



**State of Minnesota
Department of Finance**

400 Centennial Building
658 Cedar Street
St. Paul, Minnesota 55155
Voice: (651) 296-5900
Fax: (651) 296-8685
TTY: 1-800-627-3529

January 25, 2005

The Minnesota Legislature
State Capitol
St. Paul, Minnesota

To the 2005 Legislature:

I respectfully submit for your consideration the Governor's FY 2006-07 budget proposal for the judicial branch agencies, including the Supreme Court, the Court of Appeals, the Trial Courts, the Legal Profession Boards, and the Board of Public Defense. The Governor respects the separation of powers and the desire of constitutional officers and officials in the judicial and legislative branches to independently present their budget requests directly to the legislature without specific recommendations from the Governor. However, since the Governor is required by law to submit a balanced budget to the legislature, it is necessary to identify funding for those offices as part of preparing a complete budget.

For the judicial branch, the Governor recommends an increase of \$20 million to recognize current caseload increases and other cost pressures in the criminal justice area. The funding recommendation has been pro-rated among the judicial branch agencies supported by the general fund. The Legal Profession Boards are fully funded by fees collected under court rules.

The Governor recommends funding for significant changes in the sentencing of sex and methamphetamine offenders. His budget includes \$22.2 million for additional trial and other court-related costs anticipated for the Trial Courts and the Board of Public Defense as a result of these sentencing changes.

The Governor recommends \$15.4 million for the Board of Public Defense relating to the funding deficiency in the agency's FY 2005 budget as a result of the determination that the public defender co-pay statute is unconstitutional. He has separately recommended funding of the current year deficiency in legislation that he has requested the legislature pass early in the current session.

Finally, the Governor recommends a \$10 increase in the criminal/traffic surcharge the state currently collects, raising it from \$60 to \$70. This increase is expected to raise \$11.4 million for the general fund in the FY 2006-07 biennium, which will help fund public safety and criminal justice initiatives in his budget.

Sincerely,

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

Peggy Ingison
Commissioner

Dollars in Thousands

	Current		Governor Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	7,898	7,939	7,939	7,939	15,878
Recommended	7,898	7,939	8,189	8,189	16,378
Change		0	250	250	500
% Biennial Change from 2004-05					3.4%
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	7,897	7,940	8,189	8,189	16,378
Total	7,897	7,940	8,189	8,189	16,378
<u>Expenditures by Category</u>					
Total Compensation	6,802	6,903	6,903	6,903	13,806
Other Operating Expenses	1,095	1,037	1,286	1,286	2,572
Total	7,897	7,940	8,189	8,189	16,378
<u>Expenditures by Program</u>					
Court Of Appeals	7,897	7,940	8,189	8,189	16,378
Total	7,897	7,940	8,189	8,189	16,378
Full-Time Equivalentents (FTE)	80.8	80.8	80.8	80.8	

<i>Dollars in Thousands</i>				
	FY2005	Governor's Recomm.		Biennium
		FY2006	FY2007	2006-07
Fund: GENERAL				
FY 2005 Appropriations	7,939	7,939	7,939	15,878
Subtotal - Forecast Base	7,939	7,939	7,939	15,878
Change Items				
Caseload Increase	0	250	250	500
Total Governor's Recommendations	7,939	8,189	8,189	16,378

COURT OF APPEALS

Change Item: Caseload Increase

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	\$250	\$250	\$250	\$250
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$250	\$250	\$250	\$250

Recommendation

The Governor recommends \$20 million in additional funding for the judicial branch in the FY 2006-07 biennium to recognize current caseload increases and other cost pressures in the criminal justice area. The funding recommendation amount has been pro-rated among the Supreme Court, Court of Appeals, Trial Courts, and Board of Public Defense. The Governor makes no specific recommendations on judicial branch agency change requests.

Background

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

The Governor's recommendation for the judicial branch recognizes that caseload increases and other cost pressures provide constant challenges for officials to administer justice in a fair and timely manner.

Relationship to Base Budget

Base funding for the judicial branch agencies in the FY 2006-07 biennium is \$621 million. For purposes of calculating the distribution of this funding, ongoing costs for a deficiency request by the Board of Public Defense were added to the underlying base amount. With that adjustment, the funding increase recommended is about 3.14% for judicial branch agencies.



THE SUPREME COURT OF MINNESOTA
MINNESOTA JUDICIAL CENTER
25 REV. DR. MARTIN LUTHER KING JR. BLVD.
SAINT PAUL, MINNESOTA 55155

CHAMBERS OF
KATHLEEN A. BLATZ
CHIEF JUSTICE

(651) 296-3380

January 18, 2005

The 2005 Minnesota Legislature:

On behalf of the hundreds of thousands of litigants, 298 judges, and approximately 2900 employees of the judicial branch of the State of Minnesota, I transmit the FY 06-07 budget request for the judicial branch.

In addition to the FY 06-07 base budget for the Supreme Court, the Court of Appeals, and the Trial Courts, I am transmitting five change requests highlighting additional needs of the judicial branch for the next biennium. Those requests are:

- \$31,853,000 in projected salary and insurance increases to Maintain Core Justice Operations by funding current staffing levels
- \$ 1,776,000 for caseload growth in mandated services of interpreters and psychological services
- \$ 470,000 for Expedited Child Support adjudication
- \$ 176,000 for Court of Appeals to restore retired judge funding
- \$ 7,000,000 for Civil Legal Services for the Poor

The Minnesota judiciary is in a period of transition on a number of legislatively authorized, mission-critical initiatives including the completion of the Minnesota Court Information System (a key component of CriMNet); transfer of Districts 6 and 10 to state funding; and aggressive efforts to meet federal and state mandates regarding protection of children in cases of abuse and neglect and the establishment and modification of child support. At the same time the judiciary is undertaking these major initiatives, enormous caseload pressures continue, including the pervasive impact of methamphetamines on nearly every case type. The judiciary recognizes that in a time of budgetary restraint there is a need for a shared solution. However, we believe the Minnesota judicial branch is different and unique as compared to many Executive Branch agencies and other state funded programs.

Constitutional Promise to Minnesota Citizens

The Minnesota Constitution dictates the manner and boundaries under which the Judiciary must operate. Article I, Section 8 provides:

“Every person is entitled to a certain remedy in the laws for all injuries or wrongs which he may receive to his person, property or character and to obtain justice freely and without purchase, completely and without denial, promptly and without delay, conformable to the laws.”

Other provisions of the Minnesota Constitution promise citizens a right to a speedy and public trial by an impartial jury. It is imperative that the judicial branch carries out its constitutional and legal mandates to protect the rights and safety of our citizens. In order to meet these requirements, we must provide court services “promptly and without delay.” To do so, courts must be staffed sufficiently to ensure prompt service because justice delayed is justice denied. The judicial branch is also required by law to ensure that courts, even those in rural areas, remain open for those residents who need to seek justice. Inadequate funding of the court’s budget will threaten the ability of the judiciary to meet these constitutional and statutory imperatives.

The budget that we have proposed provides timely adjudication of the more than 2 million cases presented to the courts for disposition each year. It protects public safety by the fair, but swift disposition of criminal cases and the enforcement of court sanctions, including collection of fines, in those cases. It protects the most vulnerable of our citizens -- children -- through guardians ad litem who advocate for their best interests and through additional child support collection efforts. By providing sufficient resources to maintain our current staffing levels and meet justice mandates, this budget protects the rights of each citizen to due process, to well reasoned decisions, and to the fair and impartial administration of justice.

No Control Over Workload

The Minnesota judiciary is an open door for justice in the state. Our workload is dictated by the will of prosecutors enforcing state and local laws, the desires of citizens and businesses for redress, and the needs of children and other vulnerable citizens for protection. The judiciary is unable to turn away those who enter the courthouse and has an impact on the lives of citizens from birth to death. Unlike other agencies, we do not run programs and have no discretionary budget to cut. All resources of the court system support the adjudication of matters brought to us by other entities.

Resources to fund current staffing levels; growth in mandated services for interpreters, psychological services, and expedited child support; and increases for civil legal services and for Court of Appeals retired judge use are needed to meet the fundamental constitutional and statutory mandates of the judicial branch. I am therefore presenting to the Legislature for its consideration a FY 06-07 budget request, which funds these core services.

Very truly yours,



Kathleen A. Blatz
Chief Justice

Court of Appeals

	FY06	FY07	Total
Adjusted Base Budget	\$ 7,939	\$ 7,939	\$ 15,878
<i>Change Requests:</i>			
Maintain Core Justice Operations	303	681	984
Retired Judge	88	88	176
Total Request	\$ 8,330	\$ 8,708	\$ 17,068

The Court of Appeals processes more than 2500 appeals annually. For most citizens, it is the court of last resort. In order to continue to expedite child protection, child custody, and civil commitment cases, the court seeks to restore retired judge funding to prioritize those cases. The FY04-05 budget cuts have resulted in a doubling of time to case consideration. This request will fund current staffing levels and restore a modest amount of retired judge assistance.

The Court of Appeals is requesting additional funding as follows:

- **Maintain Core Justice Operations** seeks to fund employee compensation costs and projected insurance cost increases to be negotiated by the Department of Employee Relations.
- **Retired Judge Funding** allows for the restoration of one panel of judges to ensure cases are heard in a sufficient time period.

COURT OF APPEALS

Agency Change Item: Maintain Core Justice Operations

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	\$303	\$681	\$681	\$681
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$303	\$681	\$681	\$681

Recommendation

Agency Request: Submitted for Reference Only

Background

The Supreme Court is responsible for pay plans for the approximately 2,850 court employees at all levels within the judicial branch and is responsible for administering the payroll for judges at the appellate and trial court level. Court of Appeals employees are paid within the judicial branch compensation and pay plan.

The judicial branch non-judicial pay plan consists of the same three basic components as the executive branch: across the board adjustments to the salary range, merit or step increases, and the insurance benefit program negotiated by the Department of Employee Relations for all state employees.

During the FY 2006-07 biennium the judicial branch has estimated that additional salary funding will be necessary to implement a pay plan commensurate with other negotiated state and local agreements and to provide a salary increase for judges in FY 2006 and FY 2007. Especially problematic is the expected double digit cost increase for insurance costs.

Relationship to Base Budget

This request represents a 6.2% increase to the Court of Appeals operations biennial base budget.

Key Measures

Failure to fund negotiated pay plans and mandated employee health insurance costs will result in layoffs. These will significantly impact the ability of the courts to accomplish their constitutional role of adjudicating disputes.

Alternatives Considered

Because human resources costs are greater than 85% of the judicial branch, the effective alternatives available to fund salary increases are few. A reduction in the workforce is the most likely and least desirable.

COURT OF APPEALS

Agency Change Item: Retired Judge Funding

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	\$88	\$88	\$88	\$88
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$88	\$88	\$88	\$88

Recommendation

Agency Request: Submitted for Reference Only

Background

In the late 90's, the legislature recognized the need for judicial resources and authorized funding for retired judges and two and one-half law clerk positions. These additional funds enabled the Minnesota Court of Appeals to create an additional panel allowing approximately 180 additional cases to be resolved annually. This further allowed the Court of Appeals to expedite primary physical custody cases, Children in the Need of Protective Services, and created more opportunities to reduce the time on appeal for most cases. Since 2003, funding has been reduced. This has prevented the formation of the additional panel. As a result the time on appeal has been increased by 60–90 days. Funds are again being requested in order to process cases on appeal more expeditiously. Expeditiously processing appeals aids in the stabilization of families and children.

Relationship to Base Budget

This request represents a 1.1% increase to the Court of Appeals base biennial budget.

Key Measures

This funding allows the formation of an additional panel of judges. As a result the time on appeal will be reduced. Ultimately this benefits the people who use the Court of Appeals and helps create the public's confidence in the judiciary.

Alternatives Considered

The Court of Appeals is committed to evaluating its procedures to ensure that appeals are handled as expeditiously as possible, with the resources available.

Agency Purpose

Minnesota's Court of Appeals is the state's intermediate appellate court, providing citizens with prompt and deliberate review of final decisions of the trial courts, state agencies, and local governments.

This error-correcting court hears and decides cases in three-judge panels.

- ⇒ **Mission:** To provide the people with impartial, clear, and timely appellate decisions made according to law.
- ⇒ **Vision:** To be an accessible intermediate appellate court that renders justice under the law fairly and expeditiously through clear, well-reasoned decisions and promotes cooperative effort, innovation, diversity, and the professional and personal growth of all personnel.

Core Functions

The Court of Appeals has jurisdiction over all final decisions of the district court, except first-degree murder convictions, which are appealed directly to the Supreme Court. The Court of Appeals has jurisdiction to review interlocutory decisions, administrative agency decisions, and rules and decisions of the commissioner of Employment and Economic Development.

In support of these core functions, the Court of Appeals:

- ⇒ Manages its cases to ensure prompt resolution within the statutory 90-day time limitation from oral argument to decision.
- ⇒ Enhances the knowledge and skills of its staff by regular training.
- ⇒ Explores the use of technology to improve its ability to provide timely and effective access to the court.

Operations

Through its decisions and administration, the Court of Appeals has an impact on all Minnesotans.

In their adjudicative roles, the judges of the Court of Appeals are assisted by law clerks. Administratively, they are assisted by the Chief Attorney's Office and the State Court Administrator's Office.

The Court of Appeals hears cases throughout the state as well as in St. Paul. The court has installed interactive video as an additional measure to provide timely access.

The Court of Appeals issues a published opinion, unpublished opinion, or order opinion on each case it considers. The judges also share responsibility for hundreds of special term opinions, orders on motions, and petitions filed with the court.

With the assistance of a computerized case management system, the court monitors the progress of every appeal to ensure that there are no unnecessary delays in processing. The court demonstrates the value of aggressive, hands-on management of its cases.

Budget

The Court of Appeals is funded 100% from General Fund direct appropriations.

At A Glance

- ◆ The Court of Appeals has 16 judges and considers more than 2,000 appeals each year.
- ◆ By law, the court must issue a decision within 90 days after oral arguments – the shortest deadline imposed on any appellate court in the nation.
- ◆ The court expedites decisions on child protection cases, child custody cases, mental health commitments, and other requested matters.
- ◆ Court of Appeals' decisions are the final ruling in about 95% of the appeals filed each year.
- ◆ The Court of Appeals operates in a constantly changing environment.
- ◆ Laws, case types, and legal sanctions change annually.
- ◆ Caseload volume is determined by the trial courts and by other branches of government.
- ◆ The Minnesota Courts regularly review their effectiveness by monitoring:
 - ⇒ case filing trends;
 - ⇒ case clearance rates; and
 - ⇒ elapsed case time from filing to disposition.

Costs of non-judicial personnel use 51% of the resources of the Court of Appeals. Another 36% goes to the personnel costs of the judicial personnel. The remaining 13% is for operations (including items such as legal research materials and supplies.)

The Court of Appeals has 80.75 full-time equivalent employees.

Contact

Minnesota Court of Appeals
Minnesota Judicial Center
25 Reverend Dr. Martin Luther King Jr. Boulevard
Saint Paul, Minnesota 55155

Sue Dosal
State Court Administrator
Phone: (651) 296-2474
Fax: (651) 297-5636

Home page: <http://www.courts.state.mn.us>