	4,824	6,217	5,669	5,678	11,347
Other Operating Expenses	439	678	590	590	1,180
Total	5,263	6,895	6,259	6,268	12,527
Full-Time Equivalents (FTE)	74.4	83.1	83.1	83.1	

ATTORNEY GENERAL

Program: ATTORNEY GENERAL

Activity: ADMINISTRATION

Narrative

Activity Description

Administrative Services provides overall administrative support to the Attorney General's Office (AGO).

Population Served

- ◆ Citizens of Minnesota;
- ◆ Employees of the AGO; and
- ◆ State agencies and other government agencies.

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; and
- ◆ Human resources services/personnel transactions; and
- ◆ Legal support.

Key Measures

- ◆ Office mission is clear;
- ◆ Procedures are implemented;
- ◆ 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; and
- ◆ Personnel transactions are accurate and timely.

Contact

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ATTORNEY GENERAL
 Program: ATTORNEY GENERAL
 Activity: ADMINISTRATION

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Governor's Recomm.		Biennium
	FY2008	FY2009	FY2010	FY2011	2010-11
<u>Expenditures by Fund</u>					
Carry Forward					
Miscellaneous Special Revenue	0	200	0	0	0
Direct Appropriations					
General	5,478	6,607	6,489	6,489	12,978
Statutory Appropriations					
General	10	11	11	11	22
Miscellaneous Special Revenue	60	141	141	141	282
Total	5,548	6,959	6,641	6,641	13,282
<u>Expenditures by Category</u>					
Total Compensation	2,636	2,785	2,755	2,755	5,510
Other Operating Expenses	2,912	4,174	3,886	3,886	7,772
Total	5,548	6,959	6,641	6,641	13,282
Full-Time Equivalent (FTE)	29.4	30.6	30.6	30.6	

Dollars in Thousands

	Actual FY2008	Budgeted FY2009	Governor's Recomm. FY2010 FY2011		Biennium 2010-11
<u>Non Dedicated Revenue:</u>					
Departmental Earnings (Inter-Agency):					
General	1,634	1,500	1,500	1,500	3,000
Departmental Earnings:					
General	497	497	497	497	994
Other Revenues:					
General	1,125	21	21	21	42
Other Sources:					
General	15	0	0	0	0
Total Non-Dedicated Receipts	3,271	2,018	2,018	2,018	4,036
<u>Dedicated Receipts:</u>					
Departmental Earnings (Inter-Agency):					
General	6,138	5,883	5,883	5,883	11,766
Grants:					
Federal	1,088	1,356	1,378	1,387	2,765
Other Revenues:					
General	2	8	0	0	0
Miscellaneous Special Revenue	175	151	151	151	302
Miscellaneous Agency	900	161	61	61	122
Other Sources:					
General	9	11	11	11	22
Miscellaneous Agency	0	77	0	0	0
Total Dedicated Receipts	8,312	7,647	7,484	7,493	14,977
Agency Total Revenue	11,583	9,665	9,502	9,511	19,013

Federal Program (\$ in Thousands)	Related SFY 2008 Spending	Primary Purpose	SFY 2008 Revenues	SFY 2009 Revenues	Estimated SFY 2010 Revenues	Estimated SFY 2011 Revenues
Department of Health and Human Services - Medicaid Fraud	238	SO	905	1,206	1,228	1,237
Office of Justice Program - Narcotics		SO	183	150	150	150
Agency Total	238		1,088	1,356	1,378	1,387

Key:

Primary Purpose

SO = State Operations

GPS = Grants to Political Subdivision

GI = Grants to Individuals

GCBO = Grants to Community Based Organizations

The AGO receives federal funds for the following activities:

- The Medicaid Fraud grant allows the AGO to continue investigating and prosecuting fraud in the Medicaid program. This grant has a 25% state match requirement. The AGO anticipates continued funding of this grant.
- The Narcotics grant allows the AGO to continue efforts to target the prosecution of those who facilitate the narcotics trade. It also allows for the continuation in providing the prosecution support needed by law enforcement during the investigative phase of such cases. This grant is received as a sub grant from the Department of Public Safety and currently does not require a state match. Funding is anticipated at least through CY 2009 but future projections remain on a year-to-year basis.

Consolidated Listing of Appropriations
(\$ in thousands)

	<u>Agency Request</u>		<u>Senate Budget</u>	<u>House Finance</u>
	<u>FY 2010</u>	<u>FY 2011</u>	<u>Division</u>	<u>Division</u>
<u>Submitted as Part of the Attorney General's Budget Request:</u>				
Direct Appropriations:				
General	\$24,225	\$24,225		
State Government Miscellaneous	1,827	1,827		
Environmental	145	145		
Solid Waste Fund	250	250		
Statutory Appropriations:				
General	5,894	5,894		
Special Revenue	141	141		
Federal	1,378	1,387		
Miscellaneous Agency	<u>60</u>	<u>60</u>		
Total Agency Request	<u>\$33,920</u>	<u>\$33,929</u>	State Government	State Government
<hr/>				
<u>Other Funding: Partner Agreements:</u>				
Direct Appropriations:				
General				
--Department of Human Services	2,071	2,071	Health, Human Services & Corrections	Health & Human Services
State Government Miscellaneous				
--State Board of Medical Practice	<u>668</u>	<u>734</u>	Health, Human Services and Corrections	Health & Human Services
Total Partner Agreement Funding	<u>\$2,739</u>	<u>\$2,805</u>		
TOTAL ALL	<u>\$36,659</u>	<u>\$36,734</u>		



STATE OF MINNESOTA

OFFICE OF THE ATTORNEY GENERAL

LORI SWANSON
ATTORNEY GENERAL

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TELEPHONE: (651) 296-6196

January 26, 2009

To the 2009 Legislature:

Re: The Attorney General's Budget Request for FY 10/11

Dear Members:

Attached is the budget request for the Attorney General's Office (AGO) for Fiscal Years 2010 and 2011. Our office proposes to carry out its mission to advance the interests of Minnesota citizens by:

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

- Providing client advice and legal representation to state agencies in the application and enforcement of state laws and representation of agencies in federal and state courts and administrative hearings.
- Assisting state agencies to recover fines and penalties and to enforce orders and injunctions.
- Filing civil lawsuits and legal pleadings to represent and defend the public interest.

Defense of Claims (the AGO serves as defense counsel for the State and its agencies):

- Saving the state money through the defense and resolution of lawsuits and claims.
- Defending state laws passed by the legislature against constitutional attacks.
- Using alternative dispute resolution methods to save on legal costs when warranted.

Public Protection:

- Representing the Commissioner of Public Safety in over 5,800 implied consent cases (drunk driver license revocations) annually.
- Prosecuting abuse, neglect, and financial exploitation of vulnerable adults and prosecuting healthcare providers who commit fraud in delivery of Medicaid Assistance program.
- Enforcing the State's consumer, charities, and antitrust laws to protect 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. Assisting county attorneys in the civil commitment of sexual predators.

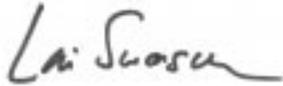
Through its work, the AGO protects taxpayer dollars. The AGO accomplishes this by providing high quality, cost-effective, expert legal services. When appropriate, the Office uses alternative dispute resolution to prevent costly litigation.

An Equal Opportunity Employer

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 expert legal services and meeting the growing demand for AGO services driven by increased and more complex litigation and concerns about public safety.

As you review our budget request, please feel free to contact me to discuss any issues or questions you may have.

Sincerely,

A handwritten signature in black ink that reads "Lori Swanson". The signature is written in a cursive, flowing style.

LORI SWANSON
Attorney General