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Court of Appeals

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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

The Court of Appeals FY15 expenditures were $11,416,000. The budget is funded 100% through the state general fund.

Source: SWIFT

Source: Consolidated Fund Statement
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.

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

<table>
<thead>
<tr>
<th>Goal = 90% of Cases</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td># of cases</td>
<td>% of cases meeting objective</td>
<td># of cases</td>
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<tr>
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<tr>
<td>Total Cases</td>
<td>2,137</td>
<td>91%</td>
<td>2,125</td>
</tr>
</tbody>
</table>

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.
### Expenditures By Fund

<table>
<thead>
<tr>
<th>Fund</th>
<th>Actual FY14</th>
<th>Actual FY15</th>
<th>Actual FY16</th>
<th>Actual FY17</th>
<th>Estimated FY18</th>
<th>Forecasted FY18</th>
<th>Actual FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td>1000 - General</td>
<td>10,294</td>
<td>11,416</td>
<td>10,951</td>
<td>12,545</td>
<td>11,979</td>
<td>11,979</td>
<td>11,979</td>
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<tr>
<td><strong>Total</strong></td>
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<td>10,951</td>
<td>12,545</td>
<td>11,979</td>
<td>11,979</td>
<td>11,979</td>
</tr>
</tbody>
</table>

| Biennial Change | 1,785 | 462 |
| Biennial % Change | 8     | 2   |

### Expenditures by Program

<table>
<thead>
<tr>
<th>Program: Court Of Appeals</th>
<th>Actual FY14</th>
<th>Actual FY15</th>
<th>Actual FY16</th>
<th>Actual FY17</th>
<th>Estimated FY18</th>
<th>Forecasted FY18</th>
<th>Actual FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>10,294</td>
<td>11,416</td>
<td>10,951</td>
<td>12,545</td>
<td>11,979</td>
<td>11,979</td>
<td>11,979</td>
</tr>
</tbody>
</table>

### Expenditures by Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Actual FY14</th>
<th>Actual FY15</th>
<th>Actual FY16</th>
<th>Actual FY17</th>
<th>Estimated FY18</th>
<th>Forecasted FY18</th>
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<td>Other Financial Transactions</td>
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<td>266</td>
<td>27</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,294</td>
<td>11,416</td>
<td>10,951</td>
<td>12,545</td>
<td>11,979</td>
<td>11,979</td>
<td>11,979</td>
</tr>
</tbody>
</table>

### Full-Time Equivalents

<table>
<thead>
<tr>
<th></th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>88.2</td>
<td>88.1</td>
<td>88.7</td>
<td>88.7</td>
<td>85.7</td>
<td>84.3</td>
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</tbody>
</table>
## 1000 - General

<table>
<thead>
<tr>
<th></th>
<th>Actual FY14</th>
<th>Actual FY16</th>
<th>Estimate FY17</th>
<th>Forecast Base FY18</th>
<th>Forecast Base FY19</th>
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<tbody>
<tr>
<td>Balance Forward In</td>
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<td>566</td>
<td>0</td>
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<td>Direct Appropriation</td>
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<td>11,517</td>
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<td>Net Transfers</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Cancellations</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Expenditures</td>
<td>10,294</td>
<td>11,416</td>
<td>10,951</td>
<td>12,545</td>
<td>11,979</td>
</tr>
<tr>
<td>Balance Forward Out</td>
<td>347</td>
<td>0</td>
<td>566</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Biennial Change in Expenditures</td>
<td></td>
<td></td>
<td>1,785</td>
<td></td>
<td>462</td>
</tr>
<tr>
<td>Biennial % Change in Expenditures</td>
<td></td>
<td></td>
<td>8</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Full-Time Equivalents</td>
<td>88.2</td>
<td>88.1</td>
<td>88.7</td>
<td>88.7</td>
<td>85.7</td>
</tr>
</tbody>
</table>

State of Minnesota

2018-19 Biennial Budget
November 2016
October 31, 2016

Governor Mark Dayton
Office of the Governor & Lieutenant Governor
116 Veterans Service Building
20 West 12th Street
Saint Paul, MN 55155

Commissioner Myron Frans
Minnesota Management & Budget
658 Cedar Street
Saint Paul, MN 55155

Dear Governor Dayton and Commissioner Frans:

On behalf of the people of Minnesota, and the employees and judges of the Minnesota Judicial Branch, I transmit the Judicial Branch’s FY2018-19 biennial budget request.

The Judicial Branch’s budget request is focused on a number of key priorities:

- Maintaining the caliber of employees and judges necessary to continue driving innovation in Minnesota’s court system and improving our service to the public.
- Ensuring that Minnesota’s district courts have the necessary judicial complement to process a rising caseload in an efficient and effective manner.
- Increasing long-term stability for the growing number of drug court and other treatment court programs in the state.
- Enhancing our information security and risk management program, which is aimed at ensuring the security and reliability of the Judicial Branch network and electronic tools and safeguarding the private data maintained by the Branch.
- Addressing the rising cost of providing mandated services for court participants, including psychological evaluations and interpreter services.
• Holding court services harmless from unavoidable insurance cost increases and proposed employer contribution increases for the state’s pension system.

In total, the Judicial Branch is seeking an increase of $51,436,000—or 7.9%—over the Branch’s biennial base budget to address these important priorities.

Building on a decade of redesign and innovation

It has now been 11 years since Minnesota transitioned to a unified, state-funded court system under the strategic direction of the Minnesota Judicial Council. That transition sparked a decade of innovation and redesign within our court system, including the implementation of a statewide case management system, the statewide centralization of citation processing, and, most notably, our transition to an electronic case record. This historic effort—eCourtMN—has made it easier for Minnesotans to interact with and access their court system, and is increasing efficiency in the judiciary. This transition reached a major milestone in July 2016, when electronic filing and service of court documents became mandatory for the vast majority of court users. The eCourtMN transformation has also brought an increased focus on the reliability of our Judicial Branch network infrastructure and the security of the private data held by our courts.

In addition, the Judicial Branch has also embraced the implementation of drug courts and other treatment court programs. Supported by investments from all three branches of state government, local governments, and federal agencies—and backed by state and national research showing the effectiveness of these programs—the Judicial Branch has greatly expanded the availability of treatment courts over the past decade. Minnesota will soon have 57 operational treatment courts, including 11 multi-county programs, meaning that we will have treatment courts in over 70% of Minnesota’s counties. While this expansion has served to combat drug crime recidivism and improve public safety in communities across the state, many of these programs are relying on short-term and uncertain funding sources to remain operational.

During this decade of innovation, the Minnesota Judicial Branch has also faced some significant challenges, including a series of funding cuts and freezes resulting from the state’s difficult budget situation in the late-2000s.
Because of these funding challenges, the Judicial Branch implemented a 6-year salary freeze in order to preserve essential court functions. As a result, the Judicial Branch emerged from that difficult period with a salary structure well below similar public sector employers. Salaries for judicial officers had also fallen well below the national average. Over the last two budget cycles, the Governor and Legislature have provided increased funding to help us address the competitiveness of our salary structure, which has had a very positive impact on the Branch and our ability to attract high-quality employees. We believe that we need to build on this progress, especially as we are feeling and will continue to feel the effects of a retirement wave that will see one-third of current Judicial Branch staff reach retirement age in the next 10 years. In addition, 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.

The Minnesota Judicial Branch is also experiencing significant increases in the cost of providing services mandated under federal and state law. Under state law, courts are required to pay the court-related costs of psychological examination services in certain criminal proceedings. The cost of providing this mandated service has grown 13% from FY2012 to FY2016. In addition, federal and state laws require the court to provide interpreter services for individuals who are “handicapped in communication.” Due to the fact that the hourly payment rate for non-English speaking interpreters has not been increased since 1999, and the hourly payment rate for sign language interpreters has not been raised since 2006, the Judicial Branch is finding it increasingly difficult to secure contract interpreters.

Our district courts are also seeing a significant increase in case filings. Notably, the biggest increases are in the types of cases that require the most time and resources—such as major criminal cases and cases involving Children in Need of Protection or Services (CHIPS). As a result, 8 of our 10 judicial districts have seen an upward trend in judge need. Since 1980, the Judicial Branch has used a weighted caseload analysis to estimate judicial resource needs. According to the most current weighted caseload analysis, the Judicial Branch is in need of two additional judge units to keep up with these increasing caseloads.

The Minnesota Judicial Council crafted the budget request that I am submitting on behalf of the Judicial Branch specifically to address some of these growing challenges our courts face, while also positioning the Judicial Branch to continue building on the innovation and redesign we have achieved in the past decade.
FY2018-19 Biennial Budget Request

The Judicial Branch’s FY2018-19 biennial budget request seeks funding to increase employee and judge salaries, add two new judge units in our district courts, stabilize funding for our existing treatment court programs, enhance our information security and risk management program, address the rising cost of providing mandated services, and hold court services harmless from other unavoidable cost increases.

Judicial officer and staff salaries and benefits

In addition to the base budgets of the Supreme Court, the Court of Appeals, and the district courts, I present a change request of $42,060,000 to establish a 3.5% compensation increase pool for Judicial Branch employees in both FY2018 and FY2019, and increase judge salaries by 3.5% in both FY2018 and FY2019. This funding will ensure that the Judicial Branch will be ready to respond to the ongoing retirement wave of judges and court staff, while maintaining the caliber of workforce needed to continue driving innovation within the court system.

This additional funding will also hold court services harmless from 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.

Additional trial court judge units

I am also presenting a change request of $1,702,000 in the FY2018-19 biennium to add two new trial court judge units (which include a judge, court reporter, and law clerk). The addition of two judge units will enable the trial courts to address current caseload pressures, especially in the areas of dependency and neglect cases, permanency cases, and major criminal cases. It is imperative that the trial courts meet federal and state mandates in cases of child abuse and neglect. It is equally imperative that the trial courts carry out their constitutional and legal mandates to protect the rights and safety of all citizens. To do so, the courts must be staffed sufficiently to ensure prompt service.
Treatment court funding stabilization

On behalf of the Judicial Branch, I am also presenting a change request of $3,378,000 in the FY2018-19 biennium to provide funding stability for Minnesota’s treatment court programs. This request is based on the recommendation of the Drug Court Funding Workgroup, which was established by the Minnesota Judicial Council in June 2015, in partnership with the National Center for State Courts, to develop recommendations for the long-term financial stability of treatment courts. The Workgroup’s recommendations, as adopted by the Judicial Council, seek to establish a transparent, equitable, and predictable funding model for treatment courts, and ensure that Minnesota is able to provide long-term stability to the many new treatment court programs that have been established over the past decade.

Information security and risk management program

In an effort to mitigate the Judicial Branch’s risk of major data breaches, data corruption, system outages, document/data loss, and cyber-attacks, I am also presenting a change request of $1,968,000 in the FY2018-19 biennium to enhance our information security and risk management program. The Judicial Branch recognizes that as our courts transition to our new eCourtMN environment, the strength and security of our technology infrastructure needs to be one of our highest priorities. The request addresses necessary staff, training, hardware, and software needs for this effort.

Mandated services

The Judicial Branch budget proposal also includes a change request of $2,328,000 in the FY2018-19 biennium to meet the increasing costs of providing state and federal mandated services, including psychological examinations and interpreter services. This funding will allow us to address the current deficit in our mandated services budget, and also increase long-frozen interpreter payment rates, thereby ensuring we can continue to find qualified interpreters to serve in our courts.
I am proud to present this budget request on behalf of the Minnesota Judicial Branch, and with the support of the Minnesota Judicial Council. The request focuses on the most important aspects of our work, and will help ensure that Minnesota’s courts have the staff and resources we need to deliver justice effectively and efficiently, and continue to improve our service to the public through innovation and redesign.

The courts are one of the first promises made in our Constitution. A fully-functioning court system is essential to safeguarding our democracy, securing the rule of law, and ensuring public safety. Thank you for your past support, and we ask again for your support to preserve Minnesota’s justice system.

Sincerely,

Lorie S. Gildea
Chief Justice
Maintain Core Justice Operations

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.