

ATTORNEY GENERAL'S BUDGET REQUESTS FY08

1. General Fund Appropriation for Consumer Protection Efforts

The AG's Office was hit particularly hard by budget cuts in FY01-FY03. In response, the Office has kept attorney positions permanently vacant and cut non-salary costs. Each fiscal year, the Office starts about \$350,000 in the red and needs to make cuts or find additional resources (e.g. agency reimbursements) to balance its budget.

Additionally, each fiscal year, the Office uses about \$1.5 million from the Consumer Education and Litigation Fund and the Elderly Fund to finance its Consumer Protection Division. These funds are made up of recoveries from consumer protection litigation. Expenditures from these funds at this level are not sustainable going into the future. Although the Office has had unusually large recoveries in recent years (e.g. \$1 million in the Ameriquest case in FY05), the average annual recovery over the last ten-year period is only about \$880,000. To ensure that the Office has sufficient resources to adequately finance its Consumer Protection Division, the Office requests **\$600,000** from the general fund to bridge the difference between reasonably expected case recoveries and current budget requirements.

2. Fund Senior Fraud Prosecution Unit

The Office is requesting **\$200,000** to fund a unit consisting of an attorney and an investigator to enhance the criminal prosecution of caretakers and others who financially exploit Iowa's senior citizens.

3. Fund Charities Unit

The Office is requesting **\$215,000** to fund a charities unit consisting of an attorney and a paralegal. The unit will enforce laws regulating activities of non-profit organizations in Iowa. To generate the \$215,000, the Department will propose legislation that imposes fees on non-profit corporations, using a sliding scale based on receipts.

4. Legal Technology Enhancements

The Office is requesting **\$50,000** for new technology in several areas including knowledge management, litigation management, and document management. The Department has about 15 attorney vacancies it cannot fill due to budget cuts, and, as result, needs to improve attorney productivity and efficiency through the use of technology.

5. Victim Assistance Grants Program

The Office is requesting that the line item for victim assistance grants be increased from **\$5,000 to \$1,000,000**. Also, the Department is requesting that the amount required to be transferred from the Crime Victim Compensation Fund to the Victim Assistance Grant Program be reduced from **\$3,200,000 to \$2,450,000**. This would allow the Department to fund its legislative proposal to increase crime victim benefits and would place the Crime Victim Compensation Fund on a more actuarially sound basis.

6.. Legal Services for Persons in Poverty Grants Program

The Department is requesting that the line item for legal assistance grants be increased from **\$900,000** to **\$1,550,000**. Combined with **\$450,000** that is allocated to the Department for legal assistance grants from the state court administrator, total state resources for legal assistance grants would be **\$2,000,000**. Additional state resources would help ensure that Iowans in poverty have access to the courts for civil legal matters.