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**AT A GLANCE**

The 19 judges serving on the Court of Appeals hear cases in three judge panels in courthouses throughout the state. In 2017, 1,973 cases were filed with the Court of Appeals.

Court of Appeals decisions are the final ruling in about 95 percent of the appeals filed each year. Only about five percent of the Court’s dispositions are accepted by the Minnesota Supreme Court for further review.

The Court of Appeals serves all Minnesota citizens.

**PURPOSE**

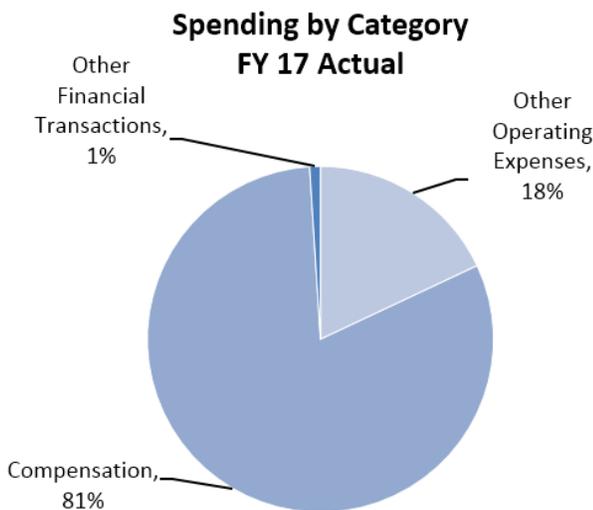
The Minnesota Court of Appeals provides the citizens of Minnesota with prompt and deliberate review of all final decisions of the trial courts, state agencies and local governments.

The Court of Appeals has jurisdiction over all final decisions of the district courts, except first degree murder convictions, which are appealed directly to the Supreme Court. The Court of Appeals also has jurisdiction to review certain decisions of administrative agencies and local governments.

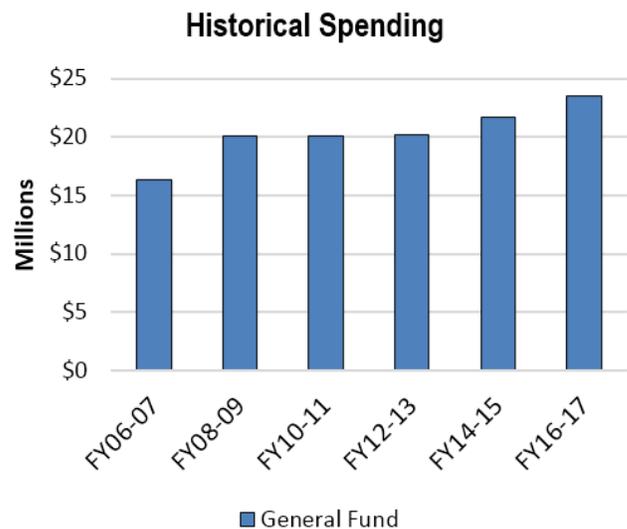
The adjudicative function of the Court of Appeals supports the following statewide outcomes:

- **Strong and stable families and communities;**
- **People in Minnesota are safe;** and
- **Efficient and accountable government services.**

**BUDGET**



Source: Budget Planning & Analysis System (BPAS)



Source: Consolidated Fund Statement

The Court of Appeals FY17 expenditures were \$12,546,000. The budget is funded 100% through the state general fund.

## STRATEGIES

The mission of the Judicial Branch is *“To provide justice through a system that assures equal access for the fair and timely resolution of cases and controversies.”* The Court of Appeals conducts its functions in support of three strategic goals to deliver its mission and to support the statewide outcomes of **promoting strong families and communities, insuring people in Minnesota are safe and providing efficient and accountable government services:**

1. Access to Justice – Ensuring the justice system is open, affordable, effective and accountable to the people it serves.
2. Administration of Justice for Effective Results – Working across branches of government and with other justice system stakeholders to improve outcomes for and the delivery of services for children, families, and alcohol and other addicted offenders who come to its courts.
3. Public Trust, Accountability, and Impartiality – Through education, outreach to diverse communities and a commitment to effective and efficient customer service and accountability, improving citizens’ understanding of and confidence in the Third Branch of government.

As part of the court’s effort to expedite justice and to make access to the appellate system less burdensome and expensive, the court’s 19 judges sit in three-judge panels and travel to locations throughout Minnesota to hear oral arguments.

By law, the Court must issue a decision within 90 days after oral arguments. This deadline is the shortest 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.

The Court of Appeals issues a published opinion, unpublished opinion, or order opinion on each case it considers on the merits.

## RESULTS

It is the policy of the Minnesota Judicial Branch to establish core performance goals and to monitor key results that measure progress toward meeting these goals in order to ensure accountability of the Branch, improve overall operations of the court and enhance the public’s trust and confidence in the Judiciary. Throughout the year the Court of Appeals reviews performance measure results. This review is shared with the Judicial Council (the Branch’s governing body) twice a year.

The Court of Appeals has adopted the American Bar Association (ABA) standards for intermediate appellate courts, which measure cases from beginning (filing) to end (disposition). The goals are to have 75% of the cases disposed within 290 days of filing and 90% of cases disposed within 365 days of filing.

### **Court of Appeals Cases Disposed Within 290 Days of Filing, 2015 - 2017**

In 2017, the Court of Appeals met its goal of disposing 75% of all cases within 290 days, up from 72% in FY2016.

**Court of Appeals Percentage of Cases Disposed Within 290 Days of Filing**

**Goal = 75% of Cases**

	2017		2016		2015	
	# of cases	% of cases meeting objective	# of cases	% of cases meeting objective	# of cases	% of cases meeting objective
Civil	985	91%	999	89%	1,176	85%
Criminal	798	54%	872	50%	854	54%
Juvenile Protection	76	100%	68	100%	58	100%
Juvenile Delinquency	14	86%	12	100%	16	100%
<b>Total Cases</b>	<b>1,873</b>	<b>75%</b>	<b>1,951</b>	<b>72%</b>	<b>2,104</b>	<b>73%</b>

**Percent of Court of Appeals Cases Disposed Within 365 Days of Filing**

The Court of Appeals exceeded the goal of disposing 90% of cases within 365 days, by disposing of 95% of its cases within that time in 2017.

**Court of Appeals Percentage of Cases Disposed Within 365 Days of Filing**

**Goal = 90% of Cases**

	2017		2016		2015	
	# of cases	% of cases meeting objective	# of cases	% of cases meeting objective	# of cases	% of cases meeting objective
Civil	985	99%	999	99%	1,176	98%
Criminal	798	89%	872	84%	854	83%
Juvenile Protection	76	100%	68	100%	58	100%
Juvenile Delinquency	14	100%	12	100%	16	100%
<b>Total Cases</b>	<b>1,873</b>	<b>95%</b>	<b>1,951</b>	<b>92%</b>	<b>2,104</b>	<b>92%</b>

Data are from the *Judicial Branch 2017 Performance Measures – Key Results and Measures Annual Report*. The report can be found at [www.mncourts.gov](http://www.mncourts.gov).

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The Minnesota Constitution, Article VI, provides the legal authority for the Court of Appeals; ([https://www.revisor.mn.gov/constitution/#article\\_6](https://www.revisor.mn.gov/constitution/#article_6)). Minn. Stat. Chapter 480A; (<https://www.revisor.mn.gov/statutes/cite/480A>) provides the authority for Court of Appeals operations.

# Court Of Appeals

# Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base		Governor's Recommendation	
					FY20	FY21	FY20	FY21
<b><u>Expenditures by Fund</u></b>								
1000 - General	10,951	12,546	11,825	13,132	12,528	12,528	12,878	13,258
<b>Total</b>	<b>10,951</b>	<b>12,546</b>	<b>11,825</b>	<b>13,132</b>	<b>12,528</b>	<b>12,528</b>	<b>12,878</b>	<b>13,258</b>
Biennial Change				1,461		99		1,179
Biennial % Change				6		0		5
Governor's Change from Base								1,080
Governor's % Change from Base								4

## **Expenditures by Program**

Court Of Appeals	10,951	12,546	11,825	13,132	12,528	12,528	12,878	13,258
<b>Total</b>	<b>10,951</b>	<b>12,546</b>	<b>11,825</b>	<b>13,132</b>	<b>12,528</b>	<b>12,528</b>	<b>12,878</b>	<b>13,258</b>

## **Expenditures by Category**

Compensation	9,811	10,237	10,624	11,255	11,272	11,272	11,622	12,002
Operating Expenses	1,113	2,231	1,199	1,671	1,250	1,250	1,250	1,250
Other Financial Transaction	27	77	2	206	6	6	6	6
<b>Total</b>	<b>10,951</b>	<b>12,546</b>	<b>11,825</b>	<b>13,132</b>	<b>12,528</b>	<b>12,528</b>	<b>12,878</b>	<b>13,258</b>

## **Full-Time Equivalent**

	<b>88.72</b>	<b>89.56</b>	<b>88.92</b>	<b>88.92</b>	<b>87.92</b>	<b>86.62</b>	<b>88.92</b>	<b>88.92</b>
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(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21		Governor's Recommendation FY20 FY21	
<b>1000 - General</b>								
Balance Forward In		567		486				
Direct Appropriation	11,517	11,979	12,311	12,646	12,528	12,528	12,878	13,258
Balance Forward Out	566		486					
<b>Expenditures</b>	<b>10,951</b>	<b>12,546</b>	<b>11,825</b>	<b>13,132</b>	<b>12,528</b>	<b>12,528</b>	<b>12,878</b>	<b>13,258</b>
Biennial Change in Expenditures				1,461		99		1,179
Biennial % Change in Expenditures				6		0		5
Governor's Change from Base								1,080
Governor's % Change from Base								4
Full-Time Equivalents	88.72	89.56	88.92	88.92	87.92	86.62	88.92	88.92

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
<b>Direct</b>				
<b>Fund: 1000 - General</b>				
<b>FY2019 Appropriations</b>	<b>12,646</b>	<b>12,646</b>	<b>12,646</b>	<b>25,292</b>
<b>Base Adjustments</b>				
Pension Allocation		17	17	34
Program or Agency Sunset		(135)	(135)	(270)
<b>Forecast Base</b>	<b>12,646</b>	<b>12,528</b>	<b>12,528</b>	<b>25,056</b>
<b>Change Items</b>				
Maintain Core Justice Operations		350	730	1,080
<b>Total Governor's Recommendations</b>	<b>12,646</b>	<b>12,878</b>	<b>13,258</b>	<b>26,136</b>

# Court of Appeals

## FY 2020-21 Biennial Budget Change Item

### Change Item Title: Maintain Core Justice Operations

Fiscal Impact (\$000s)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund				
Expenditures	350	730	730	730
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	350	730	730	730
<b>Maintain FTEs</b>	<b>1.0</b>	<b>2.3</b>	<b>2.3</b>	<b>2.3</b>

### Recommendation:

The Governor recommends funding for this request from the Court of Appeals, with the exception that the compensation increases are funded at 3% each year.

The Judicial Branch seeks \$1,226,000 in the FY2020-21 biennium to increase the compensation of Court of Appeals judges by 3.5% each year of the biennium, provide a 3.5% compensation pool each year for employees, and to fund unavoidable health insurance premium increases. The request represents a 4.9% increase in the Court of Appeals biennial base budget. The request maintains the current complement of employees.

### Rationale/Background:

In order for the Judicial Branch to continue driving innovation in our court system and improve services to Minnesotans, the Judicial Branch needs to retain and attract skilled and knowledgeable employees and judges who can maintain and operate a modern, efficient, and technology-based court system. However, the Judicial Branch faces two significant challenges:

- Following a six year salary freeze, which made it possible to preserve essential court functions while managing difficult budget cuts and freezes between FY2008 and FY2013, the Judicial Branch has made concerted efforts to improve the competitiveness of the Judicial Branch salary structure. To ensure the salary structure supports a competent workforce, and to not fall below market in the future, the Branch must continue to keep pace with public-sector market competitors. Retaining a skilled and knowledgeable workforce is important to maintain a technology-based court. Judges in some counties make less than the county attorneys who appear before them, and, in some cases even less than the assistant county attorneys.
- The second workforce challenge is a significant retirement wave among both employees and judges. Nearly one-third of current Judicial Branch staff will be 65 years old or older in the next 10 years. In the last two years, 49 judge positions have been subject to the appointment/election process — 15% of all judges in the state. By 2020, at least 37% of all judges that were on the Bench in 2015 will have either retired, or will have turned 65 years old.

This incredible loss of experience and talent is especially concerning when paired with a salary structure that must remain competitive for the Judicial Branch to compete for workers with the necessary skills.

The Court of Appeals also requests funding for unavoidable health insurance increases. Health insurance premiums are estimated to increase by 5.63% in 2020 and 5.62% in 2021. The Judicial Branch does not negotiate its own insurance agreements – it participates in the general plan negotiated by Minnesota Management and

Budget. The Judicial Branch cannot absorb the increased employer insurance contribution costs and would need to divert funding from court functions to pay for the increases without additional funding.

**Proposal:**

This change level request is not a new initiative. The Judicial Branch’s FY2020-21 biennial budget request seeks funding to increase employee and judge salaries, which will help ensure that the Judicial Branch will be ready to respond to this retirement wave, while maintaining the caliber of workforce needed to continue driving innovation within the court system.

In addition, the request for funding unavoidable health insurance increases will hold court services harmless from rising insurance costs for Judicial Branch judges and employees.

**Equity and Inclusion:**

- The change level request does not directly impact any Racial and Ethnic groups.
- The change level request is not aimed at reducing or eliminating any disparities for Racial and Ethnic groups.
- There are no potential positive or negative impacts on the identified groups.
- The change level request will enable the Judicial Branch to continue efforts to attract and retain skilled and knowledgeable employees and judges who can maintain and operate a modern, efficient, and technology-based court system. In FY17, the Branch implemented a formal pay-for-performance structure for unrepresented staff and prioritized pay-for-performance in collective bargaining, ensuring that all employee increases are based on performance. These pay-for-performance structures recognize exemplary performance and serve as performance accountability mechanisms.

**Results:**

This request is sought to support the core mission and services of the Court of Appeals and to allow the Court to continue to undertake initiatives designed to increase efficiency, reduce costs, and improve public services.

Minnesotans bring their most important and complex matters to the courts for resolution. Judges and staff work every day to help the people resolve these disputes. At the same time staff and judges are driving major innovation within the court system. Their innovations are improving service to the public and creating new efficiencies throughout the justice system. It is critically important that the Judicial Branch continue to retain and attract a workforce that builds on this innovation.