Compensation Council

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August 31, 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), 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. 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 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 bienniums. 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 in judicial officer compensation by 10% in FY 28 and 4% in FY 29 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 the Council 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)

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 (per Robert Half)

	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. Banaian. 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. Banaian 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 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. To address this crisis, the Judicial Council has proposed increasing judicial officer compensation by 10% in FY 28 and 4% in FY 29.

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.

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 meeting on July 16, 2026. Minutes and audio/video recordings of the 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

Attachment 1

Compensation Council Members

The Compensation Council consists of 24 members: eight nonjudges appointed by the chief justice of the Supreme Court, of whom no more than four may belong to the same political party; and one member from each congressional district appointed by the governor, of whom no more than four may belong to the same political party. The speaker and minority leader of the house of representatives must each appoint two members. The majority leader and minority leader of the senate must each appoint two members.

Member	**Appointing Authority**
Patrick McCormack, Chair	House
David Asp, Vice Chair	Supreme Court
Gary Borgendale	Supreme Court
Thomas Boyd	Governor
Janice Brandt	Governor
Tim Brinkman	Senate
Kelli Commers	Senate
Devin Driscoll	Supreme Court
Benjamin Gerber	Governor
Adam Hanson	House
Susan Holden	Supreme Court
Roger Josephson	Governor
Amanda Matchett	Governor
Amanda Mills	Senate
Nicholas Morgan	Supreme Court
Karl Morton Badger	House
Amber Naqvi	Governor
Betsy O'Berry	Supreme Court
Jason Resseman	Governor
James Robins	Supreme Court
Kristi Schmidt	Governor
Davis Senseman	Senate
Tim Stout	House
Benson Whitney	Supreme Court

Attachment 2

2026 Compensation Council Minority Report

This Minority Report supplementing the 2026 Compensation Council recommendations is offered primarily to raise a strong objection to the optional legislative recommendation to "establish statutory methods of automatic adoption and funding of the Compensation Council's judicial salary recommendations" based on constitutional, procedural and practical concerns. Secondarily, this report outlines several additional procedural deficiencies contributing to a relatively small number of poorly supported conclusions - most notably detailing a 2025 Council-prescribed salary requiring significant adjustment due to its lack of compliance with the salary minimum set in session law in the three-way administrative split of the Department of Human Services.

The ultimate purpose of this Minority Report is to better inform affected policy makers and staff, and better assist the 2027-28 Council in making prescriptions and recommendations at an especially crucial time as the state almost certainly will be dealing with projected significant fiscal constraints touching all areas of General Fund budgeting. With few exceptions, the Minority Report agrees with the majority of prescriptions forwarded by the Council. The Minority Report also joins in sincerely praising nearly all stakeholders who have participated in the newly adopted two-year Council process for their demonstrated talents and commitment while pointing to areas of concern regarding the procedural deficiencies detailed below.

Background

Briefly, the modern journey of the evolving Compensation Council started internally at the MMB with the 2015 Hay method assessment of state agency heads. In 2017, the Council recommended – and the Legislature later approved removal of the compressed three-tier agency salary ranges – in hopes of replacing them with fully stratified individual salaries to be recommended based on the Hay analysis. In the past nine years, Council jurisdiction has expanded from 28 agency classes (heads and councils / commissions) to 37 classes triggered by major executive branch reorganizations. Consequently, Ms. Leland at MMB has indicated that the original Hay chart assessment requires a major update, and the Council recognizes that implementing full Hay salary levels remains the goal.

In 2023-24, the Minnesota District Judges Association (MDJA) recommended - and the Courts' administrative governing body Judicial Council unanimously approved - implementation of expansion to a two-year Compensation Council process, extending the biennial operations from roughly four months to 20 months. This permanent process was essentially implemented via 2025 session law reconstitution in 2026. A uniquely challenging legislative stalemate required a truncated 19-day Comp Council meeting process in March 2025. Many new Council members arrived as the membership had been expanded from 16 to 24. The time squeeze necessitated less than usual consensus-building between the Chair and Vice Chair (leadership) and other members. Several prescribing motions offered by leadership were appropriately modified by the Council, and later nearly all of those modifications were accepted in whole by the Legislature. However, one significant exception had to be addressed in setting the new Direct Care and Treatment (DCT) CEO salary *(detailed in the Analysis section below)*. As for Judicial salaries, the Comp Council adopted the Judicial Council request of 6% and 6% for FY 2026-27, and the Legislature set those salaries at 0% and 0% - corresponding precisely to the zero yearly adjustments that had been set by the 2025 Legislative Salary Council.

Initially, internal Comp Council discussions had deemed the need for holding three full-day meetings in June-August 2026 to primarily discuss the only required action - Judicial salary recommendations for the FY 2028-29 biennium - in conjunction with Judicial Council preliminary budget planning due by Oct. 15. In May, the Legislature assigned the new Inspector General (IG) agency head prescription setting to the Council, and further assigned other tasks relating to a new commission handling details of IG agency establishment - also to be staffed by the LCC. The subsequent limited scheduling of June and July half-day afternoon Comp Council meetings - each following monthly Judicial Council meetings in the morning - resulted in motions for the IG salary prescription and Judicial salaries recommendation after only two half-day meetings. The final half-day meeting scheduled for August is devoted to 2026 final report adoption, discussions of potential data collection improvements, and advance planning for the 2027-28 Compensation Council.

Analysis

The reasoning for making judicial salary recommendations in the second year of the current biennium is to dovetail with the Judicial Council deliberations in formulating the next preliminary budget by Oct. 15 of the even year (2026). In June, the MDJA presented its recommendation for a 6% + 6% salary increase and a 'fix' that would transfer authority to the Comp Council to prescribe judicial salaries. However, the governing Judicial Council was still in the midst of preparations for all aspects of the FY 2028-29 Court Administration budget, although it had received the constituent MDJA salary and 'fix' recommendations that morning – without commenting. In preparing for the July meeting, Council leadership drafted the 6% and 6% MDJA recommendation resolution and the MDJA 'fix' resolution while not having Judicial Council input. At the July Judicial Council morning meeting the panel became informed that an early Comp Council determination might shut out any input from the Judicial Council. Rather than focusing on the full array of budget priorities such as phasing in additional judgeships based on weighted caseload analysis, courtroom security improvements and addressing the core mandated services deficit requiring a balance against judicial salaries, the Judicial Council was forced to shift focus entirely toward requesting the 10% + 4% recommendation that was hastily presented verbally to the Comp Council that afternoon. For a second straight monthly Judicial Council meeting, the MDJA 'fix' proposal was not taken into consideration. In the afternoon, the Comp Council leadership pressed forward with asking for approval of the MDJA's 6% + 6% recommendation, and the Council rejected it on a closely divided vote. The Judicial Council's 10% + 4% plan prevailed with the Minority Report's author supporting the 10% for needed catch up in the first year. The Minority Report raises a concern that the state fiscal condition appears likely to deteriorate further over the next two years and that could trigger the rescinding of any planned salary increases for FY 2029.

The Judicial Council seems unlikely to support the MDJA 'fix' for prescribing judicial salaries because abandoning what has historically been a proper overall budget balance would be tilted sharply in favor of judges while relegating staff and other pressing budget needs to secondary status. The roughly 25% of budget devoted to judges salaries (as estimated by Administrator Jeff Shorba) are intricately intertwined with the rest of the court system's operations. While the court budget accounts for "only 1%" of the state budget, the current biennial total of $929 million is enough for inclusion in the globally negotiated target-setting budget routine. The Comp Council's unexplained willingness to rush into the proposed 'fix' without timely, meaningful input from the governing Judicial Council should further devalue the fix's viability. Keep in mind, the Comp Council already has a full plate with prescribing duties for the five constitutional offices and 37 state agency classifications. Those 42 salary class decisions are minor enough to be accommodated in late odd-year budget negotiations, according to the MMB. However, the 322 judicial salaries - with their integral impact on other court operations - require preliminary budget planning that must start much earlier - in the even year. If the November and February forecasts indicate deeper budget troubles, the 2027 Compensation Council can still revisit the Judicial salary guidance with an optional, revised recommendation for FY 2028-29.

The other major failing to be addressed in this report relates to why salary setting of the new DCT CEO was handled improperly in 2025. No critical self-evaluation of factors contributing to that major failure has been pursued in 2026 until disclosure in this Minority Report. As noted above, time constraints have had an adverse impact on the Council's deliberations. A more significant limiting factor is the role of MMB senior staff who consistently failed to adequately assist and inform the Council in a timely fashion of publicly available MMB data and legal requirements that would have given members a deeper understanding of the structural factors used in formulating salary decisions. *Please note that Enterprise Director Leland and Deputy State Budget Director Bunch (who both answer to appointed MMB senior staff) were clear and thorough in providing guidance in their Council presentations related to Hay method analysis and the budget forecast, respectively.*

The clearest evidence of the failure to provide necessary MMB guidance came at the final meeting in 2025 when the Council improperly set the newly established DCT CEO salary at $67,248 below the minimum allowed in session law *[See: Minn. 2024, ch. 125, art. 5, sec. 41, subd. 2(b)]*. MMB made the LCC staff and Council leadership aware of the obscure provision after the final meeting in 2025 so that the 2025 Final Report could be corrected and comply with the law. The most likely apparent reasoning for MMB senior staff's reluctance to inform the Council of the need to set the new agency salary at no less than the level of the previous division director within DHS is that pay disclosed at $261,543 would undoubtedly raise a question as to why a division director's salary far exceeds any state agency head. Public data is available to help explain that reasonable structural anomaly, but gaining that fuller understanding was likely to result in the Council further considering higher agency head salaries. The 2027 Compensation Council should seek out that fuller understanding, and may decide to adjust the compensation of the DCT CEO to something beyond the still-frozen calendar year 2024 division-director salary level. This significant consequence of poor MMB communications would have come to light sooner if Council leadership had initiated a formal self-evaluation effort earlier this year.

Summary Conclusions

The proposed Compensation Council 'fix' to prescribe judicial salaries raises major constitutional, procedural and practical concerns. However, its consideration highlights the deepening rift between the legislative and judicial branches. The entire Compensation Council agrees that the legislative branch has not recognized the legitimate budget needs of the judicial branch. In the short term, this Minority Report urges the Judicial Council to plan for a higher level of public engagement and to communicate the court system's budget needs more assertively directly to legislative leadership.

With a new administration arriving next year, the incoming MMB leadership and the next Compensation Council have an opportunity to repair and build a more productive working relationship. The transition team for the next Governor should reach out to the LCC staff and outgoing Council members who can provide the background information necessary as the selection process of agency heads proceeds. Understanding the likely trends in agency head salary adjustments should be communicated in the hiring process, not later in 2027 when commissioners are already in place.

The 2025-26 Compensation Council faced uniquely difficult challenges and applied unprecedented prescribing responsibilities while implementing a newly devised two-year process. In most respects these significant challenges were met successfully. This Minority Report focused on the areas where the process and procedures clearly need a concerted effort to make improvements. Providing the time necessary to form consensus among members will better serve the next Council, and should replace the leadership-driven top-down style that emerged over the past two years. The LCC and legislative staff should take steps to require agenda item submissions for posting earlier – allowing enough time for members to meaningfully study them before each meeting. Finally, the expanded two-year process would benefit from implementation of a formal Council self-evaluation routine.

Respectfully submitted,

James Robins
Supreme Court-appointed Compensation Council member – 2017, 2019, 2025-26