

Senate Bill 2002
House Appropriations Committee
Education and Environment Division

Testimony Presented by Sally Holewa
State Court Administrator
January 20, 2025

Good morning, Chairman Sorvaag and members of the Committee. For the record, my name is Sally Holewa. I am the State Court Administrator. I will be providing an overview of the major changes in the Judicial Branch appropriation request. Our director of finance will be following me to provide the line-item details.

The Judicial Branch appropriation funds the personnel, programs, and operating costs of the Supreme Court, the district courts, and the Judicial Conduct Commission and Attorney Disciplinary Board (JCCDB). Our appropriation request for the 2025-2027 biennium is **\$166,922,654**. This is an increase of **\$37,225,242** over our 2023-2025 base budget. The increase comes primarily from two areas: IT and Salaries and Benefits. The increase in IT costs is mostly in the maintenance of necessary software and equipment but also includes some discretionary IT projects. In addition to the regular cost to continue salaries and health insurance increases, the increase in salary and benefit costs includes an increase in judge salaries, a market adjustment to the court's compensation pay grid, and a request for 22 additional FTEs.

Salary and Wages

Personnel costs are the largest share (83%) of the court's budget. Our appropriation request includes an increase of **\$7,713,983** for increases in health insurance and for salary increases of 4% in the first year of the biennium and 3% in the second year of the budget. The appropriation request also includes **\$2,078,868** for judicial officer increases, **\$2,038,816** to adjust our compensation system to the market rate, and funding for 22 new FTEs at a total cost of **\$5,240,783**.

Judicial Officer Raises

I believe there are other people here today who will be testifying about the need to increase judicial salaries, so I will keep my remarks on this subject short. Our judicial salaries are falling behind. In 2007, the legislature made a choice to bring North Dakota judge salaries to a comparable level with neighboring states. We were able to obtain and hold parity with them for several years but have since fallen far behind them. We are requesting that North Dakota judicial salaries be raised to the equivalent of the national average. This equates to a 12.1% increase for the chief justice, 11.1% for the other justices, and 7.7% for the presiding judge, other judges of the district court, and judicial referees.

The current salary for a district court judge is \$171,113.00. Every district has a presiding judge who is paid slightly higher to handle administrative duties in addition to their duties as a judge. The current salary for a presiding judge is \$175,975.00. Under the proposed increase, the salary for a district court judge would rise to \$184,366.00 on July 1, 2025. The salary for a presiding

judge would rise to \$189,528.00 on July 1, 2025. Including the 8 presiding judges, we currently have a total of 55 district court judges.

The current salary for a supreme court justice is \$186,484.00. The Chief Justice has a higher salary because he is the administrative head of the judicial branch in addition to his adjudicative duties. The current salary for the Chief Justice is \$191,758.00. Under the proposed increase, the salary for a supreme court justice would rise to \$207,249 on July 1, 2025. The salary for the Chief Justice would rise to \$214,896.00 on July 1, 2025. Including the Chief Justice, there is a total of 5 supreme court justices.

District court referees are appointed by the presiding judge of a district to assist the judges in managing their caseloads. By court policy, they are paid 80% of the salary of a district court judge. We currently have 5 referees serving in 3 judicial districts.

Adjustment to Compensation System

The court system uses an 11-step/21-year compensation grid that is pegged to market level at mid-point of the grid. The system is designed to start employees at a training wage that increases until it reaches market level or the mid-point of the step system. The grid periodically needs to be adjusted to maintain market position because of changes in the demand for labor and increases in the cost-of-living. The last time we adjusted our pay grid to market level was in 2013. A compensation study that we completed in 2024 shows that our mid-point has slipped 13.20% from where we were in 2015. To regain market level, we are requesting a 3% adjustment of the grid. The cost to make this adjustment is **\$2,038,816**.

New FTEs

Office of Guardianship and Conservatorship (SB 2029)

If it passes, SB 2029 will create an Office of Guardianship and Conservatorship responsible for overseeing the expenditure of over \$19 million in public funds for guardianship services, licensing of professional guardians, establishing a complaint process, and providing education for guardians and conservators. Our appropriation request includes \$326,140 for operating expenses and \$1,252,432 for 5 new FTE positions to set up the administrative structure to handle the new financial, educational and oversight responsibilities assigned to the Commission. The new FTEs include 1 director, 1 administrative assistant, 1 accountant analyst, 1 program monitor and 1 paralegal.

The director would be responsible for the administrative oversight of the Office, which would include oversight for \$19 million appropriation, staff management, program management and support for an operations committee and a complaint review board.

The administrative assistant would assist the director with general office tasks and provide logistical and clerical support to the complaint review board and operations committee.

The accountant analyst would be responsible for auditing and payment of invoices, office expenses and program expenditures.

The monitoring program manager would conduct random financial reviews, assign court visitors, prepare reports, testify in court, respond to inquiries, and create continuing education sessions for guardians and conservators.

The paralegal would assist the staff attorney in investigating concerns that are filed with the complaint review board.

Court Navigator

We are requesting \$329,862 to establish a court navigator position within our self-help center. This includes 1 FTE staff attorney at a cost of \$313,744 plus \$16,118 in operating costs. A court navigator is an attorney who has been given special authority to provide legal assistance to self-represented litigants in completing forms and answering legal questions related to specific proceedings.

Allied Legal Professional Program

We are requesting \$384,694 to implement an Allied Legal Professional Program. This includes 1 FTE staff attorney at a cost of \$313,744 and \$70,950 in operating costs. Allied Legal Professional programs have been successful in other states in mitigating attorney shortages by providing cost-effective legal advice and assistance for specified proceedings. Allied Legal Professionals must pass examinations and be licensed by the Board of Law Examiners. We anticipate building education and testing for up to 5 areas of law, including landlord-tenant, consumer debt collection and family law.

District Court Staffing

District court services are available in all 53 counties, but we do not have a judge or an office in every county. We have judges chambered in 19

counties, juvenile court offices in 10 counties, state-employed clerks of court in 14 counties and administrative offices in 4 counties.

Unit 1 (NECJD and NEJD)

- .5 FTE administrative assistant for juvenile court to convert a current part-time position in Grand Forks to a full-time position.

Unit 2 (ECJD and SEJD)

- 1 FTE administrative assistant for juvenile court
- 1 FTE juvenile court officer

Both of these positions would be located in Fargo

Unit 3 (SCJD and SWJD)

- 1 FTE administrative assistant for the unit administrator's office. This would restore one of the two positions that were lost due to budget reductions in 2016 and free up time that the unit administrator is spending doing clerical work.

Unit 4 (NCJD and NWJD)

- 1 FTE deputy unit administrator

Unit 4 is the only administrative unit that operates without a deputy unit administrator. The position should have been filled in 2004 but instead was converted to a juvenile court officer position and moved to Bismark to fill an acute shortage in the juvenile court. This decision has created a situation where the unit administrator, without any assistance or back-up, has to perform all of her duties as well as those specifically assigned to deputy administrators such as risk management and annual audits of the clerks of court offices within the unit.

- 1 FTE administrative assistant for juvenile court
- 1 FTE juvenile court officer

Both juvenile court positions will be located in Minot

IT Staff

- 2 FTE programmers
- 2 FTE network analysts
- 1 FTE technology coordinator

The court system currently has an IT department that consists of 1 IT director and 12 staff to support 4,000 internal and external clients. Since 2000, we have added only two additional staff to this department and both were positions converted from other departments when a vacancy occurred. This staffing level leaves us unable to meet the demands for service, leading to delays in creating new programs, responding to requests for data, and inhibiting the ability to adequately staff the office throughout the day due to the need to physically install and upgrade equipment and provide training to court staff and others.

Self-Help Staff

- 1 FTE Self-help staff attorney

The self-help center was established in 2014. On average, the Center responds to over 1,600 requests for service every year. The Center has also developed 800 instructions, guides and forms for self-represented litigants. It is staffed by one attorney, who also serves as the law librarian, and one paralegal. Additional assistance is provided by the assistant law librarian. Another attorney is needed to meet the heavy demand for services and to provide for regular review of current forms as well as creating new resources as time allows.

Clerk of the Supreme Court staff

- .5 FTE administrative assistance
- 1 FTE deputy supreme court clerk

This would convert a current half-time administrative position to a full-time position and add one additional deputy clerk to meet the needs of the office.

State Court Administrator staff

- 1 FTE staff attorney

There are currently three staff attorneys within the office of the state court administrator. They provide legal research, policy interpretation and guidance to clerks of court, juvenile court personnel, division directors, program managers and others. They also staff supreme court committees, draft legislation, rules and policies, provide training to judges and court staff and serve as faculty for continuing legal education programs. They frequently serve as members or staff to interagency committees and task forces.

IT Costs

Each year there are increases associated with data processing, software licensing and equipment. We are requesting **\$2,059,179** to cover those increases to allow us to continue necessary IT operations.

One-time funding for IT equipment over \$5,000/capital assets

We are requesting **\$7,298,916** for IT equipment over \$5,000. With 54 locations and more than 100 courtrooms statewide, we have equipment that regularly needs to be replaced. Our appropriation request includes funds to replace a number of audio and video systems for courtrooms, and similar equipment that are used on a daily basis. There is one item, though, that I specifically want to bring to your attention because it is the single largest item in our capital assets request and probably the most important one. That is the **\$874,216** lease payment for the blade servers and disk drives. This equipment holds all of our court records and is vital to our operation. We used to buy these items and replace them every few years but last biennium we followed NDIT's lead and switched to leasing. Leasing allows us access to upgrades as they are released and allows for more predictable budgeting and better pricing.

Capital Assets

We are requesting one-time funding of **\$866,100** for the subscription fee for hosting (cloud solution) the Supreme Court's case management system.

One-time funding for non-IT Equipment over \$5,000

We are requesting **\$530,100** for office equipment and furniture. This includes 4 large capacity copy machines; 2 medium capacity copy machines; 6 folding machines; furniture replacement for 3 judicial chambers and replacement of 48 workstation and office furniture systems.

IT initiatives

- **\$1,250,000** to implement AI for clerk filings. This is a product that is offered by our current case management software vendor and is being used successfully in courts in Texas and Florida. The South Central Judicial District is currently short 10 deputy clerks of court. This project would help fill that need and reduce the burden on current staff that is created by chronic turnover and staff shortages.
- **\$780,000** to implement a new case management system for problem-solving courts. This software would be used by the 6 adult drug courts, the Richland County Treatment Court, 5 juvenile drug courts, both the current and planned veterans court, and the planned mental health court and Indian Child Welfare Court.
- **\$980,000** to implement a digital evidence management system. This is a software system that allows litigants to upload evidence into the software, share it with opposing counsel, mark it as an exhibit and play the evidence in court during trials or other court proceedings. Evidence is stored and managed within the system rather than on external storage devices.
- **\$960,000** for mandatory migration to the new version of public and attorney access to court records. Our case management software company is discontinuing support for the current portal that allows the public to search court records and for attorneys to search records and access court documents.
- **\$758,000** for migrating the district court case management system to the cloud. Our current software vendor is shifting its business away from on-premise solutions. We anticipate the need to move to the cloud-based version during the 2025-2027 biennium.

Other Initiatives

Specialized court dockets

We are requesting **\$373,476** for temporary staff and operating expenses to establish 3 new specialized court dockets. These include an Indian Child Welfare Court in Devils Lake, a Mental Health Court in Mandan, and a Veteran's Court in Fargo. Each of these courts would be staffed by a part-time temporary coordinator at a cost of \$86,592 per position.

Lay Guardian ad litem program

A lay guardian ad litem is a non-lawyer who is appointed by the court to advocate for children who are the subject of a child in need of protection or services case. This program is run through a contract with Youthworks and relies on a staff of 15 part-time positions and 4 full-time positions. A task force that examined the lay guardian ad litem system this summer determined that the most effective way to reduce turnover, increase skills and meet the request for more involvement with the children was to add 4 full-time positions by combining several of the part-time positions. The cost to make that change is an increase of **\$935,768**.

Family Mediation Program

The court has had a family mediation program since 2008. This program has proven to be a great success for resolving disputed parental rights and responsibilities and grandparent visitation issues. The program has an historic average settlement rate of 71% and satisfaction rate by parties of 87%. Prior to implementing the program, 27% of cases were re-opened

within 3 years to litigate issues with parenting time or parenting responsibility. That rate has now dropped to just 17%. We are requesting an increase of **\$138,200** to allow us to continue to accept all cases that are referred to the program.

County Contract fees

We are requesting \$4,687,536 for the clerk of court services that we obtain through contracts with 39 counties. This is a slight increase of **\$189,428** from the current appropriation. The amount is based on the number and types of cases filed during the period of January 2022 through January 2024 and the clerk of court staff county salary in effect on January 2024, and includes additional salary reimbursement of \$173,928 plus an additional \$15,500 in operating costs to cover credit card processing fees.

Since 2001, clerk of court services are delivered in two ways in North Dakota. In fourteen counties,¹ the state employs the personnel for this office. In the remaining 39 counties, the state contracts with the county to perform those duties under NDCC 27-05.2-02. The contracts for those counties are calculated using the court's workload assessment formula. This formula determines the amount of work required based on number and types of cases filed using a two-year average.

Staffing studies

The court uses time and motion studies to determine how many staff are needed and where staff should be located. We are requesting one-time

¹ The fourteen counties where clerk offices are state employees are: Barnes, Burleigh, Cass, Grand Forks, McKenzie, Morton, Ramsey, Richland, Rolette, Stark, Stutsman, Walsh, Ward, and Williams. Five counties are eligible to transfer clerk services to the state but have elected to retain those services. Those counties are: Dunn, McHenry, McLean, Mercer and Mountrail.

funding of **\$466,500** to update the clerk of court and juvenile court staffing studies, and to develop a new study to determine staffing levels for staff attorneys, law clerks and paralegals.

Conclusion

I have attached some additional information about the court system that is not specifically related to our appropriation request. I will be happy to run through that information or let you review it on your own at some other time, depending on the preference of the committee chair.

Don Wolf, our Director of Finance, will provide more details of our budget request in his presentation.

North Dakota Courts by the Numbers

Supreme Court

5 – Number of Justices on the Supreme Court

10 years – Length of Term

4 - Number of Justices initially reaching the bench through gubernatorial appointment

390 – Number of new Supreme Court cases filed in 2023

District Courts

52 – Number of District Court Judges

6 years– Length of Term

36 – Number of current district court judges initially reaching the bench through gubernatorial appointment

5 - District Court Referees appointed by the presiding judges

12 - Chambered cities

8 - Judicial Districts

4 - Administrative Units

53 – Clerks of District Court

14 – Number of Clerk of Court offices under state employment

5 – Number of Clerk of Court offices eligible to transfer to state employment

20,355 district court cases re-opened in 2023

154,074 new district court cases filed in 2023

Municipal Courts

73 – Number of Municipal Courts

54 – Number of Municipal Court Judges

21 – Number of municipal court judges who have a law degree

4 years– Length of Term

55 – Number of Municipal Court Clerks

80 – Number of contracts the district courts have with municipalities to hear some or all of their ordinance cases

Unknown – Number of cases filed in municipal courts

Juvenile Court

10 – Number of Juvenile Court Offices

4 – Number of juvenile court offices staffed by a single person

5,998 – Number of new juvenile cases filed in 2023

Specialized Court Dockets

6 - Number of juvenile drug courts

76 – Number of new cases referred to juvenile drug court in 2023

6 – Number of adult drug courts

1 – Number of veterans treatment courts

8 – Number of cases supervised by Veterans court in its first year

1 – Number of domestic violence courts

92 – Number of referrals to domestic violence court in 2023

551 – Number of cases supervised by DV court since its inception

Court Services

Self-Help Center

2 - Number of Staff employed in the self-help center

800 - Number of forms and guides available through the self-help center

1,585 - Number of direct requests made to the Self-Help Center in 2023

16,609 - Number of direct requests received by the Self-Help Center since its inception in July 2015

Family Mediation Program

777 - Number of cases sent to family mediation program in 2024

67% - Percentage of cases fully or mostly resolved through the family mediation program in 2024

Expedited Family Mediation Program

269 - Number of requests for the expedited mediation program since its inception in June 2020

61% - Percentage of cases resolved through the expedited mediation program

Guardianship Monitoring Program

355 - Average number of new guardianship cases filed each year

85 - Number of cases referred to the monitoring program in 2024

19 - Number of cases in 2024 referred to Adult Protective Services, Protection & Advocacy or Social Security Administration as a result of a review by the Guardianship monitoring program

300 - Average number of individuals trained annually

3,669 - Number of guardianship cases that were active in 2024

Judicial Conduct Commission & Attorney Disciplinary Board

42 – Number of new judicial conduct complaints filed in 2023

55 – Number of new attorney conduct complaints filed in 2023

State Board of Law Examiners

3,070 – Number of law licenses issued in 2023

1,585 - Number of North Dakota licensed attorneys who actually reside in North Dakota

Finances

384 – Number of FTEs excluding judicial officers

.07 % - Percent of General Fund dollars appropriated to the Judicial Branch for the 2024-2023 biennium

83% - Percent of Judicial Branch Budget Spent on Salaries & Wages

\$26.9 Million – Average amount of money collected by the district courts during a biennium

