

HF1862 - 0 - Statewide Appellate Council Office & Board Mod.

Chief Author: **Esther Agbaje**
 Committee: **Judiciary Finance and Civil Law**
 Date Completed: **4/1/2025 2:20:08 PM**
 Lead Agency: **Office of Appellate Council and Training**
 Other Agencies:
 Governors Office Minn Management and Budget

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Governors Office	-	-	-	-	-	-
General Fund	-	-	-	-	-	-
Office of Appellate Council and Training						
General Fund	-	(199)	(199)	(199)	(199)	(199)
State Total						
General Fund	-	(199)	(199)	(199)	(199)	(199)
Total	-	(199)	(199)	(199)	(199)	(199)
Biennial Total			(398)			(398)

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Governors Office	-	-	-	-	-
General Fund	-	-	-	-	-
Office of Appellate Council and Training					
General Fund	-	-	-	-	-
Total	-	-	-	-	-

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Christian Larson **Date:** 4/1/2025 2:20:08 PM
Phone: 651-284-6436 **Email:** christian.larson@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
Governors Office		-	-	-	-	-
General Fund		-	-	-	-	-
Office of Appellate Council and Training						
General Fund		-	(199)	(199)	(199)	(199)
Total		-	(199)	(199)	(199)	(199)
Biennial Total				(398)		(398)
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Governors Office		-	-	-	-	-
General Fund						
Expenditures		-	1	-	-	-
Absorbed Costs		-	(1)	-	-	-
Office of Appellate Council and Training						
General Fund		-	(199)	(199)	(199)	(199)
Total		-	(199)	(199)	(199)	(199)
Biennial Total				(398)		(398)
2 - Revenues, Transfers In*						
Governors Office		-	-	-	-	-
General Fund		-	-	-	-	-
Office of Appellate Council and Training						
General Fund		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

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 Agency: **Office of Appellate Council and Training**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	(199)	(199)	(199)	(199)	(199)
Total	-	(199)	(199)	(199)	(199)	(199)
Biennial Total			(398)		(398)	(398)

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Christian Larson **Date:** 3/28/2025 11:38:58 AM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	(199)	(199)	(199)	(199)	(199)
Total		-	(199)	(199)	(199)	(199)
Biennial Total				(398)		(398)
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	(199)	(199)	(199)	(199)	(199)
Total		-	(199)	(199)	(199)	(199)
Biennial Total				(398)		(398)
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

Section 1 changes the Statewide Office of Appellate Counsel and Training (Office) from an independent state office to an agency in the executive branch.

Section 2 specifies that the governor shall designate one member of the State Board of Appellate Counsel and Training (Board) to serve as the initial chair. Upon the expiration of the initial chair’s term, board members shall elect a chair from among the membership and the chair shall serve a term of two years.

Section 3 modifies salary and employment terms of Office attorneys and other employees. The salary of the head appellate counsel shall be set according to section 43A.18, subdivision 3 (managerial plan). The salary ranges for assistant appellate counsel shall be set in consultation with Minnesota Management and Budget. Other employees shall serve in the classified service. Statute language referencing the use of independent contractors is removed.

Assumptions

The Office and Board was created by Laws 2023, chapter 52, article 3, section 1. Funds were appropriated to the Office and Board in article 1, section 11. Neither entity has been implemented to date. Therefore, the LBO is responding on behalf of the Office and Board.

It is assumed that the appropriation amounts shown in Laws 2023, article 1, section 11 were based on the fiscal note prepared for HF922-1E (2023, Statewide Office of Appellate Counsel and Training).

An effective date is not specified; it is assumed the effective date of this bill is August 1, 2025.

It is assumed that the intent of this bill is to facilitate Office and Board implementation and that neither entity will be established prior to the assumed effective date.

It is assumed that the Board will be constituted August 1, 2025, and Board members will be appointed within a month.

Board meeting frequencies and costs identified in HF922-1E are assumed for this fiscal note. The Board is assumed to meet 14 times in FY26 and 6 times in FY27 and beyond.

It is assumed that Office implementation will begin September 1, 2025. The same hiring timeline, office establishment and ongoing operations costs identified in the fiscal note prepared for HF922-1E are assumed in this fiscal note. The head

appellate counsel is assumed to begin work on January 1, 2026. Other staff are assumed to begin work on April 1, 2026.

Expenditure and/or Revenue Formula

The fiscal note for HF922-1E assumed a head appellate counsel salary of \$180,000, a managing appellate attorney salary of \$160,000, and a staff attorney salary of \$160,000 based on bill language in HF922-1E and Laws 2023, chapter 52, that required compensation for these positions to be commensurate with county attorneys in the state.

HF1862 strikes statute language referencing county attorney compensation rates and specifies the salary of the head appellate counsel shall be set according to section 43A.18, subdivision 3 (managerial plan) and assistant appellate counsel salaries shall be set in consultation with Minnesota Management and Budget (MMB). The difference between total annual compensation (salaries and benefits) as estimated in HF922-1E and total compensation estimated based on the 2023-2025 managerial plan is shown below.

Position	HF922-1E (2023)	HF1862 (2025)	Difference
Head Appellate Counsel	\$229,828	\$220,196	\$9,632
Managing Appellate Counsel	\$207,048	\$154,189	\$52,859
Staff Attorney 1	\$207,048	\$138,725	\$68,323
Staff Attorney 2	\$207,048	\$138,725	\$68,323
Total	\$850,972	\$651,835	\$199,137

HF 1862 does not affect the compensation estimates for other positions (director of training, program administrator, and office administrator) identified in the HF922-1E fiscal note.

Bill language removing the ability of the head appellate counsel to hire independent contractors does not affect the fiscal estimate; no contractor costs were assumed in the HF922-1E fiscal note.

Fiscal notes use the state budget as a baseline from which to estimate fiscal impact. Fiscal impact shown below and on cost(savings) tables reflects the impact of bill provisions on the February forecast budget estimate. The February forecast anticipates that funds appropriated to the Office in the FY24-25 biennium will be expended in the same biennium. Because the Office has not been implemented to date, it is likely that fiscal impact calculated according to fiscal note standards and procedures will differ from actual fiscal impact.

Fiscal Impact Summary Table

Cost Category	FY25	FY26	FY27	FY28	FY29
Staff Compensation, HF1862 (2025)	-	1,014,679	1,014,679	1,014,679	1,014,679
Staff Compensation, HF922-1E (2023)	-	1,213,816	1,213,816	1,213,816	1,213,816
Difference	-	(199,137)	(199,137)	(199,137)	(199,137)

For reference, the following estimate to budget comparison is based on the amounts appropriated in Laws 2023, the February 2025 budget forecast, and the assumptions made in this fiscal note.

Estimate to Budget Comparison Table

Cost Category	FY25	FY26	FY27	FY28	FY29
Board Member Costs	-	27,663	11,856	11,856	11,856
Staff Compensation Costs	-	308,719	1,014,679	1,014,679	1,014,679

Office Establishment and Operations Costs	-	270,694	334,069	334,069	334,069
LBO Estimate	-	607,076	1,360,604	1,360,604	1,360,604
February Forecast Est. Budget	2,219,000	1,560,000	1,560,000	1,560,000	1,560,000
Difference	(2,219,000)	(952,924)	(199,396)	(199,396)	(199,396)

NOTE: The staff compensation difference amounts shown on the Fiscal Impact Summary table and Estimate to Budget Comparison table for FY27-FY29 vary slightly due to rounding.

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Laws of Minnesota 2023, Chapter 52, <https://www.revisor.mn.gov/laws/2023/0/Session+Law/Chapter/52/>.

Managerial Plan, 2023-2025, <https://mn.gov/mmb/employee-relations/labor-relations/labor/managerial-plan.jsp>.

House File 922-1E (2023) fiscal note, <https://mn.gov/mmbapps/fnsearchlbo/?number=HF922&year=2023>.

MMB February 2025 budget forecast, <https://mn.gov/mmb-stat/documents/budget/operating-budget/forecast/feb-2025/feb25-fba-detail.pdf>.

Agency Contact:

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HF1862 - 0 - Statewide Appellate Council Office & Board Mod.

Chief Author: **Esther Agbaje**
 Committee: **Judiciary Finance and Civil Law**
 Date Completed: **4/1/2025 2:20:08 PM**
 Agency: **Governors Office**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Chloe Burns **Date:** 3/26/2025 10:38:51 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029	
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund						
Expenditures	-	1	-	-	-	-
Absorbed Costs	-	(1)	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
General Fund						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

Related to the judiciary; modifies the organization of the Statewide Office of Appellate Counsel and Training and the State Board of Appellate Counsel and Training; modifies salary and employment terms for Statewide Office of Appellate Counsel and Training attorneys and other employees; amends Minnesota Statutes 2024, section 260C.419, subdivisions 2, 3, 4.

Assumptions

The legal and appointments team will prepare the appointments required under this bill as part of their regular appointments work.

Expenditure and/or Revenue Formula

The Governor's Office will absorb the costs of this work.

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact: Amanda Frie (651-587-9145)

Agency Fiscal Note Coordinator Signature: Amanda Frie

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HF1862 - 0 - Statewide Appellate Council Office & Board Mod.

Chief Author: **Esther Agbaje**
 Committee: **Judiciary Finance and Civil Law**
 Date Completed: **4/1/2025 2:20:08 PM**
 Agency: **Minn Management and Budget**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

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	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Chloe Burns **Date:** 4/1/2025 2:16:39 PM
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State Cost (Savings) Calculation Details

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*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
	Total	-	-	-	-	-
	Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
	Total	-	-	-	-	-
	Biennial Total			-		-
2 - Revenues, Transfers In*						
	Total	-	-	-	-	-
	Biennial Total			-		-

Bill Description

Related to the judiciary; modifies the organization of the Statewide Office of Appellate Counsel and Training and the State Board of Appellate Counsel and Training; modifies salary and employment terms for Statewide Office of Appellate Counsel and Training attorneys and other employees; amends Minnesota Statutes 2024, section 260C.419, subdivisions 2, 3, 4.

Minnesota Management and Budget (MMB) has a limited role in HF1862-0 via Section 3, Subdivision 4. MMB has a role in salary of head appellate counsel due to their responsibilities with 43A.18, subdivision 3. MMB is also assigned a consultative role for setting salary ranges for assistant appellate counsel.

Assumptions

MMB assumes that salary for head appellate counsel will fall into the Managerial Plan contract under the General Counsel series. The salary for assistant appellate counsel is assumed to fall under Minnesota Association of Professional Employees contract under the Staff Attorney series.

MMB assumes no additional roles or cost related to this bill.

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

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