

**Senate Bill 2002**  
**Senate Appropriations**  
Don Wolf, Director of Finance  
January 8, 2021

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.

<b>JUDICIAL BRANCH</b>	<b>2019-21 Biennium Appropriation</b>	<b>One-time Funding Adjustment</b>	<b>2019-21 Biennium Base</b>
Supreme Court	\$15,305,024	(\$977,500)	<b>\$14,327,524</b>
District Court	94,059,354	(139,852)	<b>\$93,919,502</b>
JCC/DB	1,250,962	0	<b>\$1,250,962</b>
<b>Total base budget</b>	<b>\$110,615,340</b>	<b>(\$1,117,352)</b>	<b>\$109,497,988</b>

<b>Funding</b>	<b>2019-21 Biennium Appropriation</b>	<b>One-time Funding Adjustment</b>	<b>2019-21 Biennium Base</b>
General Fund	\$107,503,043	(\$147,352)	<b>\$107,355,691</b>
Special funds	1,452,701	(970,000)	<b>\$482,701</b>
Federal funds	1,659,596	0	<b>\$1,659,596</b>
<b>Total</b>	<b>\$110,615,340</b>	<b>(\$1,117,352)</b>	<b>\$109,497,988</b>

The total **2019-21 biennium appropriation** for the judicial branch is **\$110,615,340**. The appropriation includes funding for the Supreme Court, district courts and the Judicial Conduct Commission and Disciplinary Board (JCC/DB).

The 2019-21 biennium appropriation included **one-time funding** of \$970,000 from the Capitol building fund to remodel the Supreme Court Law Library, \$82,500 from the general fund for copy machines and \$64,852 from the general fund for district court audio and video equipment. The total 2019-21 biennium **base budget** (net of the one-time funding) is **\$109,497,988**.

The 2021-23 biennium budget request (Governor's recommendation) is **\$118,161,669** or an increase of \$8,663,681 or 7.9% as compared to the 2019-21 biennium base budget. The budget request provides for a total of **363.0 full-time equivalent (FTE)** positions, which is the same as the current appropriation.

**A comparison of budget versions:**

<b>Subdivision</b>	<b>2019-21 Biennium Base</b>	<b>2021-23 Biennium Request</b>	<b>Increase (Decrease)</b>
Supreme Court	\$14,327,524	\$16,709,587	<b>\$2,382,063</b>
District Court	93,919,502	100,126,239	<b>\$6,206,737</b>
JCC/DB	1,250,962	1,325,843	<b>\$74,881</b>
<b>Total</b>	<b>\$109,497,988</b>	<b>\$118,161,669</b>	<b>\$8,663,681</b>

<b>Funding</b>	<b>2019-21 Biennium Base</b>	<b>2021-23 Biennium Request</b>	<b>Increase (Decrease)</b>
General Fund	\$107,355,691	\$115,967,211	<b>\$8,611,520</b>
Special funds	482,701	502,500	<b>\$19,799</b>
Federal funds	1,659,596	1,691,958	<b>\$32,362</b>
<b>Total</b>	<b>\$109,497,988</b>	<b>\$118,161,669</b>	<b>\$8,663,681</b>

<b>FTEs</b>	<b>2019-21 Biennium Base</b>	<b>2021-23 Biennium Request</b>	<b>Increase (Decrease)</b>
<b>Total</b>	<b>363.0</b>	<b>363.0</b>	<b>0.0</b>

**2021-23 biennium Judicial Branch budget request (Governor's**

**Recommendation) – Overview:**

- The executive budget recommendation includes **\$1,906,082** added by the Office of Management and Budget (OMB) for proposed salary (2%/2%), health insurance and retirement contribution increases.
- The base payroll change of **\$2,378,237** includes cost to continue 2019-21 biennium salary increases and **\$648,549** for a **2% per year** salary increase for justices (\$61,588) and judges (\$586,961) as proposed by the judiciary.
- The executive budget recommendation added **\$755,930** to the Supreme Court budget for the proposed rent model change.
- The 2021-23 biennium budget request includes **\$4,517,600** of one-time funding items. This includes **\$2,000,000** for the juvenile case management system replacement, **\$2,000,000** for the Supreme Court docket management system replacement, **\$360,000** for 45 Zoom monitors and **\$157,600** for statewide courtroom installation of Wi-Fi access points.

### Supreme Court Budget

Supreme Court	2019-21 Biennium Base	2021-23 Biennium Request	Increase (Decrease)
Salaries and wages	\$11,338,720	\$11,283,059	(\$55,661)
Operating	2,705,762	3,106,024	\$400,262
Capital assets	0	2,032,000	\$2,032,000
Guardianship monitoring	<u>283,042</u>	<u>\$288,504</u>	<u>\$5,462</u>
<b>Total</b>	<b>\$14,327,524</b>	<b>\$16,709,587</b>	<b>\$2,382,063</b>

Funding	2019-21 Biennium Base	2021-23 Biennium Request	Increase (Decrease)
General Fund	\$14,327,524	\$16,709,587	\$2,382,063
Special funds	0	0	\$0
Federal funds	<u>0</u>	<u>0</u>	<u>\$0</u>
<b>Total</b>	<b>\$14,327,524</b>	<b>\$16,709,587</b>	<b>\$2,382,063</b>

- **Staffing totals** - The Supreme Court budget proposal provides for a total of **43.5** FTEs, the same as the current biennium.
- **Lease of disk drives and blades** -The disk drives and blades necessary for the operations of the court system will become obsolete during the 2021-23 biennium. The court system is requesting **\$1,201,890** (\$600,945 per year or \$3,004,725 over the lease term) to enter into a 5 year lease agreement to replace the disk drives and blades for both the Bismarck and the disaster recover sites. The cost to purchase the equipment with a comparable 5 year service agreement would be \$2,931,682. The useful life of this equipment is typically 4-5 years. The lease option includes the cost of any necessary technology upgrades, which will ensure that we will not have to replace equipment mid-biennium due to compatibility issues. Software costs associated with the blades and disk drives will be an additional \$191,352, resulting in a total budget request of \$1,393,242 or an increase of **\$1,115,008** as compared to the current biennium. The budget

increase is allocated **\$134,611** to the Supreme Court and **\$980,397** under the district courts.

- **Supreme Court docket management system project (one-time)** – The budget request includes **\$2,000,000** under capital assets to replace the current Supreme Court docket management system. The existing system was originally written for the North Dakota Supreme Court in 1993.
- **Zoom monitors (one-time)** – The court system is requesting **\$32,000** for 4 Zoom monitors. These monitors are specifically designed to work with Zoom and include a built-in computer, camera and audio equipment. These units will replace outdated polycom units which are 3 to 4 times the cost of the Zoom monitors.
- **Guardianship Monitoring Program** – The 2015 Legislative Assembly approved funding for a program to provide oversight of the financial and personal well-being of guardianship wards. The program includes one FTE guardianship monitoring program manager. The guardianship monitoring program budget request is **\$288,504** or an increase of \$5,462. The request includes \$7,721 added for the executive budget salary increase.

#### **District Court Budget**

<b>District Court</b>	<b>2019-21 Biennium Base</b>	<b>2021-23 Biennium Request</b>	<b>Increase (Decrease)</b>
Salaries and wages	\$73,242,268	\$77,652,837	\$4,410,569
Operating	\$20,396,902	\$19,931,156	(\$465,746)
Capital assets	\$0	\$2,328,000	\$2,328,000
Judges' retirement	\$280,332	\$214,246	(\$66,086)
<b>Total</b>	<b>\$93,919,502</b>	<b>\$100,126,239</b>	<b>\$6,206,737</b>

<b>Funding</b>	<b>2019-21 Biennium Base</b>	<b>2021-23 Biennium Request</b>	<b>Increase (Decrease)</b>
General Fund	\$92,259,906	\$98,434,281	\$6,174,375
Special funds	0	0	\$0
Federal funds	1,659,596	1,691,958	\$32,362
<b>Total</b>	<b>\$93,919,502</b>	<b>\$100,126,239</b>	<b>\$6,206,737</b>

- **Staffing totals** - The district court budget request includes **315** FTEs, the same as the current biennium.
- **Funding** – The budget request includes **\$1,100,000** in federal child support funding, which is a *decrease* of \$155,281 from the base budget. These funds are received as reimbursement for the time referees, clerks and court recorders spend on child support cases. The request for federal court improvement program funding is **\$591,958** or an increase of \$187,643 as compared to the current biennium. This grant is aimed at monitoring and improving court processes in child deprivation cases.
- **Veteran's treatment court** –Funding is requested for the establishment of a veteran's treatment court in Grand Forks. The request includes \$100,739 of temporary salaries and wages for the coordinator position and \$44,508 for testing supplies and other operating costs. The total budget request is **\$145,247** (\$145,296 including the cost of the executive budget salary recommendation).
- **Lease of disk drives and blades** – As previously mentioned, the district court budget increase for the cost of the disk drives and blades lease is **\$980,397**.
- **Wi-Fi access points (one-time)** –The request includes one-time funding of **\$157,600** under IT contractual services to install Wi-Fi access points in 80 courtrooms statewide.
- **Building rent** – The judicial branch information technology department has relocated from a downtown Bismarck rental space to the remodeled Supreme Court Law Library space resulting in a budget savings of **\$256,500** as compared to the current biennium.
- **Juvenile Services** – The total budget request for juvenile service programs is \$499,972 or a reduction of **\$1,221,086** as compared to the current biennium. The request removes funding for family based intensive in-home services (\$500,000) and youth cultural achievement (\$455,000) programs. Funding was also reduced for various other programs including restorative justice (\$95,156), diversion (\$103,130) and day report (\$45,000).
- **Zoom monitors (one-time)** – The budget request includes **\$328,000** for an additional 41 Zoom monitors for the district courts.

- **Juvenile case management system replacement (one-time)** – The budget request includes **\$2,000,000** to replace the current juvenile case management system, which was purchased in 1998. The new system would allow for improved data retrieval and analysis, electronic filing, electronic document storage, automated work processes and text messaging capabilities.
- **Judges' Retirement (NDCC Chapter 27-17 Old Retirement System)** – There are three remaining participants within the old judges' retirement system. The budget request is **\$214,246** or a *decrease* of \$66,086 as compared to the current appropriation due to one fewer remaining participant. The average age of the remaining recipients is 91.

#### **Judicial Conduct Commission and Disciplinary Board Budget**

<b>JCC/DB</b>	<b>2019-21 Biennium Base</b>	<b>2021-23 Biennium Request</b>	<b>Increase (Decrease)</b>
Salaries and wages	\$1,004,835	\$1,082,542	\$77,707
Operating	\$246,127	\$243,301	(\$2,826)
<b>Total</b>	<b>\$1,250,962</b>	<b>\$1,325,843</b>	<b>\$74,881</b>

<b>Funding</b>	<b>2019-21 Biennium Base</b>	<b>2021-23 Biennium Request</b>	<b>Increase (Decrease)</b>
General Fund	\$768,261	\$823,343	\$55,082
Special funds	482,701	502,500	\$19,799
Federal funds	0	0	\$0
<b>Total</b>	<b>\$1,250,962</b>	<b>\$1,325,853</b>	<b>\$74,881</b>

- **Judicial Conduct Commission and Disciplinary Board (JCC/DB)** - The Judicial Conduct Commission and Disciplinary Board is responsible for investigating complaints against North Dakota judges and attorneys. The total request of **4.5 FTEs** is the same as the current appropriation. No capital assets are being requested.

- Total salaries and wages include **\$32,384** for the executive budget compensation package.
- 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. The State Bar Association committed **\$502,500** of funding for the Disciplinary Board based on the total number of licensed attorneys.

#### **Coronavirus Relief Funding**

- The court system received **\$72,212** of Federal CARES funding for personal protective equipment and improving telework capabilities of its employees.
- An additional **\$240,000** of CARES funding was received to purchase, install and begin the conversion to Zoom monitors within selected court rooms.
- The Information Technology Department reimbursed the court system **\$425,000** from CARES funding for 60 Mixer upgrades. These upgrades were needed to allow for remote recording of court hearings.

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

- **Section 2** – One-time funding items.
- **Section 3** – Appropriates additional funding that may be received through federal acts and private gifts, grants and donations.
- **Section 4** – 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.

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