Senate Bill 2002
House Appropriations
Don Wolf, Director of Finance
March 6, 2025

Mr. Chairman and members of the Committee, good morning. For the record my name is Don Wolf and I am the Director of Finance for the court system. I will be providing you with a summary of the Judicial Branch budget request.

JUDICIAL BRANCH	2023-25 Biennium Appropriation	One-time Funding Adjustment	2023-25 Biennium Base
Supreme Court	$24,435,751	($416,500)	**$24,019,251**
District Court	105,403,519	(1,125,220)	**$104,278,299**
JCC/DB	1,399,862	0	**$1,399,862**
Total base budget	**$131,239,132**	**($1,541,720)**	**$129,697,412**

Funding	2023-25 Biennium Appropriation	One-time Funding Adjustment	2023-25 Biennium Base
General Fund	$129,410,704	($1,153,720)	**$128,256,984**
Federal funds	1,294,767	(388,000)	**$906,767**
Special funds	533,661	0	**$533,661**
Total	**$131,239,132**	**($1,541,720)**	**$129,697,412**

The total **2023-25 biennium appropriation** for the Judicial Branch is **$131,239,132**. The appropriation includes funding for the Supreme Court, district courts and the Judicial Conduct Commission and Disciplinary Board (JCC/DB).

The 2023-25 biennium appropriation included **one-time funding** of $1,153,720 from the general fund for capital assets and $388,000 of federal funds from a Department of Justice Grant for a study and implementation project to reduce delay in criminal case processing. The total 2023-25 biennium **base budget** (net of the one-time funding) is **$129,697,412**.

The 2023 Legislative Assembly approved 22 new FTE positions for the Judicial Branch. The positions approved include:

- 1 FTE assistant state court administrator position;

- 3 FTE district court judge positions;
- 4 FTE staff attorney positions;
- 11 FTE deputy clerk of court positions;
- 1 FTE guardianship monitoring program position; and
- 2 FTE court improvement program positions that were converted from temporary positions.

These new positions were all filled during the first seven months of the biennium with the exception of 2 FTE deputy clerk positions, which were finally filled in July 2024. There continues to be a high turnover rate among the deputy clerk of court positions statewide. There have been 39 separate times a deputy clerk of court position has been vacated during the first 18 months of the biennium, excluding the 11 new deputy clerk of court positions that were authorized. This is out of 99 total deputy clerk of court positions.

The 2023-25 biennium court system budget was reduced by $11,219,618 to account for new FTE position and vacant FTE position salary savings. A total of $8,740,214 was appropriated to the new FTE ($3,989,161) and vacant FTE ($4,751,053) funding pool line item. In July 2024, the court system transferred $6,038,547 from the new and vacant FTE funding pool to salaries and wages. There remains a balance of $2,701,667 within the vacant FTE funding pool. It is anticipated that we will make an additional transfer from the vacant FTE funding pool before the end of the biennium, however we do not anticipate a deficiency appropriation request.

Actual savings from vacant positions to date is $1,320,048. Savings from vacant positions have been used for accrued leave payments ($213,831); step system increases ($48,532); overtime, on-call and comp time ($36,588); position reclassifications ($140,617); and salary equity adjustments ($259,216).

The 2025-27 biennium budget request (Governor Armstrong's recommendation) is **$165,960,657** or an increase of $36,263,245 as compared to the 2023-25 biennium base budget. The budget request provides for a total of **406.0 full-time equivalent (FTE)** positions, which is an increase of 22 FTEs as compared to the current appropriation.

Engrossed Senate Bill 2002 includes an appropriation of **$151,704,332**. This is a reduction of $14,256,325 as compared to the executive budget recommendation. It includes 396.0 FTE positions.

A comparison of budget versions:

Subdivision	2023-25 Biennium Base	2025-27 Gov Armstrong Budget	Engrossed Senate Bill 2002
Supreme Court	$24,019,251	$22,916,626	$26,063,990
District Court	104,278,299	141,347,888	$123,148,432
JCC/DB	1,399,862	1,696,143	$1,555,505
OGC	0	0	$936,405
Total	**$129,697,412**	**$165,960,657**	**$151,704,332**

Funding	2023-25 Biennium Base	2025-27 Gov Armstrong Budget	Engrossed Senate Bill 2002
General Fund	$128,256,984	$164,557,927	$150,331,667
Federal funds	906,767	851,850	$839,739
Special funds	533,661	550,880	$532,926
Total	**$129,697,412**	**$165,960,657**	**$151,704,332**

FTEs	2023-25 Biennium Base	2025-27 Gov Armstrong Budget	Engrossed Senate Bill 2002
Total	**384.0**	**406.0**	**396.0**

2025-27 biennium Judicial Branch budget request (Governor's Recommendation) – Overview:

- The executive budget recommendation includes **$6,751,956** added by the Office of Management and Budget (OMB) for proposed employee salary (3%/3%) and health insurance increases.
- The budget request includes **$2,078,868** for judicial salary increases. The proposal would bring salaries to the national average for justices and judges and equates to a 12.1 percent increase for the Chief Justice, 11.1 percent for the Supreme Court justices and 7.7 percent for district court judges and presiding judges. The proposed increase would be effective the first year of the biennium.

There is not an additional proposed increase for the second year of the biennium. *The Senate approved $1,842,192 for a 9.0 percent increase for the Chief Justice, 8.5 percent increase for the Supreme Court justices and 7.0 percent increase for district court judges and presiding judges.*

- The request includes **$2,038,816** for an overall 3 percent adjustment to the judicial pay grade system and **$416,001** for anticipated retiree leave payouts. *The Senate did not approve this funding.*
- Information technology operating costs increased by **$2,059,179**. The budget includes funding for the operating systems of the judiciary including Odyssey, C-Track and the juvenile case management system; major software systems utilized including Zoom Enterprise, Manage Engine and disaster recovery; computers, scanners and other courtroom technology equipment; and technology fees charged by NDIT. *The Senate approved this funding.*
- The request included an overall increase of $402,401 for miscellaneous operating costs, primarily due to inflation. *The Senate approved an increase of $192,702.*
- The Senate adjustment for the 2025-27 biennium new and vacant FTE funding pool includes a reduction of $11,596,583 to the salaries and wages line items and an addition of **$8,671,500** to the new and vacant FTE funding pool line item within the Supreme Court subdivision.

Supreme Court Budget

Supreme Court	2023-25 Biennium Base	2025-27 Gov Armstrong Budget	Engrossed Senate Bill 2002
Salaries and wages	$12,363,778	$18,435,260	$13,419,705
Operating	2,915,259	3,615,266	$3,106,685
Capital assets	0	866,100	$866,100
Funding pool	8,740,214	0	$8,671,500
Total	**$24,019,251**	**$22,916,626**	**$26,063,990**

Funding	2023-25 Biennium Base	2025-27 Gov Armstrong Budget	Engrossed Senate Bill 2002
General Fund	$23,921,458	$22,916,626	$26,019,861
Federal funds	76,449	0	$20,741
Special funds	21,344	0	$23,388
Total	**$24,019,251**	**$22,916,626**	**$26,063,990**

The total Supreme Court budget request is **$22,916,626.** The proposal includes funding for a total of **56.0 FTES**, including the following **9.5** new FTE positions.

Positions approved by the Senate:

- 1 FTE Office of Guardianship and Conservatorship (OGC) director;
- 1 FTE OGC administrative assistant;
- 1 FTE OGC monitoring program manager;
- 1 FTE OGC account analyst;
- 1 FTE staff attorney for Supreme Court administration

Positions not approved by the Senate:

- 1 FTE OGC paralegal;
- 1 FTE deputy clerk for the Supreme Court Clerk of Court office
- 0.5 FTE administrative assistant for the Supreme Court Clerk of Court;
- 1 FTE staff attorney for the allied legal professional program; and
- 1 FTE staff attorney for the court navigator program.

Highlights of the Supreme Court budget changes include the following:

- ***Office of Guardianship and Conservatorship (OGC)*** – The budget request includes an additional **$1,494,628** to create an OGC as a division under the Supreme Court. The proposal would add 5 new FTEs to the current 2 FTEs that staff the Supreme Court's guardianship monitoring program. The intent for the creation of the OGC is to consolidate statewide guardianship and conservatorship funding and responsibilities under one entity. *The Senate consolidated and transferred the existing guardianship monitoring budget ($730,478) and the OGC budget request ($1,494,628) from the Supreme Court budget subdivision to a separate OGC subdivision.*

- ***Supreme Court Law Library costs*** – Due to increases in legal reference subscription rates, an additional **$73,882** is requested for the Supreme Court law library professional supplies budget. *The Senate approved this request.*
- ***Rural attorney recruitment program (NDCC Section 27-02.2-05)*** – The 2021 Legislative Assembly approved the rural attorney recruitment program. An attorney agreeing to practice in rural counties or municipalities is eligible to receive an incentive payment of $45,000 to be paid in five equal annual installments. The county or municipality served by the attorney is to provide 35% of the incentive, the ND State Bar Foundation is to pay 15% and the Supreme Court is responsible for the balance. The 2023 Legislative Assembly increased the maximum number of attorneys that may participate in the program at any one time from four to eight. The Supreme Court share for the additional incentive payments is **$36,000**. *The Senate approved this request.*
- ***Allied Legal Professional (ALP) program*** – ALP programs provide a practical and innovative solution to the growing access to justice problem. An ALP is a relatively new tier of legal professionals authorized to provide legal advice and services in specific areas of law under certain conditions, without the need to obtain a law degree or pass the traditional bar exam. The budget request of **$364,574** includes 1 FTE staff attorney and operating costs to establish the parameters, rules and procedures for ALP positions in North Dakota. *This request was not approved by the Senate.*
- ***Court navigator program*** -Court navigators serve as a bridge between self-represented litigants and the court to ensure that individuals are better informed about their rights and the legal process. This new program would provide in-person assistance, help with form completion and potentially reduce the burden on the court system by ensuring the self-represented litigants are better prepared and informed. The budget request of **$309,742** includes 1 FTE staff attorney and related operating costs for the court navigator program. *This request was not approved by the Senate.*

- ***IT Equipment over $5,000 (one-time)*** – The Supreme Court capital asset request of **$866,100** includes funding for the C-Track system hosting (cloud) subscription service fees. *The Senate approved this request.*

District Court Budget

District Court	2023-25 Biennium Base	2025-27 Gov Armstrong Budget	Engrossed Senate Bill 2002
Salaries and wages	$79,576,340	$104,303,204	$90,711,201
Operating	$24,524,619	$29,051,994	$27,531,341
Capital assets	$0	$7,829,016	$4,742,216
Judges' retirement	$177,340	$163,674	$163,674
Total	**$104,278,299**	**$141,347,888**	**$123,148,432**

Funding	2023-25 Biennium Base	2025-27 Gov Armstrong Budget	Engrossed Senate Bill 2002
General Fund	$103,447,981	$140,496,038	$122,329,434
Federal funds	830,318	851,850	$818,998
Special funds	0	0	$0
Total	**$104,278,299**	**$141,347,888**	**$123,148,432**

The district court budget request is **$141,347,888**. The proposal includes funding for a total of **345.5 FTEs**, including the following 12.5 new FTE positions:

Positions approved by the Senate:

- ❖ 1 FTE district court administrative assistant in Unit 3;
- ❖ 1 FTE deputy unit court administrator in Unit 4;
- ❖ 2 FTE programmer analysts in shared services administration;
- ❖ 2 FTE network analysts in shared services administration;
- ❖ 1 FTE technology coordinator in shared services administration;

Positions not approved by the Senate:

- ❖ 0.5 FTE juvenile court administrative assistant in Unit 1;
- ❖ 1 FTE juvenile court officer in Unit 2;
- ❖ 1 FTE juvenile court administrative assistant in Unit 2;

- ❖ 1 FTE juvenile court officer in Unit 4;
- ❖ 1 FTE juvenile court administrative assistant in Unit 4; and
- ❖ 1 FTE staff attorney for the self-help center.

Other proposed changes to the district court budget include the following:

- ***New treatment courts*** –The budget request includes **$373,476** to establish three new treatment courts; an Indian and Child Welfare Act (ICWA) court in Unit 1, a veteran's court in Unit 2 and a mental health court in Unit 3. The request includes 3 part-time temporary coordinator positions to oversee the courts. *This request was not approved by the Senate.*
- ***Family mediation program*** – The family mediation program budget request includes an increase of **$138,200** based on additional demand for services. Mediators are allowed to bill for up to six hours for each case or up to two and one-half hours for expedited mediation cases. Mediators are paid $220 per hour. *This request was not approved by the Senate.*
- ***Guardian ad Litem program*** – The budget request for the guardian ad litem program is an increase of **$935,768** or a total budget of $2,345,768. Guardians ad litem are used in child abuse and neglect cases, termination of parental rights cases, and juvenile guardianship cases. They are responsible for protecting the well-being and interests of their ward, who is usually a minor. The court system contracts with Youthworks to administer the program, including maintaining a staff of temporary employee guardians ad litem. Youthworks has had difficulty maintaining a sufficient staff of temporary employees. The request would allow Youthworks to hire 4 full-time guardians ad litem to improve staff retention. In addition, the request expands the program to include post-judgement monitoring. *The Senate approved $470,000 of this request.*
- ***Interpreters*** – The budget request adds **$125,500** for interpreters based on demand for services particularly in Units 2 and 3. *The Senate approved $60,000 of this request.*
- ***Credit card processing fees*** – The state clerk of court budget includes an increase of **$293,000** relating to credit card processing fees. The credit card

processing fee is anticipated to change from the current rate of 2.9 percent of the transaction total plus a $0.15 per transaction fee to a flat 5.0 percent per transaction rate. *The Senate approved $200,000 of this request.*

- ***Contract county clerk of court payments*** – The budget for contract county payments for clerk of court services is an increase of **$189,428** as compared to the current biennium. Based on the two-year caseload study, the total contract payments to counties will be $4,687,536 or an increase of **$173,928**. The budget request also adds **$15,500** for an expected increase in credit card processing fees. *The Senate approved this request.*
- ***Staffing studies (one-time) –*** The budget request includes **$466,500** of one-time funding for three staffing studies. This includes updating the juvenile court officer ($155,500) and clerk of court ($155,500) need studies. In addition, $155,500 is requested to develop a staff attorney, law clerk and paralegal need study. *This request was not approved by the Senate.*
- ***IT equipment over $5,000 (one-time)*** – The budget request for IT equipment over $5,000 is **$7,298,916** which includes the following:

  IT equipment approved by the Senate:

  - Blade and disk drive lease payment ($874,216);
  - Research and secure access to court records system ($960,000);
  - 1 new courtroom project in Cass County ($75,000);
  - 1 media camera system replacement in Cass County ($25,000);
  - Odyssey migration hosting (cloud) subscription ($758,000);
  - Artificial Intelligence software for clerk filings ($1,250,000);
  - Courtroom equipment ($1,586,700) – *The Senate approved $800,000 of this request.*
    - 27 QSC interactive cameras ($459,000);
    - 50 courtroom sound rack updates ($892,500);
    - 12 jury selection microphone and speaker systems ($115,200);
    - 15 courtroom assisted listening devices ($90,000);
    - 6 courtroom speaker replacements ($30,000);

  IT equipment not approved by the Senate:

- ❖ 1 projector replacement in the Coteau Room ($10,000);
- ❖ Problem solving court case management system ($780,000); and
- ❖ Digital evidence management system ($980,000).

- ***Equipment over $5,000 - (one-time)*** – The office equipment and furniture over $5,000 budget request of **$530,100** includes the following:
  - ❖ 4 replacement large copy machines ($60,000);
  - ❖ 2 replacement medium copy machines ($15,000);
  - ❖ 6 folding machines ($72,600);
  - ❖ 3 judge chamber furniture updates ($22,500) and
  - ❖ 48 workstation and office furniture systems ($360,000).

  The Senate did not approve the request for equipment over $5,000.

- ***Judges' Retirement (NDCC Chapter 27-17 Old Retirement System)*** – There are two remaining participants within the old judges' retirement system. The budget request is $163,674 or a decrease of **$13,666** as compared to the current appropriation. The average age of the remaining recipients is 92. *The Senate approved this request.*

Judicial Conduct Commission and Disciplinary Board Budget

JCC/DB	2023-25 Biennium Base	2025-27 Gov Armstrong Budget	Engrossed Senate Bill 2002
Salaries and wages	$1,126,969	$1,403,866	$1,266,834
Operating	$272,893	$292,277	$288,671
Total	**$1,399,862**	**$1,696,143**	**$1,555,505**

Funding	2023-25 Biennium Base	2025-27 Gov Armstrong Budget	Engrossed Senate Bill 2002
General Fund	$887,545	$1,145,263	$1,045,967
Federal funds	0	0	$0
Special funds	512,317	550,880	$509,538
Total	**$1,399,862**	**$1,696,143**	**$1,555,505**

The Judicial Conduct Commission and Disciplinary Board (JCC/DB) is responsible for investigating complaints against North Dakota judges and attorneys. The budget request of **$1,696,143** includes funding for **4.5 FTEs**, the same as the current appropriation. No capital assets are being requested.

Funding for the JCC/DB is from two sources, the State Bar Association and the general fund. State Bar Association funds are from $75 of each attorney license issued.

Office of Guardianship and Conservatorship

OGC	2023-25 Biennium Base	2025-27 Gov Armstrong Budget	Engrossed Senate Bill 2002
OGC	$0	$0	$936,405
Total	**$0**	**$0**	**$936,405**

Funding	2023-25 Biennium Base	2025-27 Gov Armstrong Budget	Engrossed Senate Bill 2002
General Fund	$0	$0	$936,405
Federal funds	0	0	$0
Special funds	0	0	$0
Total	**$0**	**$0**	**$936,405**

The Senate approved $1,200,000 of the $1,494,628 requested to operate the OGC. This includes 4 of the 5 FTE positions requested. In addition, $730,478 and 2 FTE positions that have resided in the Supreme Court budget for the guardianship monitoring program were transferred to this new subdivision. The total OGC budget after the new and vacant FTE pool adjustment is $936,405. If Senate Bill 2029 is not approved the request would be to transfer the 2 FTE positions and funding associated with the guardianship monitoring program back to the Supreme Court subdivision.

Additional Sections within Engrossed Senate Bill No. 2002

- **Section 2** – Provides for the 2025-27 biennium one-time funding items.
- **Section 3** – Provides guidelines for the new and vacant FTE funding pool.
- **Section 4** – Appropriates additional funding that may be received through federal acts and private gifts, grants and donations.
- **Section 5** – Amendment to provide for the salaries of the Supreme Court justices.
- **Section 6** – Amendment to provide for the salaries of the District Court judges.
- **Section 7** – Allows for the transfer of appropriation authority between line items as requested by the Supreme Court upon a finding by the court that the nature of the duties of the court and its staff requires the transfers to carry on properly the functions of the court system.

Other Bills with Budgetary Impact

- **Senate Bill No. 2057** – This bill increases fees charged by the ND court system.
- **Senate Bill No. 2029 –** This bill creates an Office of Guardianship and Conservatorship as part of the Judicial Branch budget.

In conclusion, I would be happy to answer any questions.