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Attorney General

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AT A GLANCE

- Serves as Chief Legal Officer for the State of Minnesota.
- Defends State law when challenged in court.
- Provides legal representation to State agencies, boards, commissions, and officials.
- Helps Minnesotans afford their lives and live with dignity and respect by advocating for consumers and taking legal action on their behalf.
- Provides support to county attorneys in criminal matters.

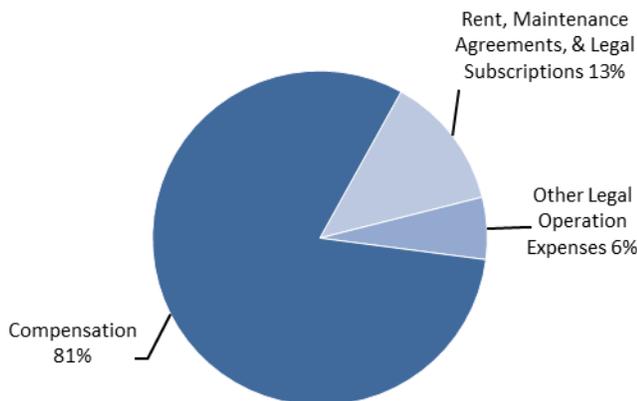
PURPOSE

The Attorney General is the State of Minnesota’s Chief Legal Officer. The Attorney General’s Office defends Minnesota laws when they face a legal challenge. The Office provides legal representation to more than 100 State agencies, boards, and commissions. The Office also protects the public by advocating for consumers and bringing legal action to help Minnesotans afford their lives and live with dignity and respect. The work of the Attorney General’s Office helps to support the following statewide outcomes:

- State agencies, boards, and commissions deliver services to all Minnesotans fairly, effectively, and equitably.
- By reducing the cost of litigation and returning settlements to the State General Fund, the State of Minnesota has more resources to serve the needs of Minnesotans.
- All Minnesotans can afford their lives and live with dignity and respect.
- All Minnesotans benefit from an economy that works for everyone.
- All Minnesotans can afford and have easy access to high-quality, comprehensive healthcare, no matter where they live or how much they earn.
- All Minnesotans are healthy and live in healthy environments where natural resources are used sustainably.

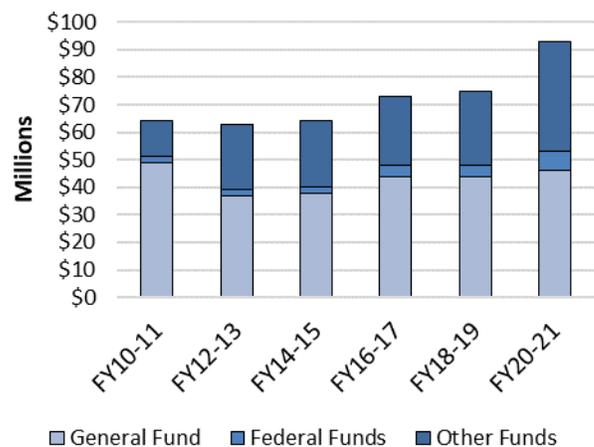
BUDGET

**Spending by Category
FY 2021 Actual**



Source: Budget Planning & Analysis System (BPAS)

Historical Spending



Source: Consolidated Fund Statement

STRATEGIES

- Facilitate the enforcement of, and defend challenges to, duly enacted Minnesota laws.
- Deliver high-quality, efficient, and effective legal representation to State agencies, boards, commissions, and officials.
- Protect and save taxpayers' dollars by defending claims for monetary judgments against the State. Provide proactive legal advice to avoid lawsuits.
- Provide legal representation to State agencies and boards in various civil and administrative proceedings and obtain monetary payments as directed by the Minnesota Legislature.
- Use the full power granted the Attorney General under Minn. Stat. § 8.31 and other State laws to protect Minnesotans from unfair, discriminatory, or other unlawful practices in business, commerce, or trade.
- Directly advocate for consumers in disputes with business to put money directly in their pockets.
- Provide Minnesota counties and law enforcement agencies with assistance and expertise in serious criminal matters.
- Ensure that the public interest is protected in delivering legal services.

Attorney General

Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
<u>Expenditures by Fund</u>						
1000 - General	22,047	24,257	24,927	29,959	26,212	26,212
1201 - Health Related Boards	2,276	2,005	2,084	2,958	2,521	2,521
2000 - Restrict Misc Special Revenue	243	218	158	156	130	130
2001 - Other Misc Special Revenue	10,487	12,715	12,178	13,135	14,137	12,964
2800 - Environmental				290	145	145
2801 - Remediation				500	250	250
3000 - Federal	2,427	2,477	2,951	3,854	4,047	4,249
3010 - Coronavirus Relief	994	1,200				
3015 - ARP-State Fiscal Recovery			1,157	2,413		
6000 - Miscellaneous Agency	532	791	444	986		
Total	39,006	43,661	43,899	54,251	47,442	46,471
Biennial Change				15,483		(4,237)
Biennial % Change				19		(4)

Expenditures by Program

Attorney General	39,006	43,661	43,899	54,251	47,442	46,471
Total	39,006	43,661	43,899	54,251	47,442	46,471

Expenditures by Category

Compensation	33,657	34,689	37,212	39,978	38,138	37,167
Operating Expenses	5,162	8,574	6,568	14,203	9,234	9,234
Grants, Aids and Subsidies		16	0			
Capital Outlay-Real Property	116		101	50	50	50
Other Financial Transaction	71	382	18	20	20	20
Total	39,006	43,661	43,899	54,251	47,442	46,471

Total Agency Expenditures	39,006	43,661	43,899	54,251	47,442	46,471
Internal Billing Expenditures	368	379	390	526	526	526
Expenditures Less Internal Billing	38,639	43,282	43,510	53,725	46,916	45,945

Full-Time Equivalent

	320.58	318.65	332.60	332.60	332.60	332.60
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Attorney General

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
1000 - General						
Balance Forward In		781		3,771		
Direct Appropriation	22,828	23,513	28,698	26,188	26,212	26,212
Transfers In	150	1,516	5,520	533		
Transfers Out	150	1,516	5,520	533		
Cancellations		37				
Balance Forward Out	781		3,771			
Expenditures	22,047	24,257	24,927	29,959	26,212	26,212
Biennial Change in Expenditures				8,583		(2,462)
Biennial % Change in Expenditures				19		(4)
Full-Time Equivalents	271.21	294.61	309.39	309.39	309.39	309.39

1201 - Health Related Boards

Balance Forward In		188		437		
Direct Appropriation	2,464	2,521	2,521	2,521	2,521	2,521
Cancellations		704				
Balance Forward Out	188		437			
Expenditures	2,276	2,005	2,084	2,958	2,521	2,521
Biennial Change in Expenditures				761		0
Biennial % Change in Expenditures				18		0
Full-Time Equivalents	24.62	1.27				

2000 - Restrict Misc Special Revenue

Balance Forward In	2,282	2,044	1,874	1,796	1,676	1,582
Receipts	7	48	79	36	36	36
Transfers Out	2					
Balance Forward Out	2,044	1,874	1,796	1,676	1,582	1,488
Expenditures	243	218	158	156	130	130
Biennial Change in Expenditures				(147)		(54)
Biennial % Change in Expenditures				(32)		(17)
Full-Time Equivalents	1.25	1.00	0.06	0.06	0.06	0.06

2001 - Other Misc Special Revenue

Balance Forward In	995	2,258	1,056	1,736	1,442	146
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(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
Receipts	11,496	11,314	12,857	12,841	12,841	12,841
Internal Billing Receipts	368	379	390	439	439	439
Transfers In	8,905	9,237	8,414	7,098	9,384	9,384
Transfers Out	8,905	9,237	8,414	7,098	9,384	9,384
Balance Forward Out	2,005	858	1,736	1,442	146	23
Expenditures	10,487	12,715	12,178	13,135	14,137	12,964
Biennial Change in Expenditures				2,111		1,788
Biennial % Change in Expenditures				9		7
Full-Time Equivalents	4.49	2.81	3.99	3.99	3.99	3.99

2800 - Environmental

Balance Forward In		145		145		
Direct Appropriation	145	145	145	145	145	145
Cancellations		290				
Balance Forward Out	145		145			
Expenditures				290	145	145
Biennial Change in Expenditures				290		0
Biennial % Change in Expenditures						

2801 - Remediation

Balance Forward In		250		250		
Direct Appropriation	250	250	250	250	250	250
Cancellations		500				
Balance Forward Out	250		250			
Expenditures				500	250	250
Biennial Change in Expenditures				500		0
Biennial % Change in Expenditures						

3000 - Federal

Receipts	2,427	2,477	2,951	3,854	4,047	4,249
Expenditures	2,427	2,477	2,951	3,854	4,047	4,249
Biennial Change in Expenditures				1,901		1,491
Biennial % Change in Expenditures				39		22

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25	
Full-Time Equivalents	19.01	18.96	19.16	19.16	19.16	19.16

3010 - Coronavirus Relief

Direct Appropriation	994	1,200				
Expenditures	994	1,200				
Biennial Change in Expenditures				(2,194)		0
Biennial % Change in Expenditures				(100)		

3015 - ARP-State Fiscal Recovery

Balance Forward In				2,413		
Direct Appropriation			3,571			
Balance Forward Out			2,413			
Expenditures			1,157	2,413		
Biennial Change in Expenditures				3,570		(3,570)
Biennial % Change in Expenditures						(100)

6000 - Miscellaneous Agency

Balance Forward In	21,354	31,488	29,602	26,746	25,896	25,896
Receipts	10,666	8,114	1,217	161		
Transfers In			1,042			
Transfers Out		9,210	4,671	25		
Balance Forward Out	31,488	29,602	26,746	25,896	25,896	25,896
Expenditures	532	791	444	986		
Biennial Change in Expenditures				107		(1,430)
Biennial % Change in Expenditures				8		(100)

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Direct				
Fund: 1000 - General				
FY2023 Appropriations	26,188	26,188	26,188	52,376
Base Adjustments				
Current Law Base Change		24	24	48
Approved Transfer Between Appropriation		0	0	0
Forecast Base	26,188	26,212	26,212	52,424
Fund: 1201 - Health Related Boards				
FY2023 Appropriations	2,521	2,521	2,521	5,042
Forecast Base	2,521	2,521	2,521	5,042
Fund: 2800 - Environmental				
FY2023 Appropriations	145	145	145	290
Forecast Base	145	145	145	290
Fund: 2801 - Remediation				
FY2023 Appropriations	250	250	250	500
Forecast Base	250	250	250	500
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	156	130	130	260
Forecast Base	156	130	130	260
Fund: 2001 - Other Misc Special Revenue				
Planned Spending	13,135	14,137	12,964	27,101
Forecast Base	13,135	14,137	12,964	27,101
Fund: 3000 - Federal				
Planned Spending	3,854	4,047	4,249	8,296
Forecast Base	3,854	4,047	4,249	8,296
Fund: 6000 - Miscellaneous Agency				
Planned Spending	986			
Forecast Base	986			
Revenue Change Summary				

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
<i>Dedicated</i>				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	36	36	36	72
Fund: 2001 - Other Misc Special Revenue				
Forecast Revenues	12,841	12,841	12,841	25,682
Fund: 3000 - Federal				
Forecast Revenues	3,854	4,047	4,249	8,296
Fund: 6000 - Miscellaneous Agency				
Forecast Revenues	161			
<i>Non-Dedicated</i>				
Fund: 1000 - General				
Forecast Revenues	770	770	770	1,540

Program: Attorney General

Activity: Government Support

AT A GLANCE

In FY 2020-21, the Government Support Section:

- Enforced the laws and rules enacted to protect Minnesota residents.
- Defended State entities and laws in enforcement proceedings.
- Defended claims against State entities and employees saving millions of taxpayer dollars.
- Protected and saved taxpayer dollars by defending claims for monetary judgments against the Department of Human Services.
- Pursued monetary recovery for cost of care.
- Secured cost savings to consumers and recovered monetary fines and overpayments in excess of \$83 million.

PURPOSE AND CONTEXT

The Government Support Section provides a broad range of legal representation to the vast majority of state government through Minnesota State entities including, among others, Minnesota Management and Budget, the Departments of Corrections, Commerce, Health, Human Services, Labor and Industry, the State Board of Investment, Professional Educator Licensing and Standards Board, Board of Peace Officer Standards, and all of the Minnesota health-related licensing boards.

The section represents these state agencies and boards in disciplinary and enforcement proceedings in administrative, state, and federal courts to ensure that Minnesota law is enforced and upheld. The section provides consistent, high quality legal advice and representation in a cost-effective manner and works to ensure the public interest is represented in all matters.

The section primarily provides legal representation in state agencies' enforcement, disciplinary and regulatory actions to protect Minnesota residents. The section represents State entities in licensing, regulatory, rate making, disciplinary and enforcement actions. And, through its defense of the Minnesota Department of Human Services in litigation, the section defends the State's laws and the constitutionality of the State's actions and decisions.

SERVICES PROVIDED

- State agencies and boards are provided legal representation in enforcement and disciplinary proceedings.
- Claims and litigation are avoided by proactive legal advice.
- Millions of tax dollars are saved by defense of legal claims.
- Agencies and boards are represented in complex financial and contract transactions.
- Provides legal counsel to the Minnesota Department of Human Services, including the defense of the constitutionality of the Minnesota Sex Offender Program.
- Provides proactive legal counsel and representation in an effort to avoid lawsuits or resolve disputes.
- Litigates matters on behalf of state agencies and boards to ensure that Minnesota laws are enforced and upheld and that the public interest is protected.
- Pursues and recovers monetary fines, overpayments of government funds, and estate and subrogation claims.
- Protects government benefit program integrity by defending agency eligibility determinations.

RESULTS

- Enforcement of Minnesota laws and regulations protects Minnesotans' rights, health, and safety.
- Legal advice and representation facilitate the implementation and enforcement of laws enacted by the Minnesota Legislature.
- The implementation and enforcement of laws enacted by the Minnesota Legislature are facilitated by the provision of efficient and competent legal advice and representation.
- Litigation is conducted in a manner to advance the public interest.
- Defense of claims and recovery actions for State entities protects the State Treasury.
- Represents the health-related licensing boards in disciplinary action so that Minnesota residents are provided with access to high quality healthcare through safe health care professionals.
- Obtained judgments requiring repayment of funds to State government.
- Pursued claims related to health care and health insurance paid, including subrogation claims.
- Secured historic savings totaling nearly \$60 million for natural gas consumers by proving that certain utilities failed to act prudently during Winter Storm Uri in 2021.
- Secured a settlement that reduced a proposed cost increase by \$18.6 million in electric and natural gas utilities.
- Recovered nearly \$2.8 million in overpayments for Personal Care Attendant services.
- Defended agency eligibility determinations so that only eligible individuals receive government assistance.

Government Support

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
<u>Expenditures by Fund</u>						
1000 - General	4,022	4,049	3,735	4,075	4,099	4,099
1201 - Health Related Boards	2,255	1,984	2,063	2,937	2,500	2,500
2001 - Other Misc Special Revenue	1,252	2,732	3,350	2,723	1,524	351
Total	7,529	8,765	9,149	9,735	8,123	6,950
Biennial Change				2,590		(3,811)
Biennial % Change				16		(20)
<u>Expenditures by Category</u>						
Compensation	7,095	8,765	9,149	9,735	8,123	6,950
Operating Expenses	434					
Other Financial Transaction	0					
Total	7,529	8,765	9,149	9,735	8,123	6,950
<u>Full-Time Equivalents</u>						
	67.68	76.44	77.78	77.78	77.78	77.78

Government Support

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
1000 - General						
Balance Forward In		52				
Direct Appropriation	4,074	4,000	4,075	4,075	4,099	4,099
Transfers In			1,500			
Transfers Out			1,840			
Cancellations		3				
Balance Forward Out	52					
Expenditures	4,022	4,049	3,735	4,075	4,099	4,099
Biennial Change in Expenditures				(261)		388
Biennial % Change in Expenditures				(3)		5
Full-Time Equivalents	43.06	75.17	77.78	77.78	77.78	77.78

1201 - Health Related Boards

Balance Forward In		188		437		
Direct Appropriation	2,443	2,500	2,500	2,500	2,500	2,500
Cancellations		704				
Balance Forward Out	188		437			
Expenditures	2,255	1,984	2,063	2,937	2,500	2,500
Biennial Change in Expenditures				761		0
Biennial % Change in Expenditures				18		0
Full-Time Equivalents	24.62	1.27				

2001 - Other Misc Special Revenue

Balance Forward In	751	1,398	556	1,259	1,173	
Receipts	10,485	10,934	12,467	9,735	9,735	9,735
Transfers Out	8,767	9,237	8,414	7,098	9,384	9,384
Balance Forward Out	1,216	363	1,259	1,173		
Expenditures	1,252	2,732	3,350	2,723	1,524	351
Biennial Change in Expenditures				2,089		(4,198)
Biennial % Change in Expenditures				52		(69)

Program: Attorney General

Activity: Health and Safety Section

AT A GLANCE

In FY 2020-21, the Health and Safety Section:

- Provided Minnesota counties and law enforcement agencies with prosecutorial assistance in serious criminal matters.
- Prosecuted healthcare providers that fraudulently obtained State Medicaid funds.
- Prosecuted criminal cases ranging from sexual assault to racketeering to murder.
- Handled False Claims Act cases.
- Represented the Department of Transportation in road improvement projects.
- Defended the Minnesota National Guard in a contract claim.
- Represented the Department of Public Safety at implied consent hearings.
- Provided assistance to Minnesota residents.
- Obtained restitution orders, civil recoveries, and contract savings more than \$18 million.

PURPOSE AND CONTEXT

The Health and Safety Section provides a broad range of legal services with the goals of protecting public safety and taxpayer dollars. The section provides assistance to county attorneys and local law enforcement agencies in prosecuting serious crimes and in the civil commitment of sex offenders. The section further provides assistance to Minnesota counties with criminal appeals. The section prosecutes healthcare providers committing Medicaid fraud and assists county attorneys in prosecuting vulnerable adult abuse, neglect, and financial exploitation cases. In addition, the section provides legal representation to the Commissioner of Public Safety, including at implied consent hearings, and the Minnesota State Patrol in forfeiture matters.

Through its work for the Minnesota Department of Transportation, the section provides legal advice and litigation representation regarding construction-related matters and assists in real estate transactions, evaluating claims and attempting to resolve claims before litigation arises. The section also protects taxpayers by filing claims on behalf of Transportation against entities that fail to pay employees legally mandated wages.

SERVICES PROVIDED

The Health and Safety Section provides the following services:

- Provides assistance to county attorneys when requested in serious criminal prosecutions.
- Provides assistance to county attorneys in felony appeals, including murder, sexual assault, child sexual abuse, felony assault, and drug distribution cases.
- Assists county attorneys in civil commitment hearings involving dangerous sexual predators.
- Prosecutes healthcare provider fraud within the Medicaid program and recovers fraudulently obtained Medicaid funds.
- Appears in court on behalf of the Commissioner of Public Safety in implied consent cases, and on behalf of the Minnesota State Patrol in its forfeiture proceedings.
- Delivers proactive legal advice to avoid lawsuits.
- Defends monetary claims brought against the Minnesota Department of Transportation and the Minnesota National Guard to protect millions of taxpayer dollars.

RESULTS

Specific benefits the Health and Safety Section obtained for the State in FY 2020-21 include:

- Prosecuted healthcare providers that fraudulently obtained State Medicaid funds. Over \$3 million in restitution was ordered in these cases.
- Prosecuted ten owners, managers, and employees of an outstate Minnesota assisted living facility who have been charged with a collective 76 counts of manslaughter, assault, neglect, racketeering, theft, operating a comprehensive home care facility without a license, concealing the proceeds of these crimes, perjury, and obstructing the State's criminal investigation.
- Participated in False Claims Act cases which resulted in civil recoveries of over \$12 million to the state and federal governments, with approximately \$6 million returned to Minnesota.
- Saved over \$3 million of taxpayer money in defending the Minnesota National Guard in a contract claim.
- Legal work helps facilitate the implementation and enforcement of laws enacted by the Minnesota Legislature.
- High quality, effective and efficient legal representation delivered to state agencies, boards, and commissions protects the health and safety of Minnesotans.
- Providers are prosecuted for fraudulent use of Medicaid funds.
- Public interest is advanced by providing assistance in prosecutions and appeals.
- Public interest is advanced in civil litigation.
- Residents' rights and safety are protected.
- Legal representation saves millions of taxpayers' dollars by its defense of claims against State agencies.

Health and Safety Section

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
<u>Expenditures by Fund</u>						
1000 - General	6,823	3,326	4,227	4,175	4,175	4,175
1201 - Health Related Boards	21	21	21	21	21	21
2000 - Restrict Misc Special Revenue	224	172	145	127	124	124
2001 - Other Misc Special Revenue	3,219	2,764	2,700	3,086	3,086	3,086
3000 - Federal	2,427	2,477	2,951	3,854	4,047	4,249
6000 - Miscellaneous Agency			6			
Total	12,713	8,760	10,050	11,263	11,453	11,655
Biennial Change				(159)		1,795
Biennial % Change				(1)		8
<u>Expenditures by Category</u>						
Compensation	11,736	8,087	8,844	9,812	10,002	10,204
Operating Expenses	963	673	1,206	1,451	1,451	1,451
Grants, Aids and Subsidies			0			
Capital Outlay-Real Property			0			
Other Financial Transaction	14					
Total	12,713	8,760	10,050	11,263	11,453	11,655
Total Agency Expenditures	12,713	8,760	10,050	11,263	11,453	11,655
Internal Billing Expenditures	368	379	390	526	526	526
Expenditures Less Internal Billing	12,345	8,381	9,661	10,737	10,927	11,129
<u>Full-Time Equivalent</u>	124.55	78.98	80.21	80.21	80.21	80.21

Health and Safety Section

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
1000 - General						
Balance Forward In		20				
Direct Appropriation	6,843	4,100	4,175	4,175	4,175	4,175
Transfers In		281	90			
Transfers Out		1,070	38			
Cancellations		4				
Balance Forward Out	20					
Expenditures	6,823	3,326	4,227	4,175	4,175	4,175
Biennial Change in Expenditures				(1,747)		(52)
Biennial % Change in Expenditures				(17)		(1)
Full-Time Equivalents	104.29	59.02	60.99	60.99	60.99	60.99

1201 - Health Related Boards

Direct Appropriation	21	21	21	21	21	21
Expenditures	21	21	21	21	21	21
Biennial Change in Expenditures				0		0
Biennial % Change in Expenditures				0		0

2000 - Restrict Misc Special Revenue

Balance Forward In	2,263	2,040	1,870	1,773	1,676	1,582
Receipts		2	48	30	30	30
Balance Forward Out	2,040	1,870	1,773	1,676	1,582	1,488
Expenditures	224	172	145	127	124	124
Biennial Change in Expenditures				(123)		(24)
Biennial % Change in Expenditures				(31)		(9)
Full-Time Equivalents	1.25	1.00	0.06	0.06	0.06	0.06

2001 - Other Misc Special Revenue

Balance Forward In	8	190				
Transfers In	3,401	2,574	2,700	3,086	3,086	3,086
Balance Forward Out	190					
Expenditures	3,219	2,764	2,700	3,086	3,086	3,086
Biennial Change in Expenditures				(197)		386
Biennial % Change in Expenditures				(3)		7

Health and Safety Section

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25

3000 - Federal

Receipts	2,427	2,477	2,951	3,854	4,047	4,249
Expenditures	2,427	2,477	2,951	3,854	4,047	4,249
Biennial Change in Expenditures				1,901		1,491
Biennial % Change in Expenditures				39		22
Full-Time Equivalents	19.01	18.96	19.16	19.16	19.16	19.16

6000 - Miscellaneous Agency

Balance Forward In	6	6	6			
Balance Forward Out	6	6				
Expenditures			6			
Biennial Change in Expenditures				6		(6)
Biennial % Change in Expenditures						

Program: Attorney General

Activity: Consumer Protection Section

AT A GLANCE

In FY 2020-21, the Consumer Protection Section:

- Upheld and implemented the laws enacted by the Minnesota Legislature.
- Enforced Minnesota’s consumer protection, worker protection, and antitrust laws.
- Responded to Minnesotans’ concerns about fraud and other problems with businesses.
- Ensured Minnesota nonprofits, charities, and trusts registered and complied with Minnesota law.
- Advocated for residential and small business ratepayers on utility matters.
- Recovered more than \$78 million during FY 2020-21 for consumers and obtained judgments for the State to pay restitution to consumers; and reduced ratepayer obligations by more than \$720 million for requests from regulated electric and gas utilities.

PURPOSE AND CONTEXT

The Consumer Protection Section of the Attorney General’s Office investigates potential violations and enforces Minnesota’s consumer protection, worker protection (including wage theft), and antitrust laws. The Section responds to concerns about businesses submitted by members of the public and facilitates resolution of these complaints. It also regulates nonprofits, charities, and trusts that operate and fundraise in Minnesota. The Section also advocates for the interest of residential and small business ratepayers in matters involving electric, natural gas, and telecommunications services and rates.

SERVICES PROVIDED

The Consumer Protection Section provides the following services:

- The Consumer, Wage, and Antitrust Division investigates and, where appropriate, files enforcement actions to ensure businesses comply with the state consumer protection, worker protection (including wage theft), and antitrust laws. The laws enforced by the Division include laws prohibiting consumer fraud, deceptive trade practices, false advertising, wage theft, and state and federal antitrust laws. The Division conducts investigations and takes action to stop and deter fraud, anticompetitive conduct, and other unlawful practices in business, commerce, or trade and to protect consumers and workers. The Division also participates in numerous coordinated investigations of potential fraudulent or anticompetitive conduct by multiple state and federal enforcers of consumer protection, worker protection, and antitrust laws, including other state attorneys general, the U.S. Department of Justice, and the Federal Trade Commission and the Consumer Financial Protection Bureau.
- The Consumer Action Division counsels consumers regarding disputes with businesses or concerns about fraudulent activity and responds to consumers’ requests for assistance.
- The Charities Division oversees and regulates Minnesota nonprofit organizations, charities, and trusts. The Division maintains a public registry of charities, charitable trusts, and professional fundraisers that operate in the State for transparency purposes. The Division also oversees and regulates charities, charitable trusts, and nonprofits active in Minnesota pursuant to the Office’s authority under statute and common law. Finally, the Charities Division enforces state charitable solicitation, charitable trust, and nonprofit laws.
- The Residential Utilities Division (“RUD”) represents the interests of residential and small-business utility consumers in the complex and changing electric, natural gas, and telecommunications industries, particularly regarding utility rates, reliability of service, and service quality issues. The RUD’s work supports Minnesota’s economy and the quality of life of its residents by making sure that utilities’ rates are

reasonable, their expenses are prudent, and that customers receive high quality service. This is essential to ensure that the state's residents and small businesses are not burdened by excessive costs or poor reliability for these necessary services. The RUD advocates for residential and small business ratepayers in utility matters before the Minnesota Public Utilities Commission ("PUC").

RESULTS

The following are specific benefits the Consumer Protection Section obtained for the State primarily in FY 2020-21, (some FY2022 results are also included where legal action is final):

- In FY 2021, the Consumer Action Division answered more than 67,000 calls and handled more than 13,000 files. The Division reached resolutions for consumers to return to them approximately \$7.8 million.
- Legal work facilitates the implementation and enforcement of laws enacted by the Minnesota Legislature.
- Consumer protection, worker protection (including wage theft), and antitrust laws are fairly enforced.
- Residential and small business ratepayer interests are advanced in utility matters. In one matter, the RUD advocated for utility ratepayers at the PUC where the final awarded amount to a utility was reduced by over \$32 million compared to the utilities' initial requests.
- Recovered funds for the State and obtained restitution for Minnesota consumers. For example, the Consumer, Wage, and Antitrust and Charities divisions obtained new judgments/settlements for restitution for Minnesota consumers and funds for the State totaling over \$13.5 million in FY20, over \$17 million in FY21, and over \$22.5 million in FY22. As part of these new judgments/settlements the division also secured over \$8 million in FY20, over \$1.5 million in FY21, and over \$36.5 million in FY22 in debt forgiveness and relief for Minnesota consumers.
- Residents' rights are protected by making sure Minnesota laws are enforced and upheld.
- The Section has shut down and secured refunds for students that have fallen victim to student debt relief scams and secured millions in loan forgiveness for Minnesota students whose loans were serviced by Navient or who had loan debt from attending for-profit schools such as Argosy and Minnesota School of Business/Globe University.
- Following a trial, the section prevailed in its enforcement action against a North Minneapolis landlord who included numerous misleading and deceptive provisions in his leases with tenants, including misrepresenting to tenants that they did not have a right to habitable housing and could not have their homes inspected by local authorities. The section secured significant injunctive relief and a judgment for over \$1.2 million.
- The section has secured historic settlements with opioid manufacturers, distributors, and a consulting firm, as well as helped update Minnesota's landmark opioid legislation. This will result in Minnesota receiving hundreds of millions of dollars over the course of years. Pursuant to Minnesota's updated opioid legislation and the Memorandum of Agreement between the State and cities and counties, 75% of these funds will go directly to local governments and the remaining 25% will be put into a restricted opioid abatement fund, which is overseen by the Opioid Epidemic Response Advisory Council.

Consumer Protection Section

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
<u>Expenditures by Fund</u>						
1000 - General	2,753	5,518	3,523	4,898	4,898	4,898
2000 - Restrict Misc Special Revenue	2	46	8	19		
2001 - Other Misc Special Revenue	2,005	1,929	4,314	2,046	4,076	4,076
6000 - Miscellaneous Agency	532	791	438	986		
Total	5,292	8,284	8,283	7,949	8,974	8,974
Biennial Change				2,656		1,716
Biennial % Change				20		11
<u>Expenditures by Category</u>						
Compensation	4,470	7,493	7,844	6,963	8,974	8,974
Operating Expenses	822	791	438	986		
Other Financial Transaction	0					
Total	5,292	8,284	8,283	7,949	8,974	8,974
<u>Full-Time Equivalents</u>						
	46.18	79.87	86.70	86.70	86.70	86.70

Consumer Protection Section

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
1000 - General						
Balance Forward In		454				
Direct Appropriation	3,357	4,000	4,798	4,898	4,898	4,898
Transfers In		1,070	577			
Transfers Out	150		1,853			
Cancellations		6				
Balance Forward Out	454					
Expenditures	2,753	5,518	3,523	4,898	4,898	4,898
Biennial Change in Expenditures				150		1,375
Biennial % Change in Expenditures				2		16
Full-Time Equivalents	46.18	79.87	86.70	86.70	86.70	86.70

2000 - Restrict Misc Special Revenue

Balance Forward In		4	4	19		
Receipts	6	46	23			
Balance Forward Out	4	4	19			
Expenditures	2	46	8	19		
Biennial Change in Expenditures				(21)		(27)
Biennial % Change in Expenditures				(44)		(100)

2001 - Other Misc Special Revenue

Balance Forward In	9	116				
Transfers In	2,250	1,813	4,314	2,046	4,076	4,076
Transfers Out	138					
Balance Forward Out	116					
Expenditures	2,005	1,929	4,314	2,046	4,076	4,076
Biennial Change in Expenditures				2,426		1,792
Biennial % Change in Expenditures				62		28

6000 - Miscellaneous Agency

Balance Forward In	21,348	31,482	29,596	26,746	25,896	25,896
Receipts	10,666	8,114	1,217	161		
Transfers In			1,042			
Transfers Out		9,210	4,671	25		

Consumer Protection Section

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base	
	FY20	FY21	FY22	FY23	FY24	FY25
Balance Forward Out	31,482	29,596	26,746	25,896	25,896	25,896
Expenditures	532	791	438	986		
Biennial Change in Expenditures				101		(1,424)
Biennial % Change in Expenditures				8		(100)

Program: Attorney General

Activity: Solicitor General Section

AT A GLANCE

In FY 2020-21, the Solicitor General Section:

- Provided high-quality legal advice and representation to all three branches of Minnesota Government, including Constitutional officers, State agencies, boards, public officials, and employees.
- Successfully defended Minnesota laws from legal challenges brought before state and federal courts.
- Obtained \$68,951,369 in new judgments in favor of the State and saved the State \$10,737,000 by defeating or effectively resolving claims by plaintiffs.

PURPOSE AND CONTEXT

The Solicitor General Section provides high-quality and effective legal advice and representation to all three branches of Minnesota Government in a wide variety of civil cases. After a reorganization in January of 2020, the Solicitor General Section is made up of four litigation divisions: Employment, Torts, and Public Utilities Commission (“ETP”); Environment and Natural Resources (“ENR”); Tax Litigation; and Education. Each division serves its clients by providing proactive legal counsel in an effort to avoid lawsuits and representing clients in litigation to ensure that the public interest is protected.

The ETP Division advises and represents individuals and entities across state government in tort, employment, and other civil legal claims that do not fit neatly in other divisions. ETP lawyers often are called on to defend challenges to the constitutionality of Minnesota laws. The division also provides legal advice and representation to the Minnesota Public Utilities Commission.

The ENR Division advises and represents the Pollution Control Agency, Department of Natural Resources, Department of Agriculture, and Environmental Quality Board. In that role it helps enforce the State’s environmental laws and regulations and defends challenges to those agencies’ administrative actions. The ENR Division also houses the transactional attorneys from across the AGO, who primarily provide State clients with advice and expertise on contracting and real estate.

The Tax Litigation Division represents the Department of Revenue (“DOR”) in proceedings brought by taxpayers challenging DOR’s tax assessments; defends constitutional challenges to Minnesota’s tax laws; and advises DOR in the collection of delinquent taxes.

The Education Division advises and represents the Department of Education (“MDE”), the Office of Higher Education (“OHE”), the Perpich Center for Arts Education and the State Academies, as well as Minnesota State Colleges and Universities, with its system of 37 separate campuses. The Education division also represents the following pension boards: Teachers Retirement Association, Public Employees Retirement Association and Minnesota State Retirement System.

Finally, the Solicitor General ensures that all divisions of the AGO provide high quality and consistent representation in our state and federal appellate courts and takes on significant constitutional challenges to Minnesota laws.

SERVICES PROVIDED

The Solicitor General Section provides the following services:

- Represents the above-mentioned government entities, the State of Minnesota and public officials in legal matters pending before state and federal courts, including at district court and appellate levels.
- Defends Minnesota laws against constitutional and other legal challenges.
- Defends Constitutional officers, State agencies, boards, public officials and employees in challenges to their implementation and administration of Minnesota laws.
- Defends Constitutional officers, State agencies, boards, public officials and employees in a variety of other civil matters, including in tort and employment claims.
- Advises and counsels the above-mentioned government entities and public officials on litigation risks and alternatives to avoid the commencement of adverse legal claims.
- Defends successfully against significant claims for monetary damages, saving and protecting taxpayer dollars.

RESULTS

Specific benefits the Solicitor General Section obtained for the State in FY 2020-21 include:

- The ENR Division obtained new judgments totaling \$58,686,848 for the State and returned to State coffers an additional \$24,608,690 from judgments obtained in this and previous years.
- The ETP Division saved the State approximately \$10,737,000 by defeating or settling claims against the State.
- The Tax Litigation Division obtained new judgments/settlements totaling \$10,264,521 of which \$6,847,568 was already collected. The Tax Litigation division also saved the State \$20,252,648 and saved counties \$26,115,143 by defeating or settling claims.
- The Section protected our State's response to COVID-19 by advising on over 80 proposed executive orders and defeating litigation challenging executive orders. The Solicitor's Section both protected the Governor's authority and helped to establish clear precedent for future Governors.

Solicitor General Section

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
<u>Expenditures by Fund</u>						
1000 - General	1,504	4,155	5,580	3,342	3,342	3,342
2001 - Other Misc Special Revenue	742	1,129		1,839	2,222	2,222
2800 - Environmental				290	145	145
2801 - Remediation				500	250	250
Total	2,246	5,284	5,580	5,971	5,959	5,959
Biennial Change				4,020		367
Biennial % Change				53		3
<u>Expenditures by Category</u>						
Compensation	2,201	5,284	5,580	5,971	5,959	5,959
Operating Expenses	46					
Other Financial Transaction	0					
Total	2,246	5,284	5,580	5,971	5,959	5,959
<u>Full-Time Equivalents</u>						
	21.13	42.53	44.51	44.51	44.51	44.51

Solicitor General Section

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
1000 - General						
Balance Forward In		164				
Direct Appropriation	1,668	4,000	4,075	3,875	3,342	3,342
Transfers In			1,505			
Transfers Out				533		
Cancellations		8				
Balance Forward Out	164					
Expenditures	1,504	4,155	5,580	3,342	3,342	3,342
Biennial Change in Expenditures				3,262		(2,238)
Biennial % Change in Expenditures				58		(25)
Full-Time Equivalents	21.13	42.53	44.51	44.51	44.51	44.51

2001 - Other Misc Special Revenue

Balance Forward In	3	28				
Transfers In	767	1,101		1,839	2,222	2,222
Balance Forward Out	28					
Expenditures	742	1,129		1,839	2,222	2,222
Biennial Change in Expenditures				(32)		2,605
Biennial % Change in Expenditures				(2)		

2800 - Environmental

Balance Forward In		145		145		
Direct Appropriation	145	145	145	145	145	145
Cancellations		290				
Balance Forward Out	145		145			
Expenditures				290	145	145
Biennial Change in Expenditures				290		0
Biennial % Change in Expenditures						

2801 - Remediation

Balance Forward In		250		250		
Direct Appropriation	250	250	250	250	250	250
Cancellations		500				
Balance Forward Out	250		250			

Solicitor General Section

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
Expenditures				500	250	250
Biennial Change in Expenditures				500		0
Biennial % Change in Expenditures						

Program: Attorney General**Activity: Administrative Operations**

AT A GLANCE

In FY 2020-21, the Administrative Operations:

- Provided administrative, human resources, accounting services, information technology, and support services to the Attorney General's Office ("AGO") to provide efficient and effective legal representation.
- Enconced several employee committees to help the office operate more effectively, inclusively, and efficiently to serve all Minnesotans.

PURPOSE AND CONTEXT

- Ensure that budget, human resources, payroll, and accounting practices are in accordance with State law and procedures.
- Protect and save taxpayer dollars by ensuring an efficient use of resources and staff.
- Purchase goods and services pursuant to State guidelines and requirements.
- Interact with other State agencies and boards on personnel, administrative, and accounting matters.
- Provide reliable, safe, and professional information technologies to support all staff and the State in delivering legal representation and services.

SERVICES PROVIDED

- Protect taxpayer dollars by ensuring accounting and payroll services are complete, accurate, and in accordance with the law.
- Maintain budget and accounting systems to ensure that they are in compliance with State law and practice.
- Develop and implement administrative policies and procedures in accordance with State law and requirements.
- Provide the AGO with necessary administrative support to provide high-quality and efficient legal representation.
- Supply human resources, administrative, and accounting services.
- Ensure that purchasing is cost effective and in accordance with all applicable laws and regulations.
- Provide hardware and software technical support to staff, maintain data security, and coordinate security updates and software improvements.
- Provide robust eDiscovery services, litigation support, and legal research tools.

RESULTS

- Administrative support is provided to carry out the delivery of high-quality legal services efficiently and effectively.
- Legal resources are available to ensure timely and effective representation.
- Fiscal matters are handled to ensure that efficient and accountable government services are provided and that the systems are in accordance with the laws of the State.
- Information technology services have been adapted to support hybrid work for the majority of AGO staff.

Administrative Operations

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
<u>Expenditures by Fund</u>						
1000 - General	6,945	7,208	7,863	13,469	9,698	9,698
2000 - Restrict Misc Special Revenue	17		4	10	6	6
2001 - Other Misc Special Revenue	3,270	4,161	1,814	3,441	3,229	3,229
3010 - Coronavirus Relief	994	1,200				
3015 - ARP-State Fiscal Recovery			1,157	2,413		
Total	11,226	12,568	10,838	19,333	12,933	12,933
Biennial Change				6,377		(4,305)
Biennial % Change				27		(14)

Expenditures by Category

Compensation	8,156	5,060	5,795	7,497	5,080	5,080
Operating Expenses	2,897	7,111	4,923	11,766	7,783	7,783
Grants, Aids and Subsidies		16	0			
Capital Outlay-Real Property	116		101	50	50	50
Other Financial Transaction	57	382	18	20	20	20
Total	11,226	12,568	10,838	19,333	12,933	12,933

Full-Time Equivalents

	61.04	40.83	43.40	43.40	43.40	43.40
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Administrative Operations

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
1000 - General						
Balance Forward In		91		3,771		
Direct Appropriation	6,886	7,413	11,575	9,165	9,698	9,698
Transfers In	150	165	1,848	533		
Transfers Out		446	1,790			
Cancellations		16				
Balance Forward Out	91		3,771			
Expenditures	6,945	7,208	7,863	13,469	9,698	9,698
Biennial Change in Expenditures				7,179		(1,936)
Biennial % Change in Expenditures				51		(9)
Full-Time Equivalents	56.55	38.02	39.41	39.41	39.41	39.41

2000 - Restrict Misc Special Revenue

Balance Forward In	19			4		
Receipts	1		9	6	6	6
Transfers Out	2					
Balance Forward Out			4			
Expenditures	17		4	10	6	6
Biennial Change in Expenditures				(3)		(2)
Biennial % Change in Expenditures						(17)

2001 - Other Misc Special Revenue

Balance Forward In	224	526	500	477	269	146
Receipts	1,012	380	390	3,106	3,106	3,106
Internal Billing Receipts	368	379	390	439	439	439
Transfers In	2,487	3,750	1,400	127		
Balance Forward Out	453	495	476	269	146	23
Expenditures	3,270	4,161	1,814	3,441	3,229	3,229
Biennial Change in Expenditures				(2,176)		1,203
Biennial % Change in Expenditures				(29)		23
Full-Time Equivalents	4.49	2.81	3.99	3.99	3.99	3.99

3010 - Coronavirus Relief

Direct Appropriation	994	1,200				
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Administrative Operations

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25	
Expenditures	994	1,200				
Biennial Change in Expenditures				(2,194)		0
Biennial % Change in Expenditures				(100)		

3015 - ARP-State Fiscal Recovery

Balance Forward In				2,413		
Direct Appropriation			3,571			
Balance Forward Out			2,413			
Expenditures			1,157	2,413		
Biennial Change in Expenditures				3,570		(3,570)
Biennial % Change in Expenditures						(100)

Attorney General

FY 2024-25 Budget Change Item

Change Item Title: Enhanced Criminal Enforcement and Initiatives

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	2,021	2,021	2,021	2,021
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	2,021	2,021	2,021	2,021
FTEs	9	9	9	0

Request:

The Office of the Attorney General requests \$2,020,500 in FY 2024 and each year thereafter to provide needed legal services to rural county attorneys to prosecute violent crimes, and to prosecute crimes that unfairly harm consumers and businesses. This request includes 7 FTE attorneys and 2 FTE legal assistants. This request represents a 7.7% increase to our base budget. Under previous administrations, the Attorney General’s Office (AGO) significantly reduced the legal services available to respond to these requests. Due to this reduction, currently the AGO does not have the capacity to fully lend support in prosecuting a broad range of violent or complex crimes, white collar crimes, cross-county crimes such as trafficking of sex/labor, drug/fentanyl, weapons, and financial exploitation, or respond to habeas corpus petitions, when requested. For sex or labor trafficking crimes in particular, the Attorney General and other law enforcement partners have identified a unique need for prosecutorial leadership on a statewide basis. Trafficking cases are complex, difficult, and labor-intensive. Small county attorneys’ offices in greater Minnesota often lack the capacity to take on these cases. The outcome of additional resources would be to rebuild the Office’s capacity to better aid counties to enforce the criminal laws in their jurisdiction that are beyond the scope of their resources, and hold unscrupulous businesses accountable.

Rationale/Background:

Pursuant to Minn. Stat. Sect. 8.01, upon request of the county attorney, the attorney general shall appear in court in such criminal cases as the attorney general deems proper.

Since Attorney General Ellison took office in 2019, the Attorney General’s Office has prosecuted homicides, serious criminal sexual conduct, or other crimes in Aitkin, Becker, Beltrami, Big Stone, Carlton, Chippewa, Clearwater, Cook, Cottonwood, Dodge, Fillmore, Freeborn, Grant, Hennepin, Houston, Jackson, Kanabec, Le Sueur, Morrison, Pennington, Pope, Ramsey, Red Lake, Renville, Roseau, Todd, Traverse, and Wilkin counties. Since 1999, the AGO decreased its capacity to assist county attorneys with criminal prosecutions. At the present time, the Attorney General’s Office has only three full-time criminal prosecutors. The assistance they are able to provide is limited to homicide cases and a limited number of other violent felonies, including sexual assault. The Office is routinely unable to accept requests from county attorneys for assistance with prosecution of other violent crimes, white collar crime, financial exploitation, multi-county prosecutions of drug or human trafficking, due to lack of staff.

Many counties are served by small offices, in some cases staffed by part-time county attorneys. These offices do an admirable job of handling local enforcement and prosecution of crimes typical to their communities. It is the rare instance of an atypical serious crime, including murder or attempted murder, violent domestic or sexual assault, murder for hire, large-scale drug manufacture and sales, sex and human trafficking, or an identified

pattern of crime that crosses county lines, that is often beyond the experience and resources of these small offices.

In addition to providing assistance to small county attorney offices, occasionally larger offices seek the assistance of the AGO in criminal prosecution. For example, the Hennepin County Attorney and the Governor requested that the AGO assume prosecution of four former Minneapolis police officers for the death of George Floyd. Also, upon request of the Washington and Hennepin County Attorneys, the AGO assumed the prosecution of a former Brooklyn Center police officer for the death of Daunte Wright during a traffic stop. The AGO has also reviewed two situations involving officer use of force in both Saint Paul and Minneapolis for the Ramsey County Attorney and Hennepin County Attorney, respectively. In both these situations, the AGO declined to prosecute the officers for their use of force. As section 8.01 states, when faced with such crimes, the county attorney has the option to request assistance from the Attorney General's Office. It is county attorneys' expectation that the Attorney General's Office will employ a group of experienced prosecutors with the capacity to handle these uncommon matters efficiently and effectively, as requested. Due to long-term underfunding, this is currently not the case.

Proposal:

The Attorney General requests \$2.021 million in FY 24 and each year thereafter to rebuild the capacity of the office to meet its obligation to aid in the enforcement of the criminal laws of the state. Additionally, increased capacity will allow us to provide greater assistance to county attorneys in handling appellate work on criminal cases.

As soon as the funds are appropriated, the Attorney General will recruit and train staff, and deepen strategic communications with the county attorneys and state investigators at the Bureau of Criminal Apprehension, the Department of Commerce, and the Department of Labor and Industry.

With these additional resources, the Attorney General's Office will be better able to respond to the unmet needs of the counties and will begin to rebuild the capacity to provide necessary assistance with prosecution of serious offenses. It will also build the capacity to prosecute targeted cases against perpetrators of crimes that affect the economic security of Minnesotans.

It is expected that this initiative will become part of the Attorney General's Office base budget, and its efforts will be informed in the future by changing patterns of criminal activity. When unscrupulous actors, whether individuals or businesses, recognize that illegal actions will be prosecuted, it should help Minnesotans better afford their lives, deter future criminal activity, and increase the confidence of businesses that follow the law that unscrupulous actors will be held accountable.

The Attorney General will track the number of investigations and prosecutions commenced and completed, as well as the characteristics of crime victims and scope of economic loss.

Impact on Children and Families:

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. Finally, 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:

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.

This will enhance 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 minority communities that have been overrepresented in the criminal justice system.

IT Related Proposals:

N/A

Statutory Change(s):

None

Attorney General

FY 2024-25 Biennial Budget Change Item

Change Item Title: One-time Operating Adjustment

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	9,971	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	9,971	0	0	0
FTEs	0	0	0	0

Request:

The Office of the Attorney General respectfully requests a one-time operating adjustment of \$9.971 million in FY 2024.

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. Society has become more complex and more litigious. The challenges 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 (AGO) to help Minnesotans meet them. It is not possible to do the work of the people of Minnesota today with only 65% of the resources the AGO had 30 years ago.

The Attorney General’s Office, facing years of disinvestment plus historic levels of current inflation, requests a one-time operating adjustment funding for long overdue investments in our physical office infrastructure, crucial modern technology, internal safety and security, and funds to facilitate the ability to join large-scale, multi-state litigation efforts such as opioid and antitrust efforts, that present sometimes prohibitive up-front costs but are enormously beneficial to Minnesotans due to the potential to result in multi-million dollar outcomes. The AGO is no longer able to absorb these significant costs nor provide makeshift fixes. Strategic investments are needed to adapt and adjust our Office’s budget to continue to rebuild the Office into a top-functioning, 21st century public law office and to best serve all of Minnesota.

PHYSICAL OFFICE INFRASTRUCTURE

One of the top priorities of the AGO is to attract and retain top talent to serve the public. Our unique public law office and mission attracts top talent – however our office space- first leased in 1994, nearly 30 years ago, must be improved to create a professional and supporting environment where employees will choose to stay. An updated, functional, renovated office, with modern technology and security, are critical in achieving this goal. Given the competitive job market and the move of the vast majority of legal workplaces to mixed, hybrid work environments, it is imperative to update and modernize to meet the needs of workers today and into the future.

Office Renovation Expenses

The AGO seeks one-time funding for office updates and renovations. The lease for the downtown Saint Paul office space that houses the vast majority of the staff of the Attorney General’s Office is set to expire in January 2023. Because this was known well in advance, administrative and executive staff began a comprehensive process in 2019 to assess the current and future space needs of the Office, and then issued a Request for Proposals through the Department of Administration. After reviewing bids, executive staff determined that the most cost-effective way to meet the current and anticipated needs of the Office is to update and renovate our present space and replace aging furniture that is no longer operational. Additionally, in the current political climate, government buildings face many real, targeted threats including bombings, sabotage, unlawful entries, threats of violence against personnel, 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, updating and improving physical security systems is an imperative operational requirement.

MODERNIZED TECHNOLOGY

Hybrid Work Technology

Given the shift to hybrid work, the AGO requests one-time funding to deploy 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 and communicate with employees during emergency situations, and connect employees with the appropriate workspace based on the type of work they are performing at a given time. Additionally, the newly created Shared Services Division will modernize the office, create efficiencies, and allow us to better track assets and convert physical documents to electronic copies, reducing document storage space and expenses in the office. One-time funding is needed for equipment to facilitate hybrid work, but no additional FTEs are being requested. Current staff will be reorganized to create greater efficiencies.

Cloud Modernization, eDiscovery & Cybersecurity Technology

The AGO requests additional one-time funding 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 aging on-premises, custom-built applications to modern cloud-based services and infrastructure. As the AGO’s client agencies and the state and federal judicial branch continue to enhance their electronic data management initiatives, the AGO must make additional investments in cybersecurity and infrastructure redundancy to increase efficiency and reduce the risk of cyberattacks and IT service disruptions. Improved network connectivity and bandwidth are also necessary to support increased cloud-based applications.

This also includes expansion of the AGO's eDiscovery tools – used to securely store and review large 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 and related costs 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 investigations.

AGO Law Library Modernization

The AGO seeks one-time funding to modernize our existing law library. To efficiently use our space, the AGO law library will have a significantly smaller footprint. This will require further investment in digital research tools. Additionally, for the remaining print collection, the library currently lacks an inventory system that prevents users from walking off with expensive library items or historical documents. Funding will provide an inventory tracking system, a self-checkout stand, and library security technology consistent with other government and county libraries.

LARGE/ COMPLEX CONSUMER LITIGATION MULTISTATE FUND

The AGO seeks one-time funding for the creation and initial funding of a revolving litigation expense account. The State regularly litigates in complex consumer protection actions in Minnesota and around the country to protect the rights of Minnesota consumers. This litigation, which includes consumer fraud/deceptive trade practices cases, antitrust cases, wage theft cases, false claims matters, and other complex civil litigation, requires budgeting for litigation costs, document review platforms, expert witnesses, and other items. These complex cases and at times joining efforts with other states are of great benefit to Minnesotans. The AGO regularly brings in tens of millions of dollars of recoveries to the State, which are deposited under statute into the general fund. The AGO is proposing legislation to amend the statute to create a revolving fund from its recoveries in consumer protection cases where a small percentage of those recoveries will be used to fund on-going litigation in same or similar matters, in essence, renewing the initial funding provided in this request.

Proposal:

The Office of the Minnesota Attorney General respectfully request one-time operating adjustment funding in the amount of:

- Office Renovation Expenses of \$5,500,000
- Hybrid Work Technology and Equipment \$520,526
- Cloud Modernization, eDiscovery & Cybersecurity Technology \$2,800,000
- AGO Law Library Modernization costs of \$150,000
- Large/ Complex Consumer Litigation Multistate Fund cost of \$1,000,000

These one-time funding strategic investments will help the AGO continue to rebuild into a top-functioning 21st century public law office.

Statutory Change(s):

The office will seek to amend section 16A.151 to advance the creation of the Large/Complex Consumer Litigation Multistate Fund. At present, section 16A.151 requires the Attorney General's office to put recoveries in the general fund unless they are paid as restitution.

Attorney General

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.