

ANALYSIS OF THE NEW JERSEY BUDGET

THE JUDICIARY

FISCAL YEAR

2006 - 2007

NEW JERSEY STATE LEGISLATURE

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THE JUDICIARY

Budget Pages..... C-16 C-24, C-31, C-33, C-35, D-471 to
D-479, H-25, H-31, H,32,

Fiscal Summary (\$000)

	Expended FY 2005	Adjusted. Appropriation FY 2006	Recommended FY 2007	Percent Change 2006-07
State Budgeted	\$537,712	\$571,750	\$571,750	—
Federal Funds	\$75,292	\$80,079	\$84,452	5.5%
<u>Other</u>	<u>\$50,616</u>	<u>\$55,792</u>	<u>\$54,883</u>	<u>(1.6%)</u>
Grand Total	\$663,620	\$707,621	\$711,085	.5%

Personnel Summary - Positions By Funding Source

	Actual FY 2005	Revised FY 2006	Funded FY 2007	Percent Change 2006-07
State	7,877	7,999	8,072	.9%
Federal	1,265	1,288	1,328	3.1%
<u>Other</u>	<u>229</u>	<u>255</u>	<u>295</u>	<u>15.7%</u>
Total Positions	9,371	9,542	9,695	1.6%

FY 2005 (as of December) and revised FY 2006 (as of September) personnel data reflect actual payroll counts. FY 2007 data reflect the number of positions funded

Key Points

- Recommended FY 2007 State funding for the Judiciary totals \$571.75 million, the same level of funding as the FY 2006 adjusted appropriation.
- A total of \$29.094 million is recommended for drug courts in FY 2007, the same amount of funding that was appropriated during FY 2006. This appropriation is divided into three distinct categories. Drug Court Operations is recommended to receive \$6.978 million, Drug Court Judgeships is recommended to receive \$1.498 million and Drug Court Treatment/Aftercare is recommended to receive \$20.618 million in FY 2007, the same amount appropriated in FY 2006. While the Judiciary would retain the \$8.466 million appropriated for operations and judicial positions, the remaining \$20.618 million would be transferred to the Division of Addiction Services within the Department of Human Services for treatment and aftercare services. Drug courts

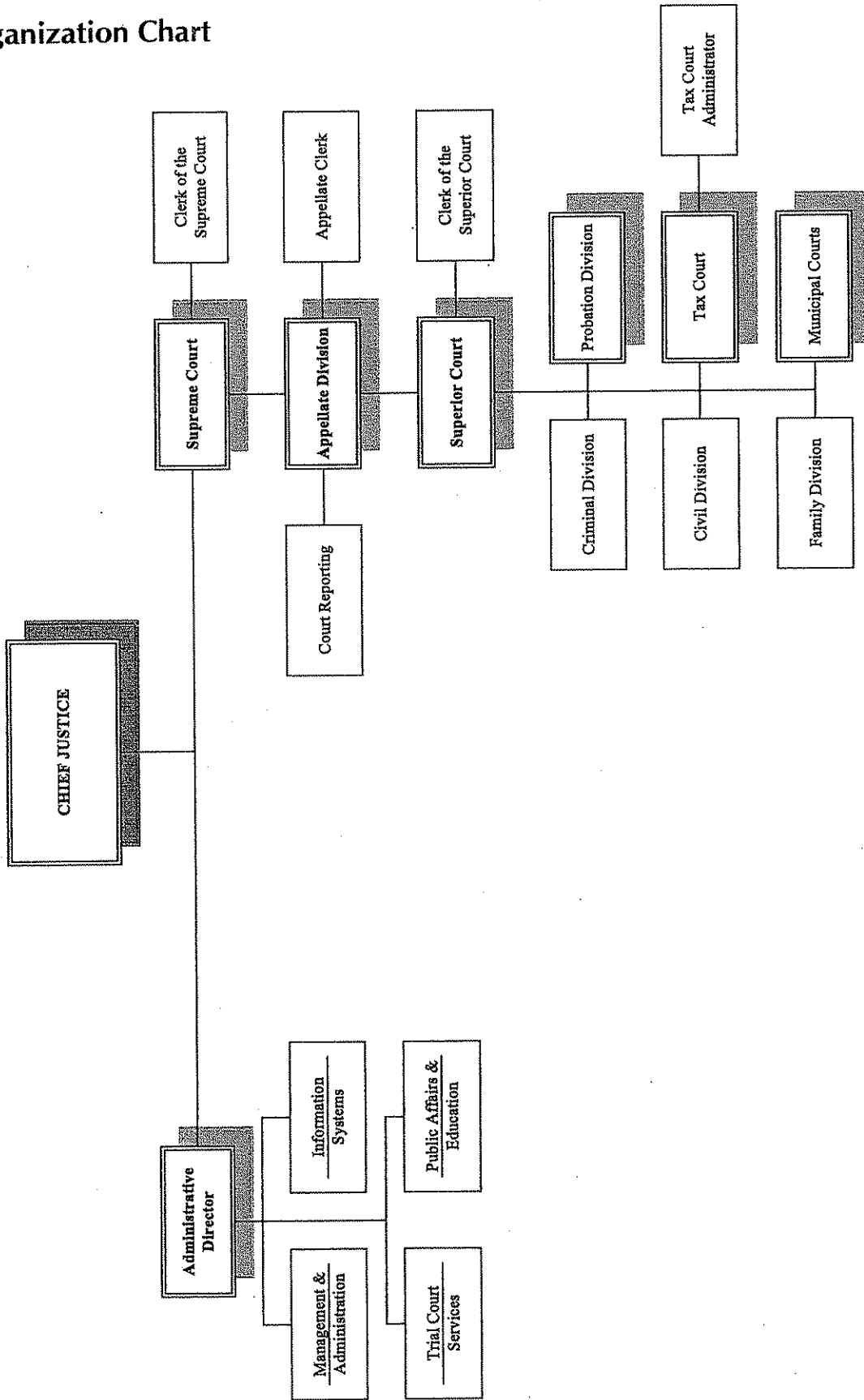
Key Points (Cont'd)

provide for intensive, court supervised substance abuse treatment for carefully screened non-violent, addicted offenders as an alternative to incarceration. In FY 2005, the Judiciary expanded the drug court program to all 15 vicinages.

- The Intensive Supervision Program (ISP) is recommended to receive \$11.63 million in FY 2007, the same amount as the FY 2006 adjusted appropriation. The ISP program places State-sentenced non-violent adult offenders in alternative, strictly supervised community programs after two months of incarceration. The program operates as an alternative to incarcerating non-violent offenders in the overpopulated State prison system, reserving prison bed spaces for violent offenders. During FY 2006, the program diverted 1,267 adult offenders from the State's prisons. Of these offenders, 486, or 38 percent, were returned to State prison for various infractions of the ISP regulations. The FY 2007 recommended appropriation would support 1,267 program participants.
- P.L.2002, c.34 provided for an increase in a number of judicial court fees and provides that revenue derived from fee increases be deposited in a non-lapsing "Court Technology Improvement Fund". This dedicated fund was established to be used for the development, establishment, operation and maintenance of computerized court information systems in the Judiciary. The budget recommendation estimates that \$12.7 million will be collected for this purpose in FY 2007, \$200,000 less than is anticipated in FY 2006.
- The Judiciary anticipates the receipt of \$84.5 million in Federal funding in FY 2007, an increase of \$4.4 million or 5.5 percent over the FY 2006 adjusted appropriation of \$80.1 million. The increase primarily constitutes growth in Federal matching funds for the Title IV-D Paternity program in both the Family and Probation Divisions. The program, established in 1975, is a Federal/State partnership whose primary mission is to enforce child support obligations against non-custodial parents. Under Title IV-D, the Federal government reimburses the State and counties for 66.7 percent of the cost of conducting child support enforcement activities.
- The Kinship Legal Guardianship Program is recommended to receive \$3.361 million in FY 2007, the same level of funding as that received in FY 2006. P.L.2001, c.250 established the Kinship Legal Guardianship program and created seven additional Superior Court Judgeships to administer the program. The program provides for the needs of children who cannot reside with parents due to their parents' incapacity or inability to care for them, but does not entirely sever parental contact or responsibilities. It designates as kinship legal guardians care givers who have a biological, legal, extended or committed emotional or psychological relationship with a child and who are willing to assume care of the child with the intent to raise the child to adulthood. A kinship legal guardian is responsible for the care and protection of the child and for providing for the child's health, education and maintenance, while the child's parents retain the right to visitation and the right to consent to adoption. Parents are also obligated to pay child support.
- The Judiciary has historically received authorization to carry forward unexpended balances into the following fiscal year. FY 2007 recommended budget language would permit the re-appropriation of up to \$3 million in unexpended balances from FY 2006 subject to the approval of the Director of the Division of Budget and Accounting.

Organization Chart

THE JUDICIARY



Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 2005	Adj. Approp. FY 2006	Recom. FY 2007	Percent Change	
				2005-07	2006-07
General Fund					
Direct State Services	\$537,212	\$571,750	\$571,750	6.4%	0.0%
Grants-In-Aid	500	0	0	(100.0%)	0.0%
State Aid	0	0	0	0.0%	0.0%
Capital Construction	0	0	0	0.0%	0.0%
Debt Service	0	0	0	0.0%	0.0%
Sub-Total	\$537,712	\$571,750	\$571,750	6.3%	0.0%
Property Tax Relief Fund					
Direct State Services	\$0	\$0	\$0	0.0%	0.0%
Grants-In-Aid	0	0	0	0.0%	0.0%
State Aid	0	0	0	0.0%	0.0%
Sub-Total	\$0	\$0	\$0	0.0%	0.0%
Casino Revenue Fund	\$0	\$0	\$0	0.0%	0.0%
Casino Control Fund	\$0	\$0	\$0	0.0%	0.0%
State Total	\$537,712	\$571,750	\$571,750	6.3%	0.0%
Federal Funds	\$75,292	\$80,079	\$84,452	0.0%	0.0%
Other Funds	\$50,616	\$55,792	\$54,883	0.0%	0.0%
Grand Total	\$663,620	\$707,621	\$711,085	7.2%	0.5%

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2005	Revised FY 2006	Funded FY 2007	Percent Change	
				2005-07	2006-07
State	7,877	7,999	8,072	2.5%	0.9%
Federal	1,265	1,288	1,328	5.0%	3.1%
All Other	229	255	295	28.8%	15.7%
Total Positions	9,371	9,542	9,695	3.5%	1.6%

FY 2005 (as of December) and revised FY 2006 (as of September) personnel data reflect actual payroll counts. FY 2007 data reflect the number of positions funded.

AFFIRMATIVE ACTION DATA

Total Minority Percent	35.1%	35.5%	35.6%	—	—
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Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2006</u>	<u>Recomm.</u> <u>FY 2007</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
DIRECT STATE SERVICES					
Child Support and Paternity Title IV-D (Family Court)	\$9,957	\$11,071	\$ 1,114	11.2%	D-477
Child Support and Paternity Title IV-D (Probation)	\$26,219	\$23,197	(\$3,022)	50.5%	D-477
Child Support and Paternity Title IV-D (Trial)	0	\$1,908	\$ 1,908	—	D-477
TOTAL	\$36,176	\$36,176	0	—	

The FY 2007 recommendation for the various divisions' Child Support and Paternity Title IV-D programs represents a reallocation of funding among the divisions to better reflect program expenditures. The program, established in 1975, is a Federal/State partnership whose primary mission is to enforce child support obligations against non-custodial parents. No increase is recommended for the program in FY 2007.

FEDERAL FUNDS

Family Courts	\$19,084	\$26,822	\$ 7,738	40.5%	D-478
Probation Services	\$60,545	\$53,178	(\$7,367)	(12.2%)	D-478
Trial Court Services	\$0	\$4,002	\$ 4,002	—	D-478
TOTAL	\$79,629	\$84,002	\$ 4,373	5.5%	D-478

The anticipated FY 2007 increase in Federal Funds consists entirely of an increase in the Title IV-D Child Support and Paternity Program. The program, established in 1975, is a Federal/State partnership whose primary mission is to enforce child support obligations against non-custodial parents. Under Title IV-D, the federal government reimburses the State and counties for 66.7 percent of the cost of conducting child support activities. The program is recommended to receive \$83.167 million in FY 2007, an increase of \$4.373 million over the FY 2006 appropriation. The increase represents the federal portion of the increase in salaries and fringe benefits costs.

Federal funds are also anticipated in FY 2007 totaling \$475,000 for the New Jersey State Court Improvement Grant, and \$360,000 for the State Access and Visitation program, the same level of funding received by these programs in FY 2006. The New Jersey State Court Improvement grant is intended to help State courts perform their role in the continuum of care provided for families and children at risk. The State Access and Visitation Program began in FY 1997. The program enables states to establish and administer programs to support and facilitate non-custodial parents' access to and visitation of their children.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2006</u>	<u>Recomm.</u> <u>FY 2007</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
ALL OTHER FUNDS					
Supreme Court	\$13,665	\$14,747	\$ 1,082	7.9%	D-478

The Supreme Court oversees operation of several self-funded activities. The Bar Admissions Financial Committee is funded through a fee charged to all applicants to the New Jersey Bar and revenues reflect the number of applicants. The Judiciary anticipates FY 2007 collections of \$3.144 million for this program, a \$169,000, or 5.7 percent increase over the FY 2006 collection level of \$2.975 million.

The Board on Attorney Certification is self-funded by fees charged to attorneys seeking certification in Civil Trial, Criminal Trial, Matrimonial Law and Workers Compensation Law in New Jersey. The FY 2007 income for this program is expected to increase from the FY 2006 level of \$287,000 to \$301,000, a \$14,000 or 4.9 percent increase.

The Ethics Financial Committee and the New Jersey Lawyers Fund for Client Protection are funded through assessments charged to all practicing attorneys. The Ethics Financial Committee is expected to increase collections by \$789,000, from \$8.815 million in FY 2006 to \$9.604 million in FY 2007, a 9 percent increase. The New Jersey Lawyers Fund for Client Protection is projected to collect \$1.698 million in FY 2007, a 6.9 percent increase over the FY 2006 collections of \$1.588 million.

Civil Courts	\$1,990	\$2,206	\$ 216	10.9%	D-478
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The FY 2007 budget estimates that the Superior Court Trust Fund will collect \$756,000 in FY 2007, an increase of \$216,000 over the FY 2006 adjusted appropriation of \$540,000. The Superior Court Trust Fund consists of deposits made into court as a result of various actions such as foreclosures, condemnations, liquidations and dissolutions.

The Special Civil Part, Certified Mailers fund is estimated to collect \$1.45 million in FY 2007, the same amount collected in FY 2006. The fund provides for reimbursement to the trial courts for postage and printing costs incurred in sending out Special Civil Part service of process via certified mailers.

Municipal Courts	\$23,113	\$21,006	(\$2,107)	(9.1%)	D-478
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The major portion of the anticipated reduction represents reduced collections from the Statewide Automated Traffic System (ATS). The ATS is anticipated to collect \$21 million in FY 2007, \$2.1 million less than the FY 2006 collections of \$23.1 million. The ATS system records all traffic violation matters in most of the State's municipal courts, and facilitates exchange of information with law enforcement agencies and the Motor Vehicle Commission. The remaining \$7,000 reduction in this account represents decreased collections for the Municipal Court Administrator Certification Program.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2006</u>	<u>Recomm.</u> <u>FY 2007</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
Probation Services	\$2,800	\$2,900	\$ 100	3.6%	D-478

The recommended increase reflects growth in collections for the Comprehensive Enforcement Program. The program is anticipated to increase collections by \$100,000 in FY 2007 from \$2.3 million to \$2.4 million. The Comprehensive Enforcement Program (P.L.1995, c.9), provides for the enforcement of court orders and oversees the collection of court ordered fines, assessments, surcharges and judgments in the civil, criminal and family divisions, and Tax Court. In addition, municipal courts may request that any matters not resolved in accordance with their courts be transferred to the Comprehensive Enforcement Program. By statute, the Judiciary is permitted to deduct 25 percent of all funds collected through the program, (except for victim restitution and for Victim of Crime Compensation Board (VCCB) assessments) for deposit in the Comprehensive Enforcement Program Fund. The remaining 75 percent of the collections are paid to the agencies and individuals to whom these funds are owed.

The remaining portion of this recommendation reflects the Court Computerized Collection Fund which is anticipated to collect \$500,000 in FY 2007, the same amount of revenue as it had in FY 2006. The Court Computerized Collections Program, which was authorized under P.L.1992, c.169 permits the Administrative Office of the Courts to impose a transaction fee on all persons sentenced to probation every time they make a payment toward court-ordered fines, Victims of Crime Compensation Board (VCCB) assessments, Drug Enforcement Demand Reduction (DEDR) penalties, forensic lab fees and restitution awards. These transaction fees are then deposited into the Court Computerized Collections Fund, and used to automate and improve the Judiciary's collections operation.

Information Services	\$13,824	\$13,624	(\$ 200)	(1.4%)	D-478
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P.L.2002, c.34 provided for an increase in a number of judicial court fees and provides that revenue derived from fee increases be deposited in a non-lapsing Court Technology Improvement Fund. This dedicated fund was established to be used for the development, establishment, operation and maintenance of computerized court information systems in the Judiciary. The budget recommendation estimates that \$12.7 million will be collected for this purpose in FY 2007, \$200,000 less than is anticipated in FY 2006.

Language Provisions

There are no language changes for the Judiciary.

Discussion Points

1. The FY 2007 budget recommends that the Judiciary receive \$36.176 million in Direct State Services funding for the Child Support and Paternity Title IV-D Program, the same level of funding that it received in FY 2006. The Judiciary anticipates the receipt of \$83.167 million in federal funding for the program in FY 2007. This constitutes an increase of \$4.373 million over last year's federal funding appropriation of \$78.794 million.

- **Question:** Since under the Child Support and Paternity Title IV-D program State matching funds are needed in order to be eligible for federal funding, how does the Judiciary anticipate that it will be able to collect the increase in federal funding with no concurrent increase in the State match?

2. The Judiciary issued a Strategic Plan for its Information Technology in 2001 and updated it in 2003.

- **Question:** Please outline the status of the Judiciary's progress in implementing its Information Technology Strategic Plan. What major milestones have been met? What difficulties have you encountered? When does the Judiciary anticipate that the plan will be fully implemented? What has been spent to date? What is the estimated cost of full implementation of the Plan?

3. The FY 2005 budget included funds to fully implement Drug Courts in each of the 15 vicinages. Prior to this, drug courts were operational in only a portion of the State's vicinages.

- **Question:** Please comment on the current status of the program. What progress have you made in treating drug court offenders? How many offenders have been referred to drug courts to date? What is the success rate of program graduates? How many have re-offended? Please comment on the future needs of the drug court program.

4. In its mission statement, the Judiciary indicates that one of its goals is to "provide equal access to a fair and effective system of justice for all without excess cost, inconvenience, or delay, with sensitivity to an increasingly diverse society." Often, the court house and the services provided therein constitute the main contact that New Jersey's citizens have with their government. The Judiciary recently expanded its ombudsman program in the vicinages to assist individuals in their interactions with the courts.

- **Question:** What efforts have been implemented to improve public access to the courts? In light of the increasingly diverse population of New Jersey, how do the courts accommodate the physically handicapped, blind, hearing impaired and those requiring translation services?

5. There are a number of bills pending in the legislature to establish specialized courts (i.e. Medical Malpractice Courts, Land Use Courts, Mental Health Courts, Gun Courts, Business Courts).

- **Question:** What is the Judiciary's view of specialized courts? Has there been a review of the use of specialized courts in other states that support this current view?

Discussion Points (Cont'd)

6. The Judiciary's Family Courts have jurisdiction over all cases involving family issues. Among these are divorce and child support award issues. The Division of Probation Services is responsible for administering the child support enforcement operation as well as for collecting all court imposed financial obligations.

- **Question:** What progress has been made to improve the efficiency and convenience of the collection and distribution of child support payments? In the collection of other court imposed financial obligations?

7. Over the past several years the Judiciary has upgraded its court rooms to include audio and video recording technology to produce official records of court proceedings, and the use of court reporters has declined. Advances in court reporting technology have promulgated the use of "real time" court reporting allowing the immediate production of court transcripts.

- **Question:** How many court reporters does the Judiciary currently have on staff? How many of these reporters are trained in the "real time" court reporting technology? What are the Judiciary's plans for the continued use of court reporters? Is it anticipated that audio and video technology will eventually replace court reporters?

8. The Judiciary reports significant progress in reducing the number of cases in backlog, citing a 54 percent reduction in backlog from 2000-2005 (Budget Page D-471). The National Center for State Courts includes case clearance rates as one of its 10 core State Court performance measures. Two other core performance measures are: time to disposition of cases; and age of active pending caseload. Both of these measures evaluate the timeliness of case disposal.

- **Question:** What is the performance of the State Court system over the past five years in the disposition of cases and age of active pending caseload, respectively? What steps have been taken to improve performance in these areas? What obstacles remain to more satisfactory performance in this area?

9. The FY 2007 Budget in Brief states that "recent audits of State benefit programs have uncovered numerous repeat claims, suggesting that the availability of dual programs for sick leave and work-related injuries encourages fraud and abuse". The FY 2007 budget recommends the elimination of the Sick Leave Injury program for a potential savings of \$3 million. Sick Leave Injury is a salary continuation program that provides full pay to employees for one year after being injured on the job.

- **Question:** How many Judiciary employees are currently on Sick Leave Injury status? How many employees have made use of the sick leave injury program during the past three fiscal years? What is the salary cost? What impact would the elimination of this benefit have on the Judiciary's average caseload and overtime expenditures?

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Individuals wishing information and committee schedules on the FY 2007 budget are encouraged to contact:

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