

# TRANSITION AND TRANSFORMATION:

## THE MINNESOTA STATE FUNDING PROJECT

SUE DOSAL

### INTRODUCTION

Over a 15-year period, Minnesota's judiciary systematically has moved from a largely county funded and focused confederation of trial courts to a unified, co-equal branch of state government operating under a single umbrella of state funding, and it has created a governance structure to match the new unitary enterprise.

This transition, completed in July 2005, represents much more than just a change in who writes the checks for the Minnesota judiciary. It is a fundamental transformation of the judiciary as an organization affecting all 300 judges and 3,000 court employees. The achievement of a unified judicial branch budget has provided the Minnesota judiciary with the opportunity to articulate its goals in all aspects of its operation and to allocate its resources to achieve those goals. A new streamlined, yet inclusive, governance structure is now in the process of making that possibility a reality.

The seeds of this reform lay in the substantial changes in the organization and administration of Minnesota's trial courts, which occurred during the 1970s and 1980s. Each change tended to shift the focus of the judicial branch from a county-based entity to a judicial district and statewide operation, which nevertheless continued to be funded primarily at the county level. This disconnect between the financing and the organizational structure of the trial courts created increasing confusion and conflict over the responsibility for and control of these functions.

The trial court system prior to 1971 consisted of a district court with statewide general jurisdiction and a plethora of limited jurisdiction courts. For administrative purposes, the district court serving Minnesota's 87 counties was organized into 10 judicial districts with eight multi-county judicial districts and two single county district courts in the metropolitan area. District judges traveled throughout their districts. Although the salaries of district court judges were paid by the state, because of their multi-county orientation, the cost of their court reporters, and later of their law clerks, was prorated among the counties of the judicial district in accordance with statute.

In 1972, Minnesota's fragmented system of municipal, probate, and justice of the peace courts was consolidated into a single limited jurisdiction county court system, which operated alongside the general jurisdiction district court. In 1974, the elected clerk of the district court in each of the 87 counties was made an appointive position hired by and serving at the pleasure of the district court judges, and was also made the clerk of the county court. The clerk's office, serving both trial courts, was funded by the county. In 1978, the state assumed responsibility for the salaries and expenses of county court judges and the salaries of the 10 judicial district administrators.

In 1987, after a multi-year effort, the county courts were merged into the district court and these newly-made district judges became

statutorily entitled to court reporter and law clerk support staff, with the new costs prorated among the counties in the district.

Over the same time period, a new statewide administrative structure was established by legislation. Administrative authority for operating the trial courts was vested at the state level in the chief justice and at the district level in the chief judge of the judicial district under the general supervision of the chief justice.

### RESULTING PROBLEMS

As a result of these legislative changes, the state and the judicial district, rather than the county, emerged as the key administrative units of the court system. That shift in structure and organizational emphasis led to conflicts with county officials, who increasingly felt as if they no longer had control of the court budgets and yet were forced to bear the public criticism for cost increases necessitated by judicial and legislative mandates.

In addition, this conflict between county-based financing and judicial district administration led to confusion about which level of government — the county, the judicial district, or the state — actually controlled court employees, and which was responsible for defending those employees in the event of a lawsuit, for the settlement of the case, or for payment of judgments should that become necessary, and which level was responsible for workers compensation and other employment-related claims.

The courts also were dependent upon multiple budgetary mechanisms for their financing. A number of problems were inherent in the process of obtaining funding from the several court funding sources — the county for local court administration costs, the judicial district administration budget prorated to the counties in the district, and the state. This financing system resulted in numerous problems:

- Court cost increases that pushed against and exceeded county levy limitations;
- Unequal delivery of service depending on a county's ability to pay;
- Severance of the policy decisions from the funding decisions;
- Fragmented and generally limited fiscal oversight;
- Inability of the judiciary to implement programs uniformly within the state;
- Existence of volatile constitutionally mandated expenses such as jury/witness fees, psychiatric exams, and court-appointed attorney fees, outside the court's control that made it difficult to budget adequately for these costs, especially in small counties;
- Need to provide increasing amounts of funding in growth counties;

- Dependence of the third branch of state government on the uncoordinated decisions of 88 funding bodies (87 counties and the state).

A further problem was the administrative governance structure of the judicial branch, which in many ways mirrored the diffuse and sometimes confusing funding structure. While the chief justice was the administrative head of the system, s/he had little control over it, as 73 percent of the judicial budget was funded at the county level. By statute, the supreme court was given limited administrative responsibilities. A conference of chief judges was created to develop administrative policy for the trial courts. An intercourt committee of representatives of the supreme court, court of appeals, and trial courts was created as a forum for discussion of concerns that crossed the court levels. Additionally, a court executive team, comprised of all three levels of administrators, was formed to assist in proposing and implementing administrative policy. Lines of authority and accountability were unclear, and a lack of ownership for decisions and their implementation was frequent, resulting at times in confusion, misinformation, and mistrust among the levels of court and administrative groups.

### SELECTING A SOLUTION

In 1989, the supreme court established a broad-based task force to study the control and financing of the trial court system to address the problems identified above. As part of this process, the counties and courts articulated a number of desirable goals:

#### For Counties

1. Tie together, at one level of government, policy and funding decisions.
2. Achieve property tax relief.
3. Lessen disparities in the level of judicial service statewide.

#### For the Courts

1. Limit diminution in level of current funding and have adequate and stable financing in the future.
2. Lessen disparities in judicial service statewide.
3. Have no worse fragmentation of funding sources.
4. Recognize the special posture of the judiciary as a separate branch of government and its constitutional mandate to maintain its independence and manage its own affairs.

### FINANCING ALTERNATIVES

The task force considered several alternative funding mechanisms in light of these court and county policy objectives. In general, these mechanisms could be categorized either as preserving the property tax as the appropriate funding source and the county as the responsible political unit or moving to the state general fund as the appropriate funding source with the state as the responsible political unit.

The county-based alternatives considered included exempting the courts from the county levy limit or creating a special court taxing district. The state general fund mechanisms reviewed included a

general fund appropriation, reimbursement to the counties of actual costs, or a formula grant-in-aid program.

The task force recommended the phased transfer to a state general fund appropriation of all trial court operation costs as the only means of addressing the identified problems and achieving the following policy goals:

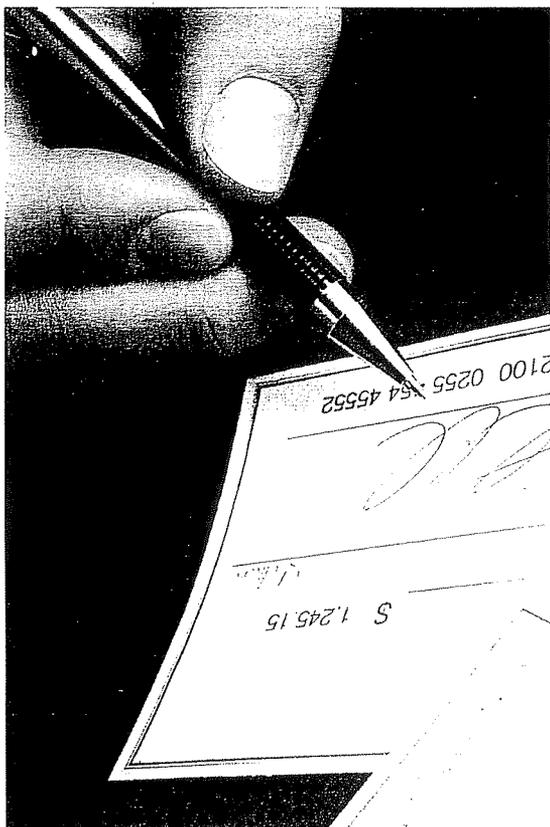
- *Equitable levels of judicial services* regardless of the property tax capacity of a particular county. A consensus was articulated that the brand of justice a Minnesota citizen received should not be dependent upon where one happens to live.
- *Budgetary accountability and co-location of policy-making and funding responsibility.* Recognizing that all significant policy for the judiciary is made at the state — not the county — level, bringing together at the same level of government the policy-making authority and the responsibility for funding would result in improved budgetary accountability.
- *Administrative unity.* With 87 counties as funding sources, the judiciary was a confederation of 87 different systems. State funding would allow the judicial branch of state government to achieve, for the first time, real administrative unity so that policies, procedures, and practices could be developed and implemented uniformly and resources allocated accordingly.
- *Cost efficiency and effectiveness.* By eliminating 87 independent silos of county budgets and moving to a single source of funding, the judicial branch would gain the management flexibility necessary to shift resources across county and district lines to meet workload demands and to take advantage of economies of scale of a large, statewide system.
- *Property tax relief.* For the counties, the state takeover of trial court funding would be a mechanism for the delivery of property tax relief, since the cost of the criminal justice system consistently outpaces general inflation.

### A PHASED TRANSFER TO STATE FUNDING

At the urging of the supreme court and with the support of the Governor's Advisory Council on State-Local Relations and the Association of Minnesota Counties, the 1989 legislature approved the first of several phased transfers to the state, including:

- salaries and operating expenses of district administration employees, referees, judicial officers, court reporters, and law clerks;
- local trial court information system expenses;
- jury costs; and
- Judicial District 8 (the smallest and poorest of the state's judicial districts) as a pilot project.

Movement toward further state funding was delayed for the remainder of the decade because of the significant economic recession and state budget shortfalls that occurred in that timeframe. During this time, the better-funded, mostly metropolitan judicial districts had



significant reservations as to whether a move to state funding would provide as adequate and stable funding as they had enjoyed under county funding.

In 1999, a second stage of the transition occurred when three additional rural and relatively poor judicial districts volunteered to be next in line for state funding, becoming known as the "Opt In" districts. That year, the legislature authorized continued efforts to provide state funding of judicial system functions as follows:

- Permanent funding for the 8th Judicial District pilot project;
- Court administration functions in Judicial Districts 5, 7, and 9, and transcript costs statewide; and
- *Guardian ad litem* and interpreter programs, psychological examination costs, and in forma pauperis costs statewide.

In 2001, the legislature scheduled the final stage of the transition with the phased transfer of the remaining six districts:

- Districts 2 and 4, effective July 1, 2003;
- Districts 1 and 3, effective July 1, 2004;
- Districts 6 and 10, effective July 1, 2005.

While some of the specifics vary, in general, the programs and judicial district budgets transferred to the state were funded by an offsetting reduction of state aids to county governments, less the transferred county share of fine and other court fee revenue.

As expenses were transferred from the county to the state, it was provided that the county levy limit would be reduced by the amount

of the transfer. While the counties realized no immediate gain, the responsibility for future cost growth was transferred to the state.

To assure that counties continued to adequately fund the trial courts during the several year interim between the legislative decision in 2001 to assume the remaining judicial district costs and the effective date of each district's transfer, the judiciary successfully sought legislation guaranteeing an annual court budget increase of at least 6 percent per year for 2002 and 2003 and at least an 8 percent annual increase for 2004 and 2005.

In addition, the judiciary successfully sought legislative recognition that, in authorizing the transfer from county to state financing, funding was needed to implement a uniform judicial branch compensation system and for an expanded administrative infrastructure to manage the new, much larger statewide system. The legislature appropriated funding for these purposes, including new human resources and finance positions in advance of each district transfer to assist in planning and implementation.

The legislature also authorized, at the judiciary's urging, an additional 3 percent of county budget enhancement upon transfer to fund administrative infrastructure costs that the county would no longer need to provide to the court, such as personnel administration, payroll processing, accounting, procurement, legal services, and the like.

#### SECURING UNION SUPPORT

Securing union support for the transfer was a final hurdle. Minnesota has significant collective bargaining presence at the county level, dominated by Teamsters and American Federation of State, County, and Municipal Employees (AFSCME) unions. The transfer to state funding of 2,100 county-paid court employees threatened significant loss of membership and revenue for the local unions. An accommodation was reached in which districts having a majority of transferring employees as union members would secure the right to represent all employees without the requirement of an election.

To limit the number of unions with whom the state judicial branch would have to bargain, once a union won the right of representation in one district, any subsequent district being represented by that same union would merge into that same collective bargaining unit. As a result, the Minnesota judicial branch has a Teamsters Clerical, Administrative, and Technical (CAT) unit covering two districts and an AFSCME CAT unit covering seven districts. One judicial district is unrepresented. There is also a single statewide Teamsters court reporter unit.

As of July 1, 2005, the multi-year phased project had successfully transferred 2,100 employees and \$137 million in budgets from the county to the state judicial branch and built the necessary administrative infrastructure to successfully support it, as is further described below.

#### CREATING THE NEEDED INFRASTRUCTURE OF POSITIONS, POLICIES, AND PROCEDURES

A very significant amount of work was inherent in merging a large group of employees from multiple locations with independent budgets and differing cultures, policies, procedures, operating styles, expectations, and reporting relationships into a new enterprise-wide

administrative, financial, and operational structure. An extensive effort was undertaken to create the infrastructure of people and policies to address the challenges of the organizational and cultural changes needed for Minnesota's merger. This included:

- Continuous education and lobbying efforts to gain and sustain legislative support and funding for the multi-year phased takeover;
- Hiring and training a significant number of human resources, finance, education and organizational development, and other administrative infrastructure support personnel to take on the much greater responsibilities for the unified system, replacing the support previously provided by the counties;
- Establishment of a classification and compensation structure that would encompass the full range of positions following the state takeover of these trial courts;
- Establishment of bargaining units for state-funded court employees and the concurrent contract negotiation and subsequent administration process;
- Creation of statewide human resources policies and procedures to support the much expanded base of court employee positions;
- Construction of databases from county payroll data and county collective bargaining agreements to support state compensation costing and projections for collective bargaining;
- Establishment of a cohesive accounting structure to replace the disparate county structures;
- Development of statewide budget, financial management, and procurement policies;
- Extensive communication with transferred employees, state agencies such as the Departments of Employee Relations (DOER) and Finance, county officials, and representative county associations;
- Coordination of employee benefits elections, since transferring county employees were allowed to retain existing county benefits or elect to take state benefits;
- Discussions with DOER and the Minnesota Counties Insurance Trust relative to the transition of workers compensation coverage and associated issues and to resolve questions and issues relating to employees continuing on county insurance plans;
- Attainment of agreement among court administrators, county auditors, and county board members regarding the county court budget to be transferred, the fee and fine amounts collected prior to the takeover, and the funding responsibilities for gray areas in particular counties;
- Design and execution of training sessions for district and court administration staff on such issues as benefits elections, budget administration, procurement, and invoice processing;
- Creation of state program staff positions to coordinate and monitor guardian ad litem, interpreter, jury, and psychological services functions;

- Establishment of an internal audit program.

A court executive team (CET), comprised of five county administrators, 10 district administrators, 10 assistant district administrators, and eight SCAO directors/senior managers was created as a forum to improve communication and understanding among the various administrative levels during the transition and to take the lead, initially, in developing the range of needed infrastructure policies and procedures and building system consensus for their adoption.

Subject matter workgroups were created to address specific areas, including proposed allocation of responsibility and authority among the levels of administration. Subsequently, CET was sunsetted and its work transferred to a smaller Judicial Administrators/(SCAO) Directors Workgroup, named JAD.

## FOCUSING ON ORGANIZATIONAL DEVELOPMENT

Dealing with the challenges of change and organization development was understood to be critical to ultimate success. To address the challenge, the education division of the state court administrator's office was restructured as the Education and Organizational Development Division and charged with the broader responsibility for court employee training statewide and for the organizational development needs of the transforming branch.

Organizational development (OD) consultants were employed at various points to assist the branch in working its way through the merger. OD consultants provided support for CET, the Conference of Chief Judges, the intercourt committee, individual judicial districts, and the judicial council.

The principal aims were to clarify roles and responsibilities and build trust and collaboration between judges and administrators and among the court levels; to encourage judges and staff to see the move to state funding not just as an administrative transition but as a fundamental transformation of the organization — a once-in-a-century opportunity to build a better judicial system; and to encourage systems thinking that would help judges and staff move from a county focus to a district and statewide focus.

This was by far the most difficult part of the process. This was particularly so because, just as the largest districts began to transfer, the 2003-2004 recession hit with state budget deficits amounting to 15 percent of the \$14 billion state budget. Resulting budget cuts on top of the enormous stress of transfer affecting all trial judges and court employees added new and very difficult challenges to the project.

## GOVERNANCE ALTERNATIVES AND CREATING THE JUDICIAL COUNCIL

In 2004, as the completion of the phased transition to full state funding was close at hand, the chief justice established a transformation workgroup to study and make recommendations for a governance structure which would best support the judicial branch operating under a unitary system of funding. The workgroup was comprised of 11 judges and nine state, district, and county administrators chaired by a long-serving, respected judicial district administrator.

The workgroup studied models from around the country and aggressively solicited input from Minnesota judges and employees.

Eventually it narrowed its alternatives to two. It considered first whether Minnesota's leadership and management structure would be improved with two clearly defined policy-making groups — one to establish policy at the branch-wide level and one to establish trial court policy. The workgroup conducted exercises to define the areas of responsibility for each policy-making group and the membership for each. It tested "real life scenarios" against the tentative models. It became apparent to all members that the creation of two policy-making bodies would not contribute to a better system and would, in some ways, add to the confusion.

The solution selected was the creation of a judicial council as a single statewide administrative policy-making body for the judicial branch, binding on all judges and employees. It is comprised of 25 members, including 19 judges who serve as voting members and six administrators who are non-voting members. The chief justice, chief judge of the court of appeals, chief judges of the 10 judicial districts, and the president of the Minnesota District Judges Association are members by virtue of their positions. The chief justice appoints five additional members, three of whom must be district judges. The administrator members include the state court administrator by virtue of the position and three district administrators and one county court administrator selected by their respective peers. The state court administrator serves as the staff and as the judicial council's agent in implementing statewide policy. All other statewide administrative governance/policy-setting groups were abolished.

A six-month planning phase preceded the official launch of the judicial council. This effort was facilitated by Dr. R. Dale Lefever and used John Carver's principles of effective nonprofit and public organization boards as its guide. The council recognized that fundamental shifts in governance approach and member thinking were required to provide effective oversight and set clear and consistent direction for the entire branch:

#### ***The Substantive Shifts:***

- Moving from representative to collaborative governance;
- Merging multiple county budgets into a single statewide budget;
- Moving from multi-level (local) policy development to single body (statewide) policy development;
- Transitioning from an advisory role for state judges to a policy role (delegated by the chief justice to the judicial council), resulting in all judicial groups at the table sharing ultimate accountability;
- State court administrator, who had served at the pleasure of the supreme court to serving at the pleasure of the Judicial Council, creating state court administrator accountability to all the courts, not just the supreme court;
- Moving from reactive-based governance to proactive-based governance.

#### ***The Required Shifts in Thinking:***

- From county perspective on governance to statewide perspective (including appellate level) on governance;
- Shifting from a management and implementation orientation to policy development and governance orientation;

- Separation of adjudicative independence and administrative accountability;
- Increased role of judges in policy and increased latitude for administration in implementation; management control to delegated authority;
- Moving from segmented communications to communication of decisions statewide;
- The role of chief judges expanded from district to state level for governance;
- From wide variations in county budgets to decisions regarding equity and the reallocation of funds statewide;
- A shift to the state court administrator being appointed by the chief justice, but working for the judicial council (dual relationship).

The general governance approach adopted by the judicial council was that its role is distinct from that of its staff, the state court administrator. Governance is the council's focus — not functioning as the top rung of the management ladder. The council concentrates on adopting high level "ends" policies, i.e., ultimate results, and delegates to the state court administrator the responsibility and authority for achieving the "ends" policies within any executive limitations on the means set out by the council. The council, in its discretion, however, may drill down deeper in detailing statewide policy, especially in areas impacting judges and the adjudicative function.

Restricting the council's work to high-level policy development gives council members time to focus on the future of the judicial branch, its strategic direction, and the needs and concerns of its stakeholders, rather than the details of implementation and management better left to professional administrators at the state and judicial district levels.

Members of the judicial council bring the perspectives of their districts and courts to the table but are required to make decisions in the best interests of the branch as a whole. The council adopted the philosophy of "deliberating in many voices and governing in one." Full and robust debate is encouraged. Once a decision is made, all members are expected to "own" and support it so that a clear and consistent message is communicated to the branch.

Toward that end, the council operates largely en banc to assure that all members are fully informed about decisions made by the council, in support of member accountability for actions taken. Use of committees is limited. When formed, committees operate at the will of the council. They frame up the debate for the full council by providing analysis and options on issues delegated to them by the council. Committees are not decision-making entities. They speak to the council — not for the council.

In furtherance of the new governance model, the judicial council reviewed the plethora of existing state level committees, task forces, and workgroups. It determined that only four should report to the judicial council and the remainder should be assigned to the state court administrator to be used or discontinued in her discretion. The governance model contemplates the state court administrator forming standing and ad hoc workgroups of judges and administrators to assist in carrying out statewide implementation responsibilities.

Two standing workgroups now operate to provide primary advice to the state court administrator. The Judicial Administrators/Directors Workgroup (JAD), comprised of judicial district administrators and the SCAO division directors, meets bi-weekly to advise on statewide human resources and financial policy development and implementation, as well as provide senior management oversight of statewide administrative issues. JAD is co-chaired by one judicial district administrator and by the deputy state court administrator.

The second standing workgroup is the Court Operations Advisory Workgroup (COAW). It is comprised of five judges, a court manager from each of the 10 judicial districts, and the SCAO Court Services Division director. COAW is charged with providing advice in the broad area of court operations implementation, including statewide programs (guardian ad litem, interpreters, jury, and psychological services), case management best practices, procedures, and forms. COAW is co-chaired by a trial judge and the SCAO Court Services Division director.

Other groups are formed to provide policy development and implementation advice. Ad hoc committees of judge and administrator subject matter experts are created for a limited term to address discrete issues or projects. Additionally, line of business operations teams, e.g., guardian ad litem managers, interpreter district liaisons, district training coordinators, etc., comprised of representatives from various districts, meet on an ongoing basis for information exchange and training.

#### COMMUNICATING WITHIN THE BRANCH

During all phases of the transition, communication within the branch was a central concern. Communication staff were assigned to work on methods of communicating with internal stakeholders — both judges and court employees — as the process continued.

The judicial branch employee Web site was set up to provide information and also serve as a forum for questions and concerns from stakeholders. For example, the site contained a detailed section discussing all aspects of the transition to state funding, including employee benefits question and answers, new statewide policies under development, and significant steps in the progress toward transition.

During the year-long transformation workgroup study process, a Web site was created to provide information on membership, mission, policies, minutes, and progress, and a broadcast email was sent system-wide following each meeting to alert judges and staff to the posting of new information.

Following a similar format, the new judicial council's agendas are now posted at least one week in advance of a council meeting, and meeting minutes are posted within one week following a meeting as well as being sent out directly via email to all judges and court employees. All other significant information concerning the council is contained on the Web site, including its originating order, mission statement, membership, by-laws, and policies.

In addition to postings on the employee Web site, the transformation workgroup and then the judicial council made a commitment to outreach. When significant issues — such as the development of a new strategic plan for the judicial branch — are under consideration, judicial

council members attend meetings with court staff and judges in each judicial district and appellate court to discuss draft proposals, solicit input, and answer questions. This combination of timely information via electronic means and personal communication has helped dispel rumors, deliver a consistent message, and obtain valuable input from stakeholders throughout the system.

Full state funding of Minnesota's trial courts was completed on July 1, 2005. In just one year, a new streamlined governance structure was in place, clarifying administrative roles and responsibilities. The judicial council is operating at a high, strategic level of policy making and clearly delegating implementation authority to the state court administrator or, as appropriate, to chief judges. The number of statewide committees and workgroups has been reduced and their mission and reporting authorities clarified.

#### EVALUATING PROGRESS

The success of this project is being measured by how well it has achieved its five stated goals. While the transition to full state funding is barely one year old and full transformation of Minnesota's judicial branch is expected to continue for a number of years, positive results have already been realized.

**Goal 1. More equitable levels of judicial services** are now being delivered, regardless of the property tax capacity of a particular county. The brand of justice received should not be dependent upon where one happens to live.

As judicial districts were transferred to state funding, they came into the state system with the budgets historically provided by the counties. As a result, some counties and districts were "haves" and some were "have nots." Local funding was dependent upon the relative wealth of the county and the historic relationships between the county boards and the district court. As a consequence, there existed considerable disparity in relative funding levels among the judicial districts.

In the year prior to full state funding, the range of disparity in judicial district budgets in terms of the relative need met was 85.1 percent to 114.4 percent. Six of the 10 judicial districts operated with less than 95 percent of need. Two districts exceeded 100 percent of need.

In just the first year of state funding, the gap was closed significantly. In fiscal year 2006, no district was allocated less than 96.5 percent of need. Eight of the 10 districts improved their percentage of need, and the two districts exceeding 100 percent of need were capped.

This reduction in disparity was made possible by the availability of important assessment tools and agreement on an equity formula. In 2002, Minnesota updated its judicial workload assessment tool, which determines the number and location of judgeships needed to handle the trial court workload. In 2004, for the first time, a similar assessment tool for trial court staff was completed. In 2005, JAD was delegated the responsibility to develop budget equity options for consideration and ultimate decision by the judicial council. Using the objective criterion from the judge and staffing assessments along with analyses of operations and other unique costs, JAD successfully

brought forward optional formulae leading to the judicial council's budget allocation decision closing the disparity gap.

The under-resourced districts are using this new allocation to hire additional positions and acquire needed technology and other equipment that are improving the delivery of services to their communities.

**Goal 2. Budgetary accountability has been clarified and co-location of policy-making and funding responsibility accomplished.** Recognizing that all significant policy for the judiciary is made at the state — not the county — level, bringing together at the same level of government the policy-making authority and the responsibility for funding it would result in improved budgetary accountability.

Transferring all trial court costs to the state on July 1, 2005, achieved the goal of co-locating at one level of government the policy making for the judicial branch and the responsibility for funding it. All costs of the judicial branch are consolidated and knowable. When the legislature adopts policies impacting the judiciary, funding to implement that policy is identified.

Additionally, within the judicial branch, budget decision-making for all levels of court has been consolidated under the new judicial council and managed by the district administrators workgroup (JAD). Increasingly, budgetary transparency is being enhanced. Use of Minnesota's judicial and staffing assessments is creating comparable metrics across disparate operations.

Looking to the future, as long-term budget equity and a level playing field is achieved among judicial districts and as performance measures are adopted by the judicial council and added to this mix, new powerful tools for budgetary accountability will be in hand.

**Goal 3. Administrative unity has been achieved.** With 87 counties as funding sources, the judiciary was a confederation of 87 different systems. State funding allows the judicial branch of state government to achieve, for the first time, real administrative unity so that policies, procedures, and practices can be developed for the whole state, implemented uniformly, and resources allocated accordingly.

For the first time, the Minnesota judiciary has an understanding of, and control over, the allocation of resources within the entire branch, and the ability to establish and fund its priorities on a statewide basis. This new budgetary power has already been used to reform important statewide programs.

For example, when the costs of the guardian ad litem (GAL) function were transferred to state funding, we discovered a patchwork quilt of 56 different programs. Some used lawyers, while still others used masters in social work, high school graduates, or volunteers. Hourly rates for paid guardians ranged from \$8 to \$65 per hour. Training and supervision varied widely among the programs. And, most importantly, while there had been federal and state laws for a quarter of a century mandating the appointment of a guardian in every case of alleged abuse or neglect of a child, prior to the transfer to state funding, guardians were appointed in only 60 percent of those manda-

tory cases. Yet, 30 percent of the \$9 million statewide GAL program budget was being spent on appointing guardians in non-mandatory family cases.

Following transfer to the state system and under the leadership of judicial district administrators, this program was comprehensively reformed. Uniform rates of pay and qualifications were implemented. Best practice standards and mandatory training were instituted. A statewide structure of supervision was put in place. And budget allocations were based on a workload formula. These steps achieved the judiciary's policy goal of providing well-trained guardians in virtually 100 percent of cases involving abused and neglected children.

Comprehensive and policy-based reforms also have been achieved in Minnesota's court interpreter program, resulting in uniform rates of pay, improved program oversight, and the timely provision of qualified spoken and sign language interpreters in virtually all proceedings in which they are requested. Similar statewide work is underway on the psychological and pro se services functions made possible by the move to state funding.

The branch's ability to achieve strategic priorities has been tangibly enhanced by this project as well. Prior to state funding, the branch strategic plan was, in reality, an aspirational document, as the bulk of the money to fund it resided at the county level. The branch's strategic plan now has new meaning and power. It is a document that not only articulates branch priorities but actually drives decisions regarding the allocation of funding and the initiatives that will receive time and attention of the organization.

**Goal 4. Cost efficiency and effectiveness improved.** By eliminating 87 independent silos of county budgets and moving to a single source of funding, the judicial branch would gain the management flexibility to shift resources across county and district lines to meet workload demands and to take advantage of economies of scale of a large, statewide system.

The formerly impenetrable walls between counties and districts are coming down rapidly with the transition to state funding. Today, one-third of Minnesota's 87 counties have a court administrator who is serving more than one county. Two of our judicial districts — comprising 28 counties — now operate with a shared district administrator. Beyond the obvious cost efficiency benefits for the system, this development has resulted in improved compensation and professional growth for the shared court administrators, as well as enhanced consistency of operations across worksites as common management and business practices are implemented.

The new cross-county flexibility is being used to more equitably match resources to the workload within multi-county judicial districts. "Work share" plans, in which staff are assigned on a temporary or even permanent basis in more than one county, are now common. Where traveling between counties is not practical, work such as data entry involved in opening a case is shipped to another county to be completed. In support of the statewide implementation of a new case management computer system, court administration staff are traveling between counties and districts to assist in training and to provide operational help to sites undergoing installation.

Finally, we are beginning to reap the benefits of economies of scale. Trial courts are purchasing goods, supplies, and services off state government contracts at reduced prices. In 2005, the Minnesota judiciary issued a statewide collections contract to standardize the process and improve performance across all courts in this important area. Computerized legal research, digital recording, imaging, and other specialized judicial branch procurement has been undertaken for the enterprise as a whole, realizing time and cost efficiencies.

**Goal 5. Property tax relief delivered.** For the counties, the transformation of the trial courts has been a mechanism for the delivery of property tax relief and a shifting of the responsibility for funding an unpredictable cost, since the cost of the criminal justice system consistently outpaces general inflation.

At the time of transfer, the costs for all trial court costs assumed by the state during the period of 1990-2005 was \$137 million. As each function and judicial district was transferred to state funding, counties avoided future costs for those functions from the date of the transfer. Legislation prescribed associated reductions in county levy limits, delivering the goal of property tax relief.

## CONCLUSION

Few projects entail the size, scope, and impact of this fundamental reform of the Minnesota judicial branch. It owes its success to four critical ingredients: vision, persistence, collaboration, and culture.

A clear vision was articulated in 1989 and supported by four successive chief justices. The 15-year process was sustained by the continuity of administrative leadership among Minnesota's judicial district administrators and state court administrative office. The breadth of collaboration forged among the three branches of state government, county government, and within the judicial family — made more difficult by the elongated project timeframe and changing leadership — was remarkable and a vital component of success. Finally, the seed of the transition and transformation vision was able to root, grow, and flourish because it was planted in an organization of judges and court personnel with a long tradition of embracing change and seeking excellence in the administration of justice.

Minnesota's newly unified judicial branch is in its infancy. Yet the progress realized thus far demonstrates the transformative impact of moving to an enterprise-wide focus made possible by full state funding and a broad and inclusive governance structure.

### **About the author:**

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