

Table of Contents

2016-17 Governor's Budget - Court of Appeals

Agency Profile – Court of Appeals.....1
 Expenditures Overview.....4
 Financing by Fund.....5
Change Item: Maintain Core Justice Operations.....6

www.mncourts.gov

AT A GLANCE

- Over 2,300 cases were filed with the Court of Appeals in 2013.
- The 19 judges serving on the Court of Appeals hear cases in three-judge panels in courthouses throughout the state.
- Court of Appeals' decisions are the final ruling in about 95 percent of the appeals filed every year. Typically, about 5 percent of the court's decisions are accepted by the Minnesota Supreme Court for further review.
- The Court of Appeals serves all Minnesota citizens.

PURPOSE

The Minnesota Court of Appeals provides the citizens of Minnesota with prompt and deliberate review of all final decisions of the trial courts, state agencies and local governments.

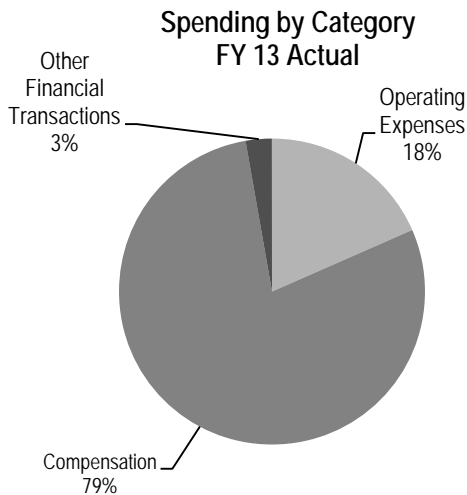
As the error-correcting court, the Court of Appeals handles most of the appeals, which allows the Minnesota Supreme Court to spend time resolving difficult constitutional and public policy cases

The Court of Appeals has jurisdiction over all final decisions of the district courts, except first degree-murder convictions, which are appealed directly to the Supreme Court. The Court of Appeals also has jurisdiction to review certain decisions of administrative agencies and local governments.

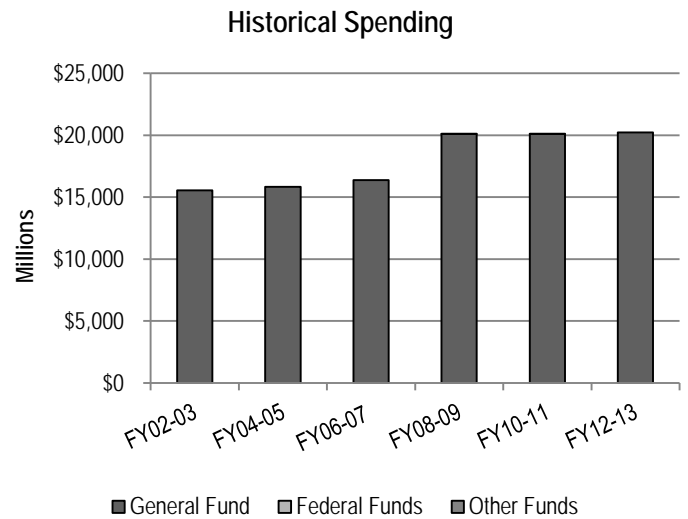
The adjudicative function of the Court of Appeals supports the following statewide outcomes:

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

BUDGET



Source: SWIFT



Source: Consolidated Fund Statement

The Court of Appeals FY13 expenditures were \$ \$10,228,000. The budget is funded 100% through the state general fund.

STRATEGIES

The mission of the Judicial Branch is *"To provide justice through a system that assures equal access for the fair and timely resolution of cases and controversies."* The Court of Appeals conducts its functions in support of three strategic goals to deliver its mission and to support the statewide outcomes of promoting strong families and communities, insuring people in Minnesota are safe and providing efficient and accountable government services:

1. Access to Justice – Ensuring the justice system is open, affordable, effective and accountable to the people it serves.
2. Administration of Justice for Effective Results – Working across branches of government and with other justice system stakeholders to improve outcomes for and the delivery of services for children, families, and alcohol- and other-addicted offenders who come to its courts.
3. Public Trust, Accountability, and Impartiality – Through education, outreach to diverse communities and a commitment to effective and efficient customer service and accountability, improving citizens' understanding of and confidence in the Third Branch of government.

As part of the court's effort to expedite justice and to make access to the appellate system less burdensome and expensive, the court's 19 judges sit in three-judge panels and travel to locations throughout Minnesota to hear oral arguments.

By law, the Court must issue a decision within 90 days after oral arguments. This deadline is the shortest imposed on any appellate court in the nation. The Court expedites decisions on child protection cases, child custody cases, mental health commitments and other requested matters.

The Court of Appeals issues a published opinion, unpublished opinion, or order opinion on each case it considers on the merits.

RESULTS

It is the policy of the Minnesota Judicial Branch to establish core performance goals and to monitor key results that measure progress toward meeting these goals in order to ensure accountability of the Branch, improve overall operations of the court and enhance the public's trust and confidence in the Judiciary. Throughout the year the Court of Appeals reviews performance measure results. This review is shared with the Judicial Council (the Branch's governing body) twice a year.

The Court has adopted the American Bar Association (ABA) standards for intermediate appellate courts, which measure cases from beginning (filing) to end (disposition). The goals are to have 75% of the cases disposed within 290 days of filing and 90% of cases disposed within 365 days of filing.

Court of Appeals Cases Disposed Within 290 Days of Filing, 2010 - 2012

In 2012, the Court of Appeals nearly met its goal of disposing 75% of cases within 290 days – 74%. This is a decline compared to 2011 when 79% of cases were disposed within 290 days, but is an improvement compared to 2010 when 69% were disposed within 290 days.

Court of Appeals Percentage of Cases Disposed Within 290 Days of Filing						
Goal = 75% of Cases						
	2010		2011		2012	
	# of cases	% of cases meeting objective	# of cases	% of cases meeting objective	# of cases	% of cases meeting objective
Civil	1,461	80%	1,388	90%	1,404	87%
Criminal	691	45%	677	53%	753	49%
Juvenile Protection	42	100%	50	100%	51	100%
Juvenile Delinquency	25	76%	17	94%	21	95%
Total Cases	2,219	69%	2,132	79%	2,229	74%

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

The Court of Appeals exceeded the goal of disposing 90% of cases within 365 days, by disposing of 92% of its cases within that time in 2012. This result maintains meeting the goal as in 2010 and 2011.

Court of Appeals Percentage of Cases Disposed Within 365 Days of Filing						
Goal = 90% of Cases						
	2010		2011		2012	
	# of cases	% of cases meeting objective	# of cases	% of cases meeting objective	# of cases	% of cases meeting objective
Civil	1,461	98%	1,388	100%	1,404	98%
Criminal	691	78%	677	85%	753	80%
Juvenile Protection	42	100%	50	100%	51	100%
Juvenile Delinquency	25	100%	17	100%	21	100%
Total Cases	2,219	92%	2,132	95%	2,229	92%

Data are from the *Judicial Branch 2012 Performance Measures – Key Results and Measures Annual Report* and the *Judicial Branch 2013 Performance Measures – Key Results and Measures Annual Report*. Both reports can be found at www.mncourts.gov.

The Minnesota Constitution, Article VI, provides the legal authority for the Court of Appeals.

Expenditures By Fund

	Actual		Actual FY14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY13			FY16	FY17	FY16	FY17
1000 - General	9,057	11,158	10,294	11,382	11,104	11,124	11,603	12,158
Total	9,057	11,158	10,294	11,382	11,104	11,124	11,603	12,158
<i>Biennial Change</i>				1,461		552		2,085
<i>Biennial % Change</i>				7		3		10
<i>Governor's Change from Base</i>								1,533
<i>Governor's % Change from Base</i>								7

Expenditures by Program

Program: Court Of Appeals	9,057	11,158	10,294	11,382	11,104	11,124	11,603	12,158
Total	9,057	11,158	10,294	11,382	11,104	11,124	11,603	12,158

Expenditures by Category

Compensation	8,027	8,794	9,175	9,692	9,692	9,692	10,191	10,726
Operating Expenses	1,026	2,055	1,097	1,337	1,406	1,426	1,406	1,426
Other Financial Transactions	4	309	23	353	6	6	6	6
Total	9,057	11,158	10,294	11,382	11,104	11,124	11,603	12,158

<u>Full-Time Equivalents</u>	83.3	87.9	88.2	87.6	86.4	84.8	87.6	87.6
-------------------------------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------

(Dollars in Thousands)

1000 - General

	Actual		Actual FY 14	Estimate FY15	Forecast Base		Governor's Recommendation	
	FY12	FY 13			FY16	FY17	FY16	FY17
Balance Forward In		1,108		347				
Direct Appropriation	10,106	10,228	10,641	11,035	11,104	11,124	11,603	12,158
Net Transfers		(176)	0	0	0	0	0	0
Cancellations		1						
Expenditures	9,057	11,158	10,294	11,382	11,104	11,124	11,603	12,158
Balance Forward Out	1,049		347					
<i>Biennial Change in Expenditures</i>				1,461		552		2,085
<i>Biennial % Change in Expenditures</i>				7		3		10
<i>Gov's Exp Change from Base</i>								1,533
<i>Gov's Exp % Change from Base</i>								7
FTEs	83.3	87.9	88.2	87.6	86.4	84.8	87.6	87.6

Court of Appeals

FY16-17 Biennial Budget Change Item

Change Item: Maintain Core Justice Operations

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	499	1,034	1,034	1,034
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	499	1,034	1,034	1,034
FTEs	1.2	2.8	2.8	2.8

Recommendation:

The Governor recommends \$499,000 in FY 2016 and \$1,034,000 in FY2017 to increase the compensation of Court of Appeals employees, judges, and fund unavoidable health insurance premium increases. The request represents a 6.9% increase in the Court of Appeals base budget.

Rationale/Background:

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

- During the height of the recent recession, the Minnesota 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 FY2008 and FY2013. Today, the Judicial Branch salary structure has become uncompetitive and consistently below market compared to other public-sector employees. 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.
- The second workforce challenge is a significant retirement wave among both employees and judges. Nearly one-third of current Judicial Branch staff will be 65 years old or older in the next ten years. In the last 2 years, 58 new judges have been appointed to the Bench—18% of all judges in the state. By 2019, at least 42% of all judges that were on the Bench in 2012 will have either retired, or will have turned 65 years old.

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

The Court of Appeals also request funding for unavoidable health insurance increases. The Judicial Branch does not negotiate its own insurance agreements – it participates in the general plan negotiated by Minnesota Management and 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.

Proposal:

This change level request is not a new initiative. The Judicial Branch's FY2016-17 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, the request for funding unavoidable health insurance increases will hold court services harmless from rising insurance costs for Judicial Branch judges and employees.

IT Related Proposals:

This request contains no information technology recommendation.

Results:

This request is sought to support the core mission and services of the Court of Appeals and to allow the Court to continue to undertake initiatives designed to increase efficiency, reduce costs and improve public services.

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

Statutory Change(s):

The request will not require statutory changes.