



ANALYSIS OF THE NEW JERSEY BUDGET

THE JUDICIARY

FISCAL YEAR

2007 - 2008

NEW JERSEY STATE LEGISLATURE

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

Bernard F. Kenny, Jr. (D), 33rd District (Part of Hudson), *Chairman*
Sharpe James (D), 29th District (Parts of Essex and Union), *Vice-Chairman*
Nicholas Asselta (R), 1st District (Cape May and parts of Atlantic and Cumberland)
Martha W. Bark (R), 8th District (Part of Burlington)
Anthony R. Bucco (R), 25th District (Part of Morris)
Barbara Buono (D), 18th District (Part of Middlesex)
Joseph Coniglio (D), 38th District (Part of Bergen)
Joseph V. Doria, Jr. (D), 31st District (Part of Hudson)
Walter J. Kavanaugh (R), 16th District (Parts of Morris and Somerset)
Leonard Lance (R), 23rd District (Warren and part of Hunterdon)
Robert E. Littell (R), 24th District (Sussex and parts of Hunterdon and Morris)
Paul A. Sarlo (D), 36th District (Parts of Bergen, Essex and Passaic)
Stephen M. Sweeney (D), 3rd District (Salem and parts of Cumberland and Gloucester)
Shirley K. Turner (D), 15th District (Part of Mercer)
Joseph F. Vitale (D), 19th District (Part of Middlesex)

GENERAL ASSEMBLY BUDGET COMMITTEE

Louis D. Greenwald (D), 6th District (Part of Camden), *Chairman*
William D. Payne (D), 29th District (Parts of Essex and Union), *Vice-Chairman*
Francis J. Blee (R), 2nd District (Part of Atlantic)
John J. Burzichelli (D), 3rd District (Parts of Salem, Cumberland, and Gloucester)
Joseph Cryan (D), 20th District (Part of Union)
Joseph R. Malone III (R), 30th District (Parts of Burlington, Mercer, Monmouth and Ocean)
Alison Littell McHose (R), 24th District (Sussex and parts of Hunterdon and Morris)
Kevin J. O'Toole (R), 40th District (Parts of Bergen, Essex and Passaic)
Joan M. Quigley (D), 32nd District (Parts of Bergen and Hudson)
Gary S. Schaer (D), 36th District (Parts of Bergen, Essex and Passaic)
Alfred E. Steele (D), 35th District (Parts of Mercer and Middlesex)
Joseph Vas (D), 19th District (Part of Middlesex)

OFFICE OF LEGISLATIVE SERVICES

David J. Rosen, *Legislative Budget and Finance Officer*
Frank W. Haines III, *Assistant Legislative Budget and Finance Officer*

Glenn E. Moore, III, *Director, Central Staff*
Patricia K. Nagle, *Section Chief, Commerce, Judiciary Section*

This report was prepared by the Judiciary Section of the Office of Legislative Services under the direction of the Legislative Budget and Finance Officer. The primary author was Anne C. Raughley.

Questions or comments may be directed to the OLS Judiciary Section (609-292-5526) or the Legislative Budget and Finance Office (609-292-8030).

THE JUDICIARY

Budget Pages..... B-35, C-13, C-21, C-28, C-31, C-33, D-497 to D-506, F-2, H-3, H-32

Fiscal Summary (\$000)

	Expended FY 2006	Adjusted Appropriation FY 2007	Recommended FY 2008	Percent Change 2007-08
State Budgeted	\$556,607	\$597,398	\$594,398	(.5%)
Federal Funds	\$77,067	\$84,002	\$92,503	10.1%
<u>Other</u>	<u>\$53,279</u>	<u>\$54,883</u>	<u>\$59,223</u>	<u>7.9%</u>
Grand Total	\$686,953	\$736,283	\$746,124	1.3%

Personnel Summary - Positions By Funding Source

	Actual FY 2006	Revised FY 2007	Funded FY 2008	Percent Change 2007-08
State	8,008	7,936	8,099	2.1%
Federal	1,279	1,283	1,334	4.0%
<u>Other</u>	<u>259</u>	<u>259</u>	<u>288</u>	<u>11.2%</u>
Total Positions	9,546	9,478	9,721	2.6%

FY 2006 (as of December) and revised FY 2007 (as of September) personnel data reflect actual payroll counts. FY 2008 data reflect the number of positions funded

Key Points

- Recommended FY 2008 State funding for the Judiciary totals \$594.4 million, 0.5 percent less than the Judiciary's FY 2007 adjusted appropriation.
- FY 2008 recommended budget language would increase the salaries of Supreme Court Justices, Superior Court Judges and Tax Court Judges by 5.7 percent. The cost of these recommended increases is about \$3.8 million in higher judges salaries, plus other costs as indicated below.
- The proposed increases in the salaries of Superior Court Judges would increase pay for individuals not in the Judicial branch. The salaries of Workers' Compensation Judges and Administrative Law Judges would be increased since these salaries are statutorily tied to a percentage of Superior Court Judges' salaries. Therefore, the salaries of the Director/Chief Workers' Compensation Judge will be increased from \$125,490 to \$132,610 and Workers' Compensation Judges with three years of experience will be

Key Points (Cont'd)

increased from \$119,850 to \$126,650 (N.J.S.A.34:15-49). The salaries of the Director/Chief Administrative Law Judge will increase from \$125,490 to \$132,610 (N.J.S.A.52:14F-3) and Administrative Law Judges with three years of experience from \$119,850 to \$126,650 (N.J.S.A.52:14F-4). The cost of increasing the salaries of Administrative Law Judges and Workers' Compensation Judges would total \$626,000 in additional salary costs.

- P.L.2001, c.370 requires that the following positions be compensated at not less than 65 percent of the annual salary of a Judge of the Superior Court: county surrogates (N.J.S.A.2B:14-3); county clerks (N.J.S.A.40A:9-76); registers of deeds and mortgages (N.J.S.A.40A:9-92); and sheriffs (N.J.S.A.40A:9-104). As a result of increasing Superior Court Judges salaries as recommended, the budget would increase these minimum salaries from not less than \$91,650 to not less than \$96,850. It is unknown how many county officials would be entitled to compensation increases, or by what amounts. The budget makes no provision for funding any such increases.
- The FY 2007 adjusted appropriation for Services Other Than Personal includes a one-time \$3 million anticipated supplemental appropriation for the NJKIDS child support collection program. As of April 1, 2007, this supplemental appropriation had not been approved. NJKIDS replaces the Judiciary's Automated Child Support Enforcement System (ACSES) with a new state of the art system that will meet the requirements of the Title IV-D Program, Office of Child Support Services (OCSS), Department of Human Services (DHS), Division of Family Development (DFD) and the families served.
- A total of \$32.236 million is recommended for drug courts in FY 2008, \$2.733 million more than the FY 2007 adjusted appropriation. This appropriation is divided into three distinct categories: Treatment/Aftercare; Operations and Judgeships. While the Judiciary would retain the \$11.618 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 provide for intensive, court supervised substance abuse treatment for carefully screened non-violent, addicted offenders as an alternative to incarceration.
- Drug Court Operations are recommended to receive \$10.0 million, \$2.6 million more than FY 2007 adjusted appropriation of \$7.4 million. The increase is required to support the increased case load of the drug courts. Budget evaluation data indicate that the number of participants will grow from 3,250 in FY 2007 to 3,906 in FY 2008, an increase of 656 offenders.
- Drug Court Judgeships are recommended to receive \$1.612 million in FY 2008, an increase of \$114,000 over the FY 2007 adjusted appropriation of \$1.498 million. The increase is intended to fund judicial salary increases authorized under recommended FY 2008 language provisions (Budget page D-506).
- The Family Crisis Intervention program is recommended to receive \$1.076 million in FY 2008, the same amount receive in FY 2007. In FY 2006 it was determined that this program did not fall within the mission of the New Jersey Court system. Thus, management of the program was transitioned to the Juvenile Justice Commission (JJC). Under the Family Crisis statutes (which date back to the 1980's) the funds are

Key Points (Cont'd)

appropriated to the Administrative Office of the Courts (AOC). The AOC, in turn has been providing funds to the JJC for the past two years. The program, which had been funded under the Judiciary's general appropriation during the past, has been broken out into a special purpose account to facilitate the transfer of this funding to the Juvenile Justice Commission.

- The Kinship Legal Guardianship Program is recommended to receive \$3.467 million in FY 2008, \$56,000 more than the amount received in FY 2007. The increase is intended to fund the growth in salary and fringe benefits costs. 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 Intensive Supervision Program (ISP) is recommended to receive \$12.17 million in FY 2008, the same amount as the FY 2007 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 2007, the program diverted 1,247 adult offenders from the State's prisons. Of these offenders, 429, or 34 percent, were returned to State prison for various infractions of the ISP regulations. The FY 2008 recommended appropriation would support 1,247 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". The fund was established as a dedicated fund to be used for the development, establishment, operation and maintenance of computerized court information systems in the Judiciary. The budget recommendation estimates that \$12.3 million will be collected for this purpose in FY 2008, \$400,000 less than is anticipated in FY 2007.
- The Judiciary anticipates the receipt of \$92.5 million in Federal funding in FY 2008, an increase of \$8.5 million or 10.1 percent over the FY 2007 adjusted appropriation of \$84 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.

Key Points (Cont'd)

- The Judiciary has historically received authorization to carry forward unexpended balances into the following fiscal year. FY 2008 recommended budget language would permit the re-appropriation of up to \$3 million in unexpended balances from FY 2007 subject to the approval of the Director of the Division of Budget and Accounting.

Background paper

- Judicial Compensation p.14

Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 2006	Adj. Approp. FY 2007	Recom. FY 2008	Percent Change	
				2006-08	2007-08
General Fund					
Direct State Services	\$556,607	\$597,398	\$594,398	6.8%	(0.5%)
Grants-In-Aid	0	0	0	0.0%	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	\$556,607	\$597,398	\$594,398	6.8%	(0.5%)
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	\$556,607	\$597,398	\$594,398	6.8%	(0.5%)
Federal Funds	\$77,067	\$84,002	\$92,503	20.0%	10.1%
Other Funds	\$53,279	\$54,883	\$59,223	11.2%	7.9%
Grand Total	\$686,953	\$736,283	\$746,124	8.6%	1.3%

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2006	Revised FY 2007	Funded FY 2008	Percent Change	
				2006-08	2007-08
State	8,008	7,936	8,099	1.1%	2.1%
Federal	1,279	1,283	1,334	4.3%	4.0%
All Other	259	259	288	11.2%	11.2%
Total Positions	9,546	9,478	9,721	1.8%	2.6%

FY 2006 (as of December) and revised FY 2007 (as of September) personnel data reflect actual payroll counts. FY 2008 data reflect the number of positions funded.

AFFIRMATIVE ACTION DATA

Total Minority Percent	35.5%	37.0%	37.0%	—	—
------------------------	-------	-------	-------	---	---

Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2007</u>	<u>Recomm.</u> <u>FY 2008</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
Personal Services					
Chief Justice	\$164	\$173	\$ 9	5.5%	D-504
Associate Justices	\$951	\$1,005	\$ 54	5.7%	D-504
Judges	\$61,295	\$64,718	\$ 3,423	5.6%	D-504
Salaries and Wages	\$397,557	\$391,282	(\$6,275)	(1.6%)	D-504
TOTAL PERSONAL SERVICES	\$459,967	\$457,178	(\$2,789)	(.6%)	D-504

The FY2008 reduction represents a reallocation of funding from the Judiciary's Salaries and Wages account to the Judicial Salaries, the Drug Court and the Kinship Legal Guardianship accounts. Recommended FY 2008 budget language would increase all judges' salaries (Budget page D-506). Judges' salaries were raised to their current level in 2002 under P.L.1999, c.380. The sum of \$3.6 million was allocated from various salary accounts to the judges' salary accounts to fund the increases. The sum of \$2.619 million was reallocated to the Drug Court Operations account to fund the growing needs of the program. Drug Court caseloads are growing and the program guideline specify 50 cases per probation officer. An additional \$56,000 was transferred to the Kinship Legal Guardianship program to fund the growth in salary and fringe benefits costs.

Services Other Than

Personal	\$35,423	\$32,423	(\$3,000)	(8.5%)	D-504
-----------------	-----------------	-----------------	------------------	----------------	--------------

The FY 2007 adjusted appropriation for Services Other Than Personal includes a one-time \$3 million anticipated supplemental appropriation for the NJKIDS child support collection program. As of April 1, 2007, this supplemental appropriation had not been approved. NJKIDS replaces the Judiciary's Automated Child Support Enforcement System (ACSES) with a new state of the art system that will meet the requirements of the Title IV-D Program, Office of Child Support Services (OCSS), Department of Human Services (DHS), Division of Family Development (DFD) and the families served.

Drug Court

Treatment/Aftercare	\$20,618	\$20,618	0	—	D-504
Drug Court Operations	\$7,387	\$10,006	\$ 2,619	35.5%	D-504
Drug Court Judgeships	\$1,498	\$1,612	\$ 114	7.6%	D-504
TOTAL DRUG COURTS	\$29,503	\$32,236	\$ 2,733	9.3%	

The FY 2008 recommendation for Drug Courts would provide an additional \$2.6 million for Drug Court Operations to support the increased case load of the drug courts, and \$114,000 for increased salaries for Drug Court Judges. Budget evaluation data indicate that the number of participants will grow from 3,250 in FY 2007 to 3,906 in FY 2008, an increase of 656 offenders. The Drug Court Program is intended to divert certain drug offenders from the State

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2007</u>	<u>Recomm.</u> <u>FY 2008</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
--------------------	---------------------------------------	----------------------------------	--------------------------------	---------------------------------	------------------------------

prison system and into treatment programs, thereby reducing the demand for State prison bed spaces.

FEDERAL FUNDS

Family Courts	\$26,822	\$31,554	\$ 4,732	17.6%	D-504
----------------------	-----------------	-----------------	-----------------	--------------	--------------

Of the recommended FY 2008 increase, \$4.032 million is attributable to 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 increase represents the federal portion of the growth in salaries and fringe benefits costs.

The balance of the recommended increase totals \$700,000 for the New Jersey State Court Improvement Grant, which is anticipated at \$1.175 million in FY 2008.

Probation Services	\$53,178	\$56,399	\$ 3,221	6.1%	D-504
Trial Court Services	\$4,002	\$4,550	\$ 548	13.7%	D-504
TOTAL Probation and Trial Court	\$57,180	\$60,949	\$ 3,769	6.6%	

The anticipated FY 2008 increase in federal funds in both Probation Services and Trial court Services 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. Probation Services, Trial Court Services and Family Court are recommended to receive \$60.949 million in FY 2008, an increase of \$3.769 million over the FY 2007 appropriation. The increase represents the federal portion of the growth in salaries and fringe benefits costs.

OTHER FUNDS

Supreme Court	\$14,747	\$16,032	\$ 1,285	8.7%	D-505
----------------------	-----------------	-----------------	-----------------	-------------	--------------

The Supreme Court oversees operation of several revenue-supported 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 to the New Jersey Bar. The Judiciary anticipates FY 2008 collections of \$3.461 million for this program, a \$317,000, or 10 percent increase over the FY 2007 collection level of \$3.144 million.

The Board on Attorney Certification is funded by fees charged to attorneys seeking certification in Civil Trial, Criminal Trial, Matrimonial Law and Workers Compensation Law in New Jersey. The FY 2008 income for this program is expected to increase from the FY 2007 level of \$301,000 to \$326,000, a \$25,000 or 8.3 percent increase.

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2007</u>	<u>Recomm. FY 2008</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
--------------------	---------------------------------	----------------------------	--------------------------	---------------------------	------------------------

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 \$764,000, from \$9.604 million in FY 2007 to \$10.368 million in FY 2008, an 8 percent increase. The New Jersey Lawyers Fund for Client Protection is projected to collect \$1.877 million in FY 2007, a 10.5 percent increase over the FY 2007 collections of \$1.698 million.

All resource increases as cited above are allocated for salary and fringe benefits costs.

Civil Courts	\$2,206	\$2,760	\$ 554	25.1%	D-505
---------------------	----------------	----------------	---------------	--------------	--------------

The FY 2008 budget estimates that the Superior Court Trust Fund will collect \$760,000 in FY 2008, an increase of \$4,000 over the FY 2007 adjusted appropriation of \$756,000. The Superior Court Trust Fund consists of deposits made into court as a result of various actions such as foreclosures, condemnations, liquidations, dissolutions, good faith deposits by insurers, sales of infants' lands, insolvencies, receiverships and interpleaders.

The Special Civil Part, Certified Mailers fund is estimated to collect \$2 million in FY 2008, \$550,000, or 38.9 percent more than the amount collected in FY 2007. 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	\$21,006	\$23,015	\$ 2,009	9.6%	D-505
-------------------------	-----------------	-----------------	-----------------	-------------	--------------

The major portion of the anticipated increase in the Municipal Courts Other Funds represents higher collections from the Statewide Automated Traffic System (ATS). The ATS is anticipated to collect \$23 million in FY 2007, \$2 million, or 9.6 percent more than the FY 2007 collections of \$21 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 \$9,000 increase in this account represents increased collections for the Municipal Court Administrator Certification Program.

Probation Services	\$2,900	\$3,200	\$ 300	10.3%	D-505
---------------------------	----------------	----------------	---------------	--------------	--------------

The recommended increase reflects growth in collections for the Comprehensive Enforcement Program. The program is anticipated to increase collections by \$300,000 in FY 2008 from \$2.4 million to \$2.7 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 assessments) for deposit in

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2007</u>	<u>Recomm.</u> <u>FY 2008</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
--------------------	---------------------------------------	----------------------------------	--------------------------------	---------------------------------	------------------------------

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 2008, the same amount of revenue as it had in FY 2007. 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	\$13,624	\$13,816	\$ 192	1.4%	D-505
-----------------------------	-----------------	-----------------	---------------	-------------	--------------

The FY2008 recommendation for Information Services provides an estimated increase of \$592,000 for the Electronic Access to Court Records program. P.L.1994, c.54 authorized the Administrative Office of the Courts to develop and operate a computer system which allows electronic access to court information and allows the public to file court documents electronically. The Court Records Inquiry System makes available through electronic access, case and judgment information on the Civil Automated Case Management System. The system charges a user fee and is self-supporting. The program is anticipated to collect \$1 million in FY 2008.

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. The fund was established as a dedicated fund to be used for the development, establishment, operation and maintenance of computerized court information systems in the Judiciary. The budget recommendation estimates that \$12.3 million will be collected for this purpose in FY 2008, \$400,000 less than is anticipated in FY 2007.

Language Provisions

2007 Appropriations Handbook

No comparable Language

2008 Budget Recommendations

p. D-506

Notwithstanding the provision of N.J.S.A. 2B:2-4, or any other law or regulation to the contrary, the amounts appropriated hereinabove for payment of judicial salaries shall be subject to the condition that, for Fiscal Year 2008, the annual salaries provided by law for justices and judges, pursuant to Article VI, Section VI, paragraph 6 of the New Jersey State Constitution shall be as follows:

Chief Justice of the Supreme Court - \$173,569

Associate Justice of the Supreme Court - \$167,493

Judge of the Superior Court, Appellate Division - \$158,511

Judge of the Superior Court, Assignment Judge - \$155,076

Judge of the Superior Court - \$149,000

Judge of the Tax Court - \$149,000

Explanation

The recommended language would increase the salaries of Supreme Court Justices, Superior Court Judges and Tax Court Judges by about 5.7 percent.

As a result of the proposed increases in the salaries of Superior Court Judges, the salaries of Workers' Compensation Judges and Administrative Law Judges would also be increased since their salaries are statutorily tied to a percentage of Superior Court Judges' salaries. Therefore, the salaries of the Director/Chief Workers' Compensation Judge will be increased from \$125,490 to \$132,610 and tenured Workers' Compensation Judges with three years of experience will be increased from \$119,850 to \$126,650 (N.J.S.A.34:15-49). The salaries of the Director/Chief Administrative Law Judge will increase from \$125,490 to \$132,610 (N.J.S.A.52:14F-3) and Administrative Law Judges with three years of experience from \$119,850 to \$126,650 (N.J.S.A.52:14F-4).

In addition, the enactment of P.L.2001, c.370 requires that the following positions be compensated at not less than 65 percent of the annual salary of a Judge of the Superior Court: county surrogates (N.J.S.A.2B:14-3); county clerks (N.J.S.A.40A:9-76); registers of deeds and mortgages (N.J.S.A.40A:9-92); and sheriffs (N.J.S.A.40A:9-104). This language would thus increase these salaries from a minimum of \$91,650 to not less than \$96,850. It is unknown how many county officials would be entitled to compensation increases or by what amounts. The budget makes no provision for funding any increases that might be mandated for county officials.

Discussion Points

1. Recommended FY 2008 budget language authorizes increases in judges' salaries, the first salary increase since 2002. A total of \$3.6 million is recommended in various accounts to fund these salary increases. Funding for the increases has been obtained by transferring monies from the general salary accounts within the Judiciary to the judges' salary accounts.

- **Question:** Why are these salary increases proposed within the annual appropriations act rather than through permanent statute? Would the proposed funding shift leave the remaining salary accounts in deficit? Will the recommended increase result in increased salaries for the Judiciary's rank and file employees? If so, what would be the cost?

2. Pending legislation, Senate Concurrent Resolution Number 109 of 2006 proposes a constitutional amendment to increase the mandatory retirement age for judges and justices from age 70 to age 75.

- **Question:** Please comment on the above resolution. How would the passage of a constitutional amendment increasing mandatory retirement age affect the operation of the courts?

3. As of March 23, 2007, there were 35 judicial vacancies with an additional 6 vacancies anticipated by July 1, 2007 due to impending retirements.

- **Question:** How has the number of judicial vacancies impacted upon the Judiciary's court case backlog? Where has the backlog improved? Where has the backlog grown? What can be done in order to improve the backlog situation?

4. According to the Department of Human Services, there are between 400 – 450 patients at the various State Psychiatric hospitals who are classified as "not guilty by reason of insanity", "incompetent to stand trial" or "detainer" who require periodic court review of their legal status. An additional 30 patients in the Moderate Security Unit at the New Lisbon Developmental Center who have been sentenced to the unit by the courts must have their status reviewed periodically by the courts.

- **Question:** What arrangements, if any, have been made to conduct these reviews via video teleconferencing, saving the associated time and travel expense? If not, what are the impediments to conducting the reviews via video teleconferencing?

5. The budget recommendation indicates that the Judiciary will collect \$12.3 million in fees for the Court Technology Improvement Fund in FY 2008.

- **Question:** What is the current status of the Judiciary's IT Strategic Plan? Does this plan include the use of web-based technology? How is this technology being used? How have these improvements affected the court's ability to provide services to the public and respond to inquiries from the Legislature? How have the improvements affected the Judiciary's ability to obtain and provide information about court usage and activities?

Discussion Points (Cont'd)

6. During the past several years, the State of New Jersey has been faced with the growing problem of gang activities within the communities and within the State's correctional facilities.

- **Question:** What has been the response of the Judiciary to law enforcement's efforts to address the gang problem? What actions can be taken by the Judiciary to aid the law enforcement community in dealing with gangs?

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

- **Question:** What evaluation data are available to help determine if drug courts are meeting the expectations set out during their implementation? What is the recidivism rate of drug court graduates as compared to the rate of recidivism of offenders housed in the general prison population?

8. The Supreme Court adopted a Statewide Municipal Court Security Policy in July 2006 requiring all New Jersey municipal courts to create a municipal court security committee and develop a municipal court security plan. Plans were to be submitted to the appropriate assignment judge by February 5, 2007. Thereafter, the security committee is to review court security on a continuing basis and conduct an annual risk assessment. Each security plan is required to address a series of security measures included in the "New Jersey Municipal Court Schedule of Protection", as follows: armed law enforcement assigned to courtrooms; pre-entry weapons screening; silent duress alarms at the bench and payment window; emergency egress from the courtroom for the judge and court staff; emergency response plans; immediate emergency response force; ballistic shielding in the judge's bench; ballistic shielding and bullet-proof glass at payment windows; window protection or coverings to prevent line of sight into the courtroom; controlled light switches for the courtroom.

- **Question:** What actual events or incidents, or what other considerations, compelled the Supreme Court to require municipal court security planning and implementation at this time? Is the Administrative Office of the Courts (AOC) monitoring municipal compliance with security planning and implementation of security measures? If so, please provide a progress report on compliance. What steps will the Supreme Court take in the case of municipalities that do not develop or implement an adequate security plan? Is the AOC monitoring costs incurred by municipalities to implement security plans? If so, please inform the Legislature of cost impacts. Please describe any forms of assistance, e.g., consultative, technical, financial, offered by the AOC to municipalities in security planning and implementation.

Discussion Points (Cont'd)

9. In recent action, the Supreme Court has taken up the matter of State v. Chun, an action challenging the State's use of the Alcotest 7110 MK-III-C breath testing device. The Supreme Court appointed a Special Master to conduct a hearing requiring the State to present evidence supporting the scientific reliability of the test device, and to make findings and provide recommendations to the New Jersey Supreme Court for court action.

- **Question:** What is the status of State v. Chun? What has been the court's progress with regard to pending DWI decisions?

Background Paper: Judicial Compensation

Budget Pages.... D-504, D-506

The New Jersey Constitution in Article VI, Section VI, paragraph 6 provides that the salaries of the Justices of the Supreme Court and the Judges of the Superior Court and Tax Court may be provided by law and shall not be diminished during the term of their appointment. The current salaries for the Judiciary are set forth in N.J.S.A.2B:2-4 (P.L.1999, c.380) and were increased to their current levels on January 1, 2002. FY 2008 budget language recommends that the judicial salaries be increased as follows:

Position	Current Compensation	Recommended Compensation
Supreme Court Chief Justice	\$164,250	\$173,569
Supreme Court Associate Justice	\$158,500	\$167,493
Superior Court Appellate Judge	\$150,000	\$158,511
Superior Court Assignment Judge	\$146,750	\$155,076
Superior Court Judge	\$141,000	\$149,000
Tax Court Judge	\$141,000	\$149,000

According to the April 1, 2005 nationwide Survey of Judicial Salaries issued by the National Center for State Courts, New Jersey's judicial salary scale falls at the high end of the range of judicial salaries. The proposed salary increases, if enacted, would maintain New Jersey's place within this range. Below is a table listing the national range of compensation offered in other states in 2005.

Position	National Compensation Ranges As of April 1, 2005	
Supreme Court Chief Justice	\$97,000	\$198,567
Supreme Court Associate Justice	\$95,493	\$182,071
Superior Court Appellate Judge	\$101,612	\$170,694
Superior Court Assignment Judge		Not provided
Superior Court Judge	\$88,164	\$163,850
Tax Court Judge		Not provided

The Survey of Judicial Salaries illustrates that New Jersey's Superior Court Judge salary of \$141,000 ranks sixth under Delaware (\$163,850), the District of Columbia (\$162,100), Illinois (\$149,638), California (\$149,160), and Pennsylvania (\$149,132). Acknowledging the varying costs of living in different regions in the nation, the survey compared these salaries against the ACCRA¹ cost of living index. After the regional cost of living adjustments are made, New Jersey's judicial compensation rank falls from sixth place to 34th place in the nation.

¹The term ACCRA formerly stood for the American Chamber of Commerce Researchers Association. Because the association membership consists of more organizations than chambers of commerce, the name was shortened to ACCRA. The ACCRA website (www.accra.org) describes the organization as follows:

"Today, with nearly 500 members from 47 states and 4 Canadian provinces, ACCRA is the single largest national organization dedicated to economic development and policy research.

Background Paper: Judicial Compensation (Cont'd)

Judicial Compensation Rankings

Below is a table charting the judicial compensation for judges of general trial courts in actual dollars of the top six states along with the rankings of neighboring New York and Maryland. The table also provides the rank of each of these states after the ACCRA cost of living factor has been applied.

Rank	Jurisdiction	Gross Salaries	ACCRA Adjusted Salaries	Adjusted Rank
1	Delaware	\$163,850	\$158,326	1
2	District of Columbia	\$162,100	\$117,622	20
3	Illinois	\$149,638	\$149,559	2
4	California	\$149,160	\$106,508	33
5	Pennsylvania	\$149,132	\$147,712	3
6	New Jersey	\$141,000	\$106,103	34
8	New York	\$136,700	\$112,026	28
17	Maryland	\$120,352	\$99,866	40

New Jersey Public Officers Salary Review Commission

At the time judicial salaries were increased in 1999, the Legislature also created the Public Officers Salary Review Commission (P.L.1999, c.380). The commission was instructed to review the salaries of the Governor, cabinet officers, members of the Board of Public Utilities, members of the Casino Control Commission, Workers' Compensation Judges, members of the Legislature, members of the State Commission of Investigation, Justices of the Supreme Court, Judges of the Superior Court, Judges of the Tax Court, Administrative Law Judges and County Prosecutors and instructed to submit a report to the Governor and Legislature with proposed recommendations, if any, concerning changes in these salaries.

As part of its review, the commission was to consider: the responsibilities of each office; the number of hours per week required to perform the responsibilities of each office; comparable positions in the public and private sectors within and outside of the State; the current state of the State and national economies; projections of future economic growth or decline; and past, and projections of future, cost of living increases or decreases.

The commission's report, issued on December 18, 2003, noted that the New Jersey bench is among the most widely respected in the country. In addition, the New Jersey Judiciary had the fourth highest rate of filings per judge.

The commission also noted that New Jersey judges are compensated far less generously than attorneys in private practice or in corporate settings and that New Jersey is one of only four states whose judges are precluded from engaging in any outside income-generating

About 35 percent of ACCRA members work for chambers of commerce. More than 1/3rd of our members work for non-profit economic development organizations. Nearly 30 percent of our members also work for public sector state and local economic development agencies, utility companies, regional councils of government and planning agencies, utilities, and private consultants or businesses involved in economic and market research."

Background Paper: Judicial Compensation (Cont'd)

activities. According to the commission, "That prohibition is embedded in our State Constitution and is deemed by this Commission to be a desirable restriction. However, it puts our judges at a compensation disadvantage relative to their peers in other states and to their colleagues on the federal bench." (Report of the Public Officers Salary Review Commission to the Governor and Legislature, December 17, 2003).

The Public Officers Salary Review Commission recommended that the salaries of New Jersey's judges be brought into parity with the federal district court judges. As of January 1, 2004, the salaries of federal district court judges were set at \$158,100. Since the publication of the 2003 Public Officers Salary Review Commission Report, the salaries of federal district court judges have been increased to \$162,000 while the salaries of New Jersey's judiciary have remained the same. If the FY 2008 recommended increases were enacted, New Jersey judicial salaries would trail the salaries of federal district court judges by \$13,000 per year.

State and County Official Salary Linkages

Judicial salaries are the standard by which several other State and county officials' salaries are determined. State statute provides that these officials receive a certain percentage of the salary of a Superior Court Judge. As a result, enactment of the recommended language would result in increased salaries for the following officials:

Position	Percent of Judge Salary	Authorizing Statute	Old Salary	New Salary
Chief Judge, Division of Workers' Compensation	89%	N.J.S.A.34:15-49	\$125,490	\$132,610
Workers' Compensation Judge	85%	N.J.S.A.34:15-49	\$119,850	\$126,650
Chief Judge, Office of Administrative Law	89%	N.J.S.A.52:14F-3	\$125,490	\$132,610
Administrative Law Judge	85%	N.J.S.A.52:14F-4	\$119,850	\$126,650
County Surrogate	65%	N.J.S.A.2B:14-3	\$ 91,650	\$ 96,850
County Clerk	65%	N.J.S.A.40A:9-76	\$ 91,650	\$ 96,850
Register of Deeds and Mortgages	65%	N.J.S.A.40A:9-92	\$ 91,650	\$ 96,850
Sheriff	65%	N.J.S.A.40A:9-104	\$ 91,650	\$ 96,850

The preceding table lists the maximum salaries for Workers' Compensation Judges and Administrative Law Judges. These judges' salaries range from 75 percent to 85 percent of the salary of a Superior Court Judge, depending upon the number of years spent in that position. With reference to the county positions, statute mandates that these positions be paid at a level "not less" than 65 percent than that of a Superior Court Judge.

In addition, the salary of the County Prosecutor, while not directly linked to the salary of the Superior Court Judge, has been traditionally set by statute to match judicial salaries (N.J.S.A.2A:158-10). The statute also mandates that the State fund that portion of the County Prosecutors' salaries which exceeds \$100,000.

Background Paper: Judicial Compensation (Cont'd)**Cost Estimate**

The FY 2008 budget recommendation shifts \$3.6 million from the Judiciary's general salary accounts to the Judicial salary account line items in order to fund the proposed increases. If the increases were enacted the added cost of the higher wages would be \$3.8 million. Fringe benefits expenses, which are budgeted in the Interdepartmental Accounts portion of the budget would total an additional \$1.9 million, for a total cost of \$5.7 million. The cost of increasing the salaries of Administrative Law Judges and Workers' Compensation Judges would total \$626,000 in salary costs and \$315,000 in fringe benefits costs would be required for a total cost of \$941,000. Total State cost as a result of increasing judicial salaries would amount to \$6.6 million.

County positions which would be affected by this increase are County Surrogates, County Clerks, Registers of Deeds and Mortgages and County Sheriffs. The statute governing these salaries mandates that the individuals holding these positions be paid not less than 65 percent of the salary of a Superior Court Judge, currently \$91,650. The increase could generate an additional cost of \$20,800 per county, or \$436,800 in total. Since some counties may be already compensating these positions at a higher level than that mandated, the cost of adopting this proposal may not be this high.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services provides nonpartisan assistance to the State Legislature in the areas of legal, fiscal, research, bill drafting, committee staffing and administrative services. It operates under the jurisdiction of the Legislative Services Commission, a bipartisan body consisting of eight members of each House. The Executive Director supervises and directs the Office of Legislative Services.

The Legislative Budget and Finance Officer is the chief fiscal officer for the Legislature. The Legislative Budget and Finance Officer collects and presents fiscal information for the Legislature; serves as Secretary to the Joint Budget Oversight Committee; attends upon the Appropriations Committees during review of the Governor's Budget recommendations; reports on such matters as the committees or Legislature may direct; administers the fiscal note process and has statutory responsibilities for the review of appropriations transfers and other State fiscal transactions.

The Office of Legislative Services Central Staff provides a variety of legal, fiscal, research and administrative services to individual legislators, legislative officers, legislative committees and commissions, and partisan staff. The central staff is organized under the Central Staff Management Unit into ten subject area sections. Each section, under a section chief, includes legal, fiscal, and research staff for the standing reference committees of the Legislature and, upon request, to special commissions created by the Legislature. The central staff assists the Legislative Budget and Finance Officer in providing services to the Appropriations Committees during the budget review process.

Individuals wishing information and committee schedules on the FY 2008 budget are encouraged to contact:

**Legislative Budget and Finance Office
State House Annex
Room 140 PO Box 068
Trenton, NJ 08625
(609) 292-8030 • Fax (609) 777-2442**