

**Senate Bill 2002**  
**Senate Appropriations**  
Don Wolf, Director of Finance  
January 20, 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)	<b>\$24,019,251</b>
District Court	105,403,519	(1,125,220)	<b>\$104,278,299</b>
JCC/DB	<u>1,399,862</u>	<u>0</u>	<b>\$1,399,862</b>
<b>Total base budget</b>	<b>\$131,239,132</b>	<b>(\$1,541,720)</b>	<b>\$129,697,412</b>

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

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 \$1,192,284. Savings from vacant positions have been used for accrued leave payments (\$151,657); step system increases (\$42,007); overtime, on-call and comp time (\$32,225); position reclassifications (\$102,725); and salary equity adjustments (\$121,268).

The 2025-27 biennium budget request (Governor's recommendation) is **\$166,922,654** or an increase of \$37,225,242 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.

**A comparison of budget versions:**

Subdivision	2023-25 Biennium Base	2025-27 Biennium Request	Increase (Decrease)
Supreme Court	\$24,019,251	\$23,063,402	<b>(\$955,849)</b>
District Court	104,278,299	142,152,037	<b>\$37,873,738</b>
JCC/DB	1,399,862	1,707,215	<b>\$307,353</b>
<b>Total</b>	<b>\$129,697,412</b>	<b>\$166,922,654</b>	<b>\$37,225,242</b>

Funding	2023-25 Biennium Base	2025-27 Biennium Request	Increase (Decrease)
General Fund	\$128,256,984	\$165,513,155	<b>\$37,256,171</b>
Federal funds	906,767	855,023	<b>(\$51,744)</b>
Special funds	533,661	554,476	<b>\$20,815</b>
<b>Total</b>	<b>\$129,697,412</b>	<b>\$166,922,654</b>	<b>\$37,225,242</b>

FTEs	2023-25 Biennium Base	2025-27 Biennium Request	Increase (Decrease)
<b>Total</b>	<b>384.0</b>	<b>406.0</b>	<b>22.0</b>

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

- The executive budget recommendation includes **\$7,713,983** added by the Office of Management and Budget (OMB) for proposed employee salary (4%/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 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.
- 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.

### Supreme Court Budget

Supreme Court	2023-25 Biennium Base	2025-27 Biennium Request	Increase (Decrease)
Salaries and wages	\$12,363,778	\$18,582,036	\$6,218,258
Operating	2,915,259	3,615,266	\$700,007
Capital assets	0	866,100	\$866,100
Funding pool	8,740,214	0	(\$8,740,214)
<b>Total</b>	<b>\$24,019,251</b>	<b>\$23,063,402</b>	<b>(\$955,849)</b>

Funding	2023-25 Biennium Base	2025-27 Biennium Request	Increase (Decrease)
General Fund	\$23,921,458	\$23,063,402	(\$858,056)
Federal funds	76,449	0	(\$76,449)
Special funds	21,344	0	(\$21,344)
<b>Total</b>	<b>\$24,019,251</b>	<b>\$23,063,402</b>	<b>(\$955,849)</b>

The total Supreme Court budget request is **\$23,063,402**. The proposal includes funding for a total of **56.0 FTES**, including the following **9.5** new FTE positions.

- ❖ 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 OGC paralegal;
- ❖ 1 FTE staff attorney for Supreme Court administration
- ❖ 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 **\$1,578,572** 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. If the OGC request is approved, we are requesting to consolidate and transfer the existing guardianship monitoring budget (\$730,488) and the OGC budget request (\$1,578,572) from the Supreme Court budget line item to a separate OGC budget line item.
- **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.
- **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**.
- **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 **\$384,694** includes 1 FTE staff attorney and operating costs to establish the parameters, rules and procedures for ALP positions in North Dakota.
- **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 **\$329,862** includes 1 FTE staff attorney and related operating costs for the court navigator program.

- **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.

### District Court Budget

District Court	2023-25 Biennium Base	2025-27 Biennium Request	Increase (Decrease)
Salaries and wages	\$79,576,340	\$105,107,353	\$25,531,013
Operating	\$24,524,619	\$29,051,994	\$4,527,375
Capital assets	\$0	\$7,829,016	\$7,829,016
Judges' retirement	\$177,340	\$163,674	(\$13,666)
<b>Total</b>	<b>\$104,278,299</b>	<b>\$142,152,037</b>	<b>\$37,873,738</b>

Funding	2023-25 Biennium Base	2025-27 Biennium Request	Increase (Decrease)
General Fund	\$103,447,981	\$141,297,014	\$37,849,033
Federal funds	830,318	855,023	\$24,705
Special funds	0	0	\$0
<b>Total</b>	<b>\$104,278,299</b>	<b>\$142,152,037</b>	<b>\$37,873,738</b>

The district court budget request is **\$142,152,037**. The proposal includes funding for a total of **345.5 FTEs**, including the following 12.5 new FTE positions:

- ❖ 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 district court administrative assistant in Unit 3;

- ❖ 1 FTE deputy unit court administrator in Unit 4;
- ❖ 1 FTE juvenile court officer in Unit 4;
- ❖ 1 FTE juvenile court administrative assistant 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; 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.
- **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.
- **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.
- **Interpreters** – The budget request adds **\$125,500** for interpreters based on demand for services particularly in Units 2 and 3.
- **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.

- **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.
- **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.
- **IT equipment over \$5,000 (one-time)** – The budget request for IT equipment over \$5,000 is **\$7,298,916** which includes the following:
  - ❖ Blade and disk drive lease payment (\$874,216);
  - ❖ 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);
  - ❖ 1 new courtroom project in Cass County (\$75,000);
  - ❖ 1 media camera system replacement in Cass County (\$25,000);
  - ❖ 1 projector replacement in the Coteau Room (\$10,000);
  - ❖ Odyssey migration hosting (cloud) subscription (\$758,000);
  - ❖ Artificial Intelligence software for clerk filings (\$1,250,000);
  - ❖ Problem solving court case management system (\$780,000);
  - ❖ Digital evidence management system (\$980,000); and
  - ❖ Research and secure access to court records system (\$960,000).
- **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).

• **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.

**Judicial Conduct Commission and Disciplinary Board Budget**

JCC/DB	2023-25 Biennium Base	2025-27 Biennium Request	Increase (Decrease)
Salaries and wages	\$1,126,969	\$1,414,938	\$287,969
Operating	\$272,893	\$292,277	\$19,384
<b>Total</b>	<b>\$1,399,862</b>	<b>\$1,707,215</b>	<b>\$307,353</b>

Funding	2023-25 Biennium Base	2025-27 Biennium Request	Increase (Decrease)
General Fund	\$887,545	\$1,152,739	\$265,194
Federal funds	0	0	\$0
Special funds	512,317	554,476	\$42,159
<b>Total</b>	<b>\$1,399,862</b>	<b>\$1,707,215</b>	<b>\$307,353</b>

The Judicial Conduct Commission and Disciplinary Board (JCC/DB) is responsible for investigating complaints against North Dakota judges and attorneys. The budget request of **\$1,707,215** 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.

### **Additional Sections within Senate Bill No. 2002**

- **Section 2** – Appropriates additional funding that may be received through federal acts and private gifts, grants and donations.
- **Section 3** – 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 sections needed:**

- **NDCC Section 27-02-02** – Amendment to provide for the salaries of the Supreme Court justices.
- **NDCC Section 27-05-03** – Amendment to provide for the salaries of the District Court judges.

### **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.