



**State of Minnesota
Department of Finance**

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January 25, 2005

The Minnesota Legislature
State Capitol
St. Paul, Minnesota

To the 2005 Legislature:

I respectfully submit for your consideration the Governor's FY 2006-07 budget proposal for the judicial branch agencies, including the Supreme Court, the Court of Appeals, the Trial Courts, the Legal Profession Boards, and the Board of Public Defense. The Governor respects the separation of powers and the desire of constitutional officers and officials in the judicial and legislative branches to independently present their budget requests directly to the legislature without specific recommendations from the Governor. However, since the Governor is required by law to submit a balanced budget to the legislature, it is necessary to identify funding for those offices as part of preparing a complete budget.

For the judicial branch, the Governor recommends an increase of \$20 million to recognize current caseload increases and other cost pressures in the criminal justice area. The funding recommendation has been pro-rated among the judicial branch agencies supported by the general fund. The Legal Profession Boards are fully funded by fees collected under court rules.

The Governor recommends funding for significant changes in the sentencing of sex and methamphetamine offenders. His budget includes \$22.2 million for additional trial and other court-related costs anticipated for the Trial Courts and the Board of Public Defense as a result of these sentencing changes.

The Governor recommends \$15.4 million for the Board of Public Defense relating to the funding deficiency in the agency's FY 2005 budget as a result of the determination that the public defender co-pay statute is unconstitutional. He has separately recommended funding of the current year deficiency in legislation that he has requested the legislature pass early in the current session.

Finally, the Governor recommends a \$10 increase in the criminal/traffic surcharge the state currently collects, raising it from \$60 to \$70. This increase is expected to raise \$11.4 million for the general fund in the FY 2006-07 biennium, which will help fund public safety and criminal justice initiatives in his budget.

Sincerely,

A handwritten signature in cursive script that reads "Peggy S. Ingison".

Peggy Ingison
Commissioner

LEGAL PROFESSION BOARDS

Agency Overview

Dollars in Thousands

	Current		Governor Recomm.		Biennium 2006-07
	FY2004	FY2005	FY2006	FY2007	
<u>Expenditures by Fund</u>					
Statutory Appropriations					
Special Revenue	4,492	5,063	4,933	5,183	10,116
Total	4,492	5,063	4,933	5,183	10,116
<u>Expenditures by Category</u>					
Total Compensation	2,399	2,784	2,963	3,157	6,120
Other Operating Expenses	1,883	2,064	1,748	1,797	3,545
Local Assistance	210	215	222	229	451
Total	4,492	5,063	4,933	5,183	10,116
<u>Expenditures by Program</u>					
Continuing Legal Education Bd	4,492	5,063	4,933	5,183	10,116
Total	4,492	5,063	4,933	5,183	10,116
Full-Time Equivalent (FTE)	36.5	36.4	36.4	36.4	

Agency Purpose

The Minnesota Supreme Court exercising its inherent constitutional authority regulates the practice of law in Minnesota.

The Supreme Court exercises its regulatory authority so that within the state the public is well served by admitting to practice competent attorneys who continuously revitalize their knowledge of the law by attending continuing education programs, by appropriately disciplining after careful investigation those who have been found to have violated the Minnesota Rules of Professional Conduct, and by reimbursing clients under specified circumstances who have lost funds because of attorney misfeasance. The court has implemented a statewide lawyer assistance program to direct lawyers to appropriate and necessary counseling.

Core Functions

The Supreme Court has established regulatory boards to assist in key areas of the regulation of the practices of law.

- ⇒ The Continuing Legal Education Board certifies 6,000 programs annually in a wide variety of legal subjects to promote professional growth for the state's 23,000 attorneys and monitors each attorney's compliance with continuing education regulations.
- ⇒ The Lawyers Professional Responsibility Board, working in conjunction with district ethics committees throughout the state, investigates complaints of unprofessional conduct against lawyers, and recommends discipline where appropriate.
- ⇒ The Legal Certification Board certifies agencies, which certify lawyers having specified experience and training as specialists.
- ⇒ The Client Security Board reviews claims from clients who have experienced monetary loss because of attorney dishonesty and, where the claim meets criteria established by the board, reimburses the client for the loss up to \$150,000.
- ⇒ The Board of Law Examiners reviews the credentials of applicants for admission to the practice of law in Minnesota and administers the bar examination.
- ⇒ A lawyer assistance program directs lawyers who are suffering from chemical and substance abuse or emotional distress to appropriate treatment.

Operations

The boards, consisting of lawyers and lay members, are appointed by the Supreme Court to carry out the functions identified above within the rules for each board promulgated by the Supreme Court. Each board is authorized to hire staff. The Client Security Board contracts with the Board of Professional Responsibility for legal services to examine claims and pursue subrogation claims. The Board of Law Examiners, Continuing Legal Education, and Legal Certification have a single director and share staff.

Budget

Dedicated revenue fully funds the activities of the boards. No General Fund monies support the operations of these boards. The Supreme Court assesses each lawyer admitted to practice law in Minnesota an annual registration fee which funds these activities. The registration fee revenue is divided among the boards as determined by the Court after public hearing. The Board of Law Examiners assesses a bar examination fee to each applicant for the bar examination. The boards of Continuing Legal Education and Legal Certification assess various administrative fees. The fees for those boards are included in the Department Earnings Report.

At A Glance

Anticipated Revenue – FY 2006-07

- ◆ Continuing Legal Education Board: \$797,000
- ◆ Lawyers Professional Responsibility Board: \$5,196,000
- ◆ Legal Certification Board: \$95,000
- ◆ Client Security Board: \$544,000
- ◆ Board of Law Examiners: \$2,041,000

Business Functions:

- ◆ The Board of Law Examiners tests approximately 900 applicants to the bar annually, and recommends for admission to the bar those persons who establish legal competence and good character.
- ◆ The Board of Continuing Legal Education accredits 6,000 legal education courses annually and monitors 23,000 Minnesota-Licensed attorneys' completion of continuing legal education.
- ◆ The Board of Legal Certification has accredited five legal organizations which certify a total of 859 attorneys as specialist in nine defined specialty fields of law.

The boards have 36.35 full-time equivalent employees.

Contact

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Minnesota Judicial Center
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LEGAL PROFESSION BOARDS

Agency Revenue Summary

Dollars in Thousands

	Actual FY2004	Budgeted FY2005	Governor's Recomm. FY2006 FY2007		Biennium 2006-07
<i>Non Dedicated Revenue:</i>					
Total Non-Dedicated Receipts	0	0	0	0	0
<i>Dedicated Receipts:</i>					
Departmental Earnings:					
Special Revenue	4,396	4,246	4,314	4,369	8,683
Other Revenues:					
Special Revenue	55	92	90	94	184
Other Sources:					
Special Revenue	16	18	19	20	39
Total Dedicated Receipts	4,467	4,356	4,423	4,483	8,906
Agency Total Revenue	4,467	4,356	4,423	4,483	8,906