

**Department 180 - Judicial Branch
House Bill No. 1002**

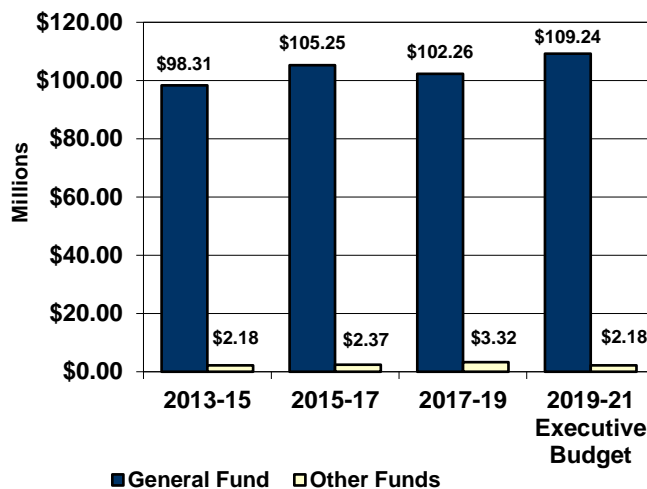
Executive Budget Comparison to Prior Biennium Appropriations

| | FTE Positions | General Fund | Other Funds | Total |
|------------------------------------|---------------|---------------|---------------|---------------|
| 2019-21 Executive Budget | 363.00 | \$109,236,476 | \$2,182,682 | \$111,419,158 |
| 2017-19 Legislative Appropriations | 355.50 | 102,257,770 | 3,321,839 | 105,579,609 |
| Increase (Decrease) | 7.50 | \$6,978,706 | (\$1,139,157) | \$5,839,549 |

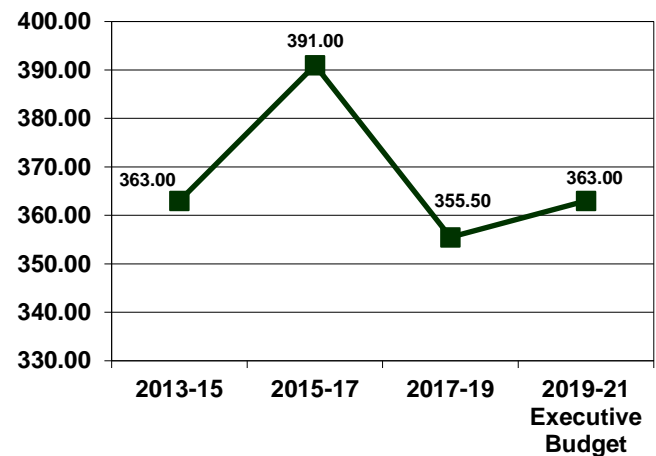
Ongoing and One-Time General Fund Appropriations

| | Ongoing General Fund Appropriation | One-Time General Fund Appropriation | Total General Fund Appropriation |
|------------------------------------|------------------------------------|-------------------------------------|----------------------------------|
| 2019-21 Executive Budget | \$108,079,124 | \$1,157,352 | \$109,236,476 |
| 2017-19 Legislative Appropriations | 102,257,770 | 0 | 102,257,770 |
| Increase (Decrease) | \$5,821,354 | \$1,157,352 | \$6,978,706 |

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

| | General Fund | Other Funds | Total |
|--------------------------|---------------|-------------|---------------|
| 2019-21 Executive Budget | \$109,236,476 | \$2,182,682 | \$111,419,158 |
| 2019-21 Base Level | 102,257,770 | 1,821,839 | 104,079,609 |
| Increase (Decrease) | \$6,978,706 | \$360,843 | \$7,339,549 |

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

| | General Fund | Other Funds | Total |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|-------------|-------------|
| Judicial branch | | | |
| 1. Provides funding for state employee salary and benefit increases, of which \$2,425,426 is for salary increases, \$1,383,130 is for health insurance increases, and \$316,941 is for retirement contributions increases | \$4,030,764 | \$94,733 | \$4,125,497 |
| Supreme Court | | | |
| 2. Adjusts funding for base payroll changes, including Supreme Court justice salary increases of 2 percent per year and employee step increases | (\$6,352) | \$0 | (\$6,352) |
| 3. Removes funding for Supreme Court judges' retirement | (\$80,764) | \$0 | (\$80,764) |
| 4. Adjusts funding for operating expenses | (\$65,255) | \$0 | (\$65,255) |
| 5. Adds one-time funding for a copy machine | \$7,500 | \$0 | \$7,500 |
| 6. Adds one-time funding to remodel the law library space | \$960,000 | \$0 | \$960,000 |

District court

| | | | |
|------------------------------------------------------------------------------------------------------------------------------------------|-------------|------------|-------------|
| 7. Adjusts funding for base payroll changes, including district judge salary increases of 2 percent per year and employee step increases | \$1,109,370 | (\$99,706) | \$1,009,664 |
| 8. Reduces funding for district court judges' retirement | (\$63,678) | \$0 | (\$63,678) |
| 9. Adds the following 7 FTE positions: | \$1,436,793 | \$0 | \$1,436,793 |
| • 2 deputy clerks of court | | | |
| • 2 law clerks | | | |
| • 1 court recorder | | | |
| • 1 judge | | | |
| • 1 court reporter | | | |
| 10. Adds funding for the court improvement program | \$79,904 | \$378,318 | \$458,222 |
| 11. Adjusts funding for operating expenses | (\$644,975) | (\$12,502) | (\$657,477) |
| 12. Adds one-time funding for copy machines | \$75,000 | \$0 | \$75,000 |
| 13. Adds one-time funding for audio and video equipment | \$114,852 | \$0 | \$114,852 |

Judicial Conduct Commission

| | | | |
|----------------------------------------------------------------------------|----------|-----------|-----------|
| 14. Adjusts funding for base payroll changes | \$1,561 | (\$9,933) | (\$8,372) |
| 15. Converts a part-time temporary paralegal position to a .5 FTE position | \$22,715 | \$14,111 | \$36,826 |
| 16. Adjusts funding for operating expenses | \$1,271 | (\$4,178) | (\$2,907) |

**Other Sections Recommended to be Added in the Executive Budget
(As Detailed in the Attached Appendix)**

Appropriation - Section 3 would appropriate to the judicial branch all funds received 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, 2019, and ending June 30, 2021.

Line item transfers - Section 4 would require the Director of the Office of Management and Budget and the State Treasurer to transfer funds between line items of appropriation for the judicial branch of government 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 judicial branch of government.

Supreme Court justices' salaries - Section 5 would provide the statutory changes to increase Supreme Court justices' salaries by 2 percent each year of the biennium. Supreme Court justices' annual salaries would be increased from the current level of \$157,009 to \$160,149 effective July 1, 2019, and \$163,352 effective July 1, 2020. The Chief Justice of the Supreme Court would be entitled to receive an additional \$4,598 per annum effective July 1, 2019, and an additional \$4,690 per annum effective July 1, 2020, an increase from the current additional amount for the Chief Justice of \$4,508 per annum.

District judges' salaries - Section 6 would provide the statutory changes to increase district court judges' salaries by 2 percent each year of the biennium. District court judges' annual salaries would be increased from the current level of \$143,869 to \$146,746 effective July 1, 2019, and \$149,681 effective July 1, 2020. A presiding judge of a judicial district would be entitled to receive an additional \$4,240 per annum effective July 1, 2019, and an additional \$4,324 per annum effective July 1, 2020, an increase from the current additional amount for presiding judges of \$4,156 per annum.

Continuing Appropriations

Restitution collection assistance fund - North Dakota Century Code Section 12.1-32-08 - This fund is used for defraying expenses incident to the collection of restitution through imposing a fee equal to the greater of \$10 or 25 percent of the amount of restitution ordered, not to exceed \$1,000.

Court facilities improvement and maintenance fund - Sections 27-05.2-08 and 29-26-22 - Funding from this fund may be used by the Court Facilities Improvement Advisory Committee to make grants to counties to provide funds for court facilities and improvement and maintenance projects. The source of these funds is a \$100 fee charged in all criminal cases except infractions. The first \$750,000 collected is used for indigent defense services, the next \$460,000 is used for court facilities, and additional collections are deposited equally into the two funds.

Court receivables fund - Section 27-05.2-04 - Any money received by the clerk which is not required to be deposited in the general fund, a different special fund, or the county treasury, and which is received as bail or restitution, or otherwise received pursuant to an order of the court is deposited in this fund. Amounts are used for refunding bail, forwarding restitution amounts to entitled recipients, or otherwise making payments as directed by the court.

Significant Audit Findings

There are no significant audit findings for the judicial branch.

Major Related Legislation

House Bill No. 1068 - Repeals Sections 27-04-01, 27-04-03, 27-04-04, 27-04-06, 27-04-07, and 27-04-08 relating to the Supreme Court reporter.

Senate Bill No. 2087 - Reduces the record retention period for adult and juvenile case files and court records from 50 years to 25 years.

Judicial Branch - Budget No. 180
House Bill No. 1002
Base Level Funding Changes

| | Executive Budget Recommendation | | | |
|-----------------------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------|--------------------|----------------------|
| | FTE Positions | General Fund | Other Funds | Total |
| 2019-21 Biennium Base Level | 355.50 | \$102,257,770 | \$1,821,839 | \$104,079,609 |
| 2019-21 Ongoing Funding Changes | | | | |
| Base payroll changes | | \$1,104,579 | (\$109,639) | \$994,940 |
| Salary increase | | 2,369,378 | 56,048 | 2,425,426 |
| Health insurance increase | | 1,351,756 | 31,374 | 1,383,130 |
| Retirement contribution increase | | 309,630 | 7,311 | 316,941 |
| Reduces funding for judges' retirement | | (144,442) | | (144,442) |
| Adds funding for new FTE positions | 7.50 | 1,459,508 | 14,111 | 1,473,619 |
| Adds funding for the court improvement program | | 79,904 | 378,318 | 458,222 |
| Adjusts funding for miscellaneous expenses, including equipment, information technology, and other operating expenses | | (708,959) | (16,680) | (725,639) |
| Total ongoing funding changes | 7.50 | \$5,821,354 | \$360,843 | \$6,182,197 |
| One-time funding items | | | | |
| Adds one-time funding for copy machines | | \$82,500 | | \$82,500 |
| Adds one-time funding for district court audio and video equipment | | 114,852 | | 114,852 |
| Adds one-time funding to remodel the Supreme Court Law Library | | 960,000 | | 960,000 |
| Total one-time funding changes | 0.00 | \$1,157,352 | \$0 | \$1,157,352 |
| Total Changes to Base Level Funding | 7.50 | \$6,978,706 | \$360,843 | \$7,339,549 |
| 2019-21 Total Funding | 363.00 | \$109,236,476 | \$2,182,682 | \$111,419,158 |

Other Sections for Judicial Branch - Budget No. 180

| | Executive Budget Recommendation |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Appropriation | Section 3 would appropriate to the judicial branch all funds received 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, 2019, and ending June 30, 2021. |
| Line item transfers | Section 4 would require the Director of the Office of Management and Budget and the State Treasurer to transfer funds between line items of appropriation for the judicial branch of government 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 judicial branch of government. |

Other Sections for Judicial Branch - Budget No. 180

Executive Budget Recommendation

Supreme Court justices' salaries

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District Court judges' salaries

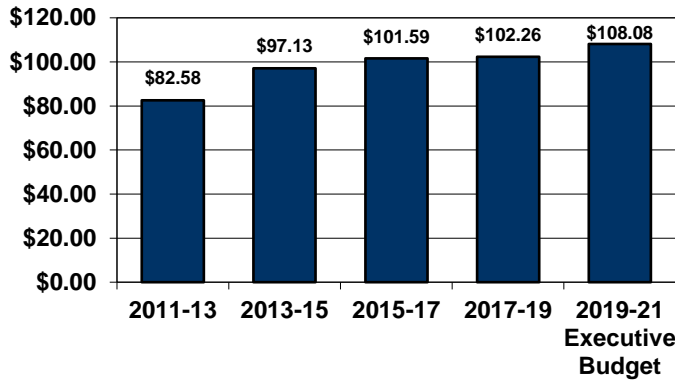
Section 6 would provide the statutory changes to increase district court judges' salaries by 2 percent each year of the biennium. District court judges' annual salaries would be increased from the current level of \$143,869 to \$146,746 effective July 1, 2019, and \$149,681 effective July 1, 2020. A presiding judge of a judicial district would be entitled to receive an additional \$4,240 per annum effective July 1, 2019, and an additional \$4,324 per annum effective July 1, 2020, an increase from the current additional amount for presiding judges of \$4,156 per annum.

Department 180 - Judicial Branch

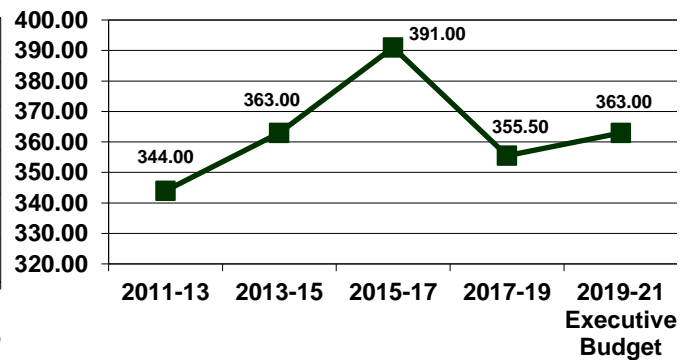
Historical Appropriations Information

Ongoing General Fund Appropriations Since 2011-13

Ongoing General Fund Appropriations (in Millions)



FTE Positions



| Ongoing General Fund Appropriations | | | | | |
|-----------------------------------------------------------------|--------------|--------------|---------------|---------------|--------------------------|
| | 2011-13 | 2013-15 | 2015-17 | 2017-19 | 2019-21 Executive Budget |
| Ongoing general fund appropriations | \$82,580,882 | \$97,133,117 | \$101,591,134 | \$102,257,770 | \$108,079,124 |
| Increase (decrease) from previous biennium | N/A | \$14,552,235 | \$4,458,017 | \$666,636 | \$5,821,354 |
| Percentage increase (decrease) from previous biennium | N/A | 17.6% | 4.6% | 0.7% | 5.7% |
| Cumulative percentage increase (decrease) from 2011-13 biennium | N/A | 17.6% | 23.0% | 23.8% | 30.9% |

Major Increases (Decreases) in Ongoing General Fund Appropriations

2013-15 Biennium

- Added 19 FTE positions, including 3 new judgeships \$3,747,883
- Increased funding for information technology costs \$946,815
- Increased funding for payments to contract counties for clerk of court services \$1,276,250
- Increased funding for juvenile court \$412,858
- Added funding for the lay guardian ad litem project \$523,279

2015-17 Biennium

- Added 28 FTE positions, including 4 new district judges \$5,408,884
- Increased funding for payments to contract counties for clerk of court services \$381,748
- Increase funding for operating expenses (this item was affected by the August 2016 budget reductions) \$1,074,354

2017-19 Biennium

- Removed 32 FTE positions (\$2,801,754)
- Increased funding for operating expenses, including information technology costs \$1,101,096
- Increased funding for payments to contract counties for clerk of court services \$342,479

2019-21 Biennium (Executive Budget Recommendation)

- Adds 7.5 FTE positions, including 1 new district judge \$1,491,705
- Reduces funding for operating expenses (\$708,959)

**JUDICIAL BRANCH REQUEST WITH GOVERNOR'S RECOMMENDATION
FOR STATE EMPLOYEE COMPENSATION CHANGES**

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the judicial branch for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2019, and ending June 30, 2021 as follows:

Subdivision 1.

SUPREME COURT

| | <u>Base Level</u> | Adjustments or <u>Enhancements</u> | <u>Appropriation</u> |
|---------------------------------|-------------------|---------------------------------------|----------------------|
| Salaries and wages | \$10,909,112 | \$569,321 | \$11,478,433 |
| Operating expenses | 2,731,582 | (820) | 2,730,762 |
| Capital assets | 0 | 967,500 | 967,500 |
| Judges' retirement | 80,764 | (80,764) | 0 |
| Guardianship monitoring program | <u>316,204</u> | <u>(42,188)</u> | <u>274,016</u> |
| Total general fund | \$14,037,662 | \$1,413,049 | \$15,450,711 |

Subdivision 2.

DISTRICT COURTS

| | <u>Base Level</u> | Adjustments or <u>Enhancements</u> | <u>Appropriation</u> |
|-----------------------|-------------------|---------------------------------------|----------------------|
| Salaries and wages | \$67,602,628 | \$6,165,108 | \$73,767,736 |
| Operating expenses | 20,881,207 | (455,005) | 20,426,202 |
| Capital assets | 0 | 189,852 | 189,852 |
| Judges' retirement | 343,290 | (63,678) | 279,612 |
| UND law school | <u>40,000</u> | <u>0</u> | <u>40,000</u> |
| Total all funds | \$88,867,125 | \$5,836,277 | \$94,703,402 |
| Less estimated income | <u>1,339,138</u> | <u>334,845</u> | <u>1,673,983</u> |
| Total general fund | \$87,527,987 | \$5,501,432 | \$93,029,419 |

Subdivision 3.

JUDICIAL CONDUCT COMMISSION AND DISCIPLINARY BOARD

| | <u>Base Level</u> | Adjustments or <u>Enhancements</u> | <u>Appropriation</u> |
|--|-------------------|---------------------------------------|----------------------|
|--|-------------------|---------------------------------------|----------------------|

Sixty-sixth
Legislative Assembly

| | | | |
|----------------------------------------------------|--------------------|-----------------|--------------------|
| Judicial conduct commission and disciplinary board | <u>\$1,174,822</u> | <u>\$90,223</u> | <u>\$1,265,045</u> |
| Total all funds | \$1,174,822 | \$90,223 | \$1,265,045 |
| Less estimated income | <u>482,701</u> | <u>25,998</u> | <u>508,699</u> |
| Total general fund | \$692,121 | \$64,225 | \$756,346 |

Subsection 4.

BILL TOTAL

| | <u>Base Level</u> | <u>Adjustments or Enhancements</u> | <u>Appropriation</u> |
|--------------------------------|-------------------|------------------------------------|----------------------|
| Grand total general fund | \$102,257,770 | \$6,978,706 | \$109,236,476 |
| Grand total special funds | <u>1,821,839</u> | <u>360,843</u> | <u>2,182,682</u> |
| Grand total all funds | \$104,079,609 | \$7,339,549 | \$111,419,158 |
| Full-time equivalent positions | 355.5 | 7.5 | 363 |

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

| <u>One-Time Funding Description</u> | <u>2017-19</u> | <u>2019-21</u> |
|-------------------------------------|--------------------|----------------|
| Office equipment and furniture | \$0 | \$82,500 |
| Information technology equipment | 0 | 114,852 |
| Supreme court law library remodel | 0 | 960,000 |
| DAPL loan proceeds | <u>1,500,000</u> | <u>0</u> |
| Total all funds | \$1,500,000 | \$1,157,352 |
| Less estimated income | <u>(1,500,000)</u> | <u>0</u> |
| Total general fund | \$0 | \$1,157,352 |

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The supreme court shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. 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, 2019, and ending June 30, 2021.

SECTION 4. TRANSFERS. The director of the office of management and budget and the state treasurer shall make such transfer of funds between line items of appropriation for the judicial branch of government as may be 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 judicial branch of government.

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 ~~fifty-two~~sixty thousand ~~four~~one hundred ~~thirty-six~~forty-nine dollars through June 30, ~~2016~~2020, and one hundred ~~fifty-seven~~sixty-three thousand ~~nine~~three hundred ~~fifty-two~~ dollars thereafter. The chief justice of the supreme court is entitled to receive an additional four thousand ~~three~~five hundred ~~seventy-seven~~ninety-eight dollars per annum through June 30, ~~2016~~2020, and four thousand ~~five~~six hundred ~~eight~~ninety 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 ~~thirty-nine~~forty-six thousand ~~six~~seven hundred ~~seventy-nine~~forty-six dollars through June 30, ~~2016~~2020, and one hundred ~~forty-three~~forty-nine thousand ~~eight~~six hundred ~~sixty-nine~~eighty-one dollars thereafter. 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 ~~thirty-five~~two hundred forty dollars per annum through June 30, ~~2016~~2020, and four thousand ~~one~~three hundred ~~fifty-six~~twenty-four dollars thereafter.