

Table of Contents

Supreme Court

<i>Agency Profile</i>	1
Agency Expenditure Overview	5
Agency Financing by Fund	6
Agency Change Summary	9
<u>Change Item(s)</u>	11
<i>Maintain Core Justice Operations</i>	11
<i>Civil Legal Services</i>	13
<i>Legalizing Adult-Use Cannabis</i>	17
<i>Paid Family and Medical Leave Insurance (REVISED)</i>	22
<u>Program</u>	25
Supreme Court Operations	25
<i>Program Narrative</i>	25
Program Expenditure Overview	28
Program Financing by Fund	29
<u>Program</u>	32
Civil and Family Legal Services	32
<i>Program Narrative</i>	32
Program Expenditure Overview	34
Program Financing by Fund	35
<u>Additional Documents</u>	36
<i>Federal Funds Summary</i>	36

<https://www.mncourts.gov/>

AT A GLANCE

The Supreme Court, consisting of seven members, is the highest court in Minnesota, serving as the final guardian of the Minnesota Constitution and interpreting/applying the United States Constitution.

- In 2021, 88 direct appeals and 551 petitions for further review were filed with the Supreme Court.
- The Chief Justice is the administrative head of the Judicial Branch, which includes 322 justices and judges and 2,500 employees.

The Supreme Court serves all Minnesota citizens.

PURPOSE

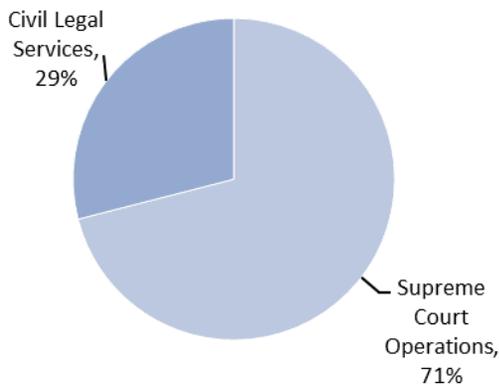
The mission of the Judicial Branch is to provide justice through a system that assures equal access for the fair and timely resolution of cases and controversies.

The 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. Election contests and appeals for first-degree murder cases are automatically appealed to the Supreme Court. The Supreme Court is solely responsible for the regulation of the practice of law and for judicial and lawyer discipline. The Court also promulgates rules of practice and procedure for the legal system in the state.

The Chief Justice is responsible for supervising administrative operations of the state court system.

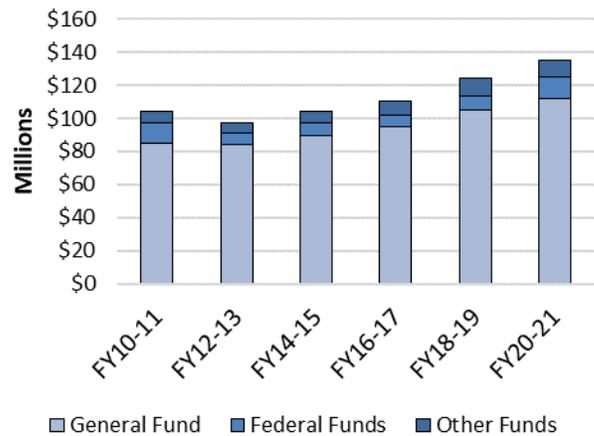
BUDGET

**Spending by Program
FY 2021 Actual**



Source: Budget Planning & Analysis System (BPAS)

Historical Spending



Source: Consolidated Fund Statement

The Supreme Court expended \$71 million in FY 2021. Of this amount, \$58 million (82%) was from state general fund appropriations. The remaining \$13 million (18%) was funded through various sources, such as federal and local government grants, Interest on Lawyers’ Trust Accounts, and fees.

STRATEGIES

As the state's highest court, the Supreme Court hears oral arguments in the State Capitol Courtroom and the Minnesota Judicial Center. The Supreme Court reviews matters on certiorari, meaning it reviews cases to set precedent, to clarify legal issues, to resolve statutory conflicts, and to answer constitutional questions. The Supreme Court considers appeals from judgments from 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 Supreme Court also hears mandatory cases, including first degree murder convictions and election contests. The Court promulgates rules of practice and procedure for the legal system in the state.

In addition to hearing appeals, the Supreme Court is responsible for regulating the practice of law and making recommendations for improvement of the judicial system.

The Chief Justice is responsible for supervising administrative operations of the state court system. The Chief Justice is assisted by the State Court Administrator's Office, which provides the administrative infrastructure for the Judicial Branch, including providing finance, human resources, technology, education, communications, research/evaluation, caseload management and cross-district judicial assignments. The Chief Justice serves as chair of the Judicial Council, the policy-making entity for the Judicial Branch.

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 Supreme Court conducts its administrative functions in support of three strategic goals to deliver its mission:

1. *Access to Justice - A justice system that is open, affordable, understandable, and provides appropriate levels of service to all users.*

Ensuring access to justice for all is an enduring commitment for Minnesota's court system. It is also an increasingly challenging concern given changing court customer expectations, shifting demographics, and increased competition for scarce resources.

2. *Effective Administration of Justice - A justice system that adopts approaches and processes for the fair and just resolution of all cases.*

Over the last two decades, Minnesota courts have worked diligently to become increasingly efficient and effective. The Judicial Branch is focused on being a well-managed court system that seeks innovative ways to promote justice for individual litigants in individual cases.

3. *Public Trust and Accountability - A justice system that engenders public trust and confidence through impartial decision-making and accountability for the use of public resources.*

The Judicial Branch is accountable to the public. It is critical that the Branch maintain and continuously improve public trust and accountability, and it must meet this challenge by collaborating with court customers to eliminate disparities in the court system.

The Judicial Council conducts a rigorous strategic planning process that guides the work of the State Court Administrator's Office in support of the Judicial Branch's three strategic goals. The strategic plan is reviewed and updated biennially.

In recent years, as part of the Judicial Council's strategic planning, the Judicial Branch has begun implementing an ambitious reform agenda involving the use of technology and the re-engineering of business practices in a system-wide effort to expand services and ensure equal access to justice. The centerpiece of this effort – the eCourtMN Initiative – transformed Minnesota's courts from a paper-based environment to an electronic information environment that will ensure convenient, timely, and appropriate access to case information for all stakeholders, and result in more timely and efficient processing of cases. Electronic filing of cases, at both the trial and appellate levels, became mandatory on July 1, 2016. Current efforts focus on leveraging technology to provide

high-quality, consistent, and convenient court administration services anywhere in the state. 2021 was a transformative year in the history of the court system. A year in which judges and staff not only stepped up to keep the courts open during a time of crisis, but in which the Branch laid the foundation for a more robust, efficient, effective, and accessible court system into the future. Current efforts focus on leveraging technology to provide high-quality, consistent, and convenient court administration services anywhere in the state.

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 Supreme Court reviews performance measure results. This review is shared with the Judicial Council (the Branch’s governing body) twice a year.

The COVID-19 pandemic had a dramatic impact on the Minnesota Judicial Branch and statewide court operations. In early March 2020, most in-person court proceedings were suspended, public access to court facilities was limited, and courthouse service windows were restricted to only telephone and email support. Currently all courthouses are open, and efforts are underway to address the significant challenges to the Judicial Branch’s timeliness goals as a result of the pandemic.

The Supreme Court timing objectives identify the Court’s performance based on the case type: Mandatory/Original Cases (e.g., First Degree Murder cases and Election Contests); Discretionary Cases (e.g., appeals from judgments from the Court of Appeals, the Workers Compensation Court of Appeals, and the Tax Court); and Expedited Cases (Appeals in termination of parental rights and adoption cases).

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY2020</i>		<i>FY2021</i>	
		<i>Number of Cases</i>	<i>Percent that met Timing Objective</i>	<i>Number of Cases</i>	<i>Percent that met Timing Objective</i>
Results	Mandatory/Original Cases Ninety five percent of the cases will be disposed of within 180 days of submission to the Supreme Court.	96	81.5%	86	84.4%
Results	Discretionary Cases Ninety five percent of petitions for further review should be disposed of within sixty days of the filing of the request for review.	610	91%	471	82%
Results	Expedited Cases Ninety five percent of expedited appeals (termination of parental rights, adoptions) should be disposed of within 25 days of filing the appeal.	25	86%	13	81%

Data are from the *Judicial Branch 2020 & 2021 Performance Measures – Key Results and Measures Annual Reports*. The reports can be found at <https://www.mncourts.gov/>.

The Minnesota Constitution, Article VI, https://www.revisor.mn.gov/constitution/#article_6, provides the legal authority for the Supreme Court. M.S. 2.724 provides legal authority for the chief justice’s administrative responsibilities: <https://www.revisor.mn.gov/statutes/cite/2.724>. M.S. 480.05 provides legal authority for the Supreme Court’s rule making authority: <https://www.revisor.mn.gov/statutes/cite/480.05>. M.S. 480.13-17 provide legal authority for the position and duties of the state court administrator: <https://www.revisor.mn.gov/statutes/cite/480.13>, <https://www.revisor.mn.gov/statutes/cite/480.14>, <https://www.revisor.mn.gov/statutes/cite/480.15>, <https://www.revisor.mn.gov/statutes/cite/480.16>, <https://www.revisor.mn.gov/statutes/cite/480.17>.

Supreme Court

Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	54,070	58,343	57,751	64,348	61,582	61,582	71,425	78,916
2000 - Restrict Misc Special Revenue	3,715	3,783	3,189	4,118	4,127	3,986	4,127	3,986
2001 - Other Misc Special Revenue		15	5	23	22	22	22	22
2403 - Gift	1,075	1,081	251	56				
3000 - Federal	4,779	4,475	4,826	8,500	6,704	6,587	6,704	6,587
3010 - Coronavirus Relief		3,500						
4925 - Paid Family Medical Leave								
6000 - Miscellaneous Agency	19							
Total	63,658	71,196	66,022	77,045	72,435	72,177	82,278	89,511
Biennial Change				8,213		1,545		28,722
Biennial % Change				6		1		20
Governor's Change from Base								27,177
Governor's % Change from Base								19

Expenditures by Program

Supreme Court Operations	46,819	50,715	47,137	56,447	51,813	51,556	55,572	57,835
Civil and Family Legal Services	16,839	20,482	18,885	20,598	20,622	20,621	26,706	31,676
Total	63,658	71,196	66,022	77,045	72,435	72,177	82,278	89,511

Expenditures by Category

Compensation	35,037	35,794	36,269	38,250	38,006	37,956	41,545	44,015
Operating Expenses	8,859	10,082	8,870	15,086	11,447	11,240	17,751	22,515
Grants, Aids and Subsidies	19,079	22,580	20,256	21,652	21,657	21,656	21,657	21,656
Capital Outlay-Real Property	45	1,476	3					
Other Financial Transaction	638	1,264	624	2,057	1,325	1,325	1,325	1,325
Total	63,658	71,196	66,022	77,045	72,435	72,177	82,278	89,511

Full-Time Equivalent

	276.70	276.41	274.82	276.82	275.84	275.64	278.34	278.14
--	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------

Supreme Court

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Balance Forward In	0	2,643		2,766				
Direct Appropriation	56,367	57,495	60,517	61,582	61,582	61,582	71,425	78,916
Transfers In		397	175					
Transfers Out		1,907	175					
Cancellations		285						
Balance Forward Out	2,297		2,766					
Expenditures	54,070	58,343	57,751	64,348	61,582	61,582	71,425	78,916
Biennial Change in Expenditures				9,687		1,065		28,242
Biennial % Change in Expenditures				9		1		23
Governor's Change from Base								27,177
Governor's % Change from Base								22
Full-Time Equivalents	241.32	242.49	241.47	241.47	241.47	241.47	243.97	243.97

2000 - Restrict Misc Special Revenue

Balance Forward In	1,913	2,889	2,261	2,637	1,967	1,309	1,967	1,309
Receipts	4,470	3,150	3,566	3,448	3,469	3,469	3,469	3,469
Balance Forward Out	2,668	2,256	2,639	1,967	1,309	792	1,309	792
Expenditures	3,715	3,783	3,189	4,118	4,127	3,986	4,127	3,986
Biennial Change in Expenditures				(191)		806		806
Biennial % Change in Expenditures				(3)		11		11
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	5.46	5.47	5.38	5.38	5.38	5.38	5.38	5.38

2001 - Other Misc Special Revenue

Balance Forward In			0	1				
Receipts		15	6	22	22	22	22	22
Balance Forward Out		0	1					
Expenditures		15	5	23	22	22	22	22
Biennial Change in Expenditures				13		16		16
Biennial % Change in Expenditures						55		55
Governor's Change from Base								0
Governor's % Change from Base								0

Supreme Court

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25

2403 - Gift

Balance Forward In	2,388	1,382	307	56				
Receipts	48	5	1					
Balance Forward Out	1,362	307	56					
Expenditures	1,075	1,081	251	56				
Biennial Change in Expenditures				(1,848)		(307)		(307)
Biennial % Change in Expenditures				(86)		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.04							

3000 - Federal

Balance Forward In	927	1,022	1,047	859				
Receipts	4,814	4,490	4,639	7,641	6,704	6,587	6,704	6,587
Balance Forward Out	961	1,037	860					
Expenditures	4,779	4,475	4,826	8,500	6,704	6,587	6,704	6,587
Biennial Change in Expenditures				4,071		(35)		(35)
Biennial % Change in Expenditures				44		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	29.88	28.45	27.97	29.97	28.99	28.79	28.99	28.79

3010 - Coronavirus Relief

Direct Appropriation		3,500						
Expenditures		3,500						
Biennial Change in Expenditures				(3,500)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

4925 - Paid Family Medical Leave

Direct Appropriation								
----------------------	--	--	--	--	--	--	--	--

Supreme Court

Agency Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation		
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25	
Expenditures									
Biennial Change in Expenditures				0		0		0	
Biennial % Change in Expenditures									
Governor's Change from Base								0	
Governor's % Change from Base									
6000 - Miscellaneous Agency									
Balance Forward In	81								
Receipts	19								
Transfers Out	81								
Expenditures	19								
Biennial Change in Expenditures				(19)		0		0	
Biennial % Change in Expenditures									
Governor's Change from Base								0	
Governor's % Change from Base									

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Direct				
Fund: 1000 - General				
FY2023 Appropriations	61,582	61,582	61,582	123,164
Forecast Base	61,582	61,582	61,582	123,164
Change Items				
Maintain Core Justice Operations		3,214	5,734	8,948
Civil Legal Services		6,084	11,055	17,139
Legalizing Adult-Use Cannabis		545	545	1,090
Total Governor's Recommendations	61,582	71,425	78,916	150,341
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	4,118	4,127	3,986	8,113
Forecast Base	4,118	4,127	3,986	8,113
Total Governor's Recommendations	4,118	4,127	3,986	8,113
Fund: 2001 - Other Misc Special Revenue				
Planned Spending	23	22	22	44
Forecast Base	23	22	22	44
Total Governor's Recommendations	23	22	22	44
Fund: 2403 - Gift				
Planned Spending	56			
Forecast Base	56			
Total Governor's Recommendations	56			
Fund: 3000 - Federal				
Planned Spending	8,500	6,704	6,587	13,291
Forecast Base	8,500	6,704	6,587	13,291
Total Governor's Recommendations	8,500	6,704	6,587	13,291
Revenue Change Summary				
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	3,448	3,469	3,469	6,938
Total Governor's Recommendations	3,448	3,469	3,469	6,938
Fund: 2001 - Other Misc Special Revenue				

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Forecast Revenues	22	22	22	44
Total Governor's Recommendations	22	22	22	44
Fund: 3000 - Federal				
Forecast Revenues	7,641	6,704	6,587	13,291
Total Governor's Recommendations	7,641	6,704	6,587	13,291
Non-Dedicated				
Fund: 1000 - General				
Forecast Revenues	447	447	447	894
Total Governor's Recommendations	447	447	447	894

Supreme Court

FY 2024-25 Biennial Budget Change Item

Change Item Title: Maintain Core Justice Operations

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	3,214	5,734	5,734	5,734
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	3,214	5,734	5,734	5,734
FTEs	0	0	0	0

Recommendation:

The Governor recommends providing the Judicial Branch with \$8,948,000 in funding in the FY2024-25 biennium to increase the compensation of Supreme Court justices by 9% in FY2024 and 6% in FY2025, provide a 9% compensation pool for employees in FY2024 and 6% in FY2025, and to fund unavoidable health insurance premium increases in each year. The request represents a 10.31% increase in the Supreme Court biennial base budget. The request maintains the current complement of employees

Rationale/Background:

The budget request is focused on:

- Ensuring access, fairness and equity in the judicial system;
- Recognizing the vital role judges and employees have in ensuring access to justice; and
- Helping to maintain the quality and capacity of employees and judges necessary to effectively and efficiently address a growing caseload the long-term impacts from the pandemic.

In order to continue driving innovation in the state’s justice system, the Judicial Branch needs to retain and attract skilled employees, judges, and justices that can maintain and operate a modern, efficient, and technology-based court system.

Like many employers, the Judicial Branch faces significant issues with employee recruitment and retention. The share of employees who left employment with the Judicial Branch has increased by 42% since 2018, and the number of applicants for each open position with the Judicial Branch has fallen by 51% during that same time.

Minnesota also needs to ensure that judge and justice salaries remain competitive with other public sector legal positions. Today, 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 Judicial Branch strives to ensure adequate compensation for its justices, judges, and staff. However, in recent years, the Judicial Branch compensation structure has fallen behind its public sector peers in both state and local governments.

Addressing this disparity within the public sector will ensure that the Judicial Branch can continue to recruit and retain the skilled and experienced workforce it needs to continue driving innovation in the justice system and providing high-quality service to the people of Minnesota. This request will also recognize the incredible work justices, judges and court staff have done throughout the pandemic to ensure access to justice in Minnesota.

Proposal:

The FY2024-25 biennial budget request maintains the current level of services provided by the Judicial Branch. The salary increases are meant to continue efforts to protect the rights of our citizens, ensure prompt services, and deliver efficient dispute resolution, through the Branch’s ability to retain and recruit qualified, skilled staff, justices, and judges.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

IT Costs

This is not an information technology proposal.

Results:

This proposal is intended to allow the Supreme Court to continue to provide current levels of service and information to the public.

Statutory Change(s):

The proposal does not require statutory changes.

Supreme Court

FY 2024-25 Biennial Budget Change Item

Change Item Title: Civil Legal Services

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures	6,084	11,055	15,573	20,057
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	6,084	11,055	15,573	20,057
FTEs	0	0	0	0

Recommendation:

The Governor recommends funding for Civil Legal Services (CLS), a core function that ensures our legal system delivers justice to Minnesotans statewide. \$6,084,000 would be added to its base funding in both years of the FY2024-2025 biennium to stabilize current services. An additional \$4,971,000 is recommended in FY2025 to begin the annual funding adjustment to maintain the stability of services investment, and an annual \$3,300,000 increase is recommended to expand capacity and improve access to civil legal services. The total recommended increase for CLS for the FY2024-2025 biennium is \$17,139,000. This increase will result in increased access, the improvement of legal outcomes and the enhancement of services for low-income Minnesotans, and those with disabilities and the elderly who need civil legal services to meet their basic human needs. The requested increase will be used for compensation enhancement for CLS attorneys, whose salaries are significantly lower than their public sector counterparts, a problem that has become a crisis for CLS statewide. Additionally, the FY2025 increase will improve the capacity of CLS programs in Minnesota to serve more eligible Minnesotans. The total FY2023 CLS budget, including the state appropriation, is \$49,841,448.

Rationale/Background:

CLS opens the doors of the legal system and delivers justice to the most vulnerable people in Minnesota communities statewide. But inadequate financial resources for CLS to provide needed legal representation has been persistent for decades. Presently, CLS is forced to turn away over half of eligible clients seeking its services due to lack of resources. In addition, the client communities CLS serves – the elderly, people with disabilities, and families with low incomes – have experienced disproportionate harm as a result of the COVID-19 pandemic and the recent economic uncertainty. As a result, demand for limited CLS services is increasing, as Minnesotans seek help for civil legal problems in areas such as housing stability and homelessness prevention, consumer protection, and domestic violence safety advocacy.

CLS attorneys are the go-to experts for resolving the various civil legal problems experienced by people in times of economic crisis. CLS supports strong and stable families and communities by helping people find solutions to civil legal disputes. CLS helps victims of domestic violence achieve safety, preserves housing stability, prevents homelessness caused by illegal and improper evictions and foreclosures, protects vulnerable Minnesotans from financial exploitation, and maximizes the ability of people who are elderly or have disabilities to live safely and independently in their communities.

CLS increases efficiency in the state court system by redirecting cases that are without merit or can be resolved in another manner, and by ensuring efficient use of the courts when CLS clients come before a judge. CLS increases public access to easily understood legal resources by developing, and continuously expanding, the nationally

recognized website www.LawHelpMN.org, which serves as a free resource to all Minnesotans statewide. In addition, the return on investment (ROI) in CLS is high. The most recent Economic Impact Study conducted by the Minnesota Legal Services Coalition demonstrates that, for every dollar invested in CLS, CLS returns nearly \$4 to communities statewide. Additionally, in 2021, CLS used legal representation to protect or to recover more than \$20,279,060 in child support, household financial support, and public benefits for Minnesotans statewide.

Presently, CLS is forced to turn away over half of eligible clients seeking its services due to lack of resources. The lack of available financial resources has also resulted in a CLS compensation deficit crisis. Presently, the average starting salary for CLS attorneys is substantially below that for public defenders. This compensation deficit widens as CLS attorneys and public defenders become more experienced.

The average CLS starting attorney salary is simply not competitive. The resulting CLS compensation deficit crisis leads to CLS staff turnover, which was 37% in 2021, that in turn leads to increased CLS costs for recruiting, hiring, on-boarding, and training, only to see the cycle of turnover continue. As the turnover cycle persists from one year to the next, the impact of the crisis deepens, as CLS cannot serve as many clients as would be possible with more stable staffing. Increased general fund support to address the CLS compensation deficit will help CLS to retain the expertly skilled legal staff CLS recruits and trains, and – as a result – to be more effective and efficient in helping vulnerable Minnesotans to vindicate their most basic civil rights to meet their basic human needs.

Proposal:

The funding requested will stabilize the existing CLS program, which provides legal help to over 100,000 vulnerable Minnesotans in over 44,000 legal cases in all 87 counties statewide and incrementally decrease the number of elderly, people with disabilities, and low-income Minnesotans who are eligible for CLS who are turned away each year. The intended result of the requested increases is to serve more eligible people and to see improved outcomes for Minnesotans with low incomes needing legal representation or advice to meet their need for safety, shelter, food, health care, and basic income.

CLS partners with the courts, public libraries, domestic violence shelters, social service systems, and volunteers to maximize efficiency and effectiveness. CLS has an active working group focused on maximizing coordination in CLS intake and referral processes within the existing CLS infrastructure in Minnesota and is participating in the Civil Justice Subcommittee of the Judicial Branch’s Committee on Equality and Justice. These collaborative, system-improvement-focused efforts will result in improved and increased access to justice for the Minnesotans receiving CLS. Here is how CLS will invest the requested increase in CLS funding and how the CLS system will benefit as a result:

- A minimum of \$13,839,000 of the requested increase for the FY2024-2025 biennium will be invested in CLS salary improvement. The request also includes an annual funding adjustment beginning in FY2025 to maintain the value of the salary improvement adjustment into the future. This level of increase would allow CLS to bring its starting attorney salary up to the current starting salary for public defenders and to take modest steps to address the wider gaps between CLS and public defender salaries at higher experience levels going forward. The increase would also allow for adjustments to compensation to other legal professionals to address market competitiveness, reduce turnover, and deal with salary compression issues.
- Beginning in FY2025, \$3,300,000 is requested in base funding to provide additional services for the over half of the eligible elderly, people with disabilities, and low-income Minnesotans who are turned away from CLS every year due to lack of resources. To strategically address this gap in services, \$3,300,000 in additional funding is requested each year to incrementally address underfunding over a manageable period of time.

- CLS continues to innovate and to refine its use of the newest and best technological platforms to facilitate the efficient and effective triaging, intake, and referral processes throughout the statewide CLS system, wherever Minnesotans go for legal help, to ensure that there is no wrong door for accessing CLS. CLS also continues to expand direct outreach to underserved communities in Minnesota to meet people where they live and work, facilitating access to justice at locations of identifiable community need. Increasing CLS competitiveness in compensation with other public sector legal employers will help CLS providers retain key staff to facilitate these important system-improvement activities. Without the increase, CLS will continue to experience the effects of the CLS compensation deficit on CLS providers' budgets, staffing, and services.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

Yes

No

Impact on Children and Families:

CLS stabilizes the lives, health, safety, and well-being of children and families, ensuring that they have the foundational life stability they need to pursue economic, educational, housing, and other life opportunities. Specifically, CLS uses legal advocacy to keep children in the school of their family's choice, which helps with the life stability and mental health of the family. Safe and stable housing is critical to the health and educational success of Minnesota's children. CLS ensures safety and stability in families' homes, preventing illegal evictions and homelessness, which would otherwise disrupt families' economic security and children's education. CLS ensures that children and their parents are safe in their homes, through domestic violence prevention and housing health and safety advocacy. CLS ensures that all children, regardless of ability, have equal access to educational opportunities. CLS secures economic and health care benefits, ensuring that families are financially secure and stable in their lives. In addition to providing legal representation services in housing, economic security, health care, disability rights, and other life- and education-stabilizing practice areas, CLS utilizes its unique network of community partners to connect clients with community-based resources and supports for childcare, food and nutrition, early childhood education, health care, housing stability, mental health services, and other foundational life needs.

Equity and Inclusion:

Minnesotans who qualify for CLS are disproportionately Black, Indigenous, and People of Color; people with disabilities; the elderly; and veterans. While most CLS providers serve all of these populations and target outreach to them, CLS has specific programs to address the unique legal needs of people with disabilities and the elderly.

In 2021, 60% of clients served by CLS were non-white (25% Black, 13% Hispanic, 5% Asian, 4% Native American, and 4% Other/Declined to Report).

Equity and Inclusion efforts are sustainable because equity is a core value of CLS and central to our mission and our cause of equal justice for all.

Results:

Results: <i>Name of Measure</i>	<i>2019</i>	<i>2021</i>
Number of families and individuals receiving legal representation.	44,920	43,762
Number of children and women who are victims of domestic violence who achieved safety.	3,416	5,186
Number of families and individuals faced with foreclosure or eviction who remained housed or have improved housing conditions.	5,376	5,558
Number of seniors and people with disabilities receiving legal representation.	16,906	17,039
Number of people obtaining education and self-help resources about legal rights and responsibilities through technological innovation.	525,182	669,992

Supreme Court

FY 2024-25 Biennial Budget Change Item

Change Item Title: Legalizing Adult-Use Cannabis

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Cannabis Management Office Expenditures	\$15,430	\$14,841	\$13,980	\$13,711
DEED Expenditures	\$10,400	\$6,700	\$0	\$0
Health Expenditures	\$8,115	\$8,115	\$8,115	\$8,115
Public Safety Expenditures	\$4,175	\$2,662	\$2,662	\$2,662
Revenue Expenditures	\$3,673	\$3,118	\$3,138	\$3,153
Human Services Expenditures	\$2,260	\$6,476	\$6,476	\$6,476
Cannabis Expungement Board Expenditures	\$921	\$844	\$844	\$844
Pollution Control Expenditures	\$607	\$496	\$70	\$70
Supreme Court Expenditures	\$545	\$545	\$0	\$0
Higher Education Expenditures	\$500	\$500	\$500	\$500
Agriculture Expenditures	\$411	\$411	\$338	\$338
Natural Resources Expenditures	\$338	\$0	\$0	\$0
Education Expenditures	\$180	\$120	\$120	\$120
Labor and Industry Expenditures	\$132	\$132	\$132	\$132
Commerce Expenditures	\$75	\$283	\$569	\$799
Corrections Expenditures	(\$177)	(\$345)	(\$407)	(\$458)
Tax Aids, Credits, and Refunds Revenues	\$5,800	\$31,000	\$79,300	\$130,800
Cannabis Management Office Revenues	\$1,996	\$3,330	\$4,000	\$6,000
State Government Special Revenue Fund				
Health Expenditures	(\$3,424)	(\$3,424)	(\$3,424)	(\$3,424)
Health Revenues	(\$7,411)	(\$10,879)	(\$12,973)	(\$19,223)
Trunk Highway Fund				
Public Safety Expenditures	\$5,608	\$1,668	\$1,668	\$1,668
Outdoor Heritage Fund				
Tax Aids, Credits, and Refunds Revenues	(\$3)	\$96	\$330	\$594
Arts and Cultural Heritage Fund				
Tax Aids, Credits, and Refunds Revenues	(\$2)	\$57	\$198	\$356
Clean Water Fund				
Tax Aids, Credits, and Refunds Revenues	(\$3)	\$96	\$330	\$594
Parks and Trails Fund				
Tax Aids, Credits, and Refunds Revenues	(\$1)	\$41	\$142	\$257
Net Fiscal Impact = (Expenditures – Revenues)	\$49,393	\$19,401	(\$36,546)	(\$84,672)
FTEs	92	98	104	104

Recommendation:

The Governor recommends funding for the safe and responsible legalization of cannabis for adults in Minnesota. A new Cannabis Management Office will be responsible for the implementation of the regulatory framework for adult-use cannabis, along with the medical cannabis program, and a program to regulate hemp and hemp-derived products. This recommendation also includes funding for grants to assist individuals entering the legal cannabis market, provides for expungement of non-violent offenses involving cannabis, and implements taxes on adult-use cannabis.

Rationale/Background:

Prohibiting the use of cannabis in Minnesota has not worked. Despite the current prohibition, marijuana is widely consumed across Minnesota. The most recent Minnesota Survey on Adult Substance Use conducted in 2014-2015 found that nearly half (44%) of Minnesota adults reported using marijuana at some point during their lives. The maturation of the market for hemp-derived cannabinoid products following the 2018 Farm Bill culminating in the 2022 legislation authorizing hemp-derived THC edible cannabinoids have created urgency for comprehensive regulation and reform at the state level.

Regulating cannabis for use by adults will replace the abundant illicit market with a tightly regulated system with controls similar to those currently accepted for the sale of alcohol. This proposal will allow for the monitoring and regulation of its cultivation, processing, transportation and sale, activities currently occurring to the profit of drug cartels and criminals and without consumer protection guardrails.

Importantly, this proposal will begin to address racial inequities our current system has created. Despite survey data suggesting that Black and white Minnesotans use cannabis at similar rates, in 2021 Black Minnesotans were over four times more likely than their white counterparts to be arrested for marijuana according to data from the Bureau of Criminal Apprehension.

Marijuana prohibition additionally leaves potential tax revenue uncollected and furthers an opportunity for economic growth in the underground market. This proposal will bolster amounts available the General Fund for policymakers to prioritize while grant programs administered by DEED and the Office of Cannabis Management will further ensure Minnesotan entrepreneurs have the best opportunity to become the new adult-use market.

Finally, this approach is now well-tested across the country. Nineteen states and the District of Columbia have passed laws to legalize and regulate cannabis for adults. In Colorado, the first state to adopt this approach, legal sales began in January 2014 so there is now nearly a decade of implementation experience in other states to help craft this proposal for Minnesota.

Proposal:

This proposal creates a new agency, the Cannabis Management Office, which would be responsible for the implementation of a new regulatory framework for adult-use cannabis. The Office of Medical Cannabis will also move from the Department of Health to join this new agency. The office will be headed by a director appointed by the Governor and receive advice from a Cannabis Advisory Council with representatives from experts, local governments, the cannabis industry and relevant state agencies. The core duties of the office will include:

- to develop, maintain, and enforce an organized system of regulation for the lawful cannabis industry
- to establish programming, services, and notification to protect, maintain, and improve the health of citizens.
- to prevent unauthorized access to cannabis by individuals under 21 years of age.
- to establish and regularly update standards for product testing, packaging, and labeling.
- to promote economic growth with an emphasis on growth in areas that experienced a disproportionate, negative impact from cannabis prohibition.
- to issue and renew licenses.
- to impose and collect civil and administrative penalties.
- to authorize research and studies on cannabis, cannabis products, and the cannabis industry.

Adult-use cannabis will be subject to a new 15% gross receipts tax and state sales tax with retail sales beginning January 1, 2025. A new 15% gross receipts tax would also be imposed on the retail sale of edible cannabinoid products with retail sales beginning October 1, 2023.

The proposal authorizes three grant programs to support the establishment of cannabis businesses in Minnesota. Cannabis grower grants administered by the Office of Cannabis Management will provide farmers with assistance navigating the new industry and regulations along with subsidized loans for expanding into legal cannabis. Administered by the Department of Employment and Economic Development industry navigation grants and industry training grants will assist individuals in setting up a legal cannabis business through technical assistance and navigation services while providing grants to organizations and individuals for training on cannabis jobs.

The proposal provides for automatic sealing of dismissals, exonerations, convictions, or stayed sentences of petty misdemeanor and misdemeanor marijuana offenses by the Bureau of Criminal Apprehension, which will provide notice of the expungement to local law enforcement agencies as well as the Judicial Branch for compliance purposes. It also provides for the establishment of a Cannabis Expungement Board to review other cannabis convictions to consider eligibility for expungement or resentencing.

The proposal authorizes the Governor to enter into compacts with Minnesota Tribal governments on issues related to medical cannabis and adult-use cannabis.

The proposal finally provides significant resources to address substance use disorders. The proposal includes initial funding for grants directed by the advice of a Substance Use Disorder Advisory Council convened by the Department of Human Services. Five percent of the revenue from the cannabis gross receipts tax would flow into this fund to support these grants into the future.

Appropriations necessary for its implementation include:

- \$30,271,000 in FY2024/2025 and \$27,691,000 in FY2026/2027 to establish and begin operations of a new Cannabis Management Office responsible for the implementation of the new regulatory framework.
- \$822,000 in FY2024/2025 and \$ 676,000 in FY2026/2027 to the Department of Agriculture for food safety and pesticide enforcement lab testing and rulemaking related to changes in cannabis laws.
- \$1,765,000 in FY2024/2025 and \$1,688,000 in FY2026/2027 for a newly created Cannabis Expungement Board for staffing and other expenses related to reviewing criminal convictions and issuing decisions related to expungement and resentencing.
- \$358,000 in FY2024/2025 and \$1,368,000 in FY2026/2027 for the Department of Commerce for staffing and other expenses to complete scale, and packaging inspections.
- A reduction of \$522,000 in FY2024/2025 and \$865,000 in FY2026/2027 to the Department of Corrections' base budget to account for an expected reduction in marijuana-related incarcerations.
- \$300,000 in FY2024/2025 and \$240,000 in FY2026/2027 for the Department of Education to support schools and districts in accessing resources on cannabis use and substance use.
- \$17,100,000 in FY2024/2025 for the Department of Employment and Economic Development for cannabis industry navigator and startup grants.
- \$16,230,000 in FY2024/2025 and \$16,230,000 in FY2026/2027 for the Department of Health for education of women who are pregnant, breastfeeding, or who may become pregnant; data collection and reports; and youth education.
- \$8,736,000 in FY2024/2025 and \$12,952,000 in FY2026/2027 for the Department of Human Services to implement the substance use disorder treatment and prevention grant program and process background studies relevant to the work of the Cannabis Expungement Board.
- \$264,000 in FY2024/2025 and \$264,000 in FY2026/2027 for the Department of Labor and Industry to identify occupational competency standards and provide technical assistance for developing dual-training programs.
- \$338,000 in FY2024/2025 for the Department of Natural Resources for training of DNR Conservation Officers relating to the new cannabis regulatory system and requirements, recognition of impairment, and for the enforcement of the purposed environmental standards adopted by the Cannabis Management Office.

- \$1,000,000 in FY2024/2025 and \$1,000,000 in FY2026/2027 for the Office of Higher Education for Dual Training Competency Grants to employers in the legal cannabis industry.
- \$1,103,000 in FY2024/2025 and \$140,000 in FY2026/2027 for the Pollution Control Agency for rulemaking to establish of water, energy, odor, and solid waste environmental standards for cannabis businesses and provide technical assistance for small businesses.
- \$6,837,000 in FY2024/2025 and \$5,324,000 in FY2026/2027 for the Department of Public Safety Bureau of Criminal Apprehension for identifying and sealing records, forensic science services, and investigations.
- \$7,276,000 in FY2024/2025 and \$3,336,000 in FY2026/2027 for the Department of Public Safety Minnesota State Patrol from the Trunk Highway Fund for additional Drug Recognition Expert (DRE) troopers, crash reconstruction specialist troopers, and replacement drug detection canines.
- \$6,791,000 in FY2024/2025 and \$6,291,000 in FY2026/2027 for the Department of Revenue to collect and administer the tax requirements.

Impact on Children and Families:

The current widespread underground market for marijuana provides no controls against the sale and access to children. This proposal provides age restrictions to prevent the sale of cannabis to those under 21. Additionally, the biannual Healthy Kids Colorado Survey found no increase in the use of marijuana from 2011 to 2015 in the period where legal sales initiated in the state, a finding that has been consistent in Washington, Oregon, Alaska, California, Massachusetts, Maine, and Nevada. The proposal additionally provides funding for MDH to conduct a long-term, coordinated education program to raise public awareness about and address adverse health effects associated with the use of cannabis or cannabis products by persons under age 21.

Equity and Inclusion:

This proposal seeks to begin to address the inequities the current system of marijuana prohibition has created, beginning with the expungement of nonviolent marijuana offenses. A Division of Social Equity at the Office of Cannabis Management will work to further promote the consideration of equity and inclusion in the development and implementation of cannabis regulatory systems. The proposal additionally requires the prioritization of social equity applicants in cannabis license selection along with the cannabis grower and industry training and navigation grant programs.

Tribal Consultation:

Does this proposal have a substantial direct effect on one or more of the Minnesota Tribal governments?

- Yes
- No

Minnesota tribal governments, in particular the Red Lake Nation and the White Earth Nation, have raised significant concerns about the current interactions between their medical cannabis programs and current restrictions in statute. This proposal will provide broad authority for the Governor or designated representatives to negotiate compacts with an American Indian tribe regulating cannabis and cannabis products including medical cannabis.

Results:

The proposal requires Department of Health to engage in research and data collection activities to measure the prevalence of cannabis use and the use of cannabis products in the state by persons under age 21 and persons ages 21 or older.

Statutory Change(s):

13.411, by adding a subdivision; 13.871, by adding a subdivision; 152.02, subdivisions 2, 4; 152.022, subdivisions 1, 2; 152.023, subdivisions 1, 2; 152.024, subdivision 1; 152.025, subdivisions 1, 2; 181.938, subdivision 2; 181.950, subdivisions 2, 4, 5, 8, 13, by adding a subdivision; 181.951, by adding subdivisions; 181.952, by adding a subdivision; 181.953; 181.954; 181.955; 181.957, subdivision 1; 244.05, subdivision 2; 256.01, subdivision 18c; 256D.024, subdivision 1; 256J.26, subdivision 1; 273.13, subdivision 24; 275.025, subdivision 2; 290.0132, subdivision 29; 290.0134, subdivision 19; 297A.67, subdivisions 2, 7; 297A.99, by adding a subdivision; 297D.01, subdivision 2; 297D.04; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10; 297D.11; 609.135, subdivision 1; 609.531, subdivision 1; 609.5311, subdivision 1; 609.5314, subdivision 1; 609.5316, subdivision 2; 609.5317, subdivision 1; 609A.01; 609A.03, subdivisions 5, 9; 624.712, by adding subdivisions; 624.713, subdivision 1; 624.714, subdivision 6; 624.7142, subdivision 1; 624.7151; proposing coding for new law in Minnesota Statutes, chapters 3; 17; 28A; 34A; 116J; 116L; 120B; 144; 152; 289A; 295; 604; 609A; 624; proposing coding for new law as Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2020, sections 152.027, subdivisions 3, 4; 152.21; 152.22, subdivisions 1, 2, 3, 4, 5, 5a, 5b, 6, 7, 8, 9, 10, 11, 12, 13, 14; 152.23; 152.24; 152.25, subdivisions 1, 1a, 1b, 1c, 2, 3, 4; 152.26; 152.261; 152.27, subdivisions 1, 2, 3, 4, 5, 6, 7; 152.28, subdivisions 1, 2, 3; 152.29, subdivisions 1, 2, 3, 3a, 4; 152.30; 152.31; 152.32, subdivisions 1, 2, 3; 152.33, 1.38 subdivisions 1, 1a, 2, 3, 4, 5, 6; 152.34; 152.35; 152.36, subdivisions 1, 1a, 2, 3, 4, 5; 152.37; 297D.01, subdivision 1; Minnesota Rules, parts 4770.0100; 4770.0200; 4770.0300; 4770.0400; 4770.0500; 4770.0600; 4770.0800; 4770.0900; 4770.1000; 4770.1100; 4770.1200; 4770.1300; 4770.1400; 4770.1460; 4770.1500; 4770.1600; 4770.1700; 4770.1800; 4770.1900; 4770.2000; 4770.2100; 4770.2200; 4770.2300; 4770.2400; 4770.2700; 4770.2800; 4770.4000; 4770.4002; 4770.4003; 4770.4004; 4770.4005; 4770.4007; 4770.4008; 4770.4009; 4770.4010; 4770.4012; 4770.4013; 4770.4014; 4770.4015; 4770.4016; 4770.4017; 4770.4018; 4770.4030.

Supreme Court

FY 2024-25 Biennial Budget Change Item

Change Item Title: Paid Family and Medical Leave Insurance

Fiscal Impact (\$000s)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund				
Expenditures				
<i>MMB Non-Operating</i>	0	0	75	5,824
<i>DHS</i>				199
Transfer Out	668,321	0	0	0
GF Net Fiscal Impact =	668,321	0	75	6,023
Paid Family Medical Leave Fund				
Expenditures				
<i>DEED</i>	41,659	36,492	64,657	92,640
<i>MMB</i>	0	0	43	44
<i>Commerce</i>	367	316	128	128
<i>DLI</i>	601	480	646	646
<i>DHS</i>	2,649	0	530	530
<i>Supreme Court</i>	0	0	20	0
<i>Legislature</i>	0	0	11	0
<i>Court of Appeals</i>	0	0	0	5,600
<i>Benefits</i>	0	0	0	1,038,531
Transfer In	668,321	0	0	0
Revenues	0	0	0	1,219,808
All Funds Net Fiscal Impact = (Expenditures – Revenues)	45,276	37,288	66,110	(75,666)
FTEs	39.5	65.5	241.75	410.5

Recommendation:

The Governor recommends \$668.321 million from the general fund in FY 2024-25 and \$6.098 million in FY 2026-27. The Governor also recommends applying a 0.6% premium rate to employee wages beginning on July 1, 2026, to establish a Paid Family and Medical Leave Insurance program and that employee contributions comprise one-half of the premium rate.

The transfer of \$668.321 million from the general fund provides funds necessary to cash flow the program to enable benefit payments to commence simultaneously with tax collections. It will also support the development of an IT system for collecting premiums and paying benefits, initial staffing and administrative resources required to implement and operate this program at the Department of Employment and Economic Development and other state agencies and branches of government.

Rationale/Background:

Most Minnesotans will need Paid Family and Medical Leave at some point in their lives – whether due to illness, a new child, or family caretaking. But today, approximately 26 percent of all family and medical leaves do not include any wage replacement. According to the “Paid Family & Medical Leave Insurance: Options for Designing and Implementing a Minnesota Program” released in February 2016, around 10% of Minnesota workers take a family or medical leave in any given year. Fifty-nine percent (59%) of current leaves in Minnesota are for own-

health reasons (other than pregnancy), 17 percent are for bonding/parental leave (including pregnancy disability), and 24 percent of leaves are for caretaking a seriously ill family member.

Low-wage employees, certain minority groups, younger workers, and less educated populations are much more likely to lack access to paid leave. For many low-income Minnesotans, taking leave with little or no pay can create significant economic instability for their families, often during some of the most challenging times. Additionally, Minnesota workers are generally less likely to receive compensation during leave for their own serious health condition or family care than for pregnancy or parental (bonding/maternity/paternity) leave.

Without a comprehensive state paid family and medical leave program, Minnesotans are missing out on the economic stability and economy-boosting effects of keeping people employed while welcoming a new family member, caring for a sick loved one, or recovering from an illness or injury. Paid Family and Medical Leave is a critical tool towards enhancing Minnesota's economic competitiveness and building a more stable and resilient workforce.

Proposal:

The Governor recommends creating a new Minnesota Family and Medical Leave Program administered by DEED. This program will provide wage replacement for family and medical leaves and will provide job protections for recipients, so they are assured of continued employment with their employer upon their return. Premiums collected will fund program benefits and ongoing administrative costs.

Appropriations from the general fund will allocate:

- \$519.266 million from the general fund in FY 2024-25 will fund a reserve balance in the Paid Family and Medical Leave (PFML) Fund. This will provide adequate cash flow to permit initiation of benefits simultaneously with the start of premium collections on July 1, 2026.
- An additional transfer of \$149.055 million from the general fund in FY 2024-25 will fund start up costs for administration of the program to be appropriated from the PFML Fund.
- \$5.899 million in FY 2026-27 will be provided to Minnesota Management and Budget Non-Operating to offset employer-paid premium costs in the general fund for state executive and judicial branch agencies and offset the costs to agencies for obtaining notice acknowledgments from employees.
- \$199 thousand in FY 2026-27 for the Department of Human Services for the impact of the paid family medical leave program on Medicaid nursing facility rates.

Proposed appropriations from the new PFML Fund include:

- \$78.151 million in FY 2024-25 and \$157.297 million in FY 2026-27 for the Department of Employment and Economic Development will support the creation of business process design, a premium collection system, benefits payment system, user interface development, and program administration.
- \$87 thousand in FY 2026-27 for Minnesota Management and Budget will fund state executive branch employee workplace notice costs as well as upgrades to the state's payroll system necessary for the collection of premiums.
- \$683 thousand in FY 2024-25 and \$256 thousand in FY 2026-27 for the Department of Commerce will fund development of private plan rules and approvals.
- \$1.081 million in FY 2024-25 and \$1.292 million in FY 2026-27 for the Department of Labor and Industry will fund oversight and compliance costs related to the program as well as IT systems upgrades.
- Starting in FY 2027, \$5.6 million per year would fund costs related to appeals filed with the Court of Appeals for denied benefit claims.
- \$11 thousand in FY 2026-27 for the Legislature-LCC will support onetime payroll system updates.
- \$20 thousand in FY 2026-27 for the Supreme Court will support onetime system updates.
- \$2.649 million in FY 2024-25 and \$1.060 million in FY 2026-27 for the Department of Human Services to make systems modifications necessary for the implementation of the program.

Impact on Children and Families:

Similar programs in other states have shown improvements in economic stability for families and positive impacts for children. Societal benefits include retaining more women in the labor force, reductions in the need and associated costs for nursing home and other institutional care, reductions in the need for public assistance when a new baby arrives, and less infant care shortages.

Equity and Inclusion:

According to the 2016 report, while almost three-quarters of Minnesota workers received at least some pay when they were out of work for family or medical reasons, low-wage (46%); black (42%); or Hispanic (39%); younger (39%); part-time (38%) or less educated (38%) workers are much more likely to manage leaves without any pay. This proposal is intended to help address that inequality and the economic impacts that that inequality has on these workers.

IT Related Proposals:

This recommendation includes funding for IT costs to create a system for collecting premiums from employers and paying program benefits to recipients. The development of the Paid Family and Medical Leave system will be a multi-year project. The total cost to build the system between FY 2024 and FY 2028 is anticipated to be approximately \$80.4 million, plus approximately \$6.0 million in staff costs.

Results:

Department of Employment and Economic Development will track the following:

- Amount of leave taken
- Amount of benefit payments made to recipients
- Employer opt-outs
- Employee opt-ins
- Program tax collections and balance
- Customer satisfaction

Program: Supreme Court Operations

<https://www.mncourts.gov/>

AT A GLANCE

- In 2021, 88 direct appeals and 551 petitions for further review were filed with the Supreme Court.
- The Chief Justice is the administrative head of the Judicial Branch, which includes 322 justices and judges and 2,500 employees.
- The Supreme Court publicly disciplined 28 attorneys, four attorneys were disbarred, and 17 were suspended.

PURPOSE AND CONTEXT

The Supreme Court is the highest court in Minnesota, serving as the final guardian of the Minnesota Constitution and interpreting/applying the United States Constitution.

The Supreme Court is solely responsible for the regulation of the practice of law and for judicial and lawyer discipline.

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 Supreme Court conducts its adjudicative and administrative functions in support of three strategic goals to deliver its mission:

1. *Access to Justice - A justice system that is open, affordable, understandable, and provides appropriate levels of service to all users.*

Ensuring access to justice for all is an enduring commitment for Minnesota’s court system. It is also an increasingly challenging concern given changing court customer expectations, shifting demographics, and increased competition for scarce resources.

2. *Effective Administration of Justice - A justice system that adopts approaches and processes for the fair and just resolution of all cases.*

Over the last two decades, Minnesota courts have worked diligently to become increasingly efficient and effective. The Judicial Branch is focused on being a well-managed court system that seeks innovative ways to promote justice for individual litigants in individual cases.

3. *Public Trust and Accountability - A justice system that engenders public trust and confidence through impartial decision-making and accountability for the use of public resources.*

The Judicial Branch is accountable to the public. It is critical that the Branch maintain and continuously improve public trust and accountability, and it must meet this challenge by collaborating with court customers to eliminate disparities in the court system.

SERVICES PROVIDED

The Minnesota Supreme Court considers appeals from judgments from 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 Supreme Court also hears mandatory cases, including first degree murder convictions and election contests. The Court promulgates rules of practice and procedure for the legal system in the state. The Court oversees the practice of law, including admission to the Bar, lawyer and judge discipline, and continuing legal education.

The Chief Justice is responsible for supervising administrative operations of the state court system. The Chief Justice serves as the chair of the Judicial Council, the policy making body for the Judicial Branch.

The Judicial Council conducts a rigorous strategic planning process that guides the work of the State Court Administrator’s Office in support of the Judicial Branch’s three strategic goals. The strategic plan is reviewed and updated biennially.

The Chief Justice is assisted by the State Court Administrator’s Office, which provides the administrative infrastructure for the Judicial Branch. The State Court Administrator’s Office is responsible for providing Judicial Branch finance, human resources, technology, education, communications, research/evaluation, caseload management and cross-district judicial assignments.

The Judicial Council conducts a rigorous strategic planning process that guides the work of the State Court Administrator’s Office in support of the Judicial Branch’s three strategic goals. The strategic plan is reviewed and updated biennially.

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 Judicial Branch, improve overall operations of the court and enhance the public’s trust and confidence in the Judiciary. Throughout the year the Supreme Court reviews performance measure results. This review is shared with the Judicial Council (the Branch’s governing body) twice a year.

The COVID-19 pandemic had a dramatic impact on the Minnesota Judicial Branch and statewide court operations. In early March 2020, most in-person court proceedings were suspended, public access to court facilities was limited, and courthouse service windows were restricted to only telephone and email support. Currently all courthouses are open, and efforts are underway to address the significant challenges to the Judicial Branch’s timeliness goals as a result of the pandemic.

The Supreme Court timing objectives identify the Court’s performance based on the case type: Mandatory/Original Cases (e.g., First Degree Murder cases and Election Contests); Discretionary Cases (e.g., appeals from judgments from the Court of Appeals, the Workers Compensation Court of Appeals, and the Tax Court); and Expedited Cases (Appeals in termination of parental rights and adoption cases).

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>FY2020</i>		<i>FY2021</i>	
		<i>Number of Cases</i>	<i>Percent that met Timing Objective</i>	<i>Number of Cases</i>	<i>Percent that met Timing Objective</i>
Results	Mandatory/Original Cases Ninety five percent of the cases will be disposed of within 180 days of submission to the Supreme Court.	96	81.5%	86	84.4%
Results	Discretionary Cases Ninety five percent of petitions for further review should be disposed of within sixty days of the filing of the request for review.	610	91%	471	82%
Results	Expedited Cases Ninety five percent of expedited appeals (termination of parental rights, adoptions) should be disposed of within 25 days of filing the appeal.	25	86%	13	81%

Data are from the *Judicial Branch 20120 & 2021 Performance Measures – Key Results and Measures Annual Reports*. The reports can be found at www.mncourts.gov.

The Minnesota Constitution, Article VI, https://www.revisor.mn.gov/constitution/#article_6, provides the legal authority for the Supreme Court. M.S. 2.724 provides legal authority for the chief justice’s administrative responsibilities: <https://www.revisor.mn.gov/statutes/cite/2.724>. M.S. 480.05 provides legal authority for the Supreme Court’s rule making authority: <https://www.revisor.mn.gov/statutes/cite/480.05>. M.S. 480.13-17 provide legal authority for the position and duties of the state court administrator: <https://www.revisor.mn.gov/statutes/cite/480.13>, <https://www.revisor.mn.gov/statutes/cite/480.14>, <https://www.revisor.mn.gov/statutes/cite/480.15>, <https://www.revisor.mn.gov/statutes/cite/480.16>, <https://www.revisor.mn.gov/statutes/cite/480.17>.

Supreme Court Operations

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	39,350	43,585	40,848	46,125	43,384	43,384	47,143	49,663
2000 - Restrict Misc Special Revenue	1,596	1,559	1,207	1,743	1,703	1,563	1,703	1,563
2001 - Other Misc Special Revenue		15	5	23	22	22	22	22
2403 - Gift	1,075	1,081	251	56				
3000 - Federal	4,779	4,475	4,826	8,500	6,704	6,587	6,704	6,587
4925 - Paid Family Medical Leave								
6000 - Miscellaneous Agency	19							
Total	46,819	50,715	47,137	56,447	51,813	51,556	55,572	57,835
Biennial Change				6,051		(215)		9,823
Biennial % Change				6		(0)		9
Governor's Change from Base								10,038
Governor's % Change from Base								10

Expenditures by Activity

Supreme Court Operations	8,744	8,829	7,692	8,450	8,033	8,033	11,792	14,312
State Court Administration	35,600	39,342	36,879	45,274	41,112	40,855	41,112	40,855
Law Library Operations	2,475	2,544	2,566	2,723	2,668	2,668	2,668	2,668
Total	46,819	50,715	47,137	56,447	51,813	51,556	55,572	57,835

Expenditures by Category

Compensation	34,832	35,572	36,045	38,000	37,756	37,706	41,295	43,765
Operating Expenses	8,849	10,073	8,802	15,086	11,447	11,240	11,667	11,460
Grants, Aids and Subsidies	2,454	2,329	1,663	1,304	1,285	1,285	1,285	1,285
Capital Outlay-Real Property	45	1,476	3					
Other Financial Transaction	638	1,264	624	2,057	1,325	1,325	1,325	1,325
Total	46,819	50,715	47,137	56,447	51,813	51,556	55,572	57,835

Full-Time Equivalent

	274.74	274.41	272.82	274.82	273.84	273.64	276.34	276.14
--	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------

Supreme Court Operations

Program Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
1000 - General								
Balance Forward In		2,606		2,741				
Direct Appropriation	41,647	42,775	43,589	43,384	43,384	43,384	47,143	49,663
Transfers In		397	175					
Transfers Out		1,907	175					
Cancellations		285						
Balance Forward Out	2,297		2,741					
Expenditures	39,350	43,585	40,848	46,125	43,384	43,384	47,143	49,663
Biennial Change in Expenditures				4,038		(205)		9,833
Biennial % Change in Expenditures				5		(0)		11
Governor's Change from Base								10,038
Governor's % Change from Base								12
Full-Time Equivalents	241.32	242.49	241.47	241.47	241.47	241.47	243.97	243.97

2000 - Restrict Misc Special Revenue

Balance Forward In	1,368	2,268	1,734	1,819	1,274	790	1,274	790
Receipts	2,380	1,020	1,293	1,198	1,219	1,219	1,219	1,219
Balance Forward Out	2,153	1,729	1,820	1,274	790	446	790	446
Expenditures	1,596	1,559	1,207	1,743	1,703	1,563	1,703	1,563
Biennial Change in Expenditures				(205)		316		316
Biennial % Change in Expenditures				(6)		11		11
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	3.50	3.47	3.38	3.38	3.38	3.38	3.38	3.38

2001 - Other Misc Special Revenue

Balance Forward In			0	1				
Receipts		15	6	22	22	22	22	22
Balance Forward Out		0	1					
Expenditures		15	5	23	22	22	22	22
Biennial Change in Expenditures				13		16		16
Biennial % Change in Expenditures						55		55
Governor's Change from Base								0
Governor's % Change from Base								0

Supreme Court Operations

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25

2403 - Gift

Balance Forward In	2,388	1,382	307	56				
Receipts	48	5	1					
Balance Forward Out	1,362	307	56					
Expenditures	1,075	1,081	251	56				
Biennial Change in Expenditures				(1,848)		(307)		(307)
Biennial % Change in Expenditures				(86)		(100)		(100)
Governor's Change from Base								0
Governor's % Change from Base								
Full-Time Equivalents	0.04							

3000 - Federal

Balance Forward In	927	1,022	1,047	859				
Receipts	4,814	4,490	4,639	7,641	6,704	6,587	6,704	6,587
Balance Forward Out	961	1,037	860					
Expenditures	4,779	4,475	4,826	8,500	6,704	6,587	6,704	6,587
Biennial Change in Expenditures				4,071		(35)		(35)
Biennial % Change in Expenditures				44		(0)		(0)
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalents	29.88	28.45	27.97	29.97	28.99	28.79	28.99	28.79

4925 - Paid Family Medical Leave

Direct Appropriation								
Expenditures								
Biennial Change in Expenditures				0		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

6000 - Miscellaneous Agency

Balance Forward In	81							
Receipts	19							
Transfers Out	81							

Supreme Court Operations

Program Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY20	FY21	FY22	FY23	FY24	FY25	FY24	FY25
Expenditures	19							
Biennial Change in Expenditures				(19)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

Program: Civil and Family Legal Services

www.mncourts.gov

AT A GLANCE

- Civil Legal Services attorneys, staff and volunteers handle legal matters for Minnesota’s most vulnerable people for no charge. With expertise and compassion, Civil Legal Services provides basic legal protections so clients can achieve security, self-sufficiency, and access to opportunity.
- There is one Civil Legal Services attorney for every 5,529 eligible clients, compared with one private practice attorney for every 432 Minnesotans above legal aid income guidelines.
- 53% of clients represented are Black, Indigenous, and People of Color, 17% are seniors, 23% are people with disabilities, and 66% are women.

PURPOSE AND CONTEXT

The Supreme Court administers Civil Legal Services (“CLS”) funding. There are three sources of Supreme Court-administered CLS funding: the general fund, Interest on Lawyers Trust Accounts, and attorney registration fees. The Court administers these funds through its Legal Services Advisory Committee. By statute, 85% of the general fund support is distributed on a poverty population basis to the Minnesota Legal Services Coalition (“the Coalition”), six regional CLS organizations that provide a full range of civil legal help in all 87 Minnesota counties. The remaining 15% of general fund support is awarded on a competitive basis to CLS organizations through a grantmaking process. CLS also receives funding from federal and local government grants, philanthropic foundations, United Way, private law firms, corporations, and individual private donors.

The statewide civil legal services network is a core function of the justice system. The network delivers justice to vulnerable Minnesotans and increases efficiency in the civil legal system. CLS focuses on resolving civil legal matters that directly affect the basic human needs for economic security, personal safety, shelter, and household sustenance. All CLS clients have low incomes, live with disabilities, or are elderly.

SERVICES PROVIDED

CLS opens the doors of the justice system to the most vulnerable people in communities throughout all 87 Minnesota counties. CLS creates strong and stable families and communities by helping people find solutions to civil legal disputes and delivering legal representation and advice. In 2021, CLS provided legal representation and advice to 43,762 households consisting of more than 93,570 people throughout all 87 Minnesota counties. Fifty-three percent (53%) of clients represented are Black, Indigenous, and People of Color, 17% are seniors, 23% are people with disabilities, and 66% are women. Additionally, CLS provided education and self-help services to more than 600,000 people counting unique visitors to the www.LawHelpMN.org website. CLS attorneys and advocates work from offices throughout the state, enabling direct service to people in all 87 Minnesota counties. CLS is continuously innovating and expanding the www.LawHelpMN.org website, most recently re-designing the site to include an online triage portal for people seeking legal help and information. The self-help resources on the website include plain language fact sheets and easy-to-use legal forms. The website is used by the court system, public libraries, social service agencies, and the general public. Additionally, in 2021, CLS implemented a first in the national statewide network of technology access points to ensure access to civil legal aid, legal information and remote hearings at state district courts for all Minnesotans.

CLS priorities include [1] preserving housing stability and preventing homelessness due to improper eviction or foreclosure; [2] helping victims of domestic violence achieve safety; [3] maximizing the ability of people who are elderly or have disabilities to live safely and independently in their community; [4] ensuring that Minnesotans have

health care and financial security; and [5] protecting people from financial exploitation. An essential part of the state’s domestic violence intervention system, CLS gives legal help to women and children served by the state’s network of domestic violence shelters and support programs. CLS has a similar relationship with social service systems that address homelessness or independent living for seniors or people with disabilities. The CLS partnership with the Minnesota Judicial Branch is also critical. CLS creates efficiencies in the state court system by redirecting cases that are without merit or can be resolved in another manner, and by ensuring efficient use of the courts when CLS clients come before a judge. CLS also creates efficiency by providing essential infrastructure to leverage and support volunteer attorneys through training, mentoring, www.ProJusticeMN.org, and Minnesota Legal Advice Online (MLAO). Finally and critically, CLS has been engaged in nearly three years of action planning to maximize coordination in CLS intake and referral processes, driving toward the rollout of centralized phone intake through a toll free number, which will direct cases to coordinated intake hubs to open cases.

There is one CLS attorney for every 5,529 CLS-eligible clients, compared with one practicing attorney for every 432 Minnesotans above CLS income guidelines. CLS in Minnesota is forced to turn away 55 percent of eligible clients seeking its services due to lack of resources. The inability of CLS to meet the demand for its services to meet critical human needs has been persistent. CLS continues to create efficiencies through technological innovations, coordination, and leveraging volunteers to serve more eligible families and individuals, but the need for services far exceeds the capacity of CLS.

RESULTS

<i>Name of Measure</i>	2019	2021
Number of families and individuals receiving legal representation.	44,920	43,762
Number of children and women who are victims of domestic violence who achieved safety.	3,416	5,186
Number of families and individuals faced with foreclosure or eviction who remained housed or have improved housing conditions.	5,376	5,558
Number of seniors and people with disabilities receiving legal representation.	16,906	17,039
Number of people obtaining education and self-help resources about legal rights and responsibilities through technological innovation.	525,182	669,992

Minn. Stat. §§ 480.24 to 480.244 provides the legal authority for Civil and Family Legal Services.

Civil and Family Legal Services

Program Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base		Governor's Recommendation	
					FY24	FY25	FY24	FY25
<u>Expenditures by Fund</u>								
1000 - General	14,720	14,757	16,903	18,223	18,198	18,198	24,282	29,253
2000 - Restrict Misc Special Revenue	2,119	2,224	1,982	2,375	2,424	2,423	2,424	2,423
3010 - Coronavirus Relief		3,500						
Total	16,839	20,482	18,885	20,598	20,622	20,621	26,706	31,676
Biennial Change				2,162		1,760		18,899
Biennial % Change				6		4		48
Governor's Change from Base								17,139
Governor's % Change from Base								42

Expenditures by Activity

Legal Services	16,839	20,482	18,885	20,598	20,622	20,621	26,706	31,676
Total	16,839	20,482	18,885	20,598	20,622	20,621	26,706	31,676

Expenditures by Category

Compensation	204	222	224	250	250	250	250	250
Operating Expenses	9	9	68				6,084	11,055
Grants, Aids and Subsidies	16,625	20,251	18,593	20,348	20,372	20,371	20,372	20,371
Total	16,839	20,482	18,885	20,598	20,622	20,621	26,706	31,676

Full-Time Equivalent

	1.96	2.00	2.00	2.00	2.00	2.00	2.00	2.00
--	------	------	------	------	------	------	------	------

Civil and Family Legal Services

Program Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25		Governor's Recommendation FY24 FY25	
1000 - General								
Balance Forward In	0	37		25				
Direct Appropriation	14,720	14,720	16,928	18,198	18,198	18,198	24,282	29,253
Cancellations		0						
Balance Forward Out	0		25					
Expenditures	14,720	14,757	16,903	18,223	18,198	18,198	24,282	29,253
Biennial Change in Expenditures				5,649		1,270		18,409
Biennial % Change in Expenditures				19		4		52
Governor's Change from Base								17,139
Governor's % Change from Base								47

2000 - Restrict Misc Special Revenue

Balance Forward In	545	621	527	818	693	519	693	519
Receipts	2,090	2,130	2,273	2,250	2,250	2,250	2,250	2,250
Balance Forward Out	516	527	818	693	519	346	519	346
Expenditures	2,119	2,224	1,982	2,375	2,424	2,423	2,424	2,423
Biennial Change in Expenditures				14		490		490
Biennial % Change in Expenditures				0		11		11
Governor's Change from Base								0
Governor's % Change from Base								0
Full-Time Equivalent	1.96	2.00	2.00	2.00	2.00	2.00	2.00	2.00

3010 - Coronavirus Relief

Direct Appropriation	3,500							
Expenditures	3,500							
Biennial Change in Expenditures				(3,500)		0		0
Biennial % Change in Expenditures								
Governor's Change from Base								0
Governor's % Change from Base								

Supreme Court

Federal Funds Summary

(Dollars in Thousands)

Federal Agency and CFDA #	Federal Award Name and Brief Purpose	FY 2022 Actuals	FY 2023 Budget	FY 2024 Base	FY 2025 Base	Required State Match or MOE?	FTEs
Department of Justice CFDA 16.588 (Funds pass through the Department of Public Safety)	Point of Contact Position Federal funds to support a position advising the SCAO on topics of domestic and sexual violence. Funds pass through the Department of Public Safety for distribution.	\$ 127	\$ 112	\$ 112	\$ 112	Yes	1.00
Department of Health & Human Services CFDA 93.563 (Funds pass through the Department of Human Services)	Expedited Child Support Program Payments for the federal share (66%) of Expedited Child Support. Expenditures include costs for personnel, magistrates, and operations.	\$ 4,058	\$ 5,449	\$ 4,262	\$ 4,262	Yes	22.74
Department of Health & Human Services CFDA 93.586	Court Improvement Program Expenditures for the Children Justice Initiative Grant. These grants are awarded to the state from the Federal Department of Human Services Administration for Children and Families.	\$ 565	\$ 589	\$ 563	\$ 563	Yes	4.05
Department of Justice CFDA 16.585	Office of Justice Program – Statewide Operationalizing Equity Grant Program - Funding is to improve, enhance, or expand adult drug court and veterans treatment court services statewide.	\$ -	\$ 1,650	\$ 1,650	\$ 1,650	Yes	1.00
Department of Health & Human Services Administration for Community Living (ACL) CFDA 93.747	Elder Abuse Prevention Interventions Program - To develop, implement, and evaluate successful or promising interventions, practices, and programs to prevent elder abuse, neglect, and exploitation, including adult protective services programs. Through this program, ACL hopes to demonstrate how existing research can be used to craft new, useful programs to address elder abuse, neglect, and exploitation and improve and enhance adult protective services programming.	\$ 76	\$ 700	\$ 117	\$ -	Yes	0.20
Federal Fund – Agency Total		\$ 4,826	\$ 8,500	\$ 6,704	\$ 6,587		28.99

Narrative

In FY2024 and FY2025 the Supreme Court will continue to receive federal funding for Child Support and the Court Improvement Program. The Stop Violence Against Women Act for a Point of Contact position grant has a state match of approximately 30%. The Expedited Child Support Program funds magistrates, personnel, and operating costs. The Expedited Child Support Program receives federal reimbursement at a rate of 66% for eligible expenditures, so less spending with state appropriated dollars would result in a proportionate decrease in federal reimbursement. The Court Improvement Program improves the processing of child protection cases and the outcomes for abused and neglected children. The Statewide Operationalizing Equity Grant Program enhances or expands the adult drug court and treatment court services statewide. The Elder Abuse Prevention Interventions Program grant prevents elder abuse. Estimates were based on past funding.