



THE SUPREME COURT OF MINNESOTA
MINNESOTA JUDICIAL CENTER
25 REV. DR. MARTIN LUTHER KING JR. BLVD.
SAINT PAUL, MINNESOTA 55155

CHAMBERS OF
LORIE S. GILDEA
CHIEF JUSTICE

October 15, 2014

Received

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Minnesota Management
& Budget

cc: Margaret K
Jim King

(651) 295-3380

Governor Mark Dayton
130 State Capitol
75 Rev. Dr. Martin Luther King Jr. Boulevard
Saint Paul, MN 55155

Commissioner James Schowalter
Minnesota Management & Budget
658 Cedar Street
Saint Paul, MN 55155

Dear Governor Dayton and Commissioner Schowalter:

On behalf of the people of Minnesota, and the members of the Minnesota Judicial Branch, I transmit the Judicial Branch's FY16-17 biennial budget request.

The Judicial Branch's budget request prioritizes three key areas:

- Maintaining the caliber of employees and judges necessary to continue driving innovation in Minnesota's court system and improving our service to the public.
- Restoring cuts to juror per diem that were made during difficult budget shortfalls, and increasing the long-frozen mileage reimbursement rate paid to jurors.
- Holding court services harmless from unavoidable insurance cost increases.

The Judicial Branch's Redesign Agenda

Over the past several years, the Minnesota Judicial Branch has been implementing an ambitious redesign agenda that is utilizing new technologies and reengineered business practices to make Minnesota's court system more accessible, more efficient, and better able to serve the needs of Minnesotans. We initiated this redesign agenda in recognition of the need to make the best and most efficient use of the funding provided for judicial services and to maintain the quality of services provided to the public.

The centerpiece of this redesign agenda is the eCourtMN initiative. This project—the largest transformation in the 150-year history of the Judicial Branch—is replacing paper-based court files with an electronic information environment. Through eCourtMN, we are:

- Creating convenient systems to allow court customers to instantly and securely file and serve court documents electronically, from their home or office.
- Developing new tools for judges and court staff to manage and process electronic court documents.
- Creating automatic electronic workflows that leave more time for judges and court staff to focus resources on the complex issues and cases that come before the courts.
- Establishing new electronic portals for justice partners and court customers to more easily access court documents and information.

This new electronic information environment is also driving additional innovations within the Judicial Branch that are creating new efficiencies throughout our justice system. We have collaborated with law enforcement and prosecutors to allow for the electronic filing of citations and complaints; created an online reporting system that provides better tools for us to monitor and audit conservator accounts, helping safeguard the assets of elderly and vulnerable individuals; consolidated the responsibility for assembling and transmitting trial court case records to the appellate courts into one location; and we are nearing completion of an improved system to transmit orders for protection to law enforcement, increasing the safety of domestic violence victims.

The talent, expertise, and hard work of the members of the Judicial Branch are driving this nationally recognized redesign agenda.

The Judicial Branch's Workforce Challenges

In order for the Judicial Branch to continue driving innovation in our court system and improve service to Minnesotans, the Judicial Branch needs to retain and attract skilled and knowledgeable employees and judges that can maintain and operate a modern, efficient, and technology-based court system.

However, the Judicial Branch faces two major challenges:

Salary Structure

During the height of the recent recession, the Judicial Branch was forced to impose a multi-year salary freeze in order to preserve essential court functions while managing difficult budget cuts. Employees and judges did not receive ongoing, permanent compensation increases between FY08 and FY13. At times during the Judicial Branch's salary freeze, other public sector employers—including the Executive and Legislative branches—provided permanent compensation increases to their employees.

Earlier this year, the Judicial Branch commissioned an independent firm to conduct a study of the Judicial Branch's salary structure. The findings of the study were troubling. According to the study, the Judicial Branch salary structure has become uncompetitive and "consistently below market" compared to other public-sector employers.

We have already started to experience the impact of our "below market" salary structure. In recent years, we have experienced difficulty finding qualified candidates for key positions, a problem that will only get worse unless we take steps to address it.

Further, Minnesota judges now rank near the bottom third nationally in judicial pay. Judges in many counties make significantly less than the county attorneys who appear before them, and, in some cases, even less than the assistant county attorneys.

Staff, Judge Retirement Wave

The second workforce challenge the Judicial Branch faces 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 ten years.
- In the last two years, 58 new judges have been appointed to the Bench—18 percent of all judges in the state.
- By 2019, more than 40 percent of all judges that were on the Bench in 2012 will have either left the bench or will have turned 65 years old.

This incredible loss of experience and talent is especially concerning when paired with a below-market salary structure that is making it difficult for the Judicial Branch to compete for workers with the necessary skills.

FY 16-17 Biennial Budget Request

The Judicial Branch's FY16-17 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 to the base budgets of the Supreme Court, the Court of Appeals, and the District Courts, I present a change request of \$41,963,000 to increase Judicial Branch employee compensation by 5 percent in both FY2016 and FY2017, and increase judge salaries by 5 percent in both FY2016 and FY2017.

This additional funding will also hold court services harmless from rising insurance costs for Judicial Branch employees and judges. The Judicial Branch does not negotiate its own insurance agreements—it participates in the general plan negotiated by Minnesota Management & Budget. The Judicial Branch cannot absorb these costs, and would need to divert funding from court functions to pay for these increases without additional funding.

Additionally, I also present a change request of \$3,182,000 to increase the juror per diem from \$10 a day to \$20 a day and increase the juror mileage reimbursement from 27 cents to 56 cents per mile.

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The jury system is part of the foundation of the justice system. The decisions jurors make affect people's civic and property rights and the right to freedom. Difficult budget situations have resulted in two reductions to juror per diem since 2003, and a long-standing freeze on juror mileage reimbursement. Our request seeks to ease the financial burden placed on Minnesota citizens who make a sacrifice by honoring their duty of citizenship to report for jury duty. This funding would allow us to restore the most recent cut to juror per diem, bringing the rate back to pre-2008 levels, and increase the juror mileage reimbursement to match the current federal reimbursement rate.

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

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 the public safety. Thank you for your past support, and we ask again for your support to preserve Minnesota's justice system.

Sincerely,

A handwritten signature in black ink, appearing to read "Lorie S. Gildea". The signature is written in a cursive, flowing style.

Lorie S. Gildea
Chief Justice