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Title.
Fiscal No. 1

Prepared by the Legislative Council
staff for Senate Appropriations -
Education and Environment Division
Committee

February 18, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

SENATE BILL NO. 2002

Introduced by

Appropriations Committee

1 A BILL for an Act to provide an appropriation for defraying the expenses of the judicial branch;
2 to amend and reenact sections 27-02-02 and 27-05-03 of the North Dakota Century Code,
3 relating to the salaries of justices of the supreme court and salaries of district court judges; to
4 provide for transfers; to provide for a report; and to provide an exemption.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
7 as may be necessary, are appropriated out of any moneys in the general fund in the state
8 treasury, not otherwise appropriated, and from other funds derived from special funds and
9 federal funds, to the judicial branch for the purpose of defraying the expenses of the judicial
10 branch, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

11 Subdivision 1.

	SUPREME COURT		
		Adjustments or	
	Base Level	Enhancements	Appropriation
15 Salaries and wages	\$12,363,778	\$0	\$12,363,778
16 Operating expenses	2,915,259	0	2,915,259
17 New and vacant FTE funding pool	8,740,214	0	8,740,214
18 Total all funds	\$24,019,251	\$0	\$24,019,251

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1	Less other funds	97,793	0	97,793
2	Total general fund	\$23,921,458	\$0	\$23,921,458
3	Salaries and wages	\$12,363,778	\$1,055,927	\$13,419,705
4	New and vacant FTE pool	8,740,214	(68,714)	8,671,500
5	Operating expenses	2,915,259	191,426	3,106,685
6	Capital assets	0	866,100	866,100
7	Total all funds	\$24,019,251	\$2,044,739	\$26,063,990
8	Less other funds	97,793	(53,664)	44,129
9	Total general fund	\$23,921,458	\$2,098,403	\$26,019,861

10 Subdivision 2.

11 DISTRICT COURTS

12		Adjustments or		
13		Base Level	Enhancements	Appropriation
14	Salaries and wages	\$79,576,340	\$0	\$79,576,340
15	Operating expenses	24,524,619	0	24,524,619
16	Judges' retirement	177,340	0	177,340
17	Total all funds	\$104,278,299	\$0	\$104,278,299
18	Less other funds	830,318	0	830,318
19	Total general fund	\$103,447,981	\$0	\$103,447,981
20	Salaries and wages	\$79,576,340	\$11,134,861	\$90,711,201
21	Operating expenses	24,524,619	3,006,722	27,531,341
22	Capital assets	0	4,742,216	4,742,216
23	Judges' retirement	177,340	(13,666)	163,674
24	Total all funds	\$104,278,299	\$18,870,133	\$123,148,432
25	Less other funds	830,318	(11,320)	818,998
26	Total general fund	\$103,447,981	\$18,881,453	\$122,329,434

27 Subdivision 3.

28 JUDICIAL CONDUCT COMMISSION AND DISCIPLINARY BOARD

29		Adjustments or		
30		Base Level	Enhancements	Appropriation
31	Salaries and wages	\$1,399,862	\$0	\$1,399,862

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1	Total all funds	\$1,399,862	\$0	\$1,399,862
2	Less other funds	512,317	0	512,317
3	Total general fund	\$887,545	\$0	\$887,545
4	Judicial conduct commission and	\$1,399,862	\$155,643	\$1,555,505
5	disciplinary board			
6	Total all funds	\$1,399,862	\$155,643	\$1,555,505
7	Less other funds	512,317	(2,779)	509,538
8	Total general fund	\$887,545	\$158,422	\$1,045,967
9	Subdivision 4.			

Office of Guardianship and Conservatorship

		Adjustments or		
	Base Level	Enhancements	Appropriation	
13	Office of guardianship and conservatorship	\$0	\$936,405	\$936,405
14	Total general fund	\$0	\$936,405	\$936,405

Subdivision 4.5.

TOTAL - SECTION 1

		Adjustments or		
	Base Level	Enhancements	Appropriation	
19	Grand total all funds	\$129,697,412	\$0	\$129,697,412
20	Grand total other funds	1,440,428	0	1,440,428
21	Grand total general fund	\$128,256,984	\$0	\$128,256,984
22	Full-time equivalent positions	384.00	0.00	384.00
23	Grand total all funds	\$129,697,412	\$22,006,920	\$151,704,332
24	Grand total other funds	1,440,428	(67,763)	1,372,665
25	Grand total general fund	\$128,256,984	\$22,074,683	\$150,331,667
26	Full-time equivalent positions	384.00	12.00	396.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

1	<u>One-Time Funding Description</u>	<u>General Fund</u>
2	Information technology equipment lease	\$874,216
3	Case management software cloud migration	758,000
4	Clerk filing software	1,250,000
5	Court records access system	960,000
6	Cloud-based storage fees	866,100
7	Courtroom audio and video equipment	800,000
8	Cass County courtroom equipment	<u>100,000</u>
9	Total	\$5,608,316

10 **SECTION 3. NEW AND VACANT FTE POOL - BUDGET SECTION REPORT.**

- 11 1. The supreme court may not spend funding from the new and vacant FTE funding pool
12 line item in subdivision 1 of section 1 of this Act, but may transfer funds from this line
13 item to the salaries and wages line items within subdivisions 1 and 2 of this Act, to the
14 guardianship and conservatorship line item within subdivision 1 of this Act, and to the
15 judicial conduct commission and disciplinary board line item within subdivision 3 of
16 this Act, as necessary to provide funding for:
- 17 a. Filling a new position from the date of hire through the end of the biennium; or
 - 18 b. Salaries and wages if actual salaries and wages savings from vacant positions
19 and employee turnover, adjusted for other uses, are less than the estimate used
20 by the sixty-ninth legislative assembly in the development of the appropriation.
- 21 2. The supreme court shall report to the budget section regarding the use of funding in
22 the pool, including information on:
- 23 a. New FTE positions, including the date hired;
 - 24 b. Vacant FTE positions, including information regarding positions that become
25 vacant and positions filled, salaries and wages savings resulting from vacant
26 positions and employee turnover, and the use of salaries and wages savings for
27 other purposes; and
 - 28 c. Additional salaries and wages funding needed due to savings from vacant
29 positions being less than anticipated.

3. If funding in the new and vacant FTE 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 seventieth legislative assembly.

SECTION 4. APPROPRIATION. There are appropriated any funds received by the supreme court, district courts, and judicial conduct commission and disciplinary board, not otherwise appropriated, pursuant to federal acts and private gifts, grants, and donations for the purpose as designated in the federal acts or private gifts, grants, and donations for the period beginning July 1, 2025, and ending June 30, 2027.

SECTION 5. AMENDMENT. Section 27-02-02 of the North Dakota Century Code is amended and reenacted as follows:

27-02-02. Salaries of justices of supreme court.

The annual salary of each justice of the supreme court is ~~one hundred seventy-nine thousand three hundred twelve dollars through June 30, 2024, and one hundred eighty-six thousand four hundred eighty-four dollars thereafter~~ two hundred two thousand three hundred thirty-five dollars. The chief justice of the supreme court is entitled to receive an additional ~~five thousand seventy-one dollars per annum through June 30, 2024, and five thousand two hundred seventy-four~~ six thousand six hundred eighty-one dollars per annum ~~thereafter~~.

SECTION 6. AMENDMENT. Section 27-05-03 of the North Dakota Century Code is amended and reenacted as follows:

27-05-03. Salaries and expenses of district judges.

The annual salary of each district judge is ~~one hundred sixty-four thousand five hundred thirty-two dollars through June 30, 2024, and one hundred seventy-one thousand one hundred thirteen dollars thereafter~~ one hundred eighty-three thousand ninety-one dollars. Each district judge is entitled to travel expenses, including mileage and subsistence while engaged in the discharge of official duties outside the city in which the judge's chambers are located. The salary and expenses are payable monthly in the manner provided by law. A presiding judge of a judicial district is entitled to receive an additional ~~four thousand six hundred seventy-five~~ five thousand two hundred two dollars per annum ~~through June 30, 2024, and four thousand eight hundred sixty-two dollars thereafter~~.

SECTION 7. EXEMPTION - TRANSFERS. Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer appropriation authority between line items

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- 1 in section 1 of this Act, as requested by the supreme court upon a finding by the court that the
- 2 nature of the duties of the court and its staff requires the transfers to carry on properly the
- 3 functions of the judicial branch of government.

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2002 - Summary of Senate Action

	Base Budget	Senate Changes	Senate Version
Supreme Court			
Total all funds	\$24,019,251	\$2,044,739	\$26,063,990
Less estimated income	97,793	(53,664)	44,129
General fund	<u>\$23,921,458</u>	<u>\$2,098,403</u>	<u>\$26,019,861</u>
FTE	45.50	(1.00)	44.50
District Courts			
Total all funds	\$104,278,299	\$18,870,133	\$123,148,432
Less estimated income	830,318	(11,320)	818,998
General fund	<u>\$103,447,981</u>	<u>\$18,881,453</u>	<u>\$122,329,434</u>
FTE	334.00	7.00	341.00
Judicial Conduct Commission			
Total all funds	\$1,399,862	\$155,643	\$1,555,505
Less estimated income	512,317	(2,779)	509,538
General fund	<u>\$887,545</u>	<u>\$158,422</u>	<u>\$1,045,967</u>
FTE	4.50	0.00	4.50
Guardianship and Conservatorship			
Total all funds	\$0	\$936,405	\$936,405
Less estimated income	0	0	0
General fund	<u>\$0</u>	<u>\$936,405</u>	<u>\$936,405</u>
FTE	0.00	6.00	6.00
Bill total			
Total all funds	\$129,697,412	\$22,006,920	\$151,704,332
Less estimated income	1,440,428	(67,763)	1,372,665
General fund	<u>\$128,256,984</u>	<u>\$22,074,683</u>	<u>\$150,331,667</u>
FTE	384.00	12.00	396.00

Senate Bill No. 2002 - Supreme Court - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$12,363,778	\$1,055,927	\$13,419,705
New and vacant FTE pool	8,740,214	(68,714)	8,671,500
Operating expenses	2,915,259	191,426	3,106,685
Capital assets		866,100	866,100
Total all funds	\$24,019,251	\$2,044,739	\$26,063,990
Less estimated income	97,793	(53,664)	44,129
General fund	<u>\$23,921,458</u>	<u>\$2,098,403</u>	<u>\$26,019,861</u>
FTE	45.50	(1.00)	44.50

Department 181 - Supreme Court - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Adjusts Funding to Replace 2023-25 New and Vacant FTE Pool ³	Transfers Funding for 2025-27 New and Vacant FTE Pool ⁴	Adds FTE Positions ⁵	Transfers Funding for Guardianship Monitoring ⁶
Salaries and wages	\$823,923	\$963,458	\$1,257,725	(\$1,619,591)	\$293,625	(\$663,213)
New and vacant FTE pool			(8,740,214)	8,671,500		
Operating expenses						(67,265)
Capital assets						
Total all funds	\$823,923	\$963,458	(\$7,482,489)	\$7,051,909	\$293,625	(\$730,478)
Less estimated income	0	0	(97,793)	44,129	0	0
General fund	\$823,923	\$963,458	(\$7,384,696)	\$7,007,780	\$293,625	(\$730,478)
FTE	0.00	0.00	0.00	0.00	1.00	(2.00)

	Adjusts Operating Funding ⁷	Adds One-Time Funding for Cloud-Based Storage ⁸	Total Senate Changes
Salaries and wages			\$1,055,927
New and vacant FTE pool			(68,714)
Operating expenses	\$258,691		191,426
Capital assets		\$866,100	866,100
Total all funds	\$258,691	\$866,100	\$2,044,739
Less estimated income	0	0	(53,664)
General fund	\$258,691	\$866,100	\$2,098,403
FTE	0.00	0.00	(1.00)

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

	General Fund
Salary increase	\$474,983
Health insurance increase	288,256
Supreme Court justices' salaries increase of 8.5 percent and chief justice salary increase of 9 percent	<u>200,219</u>
Total	\$963,458

The salaries of Supreme Court justices and district court judges are not adjusted for 3 percent annual increases.

³ Funding is adjusted to replace 2023-25 biennium new and vacant FTE pool funding.

⁴ Funding of \$1,619,591 for new FTE positions and estimated savings from vacant FTE positions is removed from the Supreme Court salaries and wages line item and funding of \$8,671,500 is added for a Judicial Branch 2025-27 new and vacant FTE pool line item as follows:

	General Fund	Other Funds	Total
New FTE positions	(\$293,625)	\$0	(\$293,625)
Vacant FTE positions	<u>(1,325,966)</u>	0	<u>(1,325,966)</u>
Total	(\$1,619,591)	\$0	(\$1,619,591)
Funding pool line item	<u>1,192,439</u>	0	<u>1,192,439</u>
Supreme Court net savings	(\$427,152)	\$0	(\$427,152)
Funding pool line item from district courts, Judicial Conduct Commission, and Office of Guardianship and Conservatorship	<u>7,434,932</u>	<u>44,129</u>	<u>7,479,061</u>
Net impact on Supreme Court	\$7,007,780	\$44,129	\$7,051,909

⁵ Funding of \$293,625 from the general fund is added for 1 new FTE staff attorney position.

⁶ Funding and FTE positions for guardianship monitoring are transferred from the Supreme Court to the newly created Office of Guardianship and Conservatorship division of the Judicial Branch.

⁷ Operating funding is adjusted as follows:

	General Fund
IT system maintenance and enhancements	\$120,700
Law library reference materials subscription	73,882
Rural attorney recruitment and retention	36,000
Various operating adjustments	<u>28,109</u>
Total	\$258,691

⁸ One-time funding of \$866,100 from the general fund is added for cloud-based storage fees.

Senate Bill No. 2002 - District Courts - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$79,576,340	\$11,134,861	\$90,711,201
Operating expenses	24,524,619	3,006,722	27,531,341
Capital assets		4,742,216	4,742,216
Judges' retirement	177,340	(13,666)	163,674
Total all funds	\$104,278,299	\$18,870,133	\$123,148,432
Less estimated income	830,318	(11,320)	818,998
General fund	<u>\$103,447,981</u>	<u>\$18,881,453</u>	<u>\$122,329,434</u>
FTE	334.00	7.00	341.00

Department 182 - District Courts - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes¹	Adds Funding for Salary and Benefit Increases²	Adds Funding to Replace 2023-25 New and Vacant FTE Pool³	Transfers Funding for 2025-27 New and Vacant FTE Pool⁴	Adds FTE Positions⁵	Reduces Funding for Judges' Retirement⁶
Salaries and wages	\$2,469,136	\$6,182,309	\$9,881,863	(\$8,880,203)	\$1,481,756	
Operating expenses						
Capital assets						
Judges' retirement						(\$13,666)
Total all funds	\$2,469,136	\$6,182,309	\$9,881,863	(\$8,880,203)	\$1,481,756	(\$13,666)
Less estimated income	(76,436)	23,218	91,024	(29,657)	0	0
General fund	<u>\$2,545,572</u>	<u>\$6,159,091</u>	<u>\$9,790,839</u>	<u>(\$8,850,546)</u>	<u>\$1,481,756</u>	<u>(\$13,666)</u>
FTE	0.00	0.00	0.00	0.00	7.00	0.00

	Adjusts Operating Funding⁷	Adds One- Time Funding⁸	Total Senate Changes
Salaries and wages			\$11,134,861
Operating expenses	\$3,006,722		3,006,722
Capital assets		\$4,742,216	4,742,216
Judges' retirement			(13,666)
Total all funds	\$3,006,722	\$4,742,216	\$18,870,133
Less estimated income	(19,469)	0	(11,320)
General fund	<u>\$3,026,191</u>	<u>\$4,742,216</u>	<u>\$18,881,453</u>
FTE	0.00	0.00	7.00

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

	General Fund	Federal Funds	Total
Salary increase	\$2,478,324	\$14,210	\$2,492,534
Health insurance increase	2,038,794	9,008	2,047,802
District court judges' salaries increase of 7 percent	<u>1,641,973</u>	<u>0</u>	<u>1,641,973</u>
Total	\$6,159,091	\$23,218	\$6,182,309

The salaries of Supreme Court justices and district court judges are not adjusted for 3 percent annual increases.

³ Funding is added to replace 2023-25 biennium new and vacant FTE pool funding as follows:

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

⁴ Funding of \$8,880,203 is removed, including \$1,481,756 for new FTE positions and \$7,398,447 for estimated savings from vacant 2025-27 FTE positions, and \$6,512,493 is added to the Supreme Court new and vacant FTE pool line item resulting in net savings of \$2,367,710.

⁵ The following FTE positions and related funding are added:

	FTE Positions	General Fund
Administrative assistant	1.00	\$170,025
Deputy court administrator	1.00	272,529
Programmer analyst	2.00	421,496
Network analyst	2.00	421,496
Technology coordinator	<u>1.00</u>	<u>196,210</u>
Total	7.00	\$1,481,756

⁶ Funding is reduced by \$13,666 from the general fund to provide a total of \$163,674 for judges' retirement.

⁷ Operating funding is adjusted as follows:

	General Fund	Other Funds	Total
IT system maintenance and enhancements	\$1,938,479		\$1,938,479
Credit card processing and bank fees	200,000		200,000
Interpreters	60,000		60,000
County clerk of court contract	189,428		189,428
Guardian ad litem program	470,000		470,000
Various operating adjustments	<u>168,284</u>	<u>(\$19,469)</u>	<u>148,815</u>
Total	\$3,026,191	(\$19,469)	\$3,006,722

⁸ One-time funding is added as follows:

	General Fund
IT equipment lease	\$874,216
Case management system cloud migration	758,000
Clerk filing software	1,250,000
Court records management system	960,000
Courtroom audio and video systems	800,000
Cass County courtroom equipment	<u>100,000</u>
Total	\$4,742,216

Senate Bill No. 2002 - Judicial Conduct Commission - Senate Action

	Base Budget	Senate Changes	Senate Version
Judicial Conduct Commission	\$1,399,862	\$155,643	\$1,555,505
Total all funds	\$1,399,862	\$155,643	\$1,555,505
Less estimated income	512,317	(2,779)	509,538
General fund	\$887,545	\$158,422	\$1,045,967
FTE	4.50	0.00	4.50

Department 183 - Judicial Conduct Commission - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes¹	Adds Funding for Salary and Benefit Increases²	Adds Funding to Replace 2023-25 New and Vacant FTE Pool³	Transfers Funding for 2025-27 New and Vacant FTE Pool⁴	Adds funding for Operating Costs⁵	Total Senate Changes
Judicial Conduct Commission	\$82,917	\$79,634	\$80,030	(\$102,716)	\$15,778	\$155,643
Total all funds	\$82,917	\$79,634	\$80,030	(\$102,716)	\$15,778	\$155,643
Less estimated income	(37,938)	25,880	30,492	(33,384)	12,171	(2,779)
General fund	\$120,855	\$53,754	\$49,538	(\$69,332)	\$3,607	\$158,422
FTE	0.00	0.00	0.00	0.00	0.00	0.00

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2025-27 biennium salary adjustments of 3 percent on July 1, 2025, and 3 percent on July 1, 2026, and increases in health insurance premiums from \$1,643 to \$1,893 per month:

	General Fund	Other Funds	Total
Salary increase	\$33,486	\$16,121	\$49,607
Health insurance increase	20,268	9,759	30,027
Total	\$53,754	\$25,880	\$79,634

³ Funding is added to replace 2023-25 biennium vacant FTE pool funding.

⁴ Funding of \$102,716 is removed for estimated savings from vacant 2025-27 FTE positions and \$71,902 is added to the Supreme Court new and vacant FTE pool line item resulting in net savings of \$30,814.

⁵ Funding is added for increases in miscellaneous operating expenses.

Senate Bill No. 2002 - Guardianship and Conservatorship - Senate Action

	Base Budget	Senate Changes	Senate Version
Guardianship and conservatorship		\$936,405	\$936,405
Total all funds	\$0	\$936,405	\$936,405
Less estimated income	0	0	0
General fund	\$0	\$936,405	\$936,405
FTE	0.00	6.00	6.00

Department 184 - Guardianship and Conservatorship - Detail of Senate Changes

	Adds Funding for Guardianship and Conservatorship ¹	Transfers Funding for Guardianship Monitoring ²	Transfers Funding for 2025-27 New and Vacant FTE Pool ³	Total Senate Changes
Guardianship and conservatorship	\$1,200,000	\$730,478	(\$994,073)	\$936,405
Total all funds	\$1,200,000	\$730,478	(\$994,073)	\$936,405
Less estimated income	0	0	0	0
General fund	\$1,200,000	\$730,478	(\$994,073)	\$936,405
FTE	4.00	2.00	0.00	6.00

¹ Funding of \$1.2 million from the general fund 4 new FTE positions are added for the Office of Guardianship and Conservatorship.

² Funding and FTE positions for guardianship monitoring are transferred from the Supreme Court to the newly created Office of Guardianship and Conservatorship division of the Judicial Branch.

³ Funding of \$994,073 is removed for new 2025-27 FTE positions and \$894,666 is added to the Supreme Court new and vacant FTE pool line item resulting in net savings of \$99,407.

Senate Bill No. 2002 - Other Changes - Senate Action

This amendment also:

1. Adds a section to provide language regarding the use of funding in the new and vacant FTE pool line item.
2. Includes a section to appropriate to the judicial branch all funds received pursuant to federal acts and private gifts, grants, and donations.
3. Includes a section to require the Director of the Office of Management and Budget to transfer appropriation authority between line items for the judicial branch as requested by the Supreme Court.
4. Adds a section to provide the statutory changes to increase Supreme Court justices' salaries by 8.5 percent on July 1, 2025 and to increase the salary of the Chief Justice of the Supreme Court by 9 percent on July 1, 2025.
5. Adds a section to provide the statutory changes to increase district court judges' salaries by 7 percent on July 1, 2025.