



**State of Minnesota
Department of Finance**

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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	38,806	36,084	36,084	36,084	72,168
Recommended	38,806	36,084	37,218	37,218	74,436
Change		0	1,134	1,134	2,268
% Biennial Change from 2004-05					-0.6%
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	35,333	39,557	37,218	37,218	74,436
Statutory Appropriations					
General	369	253	0	0	0
Special Revenue	1,230	1,222	1,225	1,223	2,448
Federal	3,699	3,664	3,510	3,451	6,961
Miscellaneous Agency	509	1	1	1	2
Gift	53	46	46	46	92
Total	41,193	44,743	42,000	41,939	83,939
<u>Expenditures by Category</u>					
Total Compensation	17,570	19,315	20,074	20,048	40,122
Other Operating Expenses	14,746	16,441	13,464	13,429	26,893
Local Assistance	8,700	8,633	8,462	8,462	16,924
Other Financial Transactions	177	354	0	0	0
Total	41,193	44,743	42,000	41,939	83,939
<u>Expenditures by Program</u>					
Supreme Court Operations	32,786	36,383	33,643	33,582	67,225
Civil Legal Services	8,407	8,360	8,357	8,357	16,714
Total	41,193	44,743	42,000	41,939	83,939
Full-Time Equivalents (FTE)	256.3	253.8	253.8	253.8	

SUPREME COURT

Change Summary

<i>Dollars in Thousands</i>				
	FY2005	Governor's Recomm.		Biennium
		FY2006	FY2007	2006-07
Fund: GENERAL				
FY 2005 Appropriations	36,084	36,084	36,084	72,168
Subtotal - Forecast Base	36,084	36,084	36,084	72,168
Change Items				
Caseload Increase	0	1,134	1,134	2,268
Total Governor's Recommendations	36,084	37,218	37,218	74,436
Fund: GENERAL				
Planned Statutory Spending	253	0	0	0
Total Governor's Recommendations	253	0	0	0
Fund: SPECIAL REVENUE				
Planned Statutory Spending	1,222	1,225	1,223	2,448
Total Governor's Recommendations	1,222	1,225	1,223	2,448
Fund: FEDERAL				
Planned Statutory Spending	3,664	3,510	3,451	6,961
Total Governor's Recommendations	3,664	3,510	3,451	6,961
Fund: MISCELLANEOUS AGENCY				
Planned Statutory Spending	1	1	1	2
Total Governor's Recommendations	1	1	1	2
Fund: GIFT				
Planned Statutory Spending	46	46	46	92
Total Governor's Recommendations	46	46	46	92
Revenue Change Items				
Fund: GENERAL				
Change Items				
Increase Criminal/Traffic Surcharge \$10	0	4,900	6,500	11,400

SUPREME COURT

Change Item: Caseload Increase

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	\$1,134	\$1,134	\$1,134	\$1,134
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$1,134	\$1,134	\$1,134	\$1,134

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.

SUPREME COURT

Change Item: Increase Criminal/Traffic Surcharge \$10

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	0	0	0	0
Revenues	\$4,900	\$6,500	\$6,500	\$6,500
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	(\$4,900)	(\$6,500)	(\$6,500)	(\$6,500)

Recommendation

The Governor recommends a \$10 increase in the criminal/traffic surcharge to help fund public safety and criminal justice initiatives in his budget. The surcharge increase is expected to raise \$4.9 million in FY 2006 and \$6.5 million in 2007 in non-dedicated General Fund receipts.

Background

Persons convicted of any felony, gross misdemeanor, misdemeanor, or petty offenses, including traffic offenses, but not including parking offenses, must now pay a \$60 surcharge in addition to any other fines or charges required under law. Of the current surcharge, \$50 is deposited in the General Fund as a non-dedicated receipt, \$9.75 is deposited in the special revenue fund for peace officer training, and \$.25 is deposited in the game and fish fund for peace officer training for Department of Natural Resources employees. This proposal would raise the surcharge by \$10 to \$70 and deposit the additional proceeds into the General Fund.

Persons who are convicted of criminal or traffic offenses now pay fines, surcharges, and other charges required by law, which are used to help partially reimburse state and local costs for public safety and criminal justice activities. As those costs continue to increase, the Governor believes it appropriate to increase the surcharge to help offset some of those costs.

Relationship to Base Budget

The current surcharge of \$60 raised \$36.3 million in FY 2004 and is expected to raise \$40 million in FY 2005 and thereafter. The most recent increase of \$25 took effect in FY 2004. First year revenues from increases generally raise about 75% of the annual amounts collected after the surcharge has been in effect for more than a year due to typical payment delays and monthly deposit of receipts with the state.

State costs for public safety include the judicial branch, the Departments of Public Safety, Corrections, and Human Rights, and other related agencies.

Statutory Change: M.S. 357.021, subd. 6 and 7.



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

Supreme Court

	FY06	FY07	Total
Adjusted Base Budget	\$ 36,084	\$ 36,084	\$ 72,168
<i>Change Requests:</i>			
Maintain Core Justice Operations	812	1,791	2,603
Expedited Child Support	190	280	470
Civil Legal Services	3,500	3,500	7,000
Total Request	\$ 40,586	\$ 41,655	\$ 82,241

Total base funding for the Supreme Court for FY06-07 is \$72,168,000 or 4.1% less than the appropriated FY04-05 biennial budget. The Supreme Court and State Court Administrator's Office are coordinating the legislatively authorized mission-critical initiatives including implementation of MNCIS, transition to state funding of all trial courts, and the Children's Justice Initiative. This request seeks to maintain current staffing levels to assure the success of these initiatives, provide required mandated services, and support under-funded civil legal services.

The Supreme Court requests additional funding as follows:

- **Maintain Core Justice Operations** seeks to fund employee compensation and projected insurance cost increases to be negotiated by the Department of Employee Relations.
- **Expedited Child Support** seeks funding to comply with the federal requirements to process 75% of the IV-D child support cases within six months from service of process to filing of the final order. The number of hearings has increased 89% since 1998 while the state appropriation has remained the same. During the period of economic downturn, accelerated caseload growth for modification of child support orders is projected. Each state dollar is matched by 2 federal dollars. The request leverages \$940,000 in additional federal funds.
- **Civil Legal Services** seeks funding for representation for more than 20,000 vulnerable Minnesotans whose incomes are below the federal poverty guidelines to (1) protect the safety of children and help families break the cycle of abuse; (2) assist in securing child support and federal aid for low income families; (3) assist farm families to remain on their homesteads; (4) help prevent homelessness; (5) repair substandard housing; and (6) assist adults to move from welfare to work by overcoming legal obstacles.

SUPREME COURT

Agency Change Item: Maintain Core Justice Operations

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	\$812	\$1,791	\$1,791	\$1,791
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$812	\$1,791	\$1,791	\$1,791

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. The Supreme Court, State Court Administration and Law Library employees are paid within this 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 4.5% increase to the Supreme Court operations biennial base budget request exclusive of funding for Legal Services.

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.

SUPREME COURT

Agency Change Item: Child Support Enforcement

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	\$190	\$280	\$280	\$280
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$190	\$280	\$280	\$280

Recommendation

Agency Request: Submitted for Reference Only

Background

Federal law requires all states to have an "expedited child support process" for the adjudication of Title IV-D cases establishing, modifying or enforcing child support obligations. The Federal government requires that 75% of the IV-D matters in the expedited process move from service of process to filing of the final order in six months or less. In Minnesota, Child Support Magistrates are utilized to hear cases and provide the mandatory expedited process. By using Child Support Magistrates rather than district court judges, 66% of the cost of handling these matters is borne by the federal government and 34% of the cost is state dollars. This is not a grant of a specific amount of federal money; it is a reimbursement process. The state must pay 34% of the cost, to get the federal government to pay the other 66%. If no state money is spent, no federal dollars are received.

The current annual state appropriation of \$1.17 million has remained unchanged since FY 1998 (eight fiscal years through FY 2005). Since 1998 (through 2003), the number of hearings has increased 89%. Initially, cost shifts occurred when the process moved from the executive branch to the judicial branch, which allowed the program to live within the original appropriation despite tremendous workload growth. In FY 2003 actual spending exceeded the appropriation by \$61,000 state dollars (\$179,412 total dollars), which was covered by the general judicial branch budget. Due to the budget restrictions of FY 2004, the expedited process was limited to the original appropriation (it was recognized that any reduction in the state appropriation results in a loss of federal money). In FY04, in recognition of budget restrictions and the need to work within the existing appropriation, every aspect of the program was explored and further efficiency measures were implemented, including significant reductions in travel time and in the number of calendars. The forced reductions have caused hearing calendars in some locations to become unreasonably large, and sometimes pushed the first available hearing date beyond the target of 60 days from date of service.

Greater than 98% of the appropriation is expended to pay the people who hear and decide the cases, those who process the paperwork and the minimal number of people who support the program statewide. There is no overhead that can be reallocated to meet this need. The program makes extensive use of magistrates on a contract basis. This creates a flexible and efficient workforce for this program.

For every additional state dollar that is expended on this program we receive two federal dollars to help pay the cost. If the federal timelines are not met, the state could face the loss of other federal funding for TANF/MFIP and Medical Assistance/MN Care. If these cases are forced onto the calendars of district court judges, due to a lack of hearing time in the expedited process, 100% of the cost is state dollars, rather than just 34%.

Relationship to Base Budget

This request represents an increase of 20% over the Expedited Child Support biennial base budget. This increase will be matched on a 1/3 state; 2/3 federal basis. Therefore, it will bring in additional federal funds of \$940,000 for the biennium.

Key Measures

The number of hearings has increased from 12,419 in calendar year 1998 to 23,485 in calendar year 2003, an increase of 89%. The appropriation has not changed in eight fiscal years. The federal government requires that 75% of the cases go from service of process to final order in six months or less and that 90% of cases go from service of process to final order in 12 months. The program is currently meeting these requirements, although compliance will be difficult, if not impossible, unless new resources are provided to address the increase in the caseload.

Alternatives Considered

Several efficiencies have already been put into practice. Costs related to travel time by magistrates have been reduced through the use of interactive video (ITV), by reducing the number of half-day calendars, and by continuing cases on small calendars that require significant travel time. Districts are making every effort to schedule the magistrate who lives or works closest to a hearing location. The number of hearing dates has been reduced in all districts. We have encouraged county agencies to look for cases that may be able to proceed without a hearing. We are working with court administrators to improve the number of hearings actually held to make the best use of the court calendar. No additional reductions are possible without risking violation of federal timing requirements.

The Child Support Magistrates have no support staff and prepare their own orders. The magistrates are very efficient at moving cases, despite the fact that the vast majority of the parties appear without an attorney and a large amount of information must be gathered from the parties and the county. Child support helps the custodial parent meet the needs of the child or children. The longer it takes to get into court and establish a child support order, the longer it takes to get the money to the household with the children. This impacts the ability of the custodial parent to provide food, clothing and shelter for children.

SUPREME COURT

Agency Change Item: Civil Legal Services

Fiscal Impact (\$000s)	FY 2006	FY 2007	FY 2008	FY 2009
General Fund				
Expenditures	\$3,500	\$3,500	\$3,500	\$3,500
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$3,500	\$3,500	\$3,500	\$3,500

Recommendation

Agency Request: Submitted for Reference Only

Background

To address the well documented and serious unmet need for civil legal services described in the base budget narrative, a bipartisan, statewide Supreme Court Committee on Funding for Legal Services and the Minnesota State Bar Association have recommended that the legislature and lawyers make a joint commitment to substantially increase funding for civil legal services. Because of the even greater need for civil legal services due to difficult economic times, and the decline in leveraged federal, state, and local public and private funds for civil legal services, increased base funding for civil legal services of \$7 million during this biennium is requested.

More than 20,000 of Minnesota's most vulnerable and least powerful citizens – the poor, elderly, disabled, and children – who have critical legal needs and are eligible for legal aid are denied access to Minnesota's justice system each year due to lack of legal aid resources. If legal aid services are not provided, the state could lose as much as \$10 million each year in child support orders, new federal disability benefits and other savings. Also, more persons will attempt to represent themselves, further clogging the court system and causing the inefficient use of judicial resources. Without the recommended increase, over 11,000 additional families facing crisis situations will go without needed legal assistance; at least three rural legal aid offices will close.

State support for civil legal services started with direct funding through dedicated fees on civil court filings. Later funding increases were tied to increases in real estate document filing fees. While the funding mechanism has changed to a General Fund appropriation, the fee increases have remained in effect. As a result civil legal aid funding is almost, perhaps entirely, supported by revenues created for this purpose. Until the 2001 session, civil legal services had not had an increase in the funding base since 1997. In 2002 and 2003, its base was reduced by over 8%, or \$530,000 per year.

Starting civil legal aid salaries in 2004 average just \$32,000, which is only 72% of starting public defender salaries. This disparity grows worse with seniority, so that, according to former MSBA President, Kent Gernander, "Legal aid lawyers are typically paid as little as 60% of the salaries paid to other public sector lawyers." Like other parts of the justice system, civil legal aid providers have had to absorb increased costs in health insurance (over 80% in the last six years) and other operations.

Legal aid lawyers do not accumulate pensions. Furthermore, new attorney student loan debt loads reach or exceed \$100,000. While volunteer attorneys provide free services well in excess of \$5 million per year, the Supreme Court Committee also recognized the need to strengthen volunteer programs by providing additional funds for recruitment, training and administration.

With this additional funding, civil legal aid lawyers will provide legal advice, negotiation, conciliation, and representation to persons unable to afford private counsel in court and administrative law hearings, and will engage in preventive law and community education activities. This work focuses on the critical civil legal problems confronting low-income Minnesotans. Specifically, legal aid will address family instability, abuse, deprivation, and school instability, which are risk factors in producing violent crime. This work will thus help to save the state prison and correction costs. As noted by the Minnesota Supreme Court Committee, these legal services **"stabilize families, maintain communities and make society safer; save taxpayer money; help to**

prevent legal problems which would further clog the court system; and help people to become self-sufficient and participate effectively in society.”

The broader community will also be impacted in a beneficial way with these additional resources. Legal aid will use the legal process to:

- ◆ protect the safety of children and help families break the cycle of abuse, which domestic violence generates;
- ◆ assist low income farm families to remain on their homestead, or make the adjustment away from farming;
- ◆ help prevent homelessness and the social and government costs which attend homelessness (for example, Legal Aid's homelessness prevention work saves the state almost \$4 million in tax-supported shelter costs annually);
- ◆ repair substandard housing;
- ◆ assist adults to move from welfare to work by overcoming legal obstacles.

The proposed appropriation increase is accompanied by a proposed increase in real estate document filing fees. The revenue would fully offset the appropriation cost.

Relationship to Base Budget

Because of national census adjustments, Minnesota's civil legal aid programs have dropped over 17% in federal Legal Services Corporation funding (over \$700,000 annually) since 2002. Interest On Lawyer Trust Account (IOLTA) support for Legal Aid is down over 60% or \$1.1 million because of low interest rates. Because of the poor economy, other federal, state, local and private foundation funding for civil legal aid services has also declined. Total annualized losses from all sources over the last three years exceed \$3.6 million, or more than \$7.2 million for the biennium.

This request represents approximately a 54% increase over the biennium base budget.

Key Measures

At an average cost of \$600 per case, 6,700 Minnesota families would receive assistance with critical legal needs from the use of a \$7 million appropriation for direct services. The quantifiable measures will include:

- ◆ 4,800 single parent families and their children will be protected from domestic abuse;
- ◆ 400 families will be prevented from becoming homeless;
- ◆ 400 disabled persons, including veterans, will obtain stable income and access to medical care;
- ◆ 1,000 potential workers will overcome barriers and move from welfare to productive employment;
- ◆ 900 families will obtain needed access to healthcare;
- ◆ 700 children will remain in school;
- ◆ 900 vulnerable senior citizens will be protected from victimization; and
- ◆ 500 farm families will remain on their homestead or make the adjustment away from farming.

Alternatives Considered

The Legal Services programs aggressively seek funding from corporations and foundations, as well as private individuals. State funding for Legal aid is leveraged by over \$10 million in local, private, foundation, United Way, law firm and corporate funding.

Agency Purpose

Minnesota’s Supreme Court is the state’s court of last resort, serving as the final guardian of the state constitution and interpreting/applying the United States Constitution. The court is responsible for overseeing the machinery of justice in the state, for regulating the practice of law, and making recommendations for improvement of the judicial system.

- ⇒ The mission of the judicial branch is to provide justice through a system that assures equal access for the fair, competent, and timely resolution of cases and controversies.
- ⇒ The judicial branch vision is that the general public and those who use the court system will refer to it as accessible, fair, consistent, responsive, free of discrimination, independent, and well managed.

Core Functions

The Supreme Court has original jurisdiction in remedial cases as prescribed by law, appellate jurisdiction over all cases and supervisory jurisdiction over all courts in the state. The Supreme Court’s supervisory jurisdiction includes the authority to prescribe, amend, and modify the rules of practice in all courts; the rules governing the examination and admission of attorneys to the state bar; and the rules governing judicial and attorney professional conduct.

The Chief Justice is responsible for supervising the administrative operations of the state court system, including the financial affairs of the court system and the assignment of judges to serve in courts needing assistance.

The Supreme Court conducts its administrative functions in support of the following four strategic priority areas:

- ⇒ **Access to Justice** – Ensuring the justice system is open, affordable, effective, and accountable to the people it serves.
- ⇒ **Children’s Justice** – Working across branches of government and with other stakeholders to improve outcomes for and the delivery of services to Minnesota’s children.
- ⇒ **Technology** – Updating and integrating technology to improve and expedite the work of the courts, providing information throughout the criminal justice system.
- ⇒ **Public Trust and Confidence** – Through education, outreach to diverse communities, and a commitment to system-wide customer service, improving citizens’ understanding of and confidence in the Third Branch of government.

Operations

The adjudicative and supervisory functions of the Supreme Court have an impact on all Minnesota citizens.

ADJUDICATIVE OPERATIONS

In reviewing more than 800 cases each year, justices are assisted in their work by law clerks and the Supreme Court Commissioner’s Office.

At A Glance

- ◆ Supreme Court reviews more than 800 cases a year.
- ◆ Supreme Court oversees judicial system of 298 judges, 3,000 employees, and 23,000 attorneys.
- ◆ The judicial branch operates in a constantly changing environment.
 - ⇒ Laws, case types, and legal sanctions change annually.
 - ⇒ Caseload volume is determined by other branches and levels of government, and by private citizens and business entities who bring disputes for resolution.
- ◆ The courts are mid-way through a major financial transition from county-based funding to state funding.
 - ⇒ 3,000 county employees will be transferred to state payrolls by FY 2006.
 - ⇒ Collective bargaining is now conducted for state funded judicial districts.
- ◆ Redesign of core court technology is underway.
 - ⇒ Implementation of the Minnesota Court Information System (MNCIS), has begun.
- ◆ The Minnesota Courts regularly review their effectiveness by monitoring
 - ⇒ case filing trends;
 - ⇒ case clearance rates; and
 - ⇒ elapsed case time from filing to disposition.

SUPERVISORY OPERATIONS

In the Chief Justice's general supervisory role over the courts, she is assisted by the State Court Administrator's Office, which provides the administrative infrastructure for the judicial branch.

Working at the direction of the Chief Justice and with the Conference of Chief Judges, the State Court Administrator is responsible for providing judicial branch finance, human resources, technology, training, communications, research/evaluation, caseload management, and cross-district judicial assignment services.

Budget

Of the funding for the Supreme Court, 88% is from General Fund direct appropriations. Federal grants represent 9% of the funding for the court. The balance of the funding is from Special Revenue Funds and other grants and gifts, representing 3% of the courts funding.

Of the Supreme Court expenditures, 39% is used for technology (including the MNCIS project, which supports judicial branch operations for all three levels of court and in each county in the state.) Court operations represents 34%, which includes the cost of the Justices, their staff, and the State Court Administrator's Office staff. Civil Legal Services funds are 21%, and the remaining 6% supports the State Law Library.

The Supreme Court has 253.81 full-time equivalent employees. This excludes the Legal Profession Boards.

Contact

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 Minnesota Judicial Center
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 State Court Administrator
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Home page: <http://www.courts.state.mn.us>

Dollars in Thousands

	Current		Governor Recomm.		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	38,806	36,084	36,084	36,084	72,168
Recommended	38,806	36,084	37,218	37,218	74,436
Change		0	1,134	1,134	2,268
% Biennial Change from 2004-05					-0.6%
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	35,333	39,557	37,218	37,218	74,436
Statutory Appropriations					
General	369	253	0	0	0
Special Revenue	1,230	1,222	1,225	1,223	2,448
Federal	3,699	3,664	3,510	3,451	6,961
Miscellaneous Agency	509	1	1	1	2
Gift	53	46	46	46	92
Total	41,193	44,743	42,000	41,939	83,939
<u>Expenditures by Category</u>					
Total Compensation	17,570	19,315	20,074	20,048	40,122
Other Operating Expenses	14,746	16,441	13,464	13,429	26,893
Local Assistance	8,700	8,633	8,462	8,462	16,924
Other Financial Transactions	177	354	0	0	0
Total	41,193	44,743	42,000	41,939	83,939
<u>Expenditures by Program</u>					
Supreme Court Operations	32,786	36,383	33,643	33,582	67,225
Civil Legal Services	8,407	8,360	8,357	8,357	16,714
Total	41,193	44,743	42,000	41,939	83,939
Full-Time Equivalents (FTE)	256.3	253.8	253.8	253.8	

Program Description

Minnesota's Supreme Court is the state's court of last resort, serving as the final guardian of the state constitution and interpreting/applying the United States Constitution. The court is responsible for overseeing the machinery of justice in the state, for regulating the practice of law, and making recommendations for improvement of the judicial system.

Program at a Glance

- ◆ Supreme Court decides approximately 800 cases a year
- ◆ Supreme Court oversees judicial system of 298 judges, 3,000 employees, and 23,000 attorneys

Population Served

The adjudicative and supervisory functions of the Supreme Court have an impact on all Minnesota citizens.

Services Provided

The Minnesota Supreme Court considers appeals from judgments of the Court of Appeals, the Workers Compensation Court of Appeals, and the Tax Court. It hears special term matters, motions, and petitions for extraordinary relief. The volume of petitions for review was 638 cases in 2003. The volume of filings is expected to remain at this level through the next biennium. The Supreme Court also hears mandatory cases. This includes first-degree murder, tax court and workers' compensation court of appeals, as well as attorney discipline. In 2003 119 mandatory cases were heard.

In addition to this appellate function, the Supreme Court supervises admission to the practice of law in the state and regulates legal practice. The court also promulgates rules governing practice and procedure in the courts throughout the state, a function which involves special advisory committees and requires numerous public hearings.

The Chief Justice has general supervisory responsibility for all courts in the state. She exercises this authority through standing and ad hoc conferences, committees and commissions, and through the Office of the State Court Administrator, which provides central administrative and technology support for all appellate and trial courts in the state and for the legal regulatory boards.

Key Measures

The Supreme Court seeks to maintain or improve the dispositional time while maintaining the high quality of legal analysis and clarity of its decisions.

The Supreme Court seeks to use its personnel:

- ◆ to manage its workload so that each case receives adequate attention as its importance demands;
- ◆ to decide petitions for review within 60 days;
- ◆ to maintain an orderly and uniform legal process and procedure throughout the state through the promulgation of uniform rules;
- ◆ to regulate the admission to and practice of law in Minnesota so that each citizen seeking legal counsel is assured of competent representation;
- ◆ to ensure the financial integrity of the court system in accordance with generally accepted accounting principles and to ensure correct payment of invoices within the statutorily required 30 days; and
- ◆ to ensure the effective operation of the state court system in a way that provides access to all citizens.

Program Funding

The Supreme Court Operations budget is primarily funded by the General Fund. A small amount of support from the Special Revenue Fund is received for the State Law Library, the Court Interpreter Program, and the Attorney Registration Program. Some Federal Funds are received and directed towards children's initiatives.

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SUPREME COURT

Program: SUPREME COURT OPERATIONS

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	31,470	28,764	28,764	28,764	57,528
Subtotal - Forecast Base	31,470	28,764	28,764	28,764	57,528
Governor's Recommendations					
Caseload Increase		0	1,134	1,134	2,268
Total	31,470	28,764	29,898	29,898	59,796
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	28,000	32,234	29,898	29,898	59,796
Statutory Appropriations					
General	369	253	0	0	0
Special Revenue	156	185	188	186	374
Federal	3,699	3,664	3,510	3,451	6,961
Miscellaneous Agency	509	1	1	1	2
Gift	53	46	46	46	92
Total	32,786	36,383	33,643	33,582	67,225
<u>Expenditures by Category</u>					
Total Compensation	17,570	19,315	20,074	20,048	40,122
Other Operating Expenses	14,744	16,439	13,462	13,427	26,889
Local Assistance	295	275	107	107	214
Other Financial Transactions	177	354	0	0	0
Total	32,786	36,383	33,643	33,582	67,225
<u>Expenditures by Activity</u>					
Supreme Court Operations	4,663	5,139	4,912	4,913	9,825
State Court Administration	26,328	29,054	26,735	26,673	53,408
Law Library Operations	1,795	2,190	1,996	1,996	3,992
Total	32,786	36,383	33,643	33,582	67,225
Full-Time Equivalents (FTE)	256.3	253.8	253.8	253.8	

Program Description

Appointed by the Supreme Court, the Legal Services Advisory Committee distributes funds to civil legal services programs to provide legal assistance to low-income persons meeting statutory income eligibility guidelines. By statute, 85% of the funding is granted to six regional legal services programs (Coalition Programs) with 38 offices or projects throughout the state, which had demonstrated an ability as of 7-1-82 to provide legal services with funds provided by the federal Legal Services Corporation.

Program at a Glance

- ◆ Number of grant programs - 28
- ◆ Number of people served - 36,000 +

The remaining 15% of the funding is awarded annually on a competitive basis to nonprofit organizations providing legal or alternative dispute resolution services. In FY 2003, 22 programs received grants to provide or support legal services to the poor.

Population Served

An estimated 432,000 or approximately 9% of Minnesota's population, with incomes below the federal poverty level could qualify for civil legal services under the statutory guidelines of this program. (M.S. 480.24-480.244). A 1994 American Bar Association (ABA) Study, "Legal Needs and Civil Justice, A Survey of Americans," estimated that 47% of low-income households or 120,000 Minnesota households experience at least one legal problem a year. Legal services programs turn away more than 20,000 requests for service each year.

Seventy percent of persons served by the Legal Services Coalition are women and their children. Fifteen percent are age 60 or over and over; 33% are persons of color. A significant number of persons with physical or mental disabilities are also served by this program.

Services Provided

Through representation, negotiation, conciliation, and enforcement of legal rights, lawyers in these programs constructively resolve the legal problems of low-income applicants for program services. Most of the legal problems handled by these programs directly and significantly affect the day-to-day lives of needy people: their homes, family, health and support for their children, and personal safety.

Historical Perspective

Since the early 1980's Legal Services Coalition programs have experienced a 60% increase in requests for services.

Funding for civil legal services in Minnesota is a combination of state, federal, foundation, and private funding. State funding for legal aid is leveraged by over \$10 million in local, private, foundation, United Way, law firm, and corporate funding.

Key Measures

Reductions in client services are expected into the next biennium. Interest on Lawyer Trust Account (IOLTA) support is reduced due to low interest rates. Also, due to the poor economy, other federal, state, local, and private foundation funding has declined.

Program Funding

Program grants are funded by a General Fund appropriation and dedicated revenue from a licensed attorney assessment.

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SUPREME COURT

Program: CIVIL LEGAL SERVICES

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2004	FY2005	FY2006	FY2007	2006-07
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	7,336	7,320	7,320	7,320	14,640
Subtotal - Forecast Base	7,336	7,320	7,320	7,320	14,640
Total	7,336	7,320	7,320	7,320	14,640
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	7,333	7,323	7,320	7,320	14,640
Statutory Appropriations					
Special Revenue	1,074	1,037	1,037	1,037	2,074
Total	8,407	8,360	8,357	8,357	16,714
<u>Expenditures by Category</u>					
Other Operating Expenses	2	2	2	2	4
Local Assistance	8,405	8,358	8,355	8,355	16,710
Total	8,407	8,360	8,357	8,357	16,714
<u>Expenditures by Activity</u>					
Legal Services	8,407	8,360	8,357	8,357	16,714
Total	8,407	8,360	8,357	8,357	16,714

SUPREME COURT

Agency Revenue Summary

Dollars in Thousands

	Actual FY2004	Budgeted FY2005	Governor's Recomm.		Biennium 2006-07
			FY2006	FY2007	
<u>Non Dedicated Revenue:</u>					
Other Revenues:					
General	0	0	4,900	6,500	11,400
Total Non-Dedicated Receipts	0	0	4,900	6,500	11,400
<u>Dedicated Receipts:</u>					
Departmental Earnings:					
General	337	250	0	0	0
Special Revenue	1,263	1,228	1,228	1,223	2,451
Grants:					
Federal	602	406	251	200	451
Other Revenues:					
Federal	3,533	2,850	3,250	3,250	6,500
Gift	45	46	46	46	92
Other Sources:					
Miscellaneous Agency	509	1	1	1	2
Total Dedicated Receipts	6,289	4,781	4,776	4,720	9,496
Agency Total Revenue	6,289	4,781	9,676	11,220	20,896