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Title.

Fiscal No. 2

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Prepared by the Legislative Council staff for
the Senate Appropriations - Government
Operations Division Committee

March 27, 2023

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1002

Page 1, line 4, after the second semicolon insert "to provide for a report;"

Page 1, remove lines 11 through 23

Page 2, replace lines 1 through 26 with:

"Subdivision 1.

SUPREME COURT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$11,202,906	\$931,799	\$12,134,705
Operating expenses	2,350,094	846,665	3,196,759
Capital assets	0	28,500	28,500
New and vacant FTE funding pool	0	8,740,214	8,740,214
Guardianship monitoring program	<u>286,097</u>	<u>(286,097)</u>	<u>0</u>
Total all funds	\$13,839,097	\$10,261,081	\$24,100,178
Less estimated income	<u>0</u>	485,793	<u>485,793</u>
Total general fund	\$13,839,097	\$9,775,288	\$23,614,385

Subdivision 2.

DISTRICT COURTS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$76,196,548	\$3,082,696	\$79,279,244
Operating expenses	20,081,881	4,442,738	24,524,619
Capital assets	0	1,125,220	1,125,220
Judges' retirement	<u>137,246</u>	<u>40,094</u>	<u>177,340</u>
Total all funds	\$96,415,675	\$8,690,748	\$105,106,423
Less estimated income	<u>756,963</u>	<u>71,427</u>	<u>828,390</u>
Total general fund	\$95,658,712	\$8,619,321	\$104,278,033

Subdivision 3.

JUDICIAL CONDUCT COMMISSION AND DISCIPLINARY BOARD

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Judicial conduct commission and disciplinary board	<u>\$1,317,481</u>	<u>\$77,532</u>	<u>\$1,395,013</u>
Total all funds	\$1,317,481	\$77,532	\$1,395,013
Less estimated income	<u>502,500</u>	<u>7,472</u>	<u>509,972</u>
Total general fund	\$814,981	\$70,060	\$885,041

Subdivision 4.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$110,312,790	\$18,464,669	\$128,777,459
Grand total special funds	<u>1,259,463</u>	<u>564,692</u>	<u>1,824,155</u>
Grand total all funds	\$111,572,253	\$19,029,361	\$130,601,614
Full-time equivalent positions	362.00	21.00	383.00"

Page 3, line 19, after "items" insert "and subdivisions"

Page 3, after line 22, insert:

"SECTION 5. NEW AND VACANT FTE FUNDING POOL - BUDGET SECTION REPORT.

1. The supreme court may not spend funding from the new and vacant FTE funding pool line item in subdivision 1 of section 1 of this Act, but may transfer funds from this line item to the salaries and wages line items within subdivisions 1 and 2 of this Act, and to the judicial conduct commission and disciplinary board line item within subdivision 3 of this Act, as necessary to provide funding for:
 - a. Filling a new or vacant FTE position from the date of hire through the end of the biennium; or
 - b. Salaries and wages if actual salaries and wages savings from vacant positions are less than the estimate used by the sixty-eighth legislative assembly in the development of the appropriation.
2. The supreme court shall report to the budget section regarding the use of funding in the pool, including information on:
 - a. New FTE positions, including the date hired;
 - b. Vacant FTE positions, including the dates the positions are vacated and filled; and
 - c. Additional salaries and wages funding needed due to savings from vacant positions being less than anticipated.
3. If funding in the new and vacant FTE funding pool line item is insufficient to provide the necessary salaries and wages funding for the biennium, the supreme court may request a deficiency appropriation from the sixty-ninth legislative assembly."

Page 3, line 28, remove "one hundred eighty-two thousand six hundred ninety-five dollars through"

Page 3, line 29, replace "June 30, 2024, and one hundred ninety thousand three" with "one hundred seventy-nine thousand three hundred twelve dollars through June 30, 2024, and one hundred eighty-six thousand four hundred eighty-four"

Page 3, line 31, remove "five thousand"

Page 4, remove line 1

Page 4, line 2, replace "hundred seventy-four" with "five thousand seventy-one dollars per annum through June 30, 2024, and five thousand two hundred seventy-four"

Page 4, line 8, remove "one hundred sixty-seven thousand six hundred thirty-seven dollars through June 30."

Page 4, line 9, replace "2024, and one hundred seventy-four thousand three hundred forty-two" with "one hundred sixty-four thousand five hundred thirty-two dollars through June 30, 2024, and one hundred seventy-one thousand one hundred thirteen"

Page 4, line 14, remove "four thousand"

Page 4, remove line 15

Page 4, line 16, replace "hundred fifty-four" with "four thousand six hundred seventy-five dollars per annum through June 30, 2024, and four thousand eight hundred sixty-two"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1002 - Summary of Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Supreme Court				
Total all funds	\$13,839,097	\$16,497,236	\$7,602,942	\$24,100,178
Less estimated income	0	388,000	97,793	485,793
General fund	\$13,839,097	\$16,109,236	\$7,505,149	\$23,614,385
FTE	43.50	44.50	0.00	44.50
District Courts				
Total all funds	\$96,415,675	\$114,489,519	(\$9,383,096)	\$105,106,423
Less estimated income	756,963	912,831	(84,441)	828,390
General fund	\$95,658,712	\$113,576,688	(\$9,298,655)	\$104,278,033
FTE	314.00	334.00	0.00	334.00
Judicial Conduct Commission				
Total all funds	\$1,317,481	\$1,457,077	(\$62,064)	\$1,395,013
Less estimated income	502,500	533,616	(23,644)	509,972
General fund	\$814,981	\$923,461	(\$38,420)	\$885,041
FTE	4.50	4.50	0.00	4.50
Bill total				
Total all funds	\$111,572,253	\$132,443,832	(\$1,842,218)	\$130,601,614
Less estimated income	1,259,463	1,834,447	(10,292)	1,824,155
General fund	\$110,312,790	\$130,609,385	(\$1,831,926)	\$128,777,459
FTE	362.00	383.00	0.00	383.00

House Bill No. 1002 - Supreme Court - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$11,202,906	\$13,271,977	(\$1,137,272)	\$12,134,705
Operating expenses	2,350,094	3,196,759		3,196,759
Capital assets		28,500		28,500
Guardianship monitoring program	286,097			
New and vacant FTE funding pool			8,740,214	8,740,214
Total all funds	\$13,839,097	\$16,497,236	\$7,602,942	\$24,100,178
Less estimated income	0	388,000	97,793	485,793
General fund	\$13,839,097	\$16,109,236	\$7,505,149	\$23,614,385
FTE	43.50	44.50	0.00	44.50

Department 181 - Supreme Court - Detail of Senate Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Removes Salary Funding for Funding Pool ²	Adds Funding for a Salary Funding Pool ³	Total Senate Changes
Salaries and wages	\$120,453	(\$1,257,725)		(\$1,137,272)
Operating expenses				
Capital assets				
Guardianship monitoring program				
New and vacant FTE funding pool			\$8,740,214	8,740,214
Total all funds	\$120,453	(\$1,257,725)	\$8,740,214	\$7,602,942
Less estimated income	0	0	97,793	97,793
General fund	\$120,453	(\$1,257,725)	\$8,642,421	\$7,505,149
FTE	0.00	0.00	0.00	0.00

¹ Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, for all judicial branch employees, including Supreme Court justices and district court judges, and for adjustments to health insurance premium rates as follows:

General Fund	
Salary increase	\$125,896
Health insurance adjustment	(5,443)
Total	\$120,453

The House provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024. The House also provided salary adjustments of 8 percent on July 1, 2023, and 4 percent on July 1, 2024, for Supreme Court justices and district court judges.

² Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Chief Justice of the Supreme Court for a transfer from the new and vacant FTE funding pool.

General Fund	
New FTE positions	(\$369,734)
Vacant FTE positions	(887,991)
Total	(\$1,257,725)

³ Funding is added for a salary funding pool for filling new and vacant FTE positions.

House Bill No. 1002 - District Courts - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$76,196,548	\$88,662,340	(\$9,383,096)	\$79,279,244
Operating expenses	20,081,881	24,524,619		24,524,619
Capital assets		1,125,220		1,125,220
Judges' retirement	137,246	177,340		177,340
Total all funds	\$96,415,675	\$114,489,519	(\$9,383,096)	\$105,106,423
Less estimated income	756,963	912,831	(84,441)	828,390
General fund	\$95,658,712	\$113,576,688	(\$9,298,655)	\$104,278,033
FTE	314.00	334.00	0.00	334.00

Department 182 - District Courts - Detail of Senate Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Removes Salary Funding for Funding Pool ²	Total Senate Changes
Salaries and wages	\$498,767	(\$9,881,863)	(\$9,383,096)
Operating expenses			
Capital assets			
Judges' retirement			
Total all funds	\$498,767	(\$9,881,863)	(\$9,383,096)
Less estimated income	6,583	(91,024)	(84,441)
General fund	\$492,184	(\$9,790,839)	(\$9,298,655)
FTE	0.00	0.00	0.00

¹ Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	General Fund	Other Funds	Total
Salary increase	\$532,208	\$6,820	\$539,028
Health insurance adjustment	(40,024)	(237)	(40,261)
Total	\$492,184	\$6,583	\$498,767

The House provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024. The House also provided salary adjustments of 8 percent on July 1, 2023, and 4 percent on July 1, 2024, for Supreme Court justices and district court judges.

² Funding for new FTE positions and estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Chief Justice of the Supreme Court for a transfer from the new and vacant FTE funding pool.

	General Fund	Other Funds	Total
New FTE positions	(\$3,999,004)	(\$63,662)	(\$4,062,666)
Vacant FTE positions	(5,791,835)	(27,362)	(5,819,197)
Total	(\$9,790,839)	(\$91,024)	(\$9,881,863)

House Bill No. 1002 - Judicial Conduct Commission - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Judicial Conduct Commission	\$1,317,481	\$1,457,077	(\$62,064)	\$1,395,013
Total all funds	\$1,317,481	\$1,457,077	(\$62,064)	\$1,395,013
Less estimated income	502,500	533,616	(23,644)	509,972
General fund	\$814,981	\$923,461	(\$38,420)	\$885,041
FTE	4.50	4.50	0.00	4.50

Department 183 - Judicial Conduct Commission - Detail of Senate Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Removes Salary Funding for Funding Pool ²	Total Senate Changes
Judicial Conduct Commission	\$17,966	(\$80,030)	(\$62,064)
Total all funds	\$17,966	(\$80,030)	(\$62,064)
Less estimated income	6,848	(30,492)	(23,644)
General fund	\$11,118	(\$49,538)	(\$38,420)
FTE	0.00	0.00	0.00

¹ Salaries and wages funding is adjusted to provide for 2023-25 biennium salary increases of 6 percent on July 1, 2023, and 4 percent on July 1, 2024, and for adjustments to health insurance premium rates as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Salary increase	\$11,484	\$7,073	\$18,557
Health insurance adjustment	(366)	(225)	(591)
Total	\$11,118	\$6,848	\$17,966

The House provided salary adjustments of 4 percent on July 1, 2023, and July 1, 2024.

² Funding for estimated savings from vacant FTE positions is removed as shown below. These amounts are available to the agency if needed by submitting a request to the Chief Justice of the Supreme Court for a transfer from the new and vacant FTE funding pool.

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Vacant FTE positions	(\$49,538)	(\$30,492)	(\$80,030)

House Bill No. 1002 - Other Changes - Senate Action

This amendment also:

- Provides the statutory changes to increase district court judges' and Supreme Court justices' salaries by 6 percent on July 1, 2023, and by 4 percent on July 1, 2024.
- Provides requirements for a new and vacant FTE funding pool, including a reporting requirement.