Compensation Council

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August ____, 2026

The Honorable Lisa Demuth
Speaker of the House of Representatives

The Honorable Bobby Joe Champion
President of the Senate

Re: Compensation Council Recommendations and Prescribed Salary

Dear Madam Speaker and Mr. President:

The Compensation Council (Council), ~~A~~as revived by Laws of Minn. 2025, ch. 39, art. 2 § 64, and in accordance with the duties assigned to it by Minn. Stat. § 15A.082 (2026), is authorized to make determinations and recommendations for the salaries of Minnesota's top governmental officials.~~,~~ This year, the Council was called upon to determine the salary of the newly created inspector general. Additionally, under Laws of Minn. 2025, ch. 39, art. 2 § 27, the Council now makes recommendations for judicial salaries in even years. In order to fulfill these responsibilities, the Council held three public hearings and received oral and written testimony from interested parties over the summer of 2026.

~~the Compensation Council (Council) held three public hearings. The Council received oral and written testimony from interested parties. Under Laws of Minn. 2025, ch. 39, art. 2 § 27, the Council is now required to make recommendations for judicial salaries in even years. The Council also determined the salary of the newly created inspector general.~~ The Council urges that you strongly consider the recommendations for judicial salaries in the report and would welcome the opportunity to present the report before any legislative committees.

The Legislature did not adjust judicial salaries in the last biennium and the Council notes a pattern of no increases to judicial salaries during some bienniums followed by significant increases to catch up in subsequent biennium. The Council heard testimony raising concerns that this pattern—effectively creating a crisis for judicial salaries every few years—is detrimental to the ability to recruit and retain judges and of course creates uncertainty for judges across Minnesota. Accordingly, the Council recommends an increase judicial officer compensation by 10% in FY 28 and 4% in FY 29 in order to address the current crisis.

Additionally, to create a more consistent system for compensating Minnesota judges, and thereby avoid the otherwise inevitable reoccurrence of the same crisis in a few years, the Council also recommends potential legislative action to authorize ~~giving~~ the Council ~~the same type of power~~ to set judicial salaries in the same way as it has with agency heads and constitutional officers.

Background

Historically, the Compensation Council, which is convened every odd-numbered year, recommended salaries for Minnesota's constitutional officers and all justices and judges in Minnesota's court system. The Council also recommended salary limits for the commissioners of state departments and the heads of certain metropolitan agencies appointed by the governor.

The 2023 Legislature passed significant legislation related to the work of the Compensation Council. Under these changes, the Council now determines the salaries for constitutional officers and agency heads, sets the daily compensation rate for Direct Care and Treatment board members, and makes recommendations to the Legislature for judicial salaries. In 2026, the Legislature created the Office of Inspector General (OIG) and added the inspector general to the list of agency heads' salaries the Compensation Council determines.

By law, the Compensation Council is a bipartisan committee composed of 24 members appointed by the governor, the chief justice of the Supreme Court, and legislative leadership. The Council has a long tradition of working collaboratively in focused deliberations.

The statute establishing the Compensation Council specifically provides that the Council consider "the amount of compensation paid in government service and the private sector to persons with similar qualifications, the amount of compensation needed to attract and retain experienced and competent persons, and the ability of the state to pay the recommended compensation." As demonstrated in this report, the Council carefully considered these elements in making the determinations and recommendations set forth below.

This Council, as stated last year, believes that fair and adequate compensation is an important element in ensuring that highly qualified candidates seek to serve in Minnesota's highest offices.

Analysis

Judicial Branch

The 2025 Legislature maintained the salaries of the judiciary at their 2024 rate – against the Compensation Council's recommendation of a 6% raise July 1, 2025, and a 6% raise July 1, 2026.

The Council reviewed extensive written materials and heard testimony from the Supreme Court Administrator, the Minnesota Judicial Selection Commission, and the Minnesota District Judges Association (MDJA). Testifiers reiterated their 2025 testimony that judges deal with increased caseloads and administrative responsibilities and increasing security concerns that include threats and harassment outside the courthouses. These factors plus a salary below many private sector salaries have created increased challenges in recruiting and retaining qualified judges.

Data collected by the Council indicates:

- While Minnesota does not compete with other states for its judges, it is relevant to examine the ranking of the salaries paid to Minnesota's judiciary compared to other states. Salaries of district court judges are ranked 21st when compared nationally. In that same survey, justices on the Minnesota Supreme Court are ranked 32nd, and judges on the Court of Appeals are ranked 28th.
- Substantial testimony focused on the need to attract qualified candidates from both the private and public sectors. While the Council does not expect or intend for the salary of judges, as public employees, to be equivalent to the private sector, there was ample testimony that the ever-growing gulf between judicial pay and private sector attorney pay (including the last biennium's pay freeze) increases the difficulty to recruit attorneys from private practice for judicial openings.
- Numerous county and assistant attorneys earn higher salaries than the salary of district court judges ($190,117):

County Attorneys

Carver	$244,730	Beltrami	$184,725
Chisago	$202,248	Mower	$191,314
Dakota	$240,464	Olmsted	$228,577
Hennepin	$231,564	St. Louis	$209,872
Ramsey	$223,930	Stearns	$237,515
Scott	$212,737	Washington	$240,466

Assistant County Attorneys (Average)

Carver	$177,424	Ramsey	$188,801
Chisago	$111,696	Beltrami	$159,619
Dakota	$212,180	Olmsted	$191,942
Hennepin	$205,316	Stearns	$215,446

- Private sector attorneys regularly earn more than judges:

Private sector Attorneys

	Min	Avg	Max
Lawyer, 10+ years' experience	$150,068	$181,900	$211,593
Lawyer, 4-9 years' experience	$118,235	$149,800	$185,913
Lawyer, 2-3 years' experience	$105,395	$132,145	$162,105

First year Lawyer	$85,868	$105,663	$137.228

Ms. Erin Sindberg Porter, Chair of the Judicial Selection Commission, reported that there were 21 judicial vacancies last year, with metro area openings receiving an average of 20 applications and Greater Minnesota openings receiving an average of 9 applications (down from 11 last year). Ms. Porter also reported that an on-going concern is the lack of applicants from the private sector, who comprise only 36% of applicants overall, and only 25% of applicants in Greater Minnesota. She reiterated her 2025 recommendation that district court judges' salaries should be $200,000, Court of Appeals judges should be $225,000, Supreme Court justices $250,000, and the chief justice $277,000.

In their testimony, Judge Richard Kyle, President of the MDJA, and MDJA consultant, Dr. King Banaian, expressed concern that the continued stagnation of judicial salaries increases the difficulty of attracting a diverse and high-quality pool of candidates from both the public and private sectors. They further noted that in certain judicial districts the number of well-qualified candidates for judicial openings has been very limited. Additionally, while judicial salaries remained flat, inflation continues causing judicial salaries to lower in purchasing power, an estimated 8.1% decrease by the end of this biennium according to Dr. Banian. This effective decrease in salary alongside the increasing workloads are likely some of the main factors in the growing number of early judicial retirements. They noted that nationally, Minnesota's ranking for judicial salaries of district judges has fallen from 8th in the country to 30th. Dr. Banian proposed different options for the Council to consider, including a one-time jump to make up for the frozen wages in the last biennium and then annual 6% increases. MDJA recommended a 6% annual increase.

The Council also heard testimony from Jeff Shorba, State Court Administrator. Mr. Shorba provided data from a recent statewide study of judicial workload showing a substantial increase in the state court dockets, such that Minnesota needs at least 40 additional judges in order to efficiently and effectively manage the current caseloads. And yet as we have required more from our judges, their salaries have fallen far behind similar public sector attorneys, private attorneys, and judges in other states. This has presented significant challenges to recruit qualified attorneys to the bench, and has led to an increase in the premature retirement of experienced judges. In order to address this crisis, ~~T~~the Judicial Council has proposed increasing judicial officer compensation by 10% in FY 28 and 4% in FY 29.

~~The Compensation Council shares the view that the judiciary should reflect a broad range of experience and perspectives, and that a small pool of candidates drawn largely from only part of the legal community could be a serious concern for the future of the state's judiciary.~~

Office of the Inspector General

The 2023 Legislature gave the Compensation Council the responsibility to set agency head salaries as listed in Minn. Stat. § 15A.0815, subd. 2 (2026). In 2026, the Legislature created a new state agency, the Office of Inspector General, and added the inspector general to that list.

Ms. Dori Leland, Minnesota Management and Budget (MMB) Enterprise Director of Employee Classification and Compensation, provided testimony regarding the salary of the new inspector general. She provided the Council with three different approaches for setting this new salary.

1. Place the inspector general among one of the existing tiers of agency head salaries. Based on the OIG budget, it was most like the third tier (akin to the Departments of Agriculture or Labor and Industry) at $189,026.
2. Set the salary consistent with the recent Hay Method evaluation. This gave the position a Hay Points score of 2056, which trends towards the salary range of 28M for managers. This salary range currently has a maximum of $198,214.
3. Compare the OIG salary to other states' inspector generals and the Minnesota Legislative Auditor. This provided an average pay of $199,130.

MMB recommended that the Council go with the second approach and set the inspector general salary at $198,214.

Budget Considerations

The Compensation Council heard from Travis Bunch, Deputy State Budget Director at MMB, about the state's budget. MMB estimates a surplus of $3 billion for fiscal years 2026 and 2027. MMB also estimates a projected deficit of $55 million for the 2028-2029 biennium. MMB indicated the main drivers of spending continue to be long term care and special education, while judicial salaries are less than 1% of the state budget.

Determinations

In accordance with Minn. Stat. § 15A.082, subd. 3(b) (2026), the Compensation Council makes the following determination:

Office of Inspector General Salary

- $198,214, effective immediately.
  - This is intended to match MMB's Hay Point evaluation.

Recommendations

In accordance with Minn. Stat. § 15A.082, subd. 3(a) (2026), the Compensation Council makes the following recommendations:

Judicial Salaries.

The Council recommends that salaries of all judges and justices be increased by:

- 10% in FY 2028 and 4% in FY 2029.

In reaching this conclusion, the Council notes that:

- The 2025 Council recommended salary increases of 6% in FY 2026 and 6% in FY 2027, but the Legislature instead increased judicial salaries by 0%.
- The Council heard testimony of increased caseloads, increased administrative responsibilities, recruitment challenges, and increasing personal threats and harassment of judges.
- The Council also reviewed information showing that an ever-increasing number of county attorneys earn more than district court judges before whom they regularly appear. There are now numerous assistant county attorneys around the state whose pay is higher than district court judges.
- The Council received information and testimony from many individuals and organizations describing how judicial pay has increased the difficulty of attracting good candidates and more recently of retaining judges. Although judges choose to serve because they seek to serve the public, the salaries have made it more difficult for qualified individuals to forego established careers in the public sector and in private practice to make the commitment to serve on a long-term basis in the state courts.
- The Council shares the view that the judiciary should reflect a broad range of experience and perspectives, and that a small pool of candidates drawn largely from only part of the legal community could be a serious concern for the future of the state's judiciary.
- The Council considered concerns about the impact that inconsistency in judicial salary changes has created more uncertainty for judges, thus making it more difficult for the state to recruit and retain judges who might leave for other opportunities.

~~Determinations~~

~~In accordance with Minn. Stat. § 15A.082, subd. 3(b) (2026), the Compensation Council makes the following determination:~~

~~Office of Inspector General Salary~~

- ~~$198,214, effective immediately.~~
    - ~~This is intended to match MMB's Hay Point evaluation.~~

Legislative Recommendation

The Compensation Council recommends that, effective for the 2027 and 2028 Compensation Council, the Legislature establish statutory methods of automatic adoption and funding of the Compensation Council's judicial salary recommendations consistent with the Legislature's constitutional obligation to prescribe the compensation for judges.

Conclusion

The Compensation Council adopted these recommendations and determinations at its public meetings on July 16, 2026, meeting. Minutes and audio/video recordings of these public meetings are available on the Council's website.

A list of the members of the Council is included as Attachment 1. The members worked diligently and thoughtfully to prescribe the salaries for agency heads and constitutional officers and develop recommendations for judicial salaries for consideration by the Legislature. Council members are committed to answering any questions you may have. The Council thanks the staff of the Legislative Coordinating Commission for their work during a limited timeframe. The Council believes appropriate compensation for government officials is vital to the state's future and that these recommendations and prescribed salaries should be implemented.

Respectfully submitted,

Patrick McCormack
Chair, Compensation Council

David Asp
Vice Chair, Compensation Council

cc:
Governor Tim Walz
Lt. Governor Peggy Flanagan
Attorney General Keith Ellison
State Auditor Julie Blaha
Secretary of State Steve Simon
Chief Justice Natalie Hudson

Senator Erin Murphy, Majority Leader
Senator Mark Johnson, Minority Leader
Representative Zack Stephenson, DFL Caucus Leader
Representative Harry Niska, GOP Floor Leader
Representative Jamie Long, DFL Floor Leader