ADVISORY COUNCIL ON STATE-LOCAL RELATIONS

REPORT TO THE GOVERNOR ON THE FINANCING OF MINNESOTA'S DISTRICT COURTS AND PUBLIC DEFENSE SYSTEM

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DECEMBER 8, 1988

In July, 1988, the Governor's Advisory Council On State-Local Relations (ACSLR) began a study of the responsibilities of the state and Minnesota counties for financing Minnesota's District Courts and public defense services. The study was conducted by a committee of state and local government officials, including representatives of the executive and legislative branches of state government, representatives of county and city government, a representative of the State Court Administrator's Office, a representative of the Conference of Chief Judges, and a representative of the State Board of Public Defense. (See attached list of Committee members.)

The specific charge of the ACSLR Committee was threefold:

- The Committee was asked to consider whether the state should assume responsibility for financing a larger share of the cost of operating our District Courts;
- The Committee was also asked to consider whether the state should assume responsibility for financing a larger share of the cost of providing public defense services; and
- If the Committee determined the answer to one or both of the two preceeding questions is yes, the Committee was asked to develop a proposal for transferring financial responsibility for these services to the state.

This report contains the findings and recommendations of the Committee relative to the appropriate responsibilities of the state and county governments for financing Minnesota's District Courts and public defense systems.

On December 8, 1988, the full ACSLR unanimously approved this report and forwarded its recommendations on to Governor Rudy Perpich.

ɾe the ACSLR presents its findings and recommendations, it is ortant to review the two decades of history that have resulted . the demand for this study.

Minnesota's Judicial Court System Has Been Structurally Unified

Major reforms that have been made in Minnesota's Court system over the past 20 years have yielded substantial progress toward ensuring equality of justice for all citizens.

- Prior to 1971, Minnesota relied on a fragmented system of Justice Of The Peace Courts, Municipal Courts, Probate Courts and District Courts for its judicial system. This system was funded by fees, fines, and municipal and county revenue.

- In 1971, Minnesota began to unify its judicial courts system by merging the Justice of the Peace Courts, Municipal Courts, and Probate Courts into 84 County Court systems, funded by fees, fines and county revenue; the Act did not affect the courtres in Hennepin, Ramsey and Saint Louis counties.

- In 1974 and 1975, the courts in Hennepin, Ramsey and Saint Louis counties were merged into County Court systems.

- In 1977, a formal link between the District Courts and County Courts was forged, bringing all courts within the state under the administrative control of the Chief Justice of the Supreme Court assisted by the State Court Administrator and the Conference of Chief Judges. The salaries of all judges within the state were equalized at this time as well.

- In 1978, the state assumed responsibility for paying the salaries and expenses of all judges within Minnesota and the salaries of the 10 district court administrators.

- In 1987, Minnesota's entire lower court system was administratively unified through the completion of a multi-year effort to consolidate the 87 county courts into a system of 10 District Courts.

Minnesota Has Developed A Statewide System For The Provision Of Felony And Gross Misdemeanor Public Defense Services

The provision of public defense services for individuals accused of a felony or gross misdemeanor have likewise been unified through an eight year process of reform.

- Prior to 1981, the State Judicial Council was responsible for appointing the state public defender and most district public defenders. The Council also was responsible for general oversight of public defense services throughout the state. The Council was a part of the Judicial branch of government and, in addition to its public defense role, was responsible for the "continuous study of the organization, rules and methods and procedures and practice of the judicial system of the state." (Minnesota Statutes (1978) 483.02)

981, the legislature created the State Board of Public se to assume the public defense responsibilities of the al Council. The Board was not as closely linked to the l Branch of Government as was the Judicial Council. had as its sole mission the oversight of public services throughout most of the judicial districts.

... 1984, the State Board of Public Defense was empowered by the legislature to distribute appropriated money to non-profit criminal and juvenile defense corporations.

- In 1987, the powers of the State Board of Public Defense were significantly expanded. Amoung other things, the expanded powers of the Board enabled it to review and approve all District budgets for the provision of gross misdemeanor and felony public defense services in all judicial districts other than the second and fourth. The Board was also given authority to distribute any state funds appropriated for public defense services to the ten judicial districts.

[For a more detailed description of the current organization and funding structure of Minnesota's District Courts and public defense systems, see Appendix A of this Report.]

ACSLR FINDINGS

Most individuals familiar with Minnesota's District Courts and public defense systems would agree that the various reforms enacted over the past 20 years have yielded considerable improvements in our judicial and public defense systems. Minnesota has converted two largely fragmented systems for the administration of justice into statewide, unified structures.

However, the ACSLR believes further reform is necessary if Minnesota is to have truly unified District Courts and public defense systems. Specifically, Minnesota must alter the process it currently uses to finance its District Courts and public defense systems.

The ACSLR recognized that a Supreme Court Task Force On Financing And Control Of The Trial Courts had also been organized by the Minnesota Supreme Court to examine the same court financing issues. The ACSLR sought early on to establish a working relationship with the Supreme Court Task Force so the two groups would not needlessly duplicate each others efforts.

The ACSLR and the Supreme Court Task Force identified similar problems with the way Minnesota finances its District Courts and public defense systems. While Minnesota shifted the decision making authority for the District Courts and the public defense systems away from the counties to more centralized, unified systems, the counties continued to be responsible for paying the bills. Separating the decision-making responsibility for the systems from the financial responsibility for the systems is the source of many of the intergovernmental problems associated with the District Courts and public defense system.

The following are some of the major concerns state and local officials have identified relating to the administration and financing of our District Courts.

- The judiciary is one of the three branches of state government. There is a legitimate basis for questioning the appropriateness of county governments financing the majority of the costs associated with one of the three branches of state government.

- While Minnesota's efforts to unify its judicial system to help ensure equality of justice are laudatory, no system that is financed by 87 separate County Boards and a State Legislature can guarantee an equal level of service throughout the state. A 1978 report by the National Center for State Courts on Minnesota's attempt to unify its courts notes:

  > "The existing fragmented system of court finance makes impossible the execution of the Chief Justice's ultimate administrative authority precluding both the substantial movement toward statewide uniformity of administration envisioned by the Court Reorganization Act of 1977 and the ability to hold the Chief Justice accountable for the operations of the state court system."
  > (Quoted from the Proposed Report Of The Supreme Court Task Force On Financing And Control Of The Trial Courts, November 15, 1988.)

  Counties that have a healthy property tax base may be able to provide a higher level of District Court services than counties that are struggling with declining property values and troubled local economies.

- While major decisions regarding the level of service that is to be provided by the District Courts are being made by the State Legislature and the judiciary, counties are forced to pay the majority of the costs of these services. County officials are legitimately concerned about their inability to control these expenditures - expenditures for which they must remain accountable to the county taxpayers.

- The ability of Court Administrators to appeal their salaries threatens to undermine county officials' efforts to effectively implement county-wide comparable worth plans. A successful appeal by a Court Administrator may now have reprocussions throughout the entire county personnel system.

- Many District Court employees are directly or indirectly hired, supervised and fired by a District Court Administrator and/or the judges within a given District, all of whom are state employees. In a 1978 Supreme Court Decision (Kuehn v. State of Minnesota), the Supreme Court ruled that an individual who is hired, supervised and fired by a state employee is also a state employee for purposes of workers compensation, regardless of what level of government actually pays that individual's salary. This decision has further confused the legal status of many District Court employees, and created many unanswered liability questions.

two primary fiscal issues that were to be addressed by the ACSLR included the source of state revenues that would be tapped to finance the District Courts and public defense systems and the disposition of court-generated fee and fine revenue under a state-financed District Court system.

The following recommendations outline general concepts for addressing many of the issues surrounding state-financed District Courts and public defense systems. Subject to the acceptance by the Governor, the ACSLR will work with the Supreme Court Task Force to draft legislation transforming these concepts into workable statutes.

Minnesota should proceed gradually toward the goal of state financing and administration of its District Courts and public defense systems.

The ACSLR and Supreme Court Task Force agreed that a transition to a state-financed District Court system should be planned carefully. Transferring financial and administrative responsibility for certain District Court activities to the state will require more planning and preparation than can be accomplished during the next six months. Therefore, a phased transition to state-financed and administered District Courts and public defense systems was determined to be most appropriate.

Since the statewide administrative structure for financing Minnesota's felony and gross misdemeanor public defense services is already in place, priority should be given to implementing statewide financing of these services for all judicial districts. There is no reasoned justification for the State Board of Public Defense to continue to fund the eight judicial districts through imposition of a "state imposed" property tax.

The Public Defenders' Offices in the second and fourth judicial districts, while providing services to felony and gross misdemeanor indigents, also provide them to clients charged with misdemeanors and juvenile offenses. Although it is not possible, at present, to determine the exact cost of providing legal defense services to indigents charged with misdemeanors or juvenile offenses, or those involved in civil commitments in eight of ten judicial districts in our state, those costs are known for the second and fourth judicial district public defenders' offices. Therefore, the ACSLR Committee believes the circumstances surrounding the provision of public defense services in the second and fourth judicial districts deserve special consideration. (This would not include civil commitment in these districts.)

Given the scope of the Public Defenders' Offices in the second and fourth judicial districts, it is difficult to identify the actual cost of providing felony and gross misdemeanor public defense services in those districts. Furthermore, there is no reason why the cost of providing misdemeanor, juvenile and family court public defense services in those districts could not be financed by the state effective January 1, 1990.

State financing of public defense services in the second and fourth districts raises concerns about accountability for the expenditure of state funds. If the state does not have administrative control over the provision of public defense services in the second and fourth judicial districts, it is questionable whether the state should assume responsibility for financing those services. As Minnesota public policy makers have learned from many of their past experiences, it is not advisable to separate the decision-making responsiblity for a service from the financial responsibility for a service.

The ACSLR therefore recommends that current legislation affecting the delivery of public defense services in the State of Minnesota be amended to include the public defender services of the second and fourth judicial districts, under the jurisdiction of the State Board of Public Defense. The ACSLR does not recommend, however, that the public defenders in these districts become state employees. Hennepin and Ramsey counties should be "host" counties to insure that issues of salary and employee benefit parity with prosecutors in these districts is maintained.

All costs associated with providing indigent public defense services for felonies, gross misdemeanors, misdemeanors and juveniles in the second and fourth judicial districts should be financed by the state commencing January 1, 1990. State assumption of the financing of juvenile, misdemeanor, paternity, non-support, contempt and civil commitments in all districts should commence July 1, 1991.

The ACSLR recommends that, effective January 1, 1990, the state also assume responsibility for financing the operations of the eight District Offices of the District Courts (excluding the second and fourth judicial districts), all jury fees and all witness fees paid by the District Court Administrators' Offices (including jury and witness fees paid in the second and fourth judicial districts). The salaries, benefits and expenses of all court reporters, law clerks, judicial officers/referees and District Office administrative staff should be included in the state assumption of District Office costs.

Since the second and fourth judicial districts do not have distinct District Offices, the ACSLR recommends that, effective January 1, 1990, the state only assume responsiblity for paying the salaries, benefits and expenses of all law clerks, court reporters, and judicial referees in those districts.

In addition to the aforementioned expenses, the ACSLR.recommends that, effective January 1, 1990, the state assume responsibility for paying all expenses of District Court judges which are not currently paid by the state.

The ACSLR further recommends that the responsibility for all other non-capital District Court expenses, including the expenditures for misdemeanor, juvenile, paternity, non-support, contempt and civil commitment public defense, be transferred to the state on July 1, 1991. This transfer date will give the State Court Administrator's Office a sufficient amount of time to resolve the complex personnel and administrative management issues that must be addressed prior to the transfer of the remaining District Court functions to a state-financed District Court system. It will also give the State Board of Public Defense an opportunity to determine how misdemeanor, juvenile, paternity, non-support, contempt and civil commitment public defense services should be brought under its control in the other eight districts.

The ACSLR recommends that an extensive study be undertaken by the State Court Administrator's Office to determine if the state should assume responsiblity for all capital costs (or county reimbursement for space used) associated with the operations of the District Courts. Regardless of the outcome of that study, the transfer of capital costs to the state should not occur any earlier than July 1, 1993.

Legislation transferring financial responsibility for the District Courts to the state must establish a specific timetable for the complete transition.

While a phased transition to a state-financed District Court system is administratively necessary, the ACSLR strongly recommends that all phases of the transition be written into law during the 1989 legislative session. Passing legislation which only transfers financial responsibility for Phase One activities may make it more difficult to complete the transition. A partial transition to state financing (i.e. Phase One activities only), may create more problems than it would solve. Furthermore, the extensive planning that is required for the second phase of the transition demands that all parties are reasonable confident that the second phase will take place. This confidence can only be obtained by specifying in the initial legislation that all phases of the transition will occur.

The ACSLR further recommends that the legislation specify all second phase expenses, including any equalization of District Court employee salaries which may be necessary, be added to the District Courts' baseline budget for the 1991-93 state bienium.

The state should finance the District Courts and public defense systems with general fund revenues.

The ACSLR recommends that the District Courts and public defense systems be financed with an appropriation of state resources, coupled with fine and fee revenues that are now used for this purpose.

The ACSLR had initially considered recommending a direct link between the state's assumption of District Court/public defense expenditures and partial offsetting reductions in various revenue transfers from the state to local governments. While such a tradeoff may help simplify existing state-local fiscal relationships, the Committee decided not to make the recommendation. Establishing a direct link between state financing of the District Courts/public defense systems and reductions in state revenue transfers to local governments would needlessly complicate the transition to state financing of the two systems. While all local governments are likely to consider the impact of state financing of the District Courts/public defense systems on the overall state-local fiscal relationships, there is no need for establishing a specific link between the two issues in the legislation itself.

<u>District Court filing fee revenues should be deposited in the state's general fund.</u>

The ACSLR recommends that, effective January 1, 1990, all filing fees paid to the District Courts, with the exception of fees used to support county law libraries, be deposited in the state's general fund to help offset the costs of the District Court expenditures that are to be assumed by the state.

<u>A portion of all fine revenues currently retained by the counties should be deposited in the state's general fund.</u>

The ACSLR recommends that, effective January 1, 1990, a portion of the court-generated fine revenues that are currently retained by counties be deposited in the state's general fund to help offset the costs of the District Court expenditures that are to be assumed by the state.

Identifying the portion of the fine revenues that should be deposited in the state's general fund must recognize the differences between how fine revenues are currently distributed. (See Figure 1 for a detailed description of how these fine revenues are currently distributed.)

In principle, all fine revenues that are distributed to municipalities, counties and the state (state patrol fine revenues), which are implicitly used to offset the cost of police and prosecution activities, (including all fine revenues for violations of game and fish laws and water safety laws) should continue to be distributed to those jurisdictions. Fine revenues that are statutorily distributed to the arresting/citing and prosecuting jurisdictions provide a needed incentive for those jurisdictions to actively pursue their police/prosecution activities. Therefore, those fine revenues should not be diverted to the state.

FIGURE 1

DISPOSITION OF REVENUES DERIVED FROM COURT-IMPOSED FINES

TYPE OF OFFENSE	DISPOSITION OF FINE REVENUES
Parking Violation[1]	All fines are paid to the municipality in which the offense occurred.
State Patrol Citations - Guilty Plea/Outside Municipality	5/8 of the fine goes to the State Trunk Highway Fund; 3/8 of the fine goes to the County.
State Patrol Citations - City Attorney Prosecutes A Not Guilty Plea	1/3 of the fine goes to the State Trunk Highway Fund; 1/3 of the fine goes to the prosecuting jurisdiction; 1/3 of the fine goes to the County.
State Patrol Citations - Weight Restriction Violations	5/8 of the fine goes to Highway User Tax Dist. Fund; 3/8 of the fine goes to the County.
Fish & Wildlife Violations	1/2 of the fine goes to State Fish & Wildlife Fund; 1/2 of the fine goes to the County.
Boat & Water Safety Violations	1/2 of the fine goes to State Water Recreation Fund; 1/2 of the fine goes to the County.
All Other Traffic, Municipal & Criminal Violations[1]	1/3 of the fine goes to arresting jurisdiction; 1/3 of the fine goes to prosecuting jurisdiction; 1/3 of the fine goes to the County.
All Violations In Chisago County & City Officer Charges Violation	1/2 of the fine goes to municipality citing violation; 1/2 of the fine goes to the county.
All Violations In Chisago County Not Charged By City Officer[2]	All fines are retained by the county.
Parking, Traffic, Municipal & Criminal Violations in Hennepin County & City Prosecutes[2]	All fines are paid to the municipality in which the offense occurred.
State Law Violations in Hennepin County & County Prosecutes[2]	All fines are retained by the county.
Parking, Traffic, Municipal & Criminal Violations in Ramsey County & City Prosecutes[2]	1/2 of the fine goes to the municipality in which the offense occurred; 1/2 of the fine goes to the county.
State Law Violations in Ramsey County & County Prosecutes[2]	All fines are retained by the county.

1. Excluding violations occurring in Chisago, Hennepin and Ramsey Counties

2. Excluding violations cited/arrests made by the State Patrol

However, Minnesota Statutes also direct certain fine revenues to the general funds of the counties. [Minnesota Statutes (1986) 487.33, Subdivision 5 specifies that one-third of most fine revenues (excluding parking fines and fines for offenses cited by the Highway Patrol) be paid to the county treasurers of each county. This statute governs the distribution of fine revenues in 84 of the 87 counties. (Fine revenues in Hennepin, Ramsey and Chisago counties are governed by other statutes and Session Laws.) Fine revenues that currently are paid to the counties, and are unrelated to the counties role in apprehending/citing or prosecuting the offender, should be deposited in the state's general fund to help offset the costs of the District Court expenditures that are to be assumed by the state.

The distribution of fine revenues in the second judicial district presents a special circumstance which the Committee had to consider. Unlike most other counties that automatically receive one-third of most fine revenues (and do not receive any parking fine revenues), Ramsey county automatically receives one-half of most fine revenues, including parking fine revenues, that are paid to the second District Court Administrator. Considering this circumstance, the ACSLR recommends that only one-third of most second district fine revenues, and no parking fine revenues, be deposited in the state's general fund.

<u>All fees payable to the fourth District Court Administrator by the state, county or municipalities should be deposited in the state's general fund.</u>

The ACSLR recommends that, effective January 1, 1990, all fees paid to the fourth District Court Administrator by government entities that are entitled to court-imposed fine revenues be deposited in the state's general fund to help offset the costs of the District Court expenditures that are to be assumed by the state.

Unlike the other 87 counties, Hennepin County is not automatically entitled to a portion of the fine revenues collected by the Court Administrator. Instead, these fine revenues revert back to the jurisdiction responsible for the prosecution of the offender. Instead of receiving fine revenues to help offset the costs of District Court operations, Hennepin County is authorized to collect a statutorily mandated fee from the entitled recipients of the fine revenues. (See <u>Minnesota Statutes</u> (1986) 488A.03, Subdivision 11, paragraph (d) for details of the fee revenues referenced in this recommendation.) The ACSLR recommends these fees be deposited in the state's general fund effective January 1, 1990.

<u>All forfeitures of bail funds paid to Court Administrator's by individuals charged with the commission of a crime should be deposited in the state's general fund.</u>

The ACSLR recommends that, effective January 1, 1990, all bail funds forfeited by individuals charged with the commission of a crime be deposited in the state's general fund to help offset the costs of the District Court expenditures that are to be assumed by the state. These bail forfeitures currently

help offset District Court costs incurred when individuals fail to appear before the Court for trial. Therefore, under a state-financed District Court system, these funds should be deposited in the state's general fund.

All expenditures made by the state for Phase 1 of the transition to state financing of the District Courts and public defense systems, which are not offset by transfers of fees and fines to the state's general fund, should be paid out of the state's general fund revenue and treated as state-paid property tax relief to the counties.

During the state's 1989-91 bienium, the costs of the District Courts and public defense activities that are to be transferred to the state will exceed the new fee and fine revenues deposited in the state's general fund by approximately $46 million. (See Appendix B for a detailed county-by-county breakdown of expenditures and revenues that are being transferred to the state during Phase 1 of the transition to state-financed District Courts and public defense systems.) The ACSLR recommends the state absorb these excess costs into its general fund as a means of delivering property tax relief to county taxpayers. The ACSLR further recommends that counties be required to reduce their total pay 1991 property tax levy by an amount equal to the net benefit it receives from the state's assumption of District Court and public defense costs.

SUMMARY

The ACSLR recognizes there is much work to be done if state financing of the District Courts and public defense systems is to be a reality. The ACSLR hopes its recommendations form a conceptual understanding by all parties involved of how the transition can be accomplished. The ACSLR is willing to continue to work to resolve the issues which must be addressed to make the transition to state financing of our District Courts and public defense systems as smooth as possible. It welcomes feedback from all interested parties.

Membership (Including Alternates) Of The District Court/Public Defense Financing Committee Of The Advisory Council On State-Local Relations

MEMBERS

Peggy Addicks Assoc. of MN Counties	Hon. Kevin Burke Bd. of Public Defense	Hon. John Burger State Representative
Sue Dosal State Court Admin.	Hon. Bruce Douglas Conf. of Chief Judges	Julian Empson House Local/Urban Com
Hon. Sam Houston League of MN Cities	Hon. Paul McAlpine Assoc. of MN Counties (Co-chair of Committee)	Gary Pagel Metropolitan Council
Hon. Earl Renneke Minnesota Senator	Tom Triplett Comm. of Finance (Co-Chair of Committee)	

ALTERNATES AND INTERESTED PARTIES

Joel Jamnik League of MN Cities	Kevin Kajer House State Depts. Div.	Steve Nelson State Planning Agency
Hon. Peter Popovich MN Supreme Court	Judy Rehak State Court Admin.	Dick Scherman Bd. of Public Defense
Pam Wheelock Dept. of Finance		

WORKING GROUP PARTICIPANTS

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M.J. Hedstrom House Tax Committee	Joel Jamnik League of MN Cities	Dave Jensen Senate State Depts.
Kevin Kajer House State Depts.	Steve Nelson State Planning Agency	Bob Orth Metro Inter Counties
Jack Provo Fourth Dist. Admin.	Zora Radosovich Senate Tax Committee	Judy Rehak State Court Admin.
Dick Scherman Bd. of Public Defense	Jim Staebler Hennepin County	Pam Wheelock Dept. Of Finance

COMMITTEE MEETINGS

August 3, 1988 1:30-4:00 PM
September 14, 1988 1:30-3:30 PM
October 12, 1988 1:30-3:30 PM
November 9, 1988 1:00-3:00 PM
December 7, 1988 1:30-4:00 PM

WORKING GROUP MEETINGS

October 27, 1988 9:00-11:00 AM
November 3, 1988 9:00-11:00 AM

APPENDIX A

A description of Minnesota's existing structure for administering and financing its District Courts and public defense systems

District Courts In Minnesota

The Constitution of the State of Minnesota established the Judicial Branch of government, stipulating that there shall be a Supreme Court and a District Court of original jurisdiction. The Supreme Court shall oversee the operations of all other courts within the state. The Constitution also authorized the state legislature to establish a Court of Appeals, and other courts inferior to the District Court.

As a result of a number of reorganizations of the Minnesota Judiciary during the past two decades, Minnesota has a Court of Appeals to hear appeals from the District Courts, and has eliminated the municipal, probate and county courts below the level of the District Courts. (A Tax Court and a Worker's Compensation Court of Appeals continue to exist, however, these courts have statewide jurisdiction and all appeals go directly to the Minnesota Supreme Court. Because county governments are not involved in the provision or financing of these courts, this report will not address their organization or operations.)

There are ten judicial districts within the state under the administrative direction of the chief judge of each district. Districts 2 and 4 are single county districts (Hennepin and Ramsey counties). The other eight districts are composed of 4 to 17 counties each.

The number of judges serving each district is established by the state legislature, in consultation with the Minnesota Supreme Court. Judges may be assisted in the daily performance of their duties by law clerks and court reporters or electronic transcribers. The court reporters and law clerks may serve a single county or multiple counties within a judicial district.

A State Court Administrator assists the Chief Justice of the Supreme Court in carrying out his or her responsibility for the administration of all courts.

The day-to-day administrative activities of the District Courts within the ten Judicial Districts are handled by a District Administrators. The District Administrators develop district-wide budgets and manages all personnel and other administrative matters for the district as a whole. The District Administrators also coordinate the assignment of judges within the district.

The administration of District Court activities at the county level (District Court proceeding continue to be carried out within each county of the state) are handled by Court Administrators, formerly called District Court Clerks.

The operations of the State Court Administrator's office, the District Administrator's Office and the Court Administrator's Office are each funded through a separate budget. [In the second and fourth judicial districts (Ramsey and Hennepin counties), the District Administrator's Office and the Court Administrator's Office are one in the same, since these districts are single county judicial districts.]

Under this unified administrative structure, the responsibility for determining the level of judicial resources, and allocating those resourses throughout the ten judicial districts, rests with the Supreme Court aided by the State Court Administrator. The Supreme Court, with the assistance of the State Court Administrator, is responsible for coordinating the activities of all the courts to ensure uniformity in practice.

The primary responsibility for the administration and coordination of the District Court activities within a single judicial District rests with the Chief Judge and District Administrator of that district. The day-to-day administration of District Court activities within each county rests with the Court Administrator of that county. The District Court Administrator and the Court Administrator are appointed by the District Court judges within each district. The District Administrator reports to the Chief Judge of the district and serves at the pleasure of a majority of the judges of the district. The Court Administrator is supervised by the District Administrator, although the Court Administrator ultimately serves at the pleasure of a majority of the judges of the district as well.

The system Minnesota uses for financing its District Courts is equally complex. By statute, the state is responsible for paying all of the costs associated with the operations of the Supreme Court, the Court of Appeals and the State Court Administrator's office (including all personnel costs). In 1978, the state also assumed responsibility for paying the salaries and expenses of all Trial Court judges, and the salaries of the ten district administrators. The counties are responsible for paying all other District Court costs, including:

- the expenses of the district administrators and their office operating costs;
- the salaries and expenses of all law clerks, court reporters, and judicial officers and referees (judicial officials who are attorneys appointed by District Court Judges to hold certain judicial hearings, often dealing with matters involving juvenile offenders or family disputes);
- the operations of the court administrators' offices, including all personnel costs;

- misdemeanor, juvenile and civil commitment public defense services;

- jury and witness fees and expenses;

- the professional services necessary for certain judicial proceedings (i.e. language interpreters, medical/psychological exams and testimony, sheriff fees, etc.)

- operating expenses of the court, including the cost of all office and courtroom supplies and equipment; and

- capital costs associated with maintaining judicial operations, including the court administrators' offices, the courtrooms, and the judges' chambers.

Counties are responsible for paying the full cost of all of these services; however, because certain services benefit the entire district, while others are associated with operations within a single county, two separate methods have been devised for the payment of these costs. (These methods are only applicable to multi-county districts. The second and fourth districts pay all of the aforementioned costs directly.)

- District-wide services, such as the expenses and office budgets of the district administrators, and the salaries and expenses of law clerks and court reporters serving within the districts, are assessed back to all counties within each district, with each county paying a pro-rata share of the costs based on its population relative to the total population of the district.

- Services which are provided within a single county are paid directly by the County Board for that county. For these expenses, the Court Administrator submits a budget request to the County Board and the Board then sets the budget for the District Court operations within the county. Under Minnesota Statutes, court administrators may appeal the District Court budgets that are established by the County Boards. Court administrators may also appeal their salaries which are also set by the County Boards. Court Administrator appeals for a larger office budget or higher salary are heard by District Court judges who do not preside over the District in which the appeal is being made.

During 1988, counties budgeted approximately $75.5 million for District Court operations (excluding the cost of office space, court chambers and judges' chambers). The state budgeted $17.6 million in fiscal year 1988 for the salaries and expenses of District Court judges and the salaries of district administrators; an additional $2.3 million was budgeted by the state to support the operations of the State Court Administrator's Office - the Office which assists the Supreme Court in exercising general administrative oversight of Minnesota's entire District Court system. Total state and county budgets for operating the District Courts (excluding the cost of office space, court chambers and judges' chambers) during 1988 are $95.4 million, 79 percent of which are to be paid by the counties.

The District Court operations also generate a significant amount of revenue from court fees and surcharges and criminal, municipal and traffic fines. These revenues are distributed to the state, county and municipal governments within the state according to statutory formulas. In 1987, revenues generated through the District Courts totaled $67.2 million. Of the total revenues generated, counties received $29.9 million (44.3 percent), municipalities received $$23.0 million (34.0 percent), and the state received $14.6 million (21.6 percent).

PUBLIC DEFENSE SERVICES IN MINNESOTA

Under Minnesota law, all individuals accused of a misdemeanor, gross misdemeanor or felony are entitled to be represented by an attorney before, during and after their trial. Individuals undergoing civil commitment, paternity, non-support or contempt proceedings, and juveniles subject to judicial proceedings, are also entitled to representation by an attorney.

If an individual who is accused of a gross misdemeanor or felony can not afford the services of a private attorney, and is able to adequately demonstrate an inability to afford such services, the Court will appoint a public defender to represent the individual at all judicial proceedings.

Public Defense services for adults accused of a gross misdemeanor or felony are administered by the State Board of Public Defense in eight of Minnesota's ten judicial districts. [The 2nd and 4th judicial districts in Minnesota (Ramsey and Hennepin Counties) are not under the jurisdiction of the State Board of Public Defense. Public Defense Services in these judicial districts are provided directly by the county.]

The State Board of Public Defense is made up of a District Court Judge and four attorneys appointed by the Supreme Court and two public members appointed by the Governor. The state pays all administrative expenses of the State Board of Public Defense.

The State Board of Public Defense appoints a District Public Defender for each of the eight judicial districts under its jurisdiction. These District Public Defenders are then authorized to appoint Assistant District Public Defenders to assist them in the provision of public defense services throughout the district. In most cases, the District Public Defenders and the Assistant Public Defenders are private, practicing attorneys who perform their Public Defense roles on a part-time basis. Assistant Public Defenders agree to provide up to a set number of hours of public defense services during a particular year. Assistant Public Defenders are generally assigned to perform public defense services that are required in the county in which they reside, thus eliminating the need for a significant amount of travel by Assistant Public Defenders. During 1988, there are eight District Public Defenders and 115 Assistant Public Defenders serving Minnesota's eight judicial districts which are under the jurisdiction of the State Board of Public Defense.

Each year, the District Public Defender in each judicial district submits a budget to the State Board of Public Defense. The State Board distributes the proposed budgets of each district to the respective County Boards within the district for comment. The State Board then approves a budget for each district and assesses the costs of the budget back to the County Boards within the district. Each county within each district is responsible for paying a pro-rata share of the approved budget, based on its population relative to the total population of the entire district. If the approved budgets are not adequate to meet the actual demand for public defense services within a district, the counties within that district will be required to contribute additional funds for public defense services.

The total Public Defense budgets for the eight judicial districts under the jurisdiction of the State Board of Public Defense is $4.7 million for 1988. It is further estimated that Ramsey and Hennepin counties will spend a combined total of $4.0 million on public defense services for individuals accused of felonies and gross misdemeanors, bringing the total locally-financed budget for public defense services to $8.7 million in 1988.

The State Board of Public Defense also provides approximately $500,000-$700,000 annually in state dollars to Public Defense Corporations which serve American Indians, hispanics and blacks. These Public Defense Corporations are better able to address the needs of their clients and help reduce the regular public defense caseloads of the districts in which they are located.

In 1988, the state further subsidized public defense services by appropriating $250,000 in 1988 and $500,000 in 1989 to the State Board of Public Defense for distribution to economically distressed counties within Minnesota.

APPENDIX B

SUMMARY OF FISCAL IMPLICATIONS OF A TRANSITION TO STATE-FINANCED DISTRICT COURTS AND PUBLIC DEFENSE SYSTEMS ON THE STATE'S 1989-91 BIENNIUM

THE FIGURES ON THE FOLLOWING PAGE
ARE BASED ON THE FOLLOWING ASSUMPTIONS.

- The effective date of a transition to a state-financed district court ststem is January 1, 1990.

- The expenditures that will become the responsibility of the state on January 1, 1990 are: 1) all salary and operating costs associated with the District Offices (including salaries, benefits and expenses of law clerks, court reporters, and judicial officers/referees) in eight of the ten judicial districts (excluding districts 2 and 4), 2) the salaries and benefits for the court reporters, law clerks, and judicial officers/referees in districts 2 and 4, 3) 100 percent of felony and gross misdemeanor public defense expenditures for all judicial districts, 4) juvenile and misdemeanor public defense services in districts 2 and 4, and 5) jury and witness fees that are currently paid by the District Courts.

- The revenues that will be deposited in the State's general fund effective on January 1, 1990 are: 1) all court filing fees which currently are paid to the counties (excluding the fees that support the County Law Libraries), 2) the counties' portion of court fine revenues (excluding parking and Boat and Water Safety/DNR fines) that are not related to the counties' role in apprehending/citing or prosecuting the offender (generally 1/3 of all criminal, municipal, and traffic offense fines), 3) fees currently paid to Hennepin county by the state and municipalities for use of the fourth judicial district's court system, and 4) bail forfeitures currently paid to the counties.

Description	Biennial Amount
Cost of District Court activities to be financed by the state which are contained in the actual 1989 District Court budgets and jury and witness fees (accounting for $4,894.5 of the total) based on 1988 county budgets.)	$34,353.0
Total cost of public defense activities to be financed by the state based on actual 1989 public defense budgets.	$22,583.4
Estimated additional District Court expenditures to be financed by the state (i.e. supplies and expenses of individuals whose salaries are to be financed by the state, possible salary equalization costs, etc.) based on District Administrators' extraction of costs from county budgets and projection of fiscal year 1990-91 needs.	$11,760.2
Estimated public defense inflationary increases to be financed by the state.	$ 2,457.1
Projected fee and fine revenues that will be deposited in the state's general fund.	($26,141.9)
Compensate counties that transfer more revenues than expenditures to the state.	$ 238.2
Projected Net Cost To The State During 1990-91	$45,250.0

EFFECTS OF PHASE I OF A TRANSITION TO STATE-FINANCED DISTRICT COURTS AND PUBLIC DEFENSE SYSTEMS ON THE EXPENDITURES AND REVENUES OF MINNESOTA'S COUNTIES

A PRELIMINARY ANNUAL ESTIMATE OF COSTS ASSOCIATED WITH PHASE ONE OF THE TRANSITION [1]

(All Figures Must Be Multiplied By 1.5 To Obtain Biennial Costs)

(All Dollars Expressed In Thousands)

COUNTY	EXPENDITURES TRANSFERRED TO STATE	REVENUES TRANSFERRED TO STATE	NET IMPACT ON COUNTY BUDGET
Aitkin	$ 99.2	$ 68.5	$ 30.7
Anoka	$ 1,442.2	$ 1,100.6	$ 341.6
Becker	$ 206.5	$ 143.0	$ 63.5
Beltrami	$ 187.7	$ 179.6	$ 8.1
Benton	$ 174.7	$ 83.5	$ 91.2
Big Stone	$ 39.8	$ 28.1	$ 11.7
Blue Earth	$ 327.8	$ 211.6	$ 116.2
Brown	$ 183.3	$ 98.2	$ 85.1
Carlton	$ 189.0	$ 98.8	$ 90.2
Carver	$ 339.5	$ 150.9	$ 188.6
Cass	$ 126.3	$ 91.9	$ 34.4
Chippewa	$ 69.9	$ 45.9	$ 24.0
Chisago	$ 207.2	$ 263.1	($ 55.9)
Clay	$ 325.3	$ 208.0	$ 117.3
Clearwater	$ 55.5	$ 114.7	($ 59.2)
Cook	$ 33.8	$ 23.8	$ 10.0
Cottonwood	$ 92.0	$ 44.6	$ 47.4
Crow Wing	$ 250.1	$ 69.4	$ 180.7
Dakota	$ 1,606.6	$ 1,243.9	$ 362.7
Dodge	$ 96.5	$ 46.9	$ 49.6
Douglas	$ 205.7	$ 100.7	$ 105.0
Faribault	$ 129.9	$ 48.1	$ 81.8
Fillmore	$ 132.5	$ 78.4	$ 54.1
Freeborn	$ 215.2	$ 163.9	$ 51.3
Goodhue	$ 309.3	$ 184.1	$ 125.2
Grant	$ 41.3	$ 20.0	$ 21.3
Hennepin	$13,885.3 [2]	$ 3,662.1	$10,223.2
Houston	$ 115.5	$ 63.6	$ 51.9
Hubbard	$ 82.3	$ 44.3	$ 38.0
Isanti	$ 184.5	$ 131.6	$ 52.9
Itasca	$ 264.1	$ 127.9	$ 136.2
Jackson	$ 84.9	$ 63.0	$ 21.9
Kanabec	$ 89.9	$ 113.8	($ 23.9)
Kandiyohi	$ 196.7	$ 165.3	$ 31.4
Kittson	$ 37.4	$ 29.9	$ 7.5
Koochiching	$ 103.4	$ 45.2	$ 58.2
Lac Qui Parle	$ 55.2	$ 31.7	$ 23.5
Lake	$ 78.1	$ 37.4	$ 40.7
Lake Of The Woods	$ 22.8	$ 19.1	$ 3.7
Le Sueur	$ 179.6	$ 63.9	$ 115.7
Lincoln	$ 46.6	$ 22.8	$ 23.8
Lyon	$ 146.0	$ 116.6	$ 29.4
McLeod	$ 237.5	$ 130.1	$ 107.4
Mahnomen	$ 32.6	$ 13.8	$ 18.8
Marshall	$ 70.9	$ 28.6	$ 42.3

COUNTY	EXPENDITURES TRANSFERRED TO STATE	REVENUES TRANSFERRED TO STATE	NET IMPACT ON COUNTY BUDGET
Martin	$ 148.7	$ 68.3	$ 80.4
Meeker	$ 102.1	$ 80.1	$ 22.0
Mille Lacs	$ 143.1	$ 96.8	$ 46.3
Morrison	$ 200.9	$ 88.4	$ 112.5
Mower	$ 275.6	$ 125.2	$ 150.4
Murray	$ 71.6	$ 34.7	$ 36.9
Nicollet	$ 181.4	$ 140.4	$ 41.0
Nobles	$ 136.4	$ 114.0	$ 22.4
Norman	$ 54.8	$ 30.3	$ 24.5
Olmstead	$ 583.8	$ 414.1	$ 169.7
Otter Tail	$ 354.0	$ 256.5	$ 97.5
Pennington	$ 85.9	$ 51.5	$ 34.4
Pine	$ 157.2	$ 84.6	$ 72.6
Pipestone	$ 69.4	$ 55.7	$ 13.7
Polk	$ 198.3	$ 166.6	$ 31.7
Pope	$ 61.7	$ 53.1	$ 8.6
Ramsey	$ 5,950.6 [2]	$ 1,809.2	$ 4,141.4
Red Lake	$ 31.6	$ 14.4	$ 17.2
Redwood	$ 122.3	$ 71.8	$ 50.5
Renville	$ 106.5	$ 66.0	$ 40.5
Rice	$ 285.4	$ 215.4	$ 70.0
Rock	$ 63.3	$ 41.2	$ 22.1
Roseau	$ 71.2	$ 52.6	$ 18.6
Saint Louis	$ 1,355.2	$ 612.6	$ 742.6
Scott	$ 442.7	$ 232.6	$ 210.1
Sherburne	$ 221.3	$ 241.1	($ 19.8)
Sibley	$ 121.7	$ 45.6	$ 76.1
Stearns	$ 743.9	$ 608.7	$ 135.2
Steele	$ 183.4	$ 108.4	$ 75.0
Stevens	$ 60.2	$ 30.4	$ 29.8
Swift	$ 68.7	$ 65.0	$ 3.7
Todd	$ 173.9	$ 74.3	$ 99.6
Traverse	$ 31.1	$ 24.1	$ 7.0
Wabasha	$ 113.4	$ 75.5	$ 37.9
Wadena	$ 110.1	$ 49.4	$ 60.7
Waseca	$ 112.2	$ 48.2	$ 64.0
Washington	$ 855.8	$ 705.0	$ 150.8
Watonwan	$ 77.2	$ 55.7	$ 21.5
Wilkin	$ 43.3	$ 40.6	$ 2.7
Winona	$ 287.4	$ 172.0	$ 115.4
Wright	$ 430.1	$ 256.0	$ 174.1
Yellow Medicine	$ 70.1	$ 30.9	$ 39.2
TOTAL	$37,957.6	$17,427.9	$20,529.7

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[1] These preliminary estimates were obtained using the best available data. (Expenditures are based on calendar year 1989 budgets, and revenue numbers are based on 1987 receipts.) Actual figures are likely to change.

[2] Estimated expenditures based on 1988 budgets for law clerks, court reporters and judicial officers and referees and 1989 budgets for the Public Defenders' Offices budgets.