

5-30-86

DIRECTOR OF
LAWYERS PROFESSIONAL RESPONSIBILITY

444 LAFAYETTE ROAD
SUITE 401
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612-296-3952

DIRECTOR
WILLIAM J. WERNZ
FIRST ASSISTANT DIRECTOR
THOMAS VASALY
ASSISTANT DIRECTORS
CANDICE M. HOJAN
PHILLIP D. NELSON
KENNETH L. JORGENSEN
MARTIN A. COLE
BETTY M. SHAW

OFFICE OF
APPELLATE COURTS
FILED

May 30, 1986

MAY 30 1986

PERSONAL AND CONFIDENTIAL

WAYNE TSCHIMPERLE
CLERK

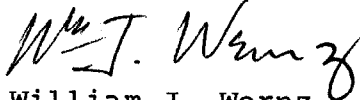
Mr. Wayne O. Tschimperle
Clerk of Appellate Courts
230 State Capitol
St. Paul, MN 55155

Re: In Re Petition of the Lawyers Professional
Responsibility Board for Amendment of Rules
Relating to Registration of Attorneys

Dear Mr. Tschimperle:

Enclosed for filing are an original and nine copies of the above
petition with a related statement in support of petition of
Lawyers Professional Responsibility Board.

Very truly yours,



William J. Wernz
Director

WJW/rlb

Enclosures

cc: Honorable Glenn E. Kelley
John D. Levine
Judith L. Rehak
Paul Kinney

FILE NO. C9-81-1206

STATE OF MINNESOTA

IN SUPREME COURT

OFFICE OF
APPELLATE COURTS
FILED

MAY 30 1986

WAYNE TSCHIMPERLE
CLERK

In Re Petition of the Lawyers
Professional Responsibility
Board for Amendment of Rules
Relating to Registration of
Attorneys.

PETITION

TO: THE SUPREME COURT OF THE STATE OF MINNESOTA:

The Lawyers Professional Responsibility Board hereby petitions the Court to adopt, effective with payments due on and after July 1, 1987, the following amendments to Rule 2, Rules for Registration of Attorneys:

RULE 2. REGISTRATION FEE

In order to defray the expenses of examinations and investigations for admission to the bar and disciplinary proceedings, over and above the amount paid by applicants for such admission, with exceptions hereinafter enumerated, each attorney admitted to practice law in this state and those members of the judiciary who are required to be admitted to practice as a prerequisite to holding office shall hereafter annually pay to the clerk of the supreme court a registration fee in the sum of ~~Eighty-two~~ Ninety-two ~~(\$82.00)~~ (\$92.00) or in such lesser sum as the Court may annually hereafter determine.

Such fee, or a portion thereof, shall be paid on or before the first day of January, April, July, or

October of each year as requested by the clerk of the supreme court.

All sums so received shall be allocated as follows:

\$7.00 to the State Board of Law Examiners

\$5.00 to the State Board of Continuing Legal Education

~~\$70.00~~ \$80.00 to the Lawyers Professional Responsibility Board

The following attorneys and judges shall pay an annual registration fee of ~~Twenty-seven~~ Twenty-nine Dollars ~~(~~\$27.00~~)~~ (\$29.00):

- (a) Any attorney or judge whose permanent residence is outside the State of Minnesota and who does not practice law within this state;
- (b) Any attorney who has not been admitted to practice for more than three years;
- (c) Any attorney while on duty in the armed forces of the United States;

The ~~Twenty-seven~~ Twenty-nine Dollars ~~(~~\$27.00~~)~~ (\$29.00) so received shall be allocated as follows:

\$7.00 to the State Board of Law Examiners

\$5.00 to the State Board of Continuing Legal Education

~~\$15.00~~ \$17.00 to the Lawyers Professional Responsibility Board


Any attorney who is retired from any gainful employment or permanently disabled, and who files

annually with the clerk of the supreme court an affidavit that he is so retired or disabled and not engaged in the practice of law, shall be placed in a fee-exempt category and shall remain in good standing. An attorney claiming retired or permanently disabled status who subsequently resumes active practice of law shall promptly file notice of such change of status with the clerk of the supreme court and pay the annual registration fee.

Any judge who is retired from any gainful employment or permanently disabled, who no longer serves on the bench or practices law, and who files annually with the clerk of the supreme court an affidavit that he is so retired or disabled and not engaged in the practice of law, shall be placed in a fee-exempt category and shall remain in good standing. A judge claiming retired or permanently disabled status who subsequently resumes service on the bench or the active practice of law shall promptly file notice of such change of status with the clerk of the supreme court and pay the annual registration fee.

The amounts stated above are without reference to the pending petitions of the Board of Law Examiners and Board of Continuing Education for fee increases.

Dated: May 21, 1986.



JOHN D. LEVINE
CHAIRMAN, LAWYERS PROFESSIONAL
RESPONISBILITY BOARD
Attorney No. 62650
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Minneapolis, MN 55402
(612) 340-2680

FILE NO. _____
STATE OF MINNESOTA
IN SUPREME COURT

OFFICE OF
APPELLATE COURTS
FILED

MAY 30 1986

WAYNE TSCHIMPERLE
CLERK

In Re Petition of the Lawyers
Professional Responsibility
Board for Amendment of Rules
Relating to Registration of
Attorneys.

STATEMENT IN SUPPORT OF
PETITION OF LAWYERS
PROFESSIONAL RESPONSIBILITY
BOARD

The Lawyers Board last filed a petition seeking an increase in the attorney registration fee effective July 1, 1984. The Board has now filed a petition seeking increases from \$70 to \$80 and \$15 to \$17 of the portions of the fee for the Board's activity, effective July 1, 1987. The increases sought roughly equal the inflation experienced and expected for the three-year period. Tentative budget projections indicate that the increased fee would provide a sufficient funding level for FY'89.

In addition to inflation, there are several other factors causing increased expenses, and hence, increased revenue needs, for the office of the Director of Lawyers Professional Responsibility. These factors include: continued significant increase in the number of registered attorneys and, correlatively, in the number of ethics complaints; non-discretionary increases in expense for such items as pay equity increases and payroll additions for functions formerly funded by legislative appropriation; and higher rental expenses.

1. Personnel.

Payroll accounts for between 75 and 80 percent of budget. Payroll is projected to increase about 12 percent annually in FY'87 and FY'88. Payroll increases already experienced and those

projected are due to several factors, some of which are non-discretionary:

a. Attorney Registration and Supreme Court Accounting Salary Additions (\$23,200 - 27,921).

During FY'86, the Lawyers Board was informed that a portion of salaries previously paid by the Supreme Court for the attorney registration function and a Supreme Court accounting position would be paid out of the Lawyers Board budget. These salaries were allocated among Supreme Court boards, with the Lawyers Board paying \$23,200, although no funds had been budgeted for this function. FY'87 and FY'88 budgets reflect additions for these salaries with projected increases for performance and inflation. This addition was non-discretionary for the Lawyers Board and accounts for about 3.5 percent of the 12 percent annual increases.

b. Pay Equity Increase.

Pursuant to legislative determination and Supreme Court policy, various Lawyers Board employees have received salary increases mandated for them. These increases are non-discretionary. In FY'86 they amounted to \$4,522. In FY'87, there will be an additional \$1,200 for pay equity increases. No further increases are required for FY'88, but the previous increases will have a ripple effect.

c. Cost of Living Adjustments (4%).

Each July 1 salaries of all non-managerial employees are increased by a cost of living adjustment. This factor has been four percent in recent years and is projected at four percent in the FY'87 and FY'88 budgets. This increase is non-discretionary with this office.

d. Performance Increases.

Each January 1, there are performance-based salary adjustments for all non-managerial employees. In recent years the range has been 0-6 percent. For calendar 1986, the non-managerial Lawyers Board salaries increased five percent for performance. A four percent factor has been used for projecting FY'87 and FY'88 performance increases.

e. Staff Additions.

Other than the mandated Supreme Court salary payments (which do not add staff under the Director's supervision), only the following staff additions are projected for FY'87 and FY'88. In FY'87, a part-time law clerk would be hired for one year. In FY'88, this additional law clerk position would be eliminated and a junior attorney hired. The law clerk addition had been authorized as part of the FY'86 budget, but hiring was deferred for one year. The attorney addition for FY'88 is based on projections from past correlations of number of registered attorneys in Minnesota with number of complaints received in this office. See below and Exhibit A. The payroll cost of an additional attorney for FY'88 would be a salary of \$32,154 (110 percent of minimum for the salary range) plus \$6,001 in fringe benefits, or \$38,155. The only other projected staff addition is for a second half-time word processing operator, beginning 7/1/87, adding \$12,059 to the FY'88 payroll. About \$4 of the \$10 fee increase would be for these staff additions.

There are several other factors affecting payroll. It was strongly recommended by the Advisory Committee that the Director's office take appropriate measures to retain personnel and to reduce its problem of employee turnover. The Advisory

Committee also strongly recommended hiring of experienced attorneys. Employee turnover typically results in short-term payroll reductions, although it creates great inefficiencies. The last non-attorney employee termination, voluntary, or involuntary, was in December, 1984. Two experienced attorneys were hired in the summer of 1985, one to replace a departing attorney, another to fill a new position budgeted for in FY'86.

The factors producing salary increases identified above total more than the 12 percent overall projected increases. There is some offset for managerial salaries for the Director and First Assistant Director which are lower than in the FY'86 budget.

Finally, it is expected that in FY'88 a somewhat larger staff will be necessary to handle the larger number of complaints which has perennially been correlated with increasing numbers of attorneys. The number of complaints has not increased evenly over the years in direct correlation to the increasing number of attorneys, making short-term predictions of complaint numbers difficult. But over a longer period there has been a rough correlation, providing what appears to be the best basis for predicting future numbers of complaints. See Exhibit A. In 1971, there were 5,830 registered Minnesota attorneys and 525 complaints, a ratio of .09. In 1985, there were about 15,000 attorneys and 1,244 complaints, a ratio of .08. Each year the net increase in registered attorneys is now about 850. The last fiscal year budget including an additional attorney was FY'85. Thus, the new attorney is projected as needed to deal with complaints relating to over 2,500 new lawyers. It should be kept in mind that this three-year increase equals nearly half of all

the attorneys registered in Minnesota when this office was created in 1971. See Exhibit B for line-item breakdown of budget.

2. Rental Increase.

Office space rent has accounted for about 5-6 percent of budget. Some additional increases will be reflected in the FY'87 and FY'88 budgets for two reasons: (1) addition of courtroom space and fixtures; and (2) increased square foot rental cost.

Advisory Committee Recommendation 18 was that permanent hearing room facilities should be provided the Board in the proposed Judicial Building. The earliest projected date for the Director's office to move to the Judicial Building is 1992. The difficulties and inefficiencies observed by the Advisory Committee (pp. 32-3) suggest that space for hearings should be rented in the intervening years. The cost of such space (about 800 sq. ft.) is \$7,178 (FY'87) to \$9,600 (FY'88) plus fixtures.

The Director's office has been located in the Space Center Building at 444 Lafayette Road, St. Paul, since 1981. Lease space has been economical, presently \$8.50 sq. ft., with \$8.90 sq. ft. for FY'87 if an option to renew is exercised. The option period ends, however, on 9/30/87. Also, the building is being renovated and rents generally will be significantly increased on 9/1/86. The landlord has requested the office to move to 520 Lafayette Road, a similar building being renovated, on or about 8/1/86. It is anticipated that rent will be:

\$ 9.42 per sq. ft. 8/1/86
\$ 9.87 per sq. ft. 10/1/86
\$12.00 per sq. ft. 10/1/87

In 1982, in connection with a fee increase petition, it was

reported to the Court that the square foot rental cost for office space was \$8.04 per square foot for approximately 4,000 sq. ft. To accommodate increased personnel, workroom and file storage space, square footage has been extended to nearly 5,000 sq. ft. for FY'86. Addition of a courtroom and the move to 520 Lafayette would result in 5,600 sq. ft. being rented. All the rental amounts include janitorial services, property taxes and utilities. The rental rates stated are in buildings largely rented by state agencies, such as Human Services, DNR, and PCA. The rates are also lower than those for other Court agencies.

3. Workload.

In addition to the increasing number of attorneys and complaints, there are other workload increases which require some staff addition.

a. Probation.

There are presently 72 attorneys subject to probation, either by Supreme Court order or by stipulation approved by the Lawyers Board Chairman. This number has doubled in the last year. Probation monitoring is time-consuming and therefore expensive.

b. Litigation Expenses.

The 1985 Report of the Supreme Court Advisory Committee rightly decried the problems of delay and backlog in disciplinary proceedings. Reducing backlog has necessarily entailed increased litigation. Litigation, in turn, entails expenses. As it happens, litigation with lawyers sometimes also entails further litigation in the form of suits against the Lawyers Board, the Director's office and others, as well as subpoenas directed to

disciplinary personnel. Such litigation often requires retaining of the Attorney General's services, and the associated expenses.

Expert witness expenses and other increased witness expenses occasioned by new R. Civ. Proc. 45.06 have also been estimated respectively for the "Professional and Technical Services" and "Fees and Other Fixed Charges" budget line items.

c. Trusteeships, Self-Insurance and Other Expenses or Income Variations.

The Director's office has either served as trustee or arranged for a trusteeship in several instances in the last few years when lawyers have abandoned their practices. Each of these situations has demanded a significant amount of time from staff lawyers and legal assistants, as well as a fairly substantial out-of-pocket series of expenditures. Budgeting for the trusteeships has not been done as such, but instead these new and significant trustee responsibilities are built into the personnel and other budget line items, only in a very rough way.

The Director's office has been self-insured, as the State of Minnesota has been generally. Recent experience in another of the Court's Boards has indicated that a significant fund may be necessary to provide adequate self-insurance. The Lawyers Board is currently studying whether it can purchase insurance, and do so in a cost-beneficial way. Pending the results of this study, it will be necessary to include significant amounts either for self-insurance contingencies or for unknown insurance premiums.

There are other factors which cannot be adequately predicted far in advance, but for which there nonetheless have to be some contingency funds. For example, the Lawyers Board budget assumes that there will be no reduction in the number of attorneys paying

attorney registration by virtue of the several fee increases which may be implemented. If this assumption proves mistaken, and there are fewer fee-paying attorneys, the fee increase will yield less than expected funds. Considerations relating to professional corporation fees could also affect that source of revenues. There have also been administrative expenditures which cannot be predicted in advance, and for which there must be contingency funding. To take account of all of these factors, it is necessary to budget a substantial carry-forward.

4. Conclusion.

The \$10/\$12 fee increase sought for FY'88 is in line with inflationary increases and is largely a product of non-discretionary increases in expense. Most of the increase would be necessary without any personnel additions. The personnel additions are projected on the basis of past correlations among registered attorneys, number of complaints and number of attorneys in the Director's office.

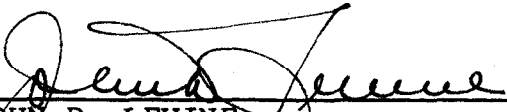
Budget forecasts have not included any adjustments for the cost effect of proposed rule changes now under consideration by the Court.

In the fall of 1981 there were in the Director's office, the Director, five attorneys, one legal assistant, an office administrator and support staff. In the six years from that time to FY'88, there will have been an increase of over 5,000 registered attorneys in Minnesota and an increase of over one-third in the number of complaints made annually. This increase nearly equals the total number of registered attorneys in 1971 when the Director's office was created. The Board and Executive Committee have carefully considered the proposed fee increase, and fully support it.


We respectfully request the Court's order approving the increases sought in the Board's petition.

Dated: May 21, 1986.

Respectfully submitted,



JOHN D. LEVINE
CHAIRMAN, LAWYERS PROFESSIONAL
RESPONSIBILITY BOARD
Attorney No. 62650
2200 First Bank Place East
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(612) 340-2680



WILLIAM J. WERNZ
DIRECTOR OF LAWYERS PROFESSIONAL
RESPONSIBILITY
Attorney No. 11599X
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St. Paul, MN 55101
(612) 296-3952

Year	Number of Attorneys	Number of Complaints	Percentage of Complaints
1971	5,830	525	9%
1972	6,078	551	9%
1973	6,450	485	8%
1974	6,930	501	7%
1975	7,458	475	6%
1976	8,099	556	7%
1977	8,813	634	7%
1978	9,576	632	7%
1979	10,339	690	7%
1980	11,156	919	8%
1981	11,926	927	8%
1982	12,839	1,013	8%
1983	13,663	921	7%
1984	14,514	1,069	7%
1985	15,364 ¹	1,244	8%

7.5 average

Revised 5/29/86

FY'85, FY'86, FY'87 and FY'88
Budget Summaries

	<u>FY'85</u> <u>Budget</u>	<u>FY'86</u> <u>Budget*</u>	<u>FY'87</u> <u>Budget</u>	<u>FY'88</u> <u>Budget</u>
Payroll & Employee Benefits	\$589,113	\$660,000	\$719,900 ¹	\$811,500 ¹⁵
Rents & Leases	42,664	34,140**	53,100 ²	64,220 ¹⁶
Advertising	500	2,800	1,500 ³	1,575 ¹⁷
Repair Services	4,000	8,000	10,000 ⁴	10,500 ¹⁷
Printing & Binding	18,000	3,000	3,000 ⁵	3,300 ¹⁸
Professional & Technical Services	9,000	37,000	25,000 ⁶	26,250 ¹⁷
Data Processing	44,000	7,000	29,000 ⁷	8,400 ¹⁹
Purchased Services	10,000	4,000	6,000 ⁸	6,300 ¹⁷
Communications	11,000	14,546	15,000 ⁹	16,500 ¹⁸
Travel In-State	10,000	13,000	13,000 ¹⁰	14,300 ¹⁸
Travel Out-of-State	8,000	4,200	7,000 ¹¹	7,700 ¹⁸
Fees and Other Fixed Charges	5,000	3,700	6,000 ¹²	6,600 ¹⁸
Supplies & Materials	10,723	20,484	20,000 ¹³	22,000 ¹⁸
Equipment	<u>2,000</u>	<u>33,130</u>	<u>25,000</u> ¹⁴	<u>17,500</u> ²⁰
TOTAL	\$764,000	\$845,000	\$933,500	\$1,016,645

* Original FY'86 budget was \$835,000. Attorney registration and accounting salaries of \$23,548 not included in original budget. Unanticipated major litigation expenses totaled nearly \$28,000.

\$28,000 was originally budgeted for data processing, however, only \$7,000 will be spent in FY'86. The balance is carried over to FY'87.

** Original rent budget was \$41,548. This included rental amount for additional 871 sq. ft. which we eventually occupied rent free because of moving negotiations.

FOOTNOTES - FY'87 AND FY'88 BUDGET

1. Payroll - See Attachment A.
2. Rents and Leases - Revised 5/29/86 to reflect new negotiated lease.

4,017 sq. ft. @ \$ 8.50	1 month	= \$ 2,845
5,600 sq. ft. @ \$ 9.42	2 months	= 8,792
5,600 sq. ft. @ \$ 9.87	9 months	= 41,454
		<u>\$53,091</u>
3. Advertising - The majority of advertising in FY'86 was for the new Director advertisements. Turnover in the Director's office has decreased, therefore, our advertising is considerably less.
4. Repair Services -
Maintenance contracts:

Lanier	\$ 3,500
Dictaphone	650
Sony	450
Xerox	4,800
IBM	350
	<u>\$ 9,750</u>
5. Printing and Binding -
Based on 15,000 billable copies per month = \$1,100 copies \$1,900 for special paper and binding supplies. FY'85 printing budget high because copy machine payments were included but should have been in equipment budget.
6. Professional and Technical Services - Includes the services of the Attorney General. In FY'86, nearly \$20,000 was paid to the Attorney General for representation of the Director and the Board in lawsuits filed against them. Includes expert witness accounting services in major litigation.
7. Data Processing - Includes \$29,000 for analyst and programming. A sum of \$21,000 is carried over from FY'86 to FY'87 because of the Supreme Court Information Systems Office's delay in completing our programming.
8. Purchased Services - Includes bank searches, temporary employment services and Board meeting expenses.
9. Communications -

Postage	\$10,000
Wats	1,000
Pitney Bowes	400
N.W. Bell	3,600 (allows for three additional lines)
	<u>\$15,000</u>

We no longer rent phone equipment because we have purchased our phones.

10. Travel In-State - Allows minimal travel for panel and Board meetings. Allows for reimbursement of employee travel.
11. Allows travel expense for each Assistant Director to attend at least one conference.
12. Fees and Other Fixed Charges - Includes memberships, training expenses and witness and services fees. Rule 45.01, Rules of Civil Procedure, was amended effective July 1, 1985, to allow witnesses who are not a party to an action, to be entitled to "reasonable compensation" for the time and expense involved in preparing for and giving testimony. This could have an adverse effect on this budget item if the Director's office finds it necessary to subpoena professionals. The anticipated FY'86 expenditure is \$3,700. We have allowed for this witness expense by budgeting \$6,000.
13. Supplies and Materials - Figure increased to allow for expansion of staff. Supply budget fell short in FY'86 because of increased orders of letterhead, acquisition of new word processing equipment and changes in accounting procedures placing more expenditures in supplies than previously.
14. Equipment -

Xerox monthly payment \$976 @ 12 =	\$11,712
Purchase receptionist phone	4,000
Miscellaneous equipment	4,288
Courtroom furniture	5,000
	<u>\$25,000</u>

The FY'85 equipment budget was low because copy machine payments were mistakenly included in printing and binding.
15. Payroll - See attached Attachment B.
16. Rents and Leases - Revised 5/29/86 to reflect new negotiated lease.

5,600 sq. ft. @ \$ 9.87	3 months	\$13,818
5,600 sq. ft. @ \$12.00	9 months	<u>50,400</u>
		\$64,218
17. Five percent inflation factor - no increased volume.
18. Five percent inflation factor - five percent increased volume.
19. Includes \$8,400 for analyst and programming.

20. Equipment -
Xerox monthly payment \$976 @ 12 = \$11,712
Miscellaneous equipment 5,788
 \$17,500

FY'87 and FY'88
Summaries

NO INCREASE FY'87 AND \$10/\$2 INCREASE FY'88

FY'87

Balance Forward In 7/1/86 \$287,441*

Income

Atty. Reg. Fees:

10,910 @ \$70	\$763,700
3,761 @ 15	56,415
850 New Admittees @ approx. \$11	9,350
Late fees and fines	<u>10,000</u>

839,465

Judgments	10,000
Professional Corporations	<u>21,500</u>

1,158,406

Total available funds	<u>1,158,406</u>
FY'87 Estimated Expend	<u>933,500</u>

Estimated balance 6/30/87 224,906

FY'88

Balance Forward In 7/1/87 \$224,906*

Income

Atty. Reg. Fees:

11,760 @ \$80	\$940,800
3,761 @ \$17	63,937
850 New Admittees @ approx. \$11	9,350
Late fees and fines	<u>10,000</u>

1,024,087

Judgments	12,000
Professional Corporations	<u>23,000</u>

1,283,993

Total available funds	<u>1,283,993</u>
FY'88 Estimated Expend	<u>1,016,645</u>

Estimated balance 6/30/88 267,348

* Twenty-five percent carryforward adopted pursuant to discussion with LPRB and Supreme Court in 1977 to cover cashflow, self-insurance and unforeseeable contingencies.

FY'87 PAYROLL ESTIMATES

Revised 4/23/86

<u>Name</u>	<u>FY'86 1/8/86</u>	<u>FY'87 7/1/86¹</u>	<u>FY'87 1/9/87²</u>	<u>Fringe³</u>	<u>FY'87 Est.</u>
Wernz	50,008	55,008 ⁴	55,008	8,524 ⁵	63,532
Vasaly		45,000	45,000	7,924 ⁵	52,924
Nelson	43,584	45,327	47,140	7,062 ⁶	54,202
Hojan	41,875	43,550	45,292	5,890 ⁶	51,182
Cole	33,039	34,360	35,734	6,166	41,900
Shaw	33,039	34,360	35,734	5,066	40,800
Jorgensen	29,812	31,005	32,245	4,679	36,924
Daubenspeck	24,642	25,628	26,653	5,158	31,811
Danforth	23,703	24,651	25,637	3,945	29,582
Slator	21,313	22,165	23,051	4,758	27,809
Burns	20,301	21,113	21,957	3,537	25,494
Hoppe	20,495	21,314	22,166	3,560	25,726
Baertsch	22,043	22,925	23,842	3,746	27,588
Peerman	20,839	21,673	22,539	4,701	27,240
Anderson	18,957	19,715	20,503	4,475	24,978
Bigelow	18,768	19,519	20,299	4,453	24,752
Bolton	7,263	7,553	7,855	565	8,420
Sheak	16,666	17,727 ⁷	18,436	3,146	21,582
Capecchi	16,509	17,581 ⁷	18,284	4,230	22,514
Hennen	16,352	17,414 ⁷	18,110	4,210	22,320
Tschimperle	18,297 ⁸	18,366	19,045 ⁹	3,049	22,094
Wicker	3,365 ¹⁰	3,500	3,640	844	4,484
Moriarty ¹¹	12,117	12,601	13,105	2,554	15,659
Law Clerk ¹¹		11,881	11,881	2,419	14,300
Overtime			2,000		2,000
TOTAL		593,936	615,156	104,661	719,817

Attachment
A

Footnotes for FY'87 Payroll Estimates

1. Projected 4% cost of living adjustment (COLA) for all employees. Salary adjusted 4%.
2. 4% performance increases for all employees except Director and First Assistant Director.
3. Fringe benefits consist of 7.2% FICA, 3.90% retirement for all employees except Director and First Assistant Director and \$1,100 insurance for employees without dependent coverage and \$2,200 insurance for employees with dependent coverage.
4. 4% COLA and 6% performance raise.
5. 6% retirement, 7.2% FICA to 42,000, 2,200 insurance.
6. 3.90% retirement, 7.2% FICA to 42,000 and insurance.
7. 4% COLA plus pay equity adjustment.
8. Employee at top of salary range. Based on 85% of 20,776 + 750 stability payment.
9. Based on 85% of 21,607 + 800 stability payment.
10. Based on 20% of 16,829.
11. Based on 39 weeks 3/4 time, 13 weeks full-time.

FY'88 PAYROLL ESTIMATES

Revised 4/23/86

<u>Name</u>	<u>FY'87 1/9/87</u>	<u>FY'88 7/1/87¹</u>	<u>FY'88 1/9/88²</u>	<u>Fringe³</u>	<u>FY'88 Est.</u>
Wernz	55,008	60,509 ⁴	60,509	9,316 ⁵	69,825
Vasaly	45,000	49,500 ⁴	49,500	8,655 ⁵	58,155
Nelson	47,140	49,026	50,987	7,673 ⁶	58,660
Hojan	45,292	47,104	48,988	6,396 ⁶	55,384
Cole	35,734	37,163	38,650	6,729	45,379
Shaw	35,734	37,163	38,650	5,529	44,179
Jorgensen	32,245	33,535	34,876	5,106	39,982
Asst. Dir.		32,154 ⁷	32,154	6,001	38,155
Daubenspeck	26,653	27,719	28,828	5,629	34,457
Danforth	25,637	26,360 ⁸	26,624 ⁹	4,182	30,806
Slator	23,051	23,973	24,932	5,192	30,124
Burns	21,957	22,835	23,748	3,860	27,608
Hoppe	22,166	23,053	23,975	3,885	27,860
Baertsch	23,842	24,796	25,788	4,088	29,876
Peerman	22,539	23,081 ⁸	23,773 ¹⁰	5,063	28,836
Anderson	20,503	21,323	22,176	4,884	27,060
Bigelow	20,299	21,111	21,955	4,859	26,814
Bolton ¹¹	7,855	8,169	8,496	952	9,448
W/P Operator ¹²		9,855	9,855	2,204	12,059
Sheak	18,436	19,173	19,940	3,433	23,373
Capecchi	18,284	19,015	19,775	4,615	24,390
Hennen	18,110	18,834	19,587	4,594	24,181
Tschimperle	19,045	19,100 ¹³	19,823 ¹⁴	3,240	23,063
Wicker ¹⁵	3,640	3,786	3,937	921	4,858
Moriarty ¹⁶	13,105	13,629	14,174	2,787	16,961
Law Clerk ¹⁷	11,881				
TOTAL	613,156	671,966	691,700	119,793	811,493

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Attachment
B

Footnotes for FY'88 Payroll Estimates

1. Projected 4% cost of living adjustment (COLA) for all employees. Salary adjusted 4%.
2. Projected 4% performance increases for all employees except Director, First Assistant Director, new Assistant Director and new word processing operator.
3. Fringe benefits consist of 7.3% FICA, 3.90% retirement for all employees except Director and First Assistant Director and \$1,200 insurance for employees without dependent coverage and \$2,400 insurance for employees with dependent coverage.
4. 4% COLA and 6% performance raise.
5. 6% retirement, 7.3% FICA to 45,000, 2,400 insurance.
6. 3.90% retirement, 7.3% FICA to 45,000 and insurance.
7. Salary based on 10% over bottom of salary range. No performance increase 1/9/88.
8. COLA to top of salary range.
9. \$264 stability payment--employee at top of range.
10. \$692 stability payment--employee at top of range.
11. Based on 832 hours a year.
12. Based on 1044 hours a year.
13. 85% of 22,471--top of range.
14. 85% of 22,471 + \$850 stability payment.
15. We pay 20% of employee's total salary.
16. Based on 39 weeks 3/4 time, 13 weeks full-time.
17. No second law clerk in FY'88.

Actual Expenditures FY83-FY85
Anticipated Expenditures FY'86

	FY'83 7/82-6/83	FY'84 7/83-6/84	FY'85 7/84-6/85	Antic. FY'86 7/85-6/86
Salaries	370,670	458,931	523,173	660,000
Rents and Leases	32,297	32,969	33,683	34,140
Advertising	749	1,538	4,389 ¹	2,800
Repairs	2,273	3,306	3,965	8,000 ²
Print and Bind	7,151	8,437	8,023	3,000
Prof. and Tech.	7,551	5,641	18,625 ³	37,000 ⁴
Data Processing	-----	-----	9,217	7,000
Purchased Services	3,063	7,064	8,040	4,000 ⁵
Communications	10,857	10,100	11,935	14,546
In-State Travel	6,952	11,986	8,915	13,000
Out-State Travel	1,536	5,863	4,972	4,200
Fees and Fixed Charges	1,413	5,564	5,535	3,700
Supplies	9,461	8,859	10,727	20,484 ⁶
Equipment	6,739	5,488	23,530 ⁷	33,130 ⁸
Actually Spent	460,712	565,746	674,729	845,000
Actual Budget	569,000	619,889	764,000	835,000

1. High turnover of staff in Director's office required substantial advertising.
2. Copy machine service contract now included in repairs. Previously, it was included in printing and binding.
3. \$12,000 paid to Attorney General for representation in lawsuits against the Director's office and the Board.
4. Nearly \$20,000 will be paid to Attorney General for representation. \$4,000 paid to an accountant and increased court reporting for major litigation.

5. Decreased temporary employment required. Decreased litigation expenses.
6. Increased supplies of letterhead. Director's office being appointed trustee resulted in additional supply expenditures. A change in accounting procedures now places more items in supply budget. More employees result in more supplies. Acquisition of new word processing equipment required all new disks.
7. Acquisition of two Honeywell computer terminals totaling \$12,000. \$8,000 for acquisition of new Xerox copy machine.
8. Acquisition of three Lanier Business Processors totaling \$21,000. Xerox payments of \$12,000.