

Consolidated Fiscal Note

2023-2024 Legislative Session

HF3860 - 1UE - State Board of Civil Legal Aid

Chief Author: **Brion Curran**
 Committee: **Judiciary Finance And Civil Law**
 Date Completed: **2/29/2024 8:19:38 PM**
 Lead Agency: **Supreme Court**
 Other Agencies:
 Governors Office State Board of Civil Legal Aid - Proposed

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	FY2023	FY2024	FY2025	FY2026	FY2027
Governors Office	-	-	-	-	-	-
General Fund	-	-	-	-	-	-
State Board of Civil Legal Aid - Proposed						
Restrict Misc. Special Revenue	-	-	62	193	193	
State Total						
General Fund	-	-	-	-	-	-
Restrict Misc. Special Revenue	-	-	62	193	193	
Total	-	-	62	193	193	
Biennial Total			62			386

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Governors Office	-	-	-	-	-
General Fund	-	-	-	-	-
State Board of Civil Legal Aid - Proposed					
Restrict Misc. Special Revenue	-	-	.25	1	1
Total	-	-	.25	1	1

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: Karen McKey **Date:** 2/29/2024 8:19:38 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	FY2023	FY2024	FY2025	FY2026	FY2027
Governors Office	-	-	-	-	-
General Fund	-	-	-	-	-
State Board of Civil Legal Aid - Proposed					
Restrict Misc. Special Revenue	-	-	62	193	193
Total	-	-	62	193	193
Biennial Total			62		386
1 - Expenditures, Absorbed Costs*, Transfers Out*					
Governors Office	-	-	-	-	-
General Fund					
Expenditures	-	-	1	-	-
Absorbed Costs	-	-	(1)	-	-
State Board of Civil Legal Aid - Proposed					
Restrict Misc. Special Revenue	-	-	62	193	193
Total	-	-	62	193	193
Biennial Total			62		386
2 - Revenues, Transfers In*					
Governors Office	-	-	-	-	-
General Fund	-	-	-	-	-
State Board of Civil Legal Aid - Proposed					
Restrict Misc. Special Revenue	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

HF3860 - 1UE - State Board of Civil Legal Aid

Chief Author: **Brion Curran**
 Committee: **Judiciary Finance And Civil Law**
 Date Completed: **2/29/2024 8:19:38 PM**
 Agency: **Supreme Court**

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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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
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: Karen McKey **Date:** 2/29/2024 8:19:06 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	FY2023	FY2024	FY2025	FY2026	FY2027	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

The bill amends provisions in Minn. Stat. §§ 480.24-.243 governing Legal Service Programs to eliminate references to the supreme court, and adds a new section 480.2415 creating the State Board of Civil Legal Aid. The State Board of Civil Legal Aid is part of but not subject to the administrative control of the judicial branch of government, and is authorized to establish its own Advisory Committee, procedures, and guidelines. The bill provides that access to records of the State Board of Civil Legal Aid is subject to the Rules of Public Access to Records of the Judicial Branch, excluding the appeals process in Rule 9. The bill repeals Minn. Stat. § 480.242, subd. 1 (supreme court to establish advisory committee).

Assumptions

It is assumed that the intent of this bill is to transfer administrative oversight of the Civil Legal Services program from the Minnesota Supreme Court to the proposed Board. The Board is established in the judicial branch but is not subject to control of the judiciary.

Expenditure and/or Revenue Formula

Currently the work associated with the existing provisions in Minn. Stat. §§ 480.24-.243 requires two FTE, one Court Operations Analyst II and one Office Assistant. The total salary and expense cost for both FTE in FY23 was \$240,902.00. The cost of these employees is covered by dedicated lawyer registration fee revenue. It is unknown what other resources would be required to establish and operate the new Board under the provisions of the bill.

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Callie Lehman

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HF3860 - 1UE - State Board of Civil Legal Aid

Chief Author: **Brion Curran**
 Committee: **Judiciary Finance And Civil Law**
 Date Completed: **2/29/2024 8:19:38 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

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
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: Susan Nelson **Date:** 2/29/2024 3:06:44 PM
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State Cost (Savings) Calculation Details

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Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027	
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

Creates the State Board of Civil Legal Aid; amends Minnesota Statutes 2022, sections 480.24, subdivisions 2, 4; 480.242; 480.243; proposing coding for new law in Minnesota Statutes, chapter 480.

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: Alyssa Haugen

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HF3860 - 1UE - State Board of Civil Legal Aid

Chief Author: **Brion Curran**
 Committee: **Judiciary Finance And Civil Law**
 Date Completed: **2/29/2024 8:19:38 PM**
 Agency: **State Board of Civil Legal Aid - Proposed**

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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Restrict Misc. Special Revenue	-	-	.25	1	1
Total	-	-	.25	1	1

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:** 2/29/2024 5:40:20 PM
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State Cost (Savings) Calculation Details

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Restrict Misc. Special Revenue	-	-	-	62	193	193
Total	-	-	-	62	193	193
Biennial Total				62		386
2 - Revenues, Transfers In*						
Restrict Misc. Special Revenue	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total				-		-

Bill Description

The following summarizes bill language related to the establishment and operations of the proposed State Board of Civil Legal Aid (Board).

Sections 1 and 2 provide conforming statute changes that align the Civil Legal Services (CLS) program with proposed Board duties and responsibilities.

Section 3 creates the State Board of Civil Legal Aid. The Board is established in the judicial branch but is not subject to the administrative control of the judiciary. Subdivision 1 provides that the Board shall consist of members serving on the Legislative Services Advisory Committee (LSAC) to the supreme court as of the effective date (January 1, 2025). No later than June 1 following the effective date, the Board shall consist of 11 members, six appointed by the supreme court and five appointed by the governor. Subdivision 2 defines Board duties and responsibilities. The Board shall:

- Approve and recommend to the legislature a budget for the Board and Civil Legal Service grants
- Establish procedures for CLS grant distributions
- Establish program standards, administrative policies, or procedures necessary to ensure quality advocacy for persons unable to afford private counsel
- The Board may propose statutory changes to the legislature and rule changes to the supreme court
- The Board shall not interfere with the discretion or judgement of civil legal services programs in their zealous advocacy.

Subdivision 3 requires the Board to appoint a program administrator and defines position responsibilities. Subdivision 4 provides the Board may contract for administrative support services.

Sections 4 through 6 provide conforming statute changes that align the CLS program with proposed Board duties and responsibilities.

Section 7 repeals statute language that established the LSAC.

Section 8 provides that sections 1 to 7 are effective January 1, 2025.

Assumptions

Because the Board does not currently exist and the judicial branch has indicated that they are not well-positioned to respond to this portion of the bill, it is assumed that the Legislative Budget Office (LBO) will be responsible for estimating

fiscal impact related to Board establishment and operations, including the program administrator position specified in bill section 3.

It is assumed that the intent of this bill is to transfer administrative oversight of the CLS program from the Minnesota Supreme Court to the proposed Board, establish Board responsibilities, and provide for a program administrator position in addition to current LSAC administrative support staff.

Fund impact assumptions are based on current CLS program funding sources and uses.

Because future decisions of the Board are unknown, additional administrative support is not assumed beyond the program administrator position specified in bill section 3.

It is assumed that the Board will meet monthly beginning in January 2025.

It is assumed that the current eleven LSAC members are not compensated or reimbursed for meeting-related costs.

It is assumed that Board members will be compensated as provided in Minnesota Statutes 15.0575.

It is assumed the Board will use the same meeting space that is currently used by the LSAC.

It is assumed that the program administrator specified in bill section 5, subdivision 3 will begin employment on April 1, 2025.

It is assumed that the judiciary has existing office space to accommodate the Board program administrator.

Expenditure and/or Revenue Formula

Board Member Cost Summary

11 Members	FY25	FY26	FY27
Number of Meetings	6	12	12
Per Diem	3,630	7,260	7,260
Mileage	6,721	13,443	13,443
Lodging	6,300	12,600	12,600
Meals	2,838	5,676	5,676
Total Cost	19,489	38,979	38,979

Per diem formula - \$55 x 11 members x number of meetings per year

Mileage reimbursement formula - 0.67 mileage rate x 152 miles round trip x 11 members x number of meetings per year

Lodging reimbursement formula - \$175 room cost x 6 members x number of meetings per year

Meal reimbursement formula - \$43 per day meal cost x 11 members x meetings per year

Program Administrator Compensation Costs

Position	FY25	FY26	FY27
Program Administrator	37,938	151,754	151,754

Fiscal year 2025 assumes three months of compensation costs or 0.25 FTE.

Program Administrator Compensation Reference Table

1.0 FTE / 2088 Hours	Salary	Benefits + Fringe	Total Compensation
Managerial Plan 20A 18M	109,610	42,144	151,754

Salary amount is based on salary range midpoint for comparable executive branch positions.

Benefits estimate includes employer FICA, retirement, insurance, and deferred compensation costs.

Program Administrator Setup and Office Costs

Description	FY25	FY26	FY27
Office Equipment & Software	3,725	390	390
Training & Travel		1500	1500
Office Supplies & Ancillary	500	500	500
Total	4,225	2,390	2,390

Total Cost Summary

Cost Category	FY25	FY26	FY27
Board Member Costs	19,489	38,979	38,979
Program Administrator Costs	42,163	154,144	154,144
Total	61,652	193,123	193,123

Long-Term Fiscal Considerations

Board and program administrator costs will be ongoing. Bill section 3, subdivision 2 requires the Board to approve and recommend a budget to the legislature for board operations and civil legal service grants distributed subject to Minnesota Statutes section 480.242.

Local Fiscal Impact

References/Sources

IRS Social Security and Medicare withholding rates, <https://www.irs.gov/taxtopics/tc751>.

Minnesota State Retirement System Handbook, <https://www.msrs.state.mn.us/sites/default/files/2024-02/2020%20GERP%20Handbook.pdf>.

Minnesota State Employee Group Insurance Program Rate Guide, <https://mn.gov/mmb-stat/segip/doc/rate-guide.pdf>.

Managerial Plan, <https://mn.gov/mmb-stat/000/az/labor-relations/managerial-plan/contract/Managerial%20Plan%202023-25%20-%20Clean%20Copy.pdf>.

Minnesota Statutes 15.0575, <https://www.revisor.mn.gov/statutes/cite/15.0575>.

Commissioner's Plan, https://mn.gov/mmb-stat/000/az/labor-relations/commissioners-plan/contract/Commissioners%20Plan%2023-25%20-%20clean%20copy_amended%202.23.pdf.

Minnesota Supreme Court Legal Services Advisory Committee FY23 Annual Report, https://www.mncourts.gov/mncourtsgov/media/scao_library/documents/LSAC-Annual-Report-FY23-FINAL.pdf.

Agency Contact:

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