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AT A GLANCE

- Over 1,900 cases were filed with the Court of Appeals in 2015.
- The 19 judges serving on the Court of Appeals hear cases in three judge panels in courthouses throughout the state.
- Court of Appeals' decisions are the final ruling in about 95 percent of the appeals filed every year. Typically, about 5 percent of the court's decisions 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.

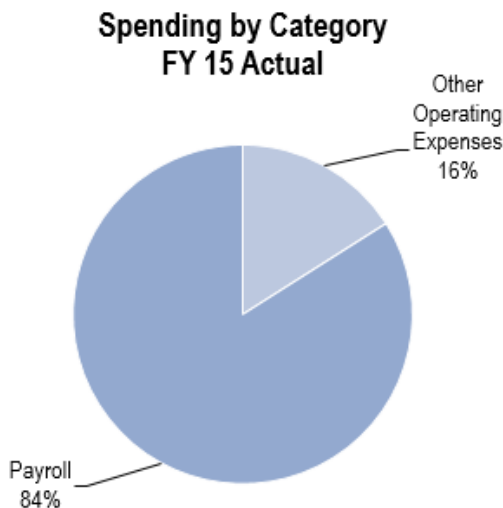
As the error-correcting court, the Court of Appeals handles most of the appeals, which allows the Minnesota Supreme Court to spend time resolving difficult constitutional and public policy cases.

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.

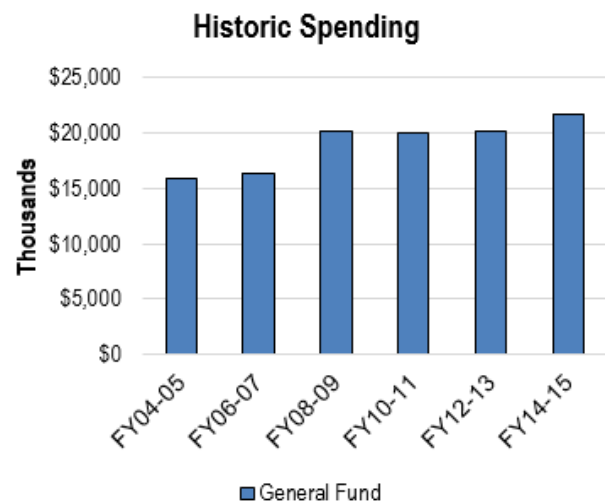
The adjudicative function of the Court of Appeals supports the following statewide outcomes:

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

BUDGET



Source: SWIFT



Source: Consolidated Fund Statement

The Court of Appeals FY15 expenditures were \$11,416,000. 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 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, 2012 - 2014

In 2014, the Court of Appeals nearly met its goal of disposing 75% of all cases within 290 days, with 73% of the cases meeting the goal. This is a decline compared to 2013 when 78% of cases were disposed within 290 days.

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

Goal = 75% of Cases

	2014		2013		2012	
	# of cases	% of cases meeting objective	# of cases	% of cases meeting objective	# of cases	% of cases meeting objective
Civil	1,216	88%	1,263	92%	1,404	87%
Criminal	856	50%	775	53%	753	49%
Juvenile Protection	51	100%	61	100%	51	100%
Juvenile Delinquency	14	93%	26	100%	21	95%
Total Cases	2,137	73%	2,125	78%	2,229	74%

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 91% of its cases within that time in 2014. Only Criminal cases did not meet the goal of 90%.

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

Goal = 90% of Cases

	2014		2013		2012	
	# of cases	% of cases meeting objective	# of cases	% of cases meeting objective	# of cases	% of cases meeting objective
Civil	1,216	98%	1,263	99%	1,404	98%
Criminal	856	80%	775	87%	753	80%
Juvenile Protection	51	100%	61	100%	51	100%
Juvenile Delinquency	14	100%	26	100%	21	100%
Total Cases	2,137	91%	2,125	95%	2,229	92%

Data are from the *Judicial Branch 2015 Performance Measures – Key Results and Measures Annual Report*. The report can be found at www.mncourts.gov/.

The Minnesota Constitution, Article VI, provides the legal authority for the Court of Appeals:
https://www.revisor.mn.gov/constitution/#article_6.

(Dollars in Thousands)

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecasted Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	10,294	11,416	10,951	12,545	11,979	11,979	12,464	12,877
Total	10,294	11,416	10,951	12,545	11,979	11,979	12,464	12,877
Biennial Change				1,785		462		1,845
Biennial % Change				8		2		8
Governor's Change from Base								1,383
Governor's % Change from Base								6

Expenditures by Program

Program: Court Of Appeals	10,294	11,416	10,951	12,545	11,979	11,979	12,464	12,877
Total	10,294	11,416	10,951	12,545	11,979	11,979	12,464	12,877

Expenditures by Category

Compensation	9,175	9,591	9,811	10,513	10,513	10,513	10,998	11,411
Operating Expenses	1,097	1,559	1,113	2,026	1,460	1,460	1,460	1,460
Other Financial Transactions	23	266	27	6	6	6	6	6
Total	10,294	11,416	10,951	12,545	11,979	11,979	12,464	12,877

Full-Time Equivalents

	88.2	88.1	88.7	88.7	85.7	84.3	88.6	88.6
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1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	0	381	0	566	0	0	0	0
Direct Appropriation	10,641	11,035	11,517	11,979	11,979	11,979	12,464	12,877
Net Transfers	0	0	0	0	0	0	0	0
Cancellations	0	0	0	0	0	0	0	0
Expenditures	10,294	11,416	10,951	12,545	11,979	11,979	12,464	12,877
Balance Forward Out	347	0	566	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				1,785		462		1,845
<i>Biennial % Change in Expenditures</i>				8		2		8
<i>Gov's Exp Change from Base</i>								1,383
<i>Gov's Exp % Change from Base</i>								6
Full-Time Equivalents	88.2	88.1	88.7	88.7	85.7	84.3	88.6	88.6

Court of Appeals

FY18-19 Biennial Budget Change Item

Change Item Title: Maintain Core Justice Operations

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	485	898	898	898
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	485	898	898	898
FTEs	2.9	4.3	4.3	4.3

Recommendation:

The Governor recommends funding for this request from the Court of Appeals.

The Judicial Branch seeks \$1,383,000 in the FY2018-19 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 and statutorily mandated employer pension contribution increases. The request represents a 5.8% increase in the Court of Appeals biennial base budget.

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. Minnesota judges rank in the bottom half nationally in judicial pay. Judges in some counties make significantly 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, 36 new judges have been appointed/elected to the Bench—11% 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 request funding for unavoidable health insurance increases and statutorily mandated employer pension contribution increases. Health insurance premiums are estimated to increase by 8.9% in 2018 and 4.19% in 2019. The Judicial Branch does not negotiate its own insurance agreements – it participates in the general plan negotiated by Minnesota Management and Budget. The Minnesota State Retirement System (MSRS) will be seeking increases in the employer and employee contributions to the General Employees Retirement Plan which would result in a 1.5% increase in the Judicial Branch employer contribution. The Judicial Branch cannot absorb the increased insurance and pension contribution costs and would need to divert funding from court functions to pay for these increases without additional funding.

Proposal:

This change level request is not a new initiative. The Judicial Branch's FY2018-19 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 and the employer pension contribution increase 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, which recognizes exemplary performance and serves as a performance accountability mechanism.

IT Related Proposals:

This request contains no information technology recommendation.

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.

Statutory Change(s):

The request will not require statutory changes.