



ANALYSIS OF THE NEW JERSEY BUDGET

THE JUDICIARY

FISCAL YEAR

2015 - 2016

NEW JERSEY STATE LEGISLATURE

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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 Raughley.

Questions or comments may be directed to the OLS Judiciary Section (609-847-3865) or the Legislative Budget and Finance Office (609-847-3105).

THE JUDICIARY

Budget Pages..... C-7, C-8, C-15, C-22, D-437 to D-444

Fiscal Summary (\$000)

	Expended FY 2014	Adjusted Appropriation FY 2015	Recommended FY 2016	Percent Change 2015-16
State Budgeted	\$654,235	\$701,267	\$709,753	1.2%
Federal Funds	\$111,254	121,496	119,075	(2.0%)
<u>Other</u>	<u>\$74,277</u>	<u>85,891</u>	<u>97,867</u>	<u>13.9%</u>
Grand Total	\$839,766	\$908,654	\$926,695	2.0%

Personnel Summary - Positions By Funding Source

	Actual FY 2014	Revised FY 2015	Funded FY 2016	Percent Change 2015-16
State Funded	7,367	7,425	7,384	(.6%)
<u>Non-State Funded</u>	<u>1,522</u>	<u>1,441</u>	<u>1,434</u>	<u>(.5%)</u>
Total Positions	8,889	8,866	8,818	(.5%)

FY 2014 (as of December) and revised FY 2015 (as of January) personnel data reflect actual payroll counts. FY 2016 data reflect the number of positions funded, as provided by the Judiciary.

Link to Website: <http://www.njleg.state.nj.us/legislativepub/finance.asp>

Highlights

- The Judiciary is recommended to receive a total of \$63.34 million in FY 2016 for the Drug Court program, \$8.486 million more than the FY 2015 adjusted appropriation of \$54.854 million. The recommendation would provide an additional \$3.35 million for treatment services and \$5.136 million for the court's operating costs. P.L.2012, c.23 reformed New Jersey's Drug Court program by eliminating prosecutorial objection to admission to drug court, expanding the eligibility criteria for voluntary drug court, and authorizing a phased-in mandatory drug court program. No additional funding is recommended for Drug Court Judgeships. The program received an additional \$4.5 million in each of FY 2013 and FY 2014 for treatment only.
- All other State budgeted appropriations, totaling \$646.4 million are recommended at the same level as in FY 2015.
- P.L.2014, c.31 implemented bail reform and established the 21st Century Justice Improvement Fund, to provide for (1) the development, maintenance and administration of a Statewide Pretrial Services Program (\$22 million); (2) the development, maintenance and administration of a Statewide digital e-court information system (\$10 million); and (3) the provision to the poor of legal assistance in civil matters by Legal Services of New Jersey and its affiliates (\$10.1 million). The Judiciary was given authorization to raise fees in order to collect \$42.1 million to support these efforts. Any revenue in excess of \$42.1 million would be appropriated to the Judiciary to fund its Statewide Pretrial Services Program or for court information technology.
- Fee collections appropriated for Probation Services from the 21st Century Justice Improvement Fund are estimated to total \$22 million in FY 2016, an increase of \$10.3 million over the FY 2015 collections of \$11.7 million. The FY 2015 amount represents partial year collections. Under P.L.2014, c.31, the Judiciary is required to establish and maintain a Statewide Pretrial Services Program. The program is to conduct a risk assessment on any person for whom a complaint-warrant is issued for an initial charge involving an indictable offense or disorderly persons offense within 48 hours of the person's commitment to jail, for the purpose of making recommendations to the court concerning an appropriate pretrial release determination. The Statewide Pretrial Services Program would also monitor appropriate persons released on court ordered conditions. This appropriation represents the amount of funding targeted toward this activity. The program is to become operational on January 1, 2017.
- Fee collections appropriated for Information Services from the 21st Century Justice Improvement Fund are estimated to total \$10 million in FY 2016, an increase of \$4.7 million over FY 2015 collections of \$5.3 million. The FY 2015 amount reflects partial year collections. Under P.L.2014, c.31, the Judiciary was given authority to raise fees to support the development, maintenance and administration of a Statewide e-court information system. This appropriation represents the amount of funding targeted toward this activity.

Highlights (Cont'd)

- The Judiciary anticipates the receipt of \$119.075 million in Federal funding in FY 2016, a decrease of \$2.421 million under the FY 2015 adjusted appropriation of \$121.496 million. The change in the Judiciary's Federal funding is attributable entirely 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 percent of the cost of conducting child support activities.
- The Judiciary has historically received authorization to carry forward unexpended balances into the following fiscal year. FY 2016 recommended budget language would permit the re-appropriation of up to \$10 million in unexpended balances from FY 2015, subject to the approval of the Director of the Division of Budget and Accounting.

Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 2014	Adj. Approp. FY 2015	Recom. FY 2016	Percent Change	
				2014-16	2015-16
General Fund					
Direct State Services	\$654,235	\$701,267	\$709,753	8.5%	1.2%
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	\$654,235	\$701,267	\$709,753	8.5%	1.2%
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	\$654,235	\$701,267	\$709,753	8.5%	1.2%
Federal Funds	\$111,254	\$121,496	\$119,075	7.0%	(2.0%)
Other Funds	\$74,277	\$85,891	\$97,867	31.8%	13.9%
Grand Total	\$839,766	\$908,654	\$926,695	10.4%	2.0%

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2014	Revised FY 2015	Funded FY 2016	Percent Change	
				2014-16	2015-16
State	7,367	7,425	7,384	0.2%	(0.6%)
Non-State	1,522	1,441	1,434	(0.8%)	(0.5%)
Total Positions	8,889	8,866	8,818	(0.8%)	(0.5%)

FY 2014 (as of December) and revised FY 2015 (as of January) personnel data reflect actual payroll counts. FY 2016 data reflect the number of positions funded, as provided by the Judiciary.

AFFIRMATIVE ACTION DATA

Total Minority Percent	40.0%	40.0%	---	---
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Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp. FY 2015</u>	<u>Recomm. FY 2016</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
DIRECT STATE SERVICES					
Drug Court Treatment/Aftercare	\$35,508	\$38,858	\$ 3,350	9.4%	D-442
Drug Court Operations	\$16,777	\$21,913	\$ 5,136	30.6%	D-443
Drug Court Judgeships	\$2,569	\$2,569	0	—	D-443
TOTAL	\$54,854	\$63,340	\$ 8,486	15.5%	

The FY 2016 recommended increase would provide additional funds for treatment of drug court participants and for drug court operations. Budget language provides for the transfer of Drug Court Treatment appropriations to the Department of Human Services to fund treatment, aftercare and administrative services associated with the Drug Court program. Evaluation data (budget page D-440) indicate that the drug court program will serve 8,626 participants in FY 2016, an increase of 1,616 (23 percent) above FY 2015 and that 4,456 participants will graduate during FY 2016, up 477 (12 percent) from FY 2015. P.L.2012, c.23 reformed New Jersey's Drug Court program by eliminating prosecutorial objection to admission to drug court, expanding the eligibility criteria for voluntary drug court, and authorizing a phased-in mandatory drug court program.

FEDERAL FUNDS					
Family Courts	\$38,811	\$38,017	(\$ 794)	(2.0%)	D-443
Probation Services	\$78,642	\$76,696	(\$1,946)	(2.5%)	D-443
Trial Court Services	\$4,043	\$4,362	\$ 319	7.9%	D-443
TOTAL	\$121,496	\$119,075	(\$2,421)	(2.0%)	

The anticipated change in the Judiciary's Federal funding is attributable entirely 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 percent of the cost of conducting child support activities.

ALL OTHER FUNDS					
Supreme Court	\$21,628	\$19,809	(\$1,819)	(8.4%)	D-443

The Supreme Court oversees the 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 to the New Jersey Bar. The Judiciary anticipates FY 2016 collections of \$3.931 million for this program, \$149,000, or 3.65 percent less than the FY 2015 collection level of \$4.08 million.

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2015</u>	<u>Recomm.</u> <u>FY 2016</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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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 2016 income for this program is expected to decline by \$93,000 to \$313,000.

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 collections are expected to decrease by \$1.539 million, from \$14.1 million in FY 2015 to \$12.561 million in FY 2016, a 10.91 percent decrease. The New Jersey Lawyers Fund for Client Protection is projected to collect \$2.236 million in FY 2016, \$167,000 less than the amount collected in FY 2015.

Mandatory Continuing Legal Education for New Jersey licensed attorneys became effective December 18, 2009, and requires all licensed attorneys to complete a certain number of training courses every two years. The program is funded from fees charged to course providers and attorneys. Fees for Mandatory Continuing Legal Education are anticipated to increase to \$768,000 in FY 2016, \$129,000 more than the 2015 collections.

Civil Courts	\$3,013	\$2,548	(\$ 465)	(15.4%)	D-443
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The Budget estimates that the Superior Court Trust Fund will collect \$348,000 in FY 2016, a reduction of \$65,000 under the FY 2015 level of \$413,000. 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 \$2.2 million in FY 2016, \$400,000 less than the amount collected in FY 2015. 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	\$25,410	\$25,510	\$ 100	.4%	D-443
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The Statewide Automated Traffic System (ATS) is anticipated to collect \$25.5 million in FY 2016, \$100,000 more than the amount collected in FY 2015. 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 Municipal Court Administrator Certification Program is anticipated to collect \$10,000 in FY 2016, the same as the amount collected in FY 2015.

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2015</u>	<u>Recomm.</u> <u>FY 2016</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
Probation Services	\$14,540	\$24,700	\$10,160	69.9%	D-443

Fee collections appropriated for Probation Services from the 21st Century Justice Improvement Fund are estimated to total \$22 million in FY 2016, an increase of \$10.3 million over the FY 2015 collections of \$11.7 million. The FY 2015 amount represents partial year collections. Under P.L.2014, c.31, the Judiciary is required to establish and maintain a Statewide Pretrial Services Program. The program is to conduct a risk assessment on any person for whom a complaint-warrant is issued for an initial charge involving an indictable offense or disorderly persons offense within 48 hours of the person's commitment to jail, for the purpose of making recommendations to the court concerning an appropriate pretrial release determination. The Statewide Pretrial Services Program would also monitor appropriate persons released on court ordered conditions. The program is to become operational on January 1, 2017.

The Comprehensive Enforcement Fund is anticipated to collect \$2.2 million in FY 2016, \$100,000 less than the amount collected in FY 2015. 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 Office (VCCO) 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 Court Computerized Collections Fund is anticipated to collect \$500,000 in FY 2016, \$40,000 less than the amount collected in FY 2015. 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, Victim of Crime Compensation Office (VCCO) 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	\$20,900	\$24,900	\$ 4,000	19.1%	D-443
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The FY 2016 appropriated revenues for Information Services include increased court fee collections of \$10 million from the 21st Century Justice Improvement Fund, up \$4.7 million or 88.68 percent over FY 2015 collections. The FY 2015 amount represents partial year collections. The fund, supported by various court fee increases and authorized under P.L.2014, c.31, provides for the development, maintenance and administration of a Statewide digital e-court information system.

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2015</u>	<u>Recomm.</u> <u>FY 2016</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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FY 2016 funding for Information Services also includes estimated collections of \$1.5 million for the Electronic Access to Court Records program, a reduction of \$700,000 under the FY 2015 collections. P.L.1994, c.54 authorized the Administrative Office of the Courts to develop and operate a computer system which provides electronic access to court information and allows the public to file court documents electronically. The Court Records Inquiry System provides electronic access to case and judgment information on the Civil Automated Case Management System. The system charges a user fee and is self-supporting.

The Court Technology Improvement Fund is anticipated to collect \$13 million in FY 2016, the same amount as that collected in FY 2015. 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 County Correctional Information System (CCIS) is anticipated to collect \$400,000 in FY 2016, the same amount as that collected in FY 2015. The CCIS serves as the Statewide automated information system for the entry, retrieval and exchange of data related to the management of county jail populations.

Significant Language Changes

21st Century Justice Improvement Fund

New Language

2015 Handbook: N/A
2016 Budget: p. D-444

Receipts derived from the increase in fees collected by the Judiciary pursuant to P.L.2014, c.31 and related increases provided by operation of N.J.S.22A:2-5 and section 2 of P.L.1993, c.74 (C.22A:5-1) are appropriated from the 21st Century Justice Improvement Fund for the purpose of (1) the development, maintenance and administration of a Statewide Pretrial Services Program; (2) the development, maintenance and administration of a Statewide digital e-court information system; and (3) the provision to the poor of legal assistance in civil matters by Legal Services of New Jersey and its affiliates.

Explanation

The recommended language provides that revenue collected from fee increases imposed under P.L.2013, c.31 and deposited into the 21st Century Justice Improvement Fund would be appropriated to fund: (1) the development, maintenance and administration of a Statewide Pretrial Services Program; (2) the development, maintenance and administration of a Statewide digital e-court information system; and (3) the provision to the poor of legal assistance in civil matters by Legal Services of New Jersey and its affiliates, consistent with statute.



21st Century Justice Improvement Fund – Excess Revenues

New Language

2015 Handbook: N/A
2016 Budget: p. D-444

Notwithstanding the provisions of any law or regulation to the contrary, in addition to the amount hereinabove appropriated, revenues in excess of \$42,100,000 in the 21st Century Justice Improvement Fund are appropriated to the Judiciary for the Statewide Pretrial Services Program or for court information technology, subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

The recommended language would provide that any funds in excess of \$42.1 million deposited into the 21st Century Justice Improvement Fund would be appropriated to the Judiciary to fund its Statewide Pretrial Services Program or for court information technology. The Statewide Pretrial Services Program is scheduled to begin operation on January 1, 2017.

EXPLANATION: FY 2015 language not recommended for FY 2016 denoted by strikethrough.
Recommended FY 2016 language that did not appear in FY 2015 denoted by underlining.

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Individuals wishing information and committee schedules on the FY 2016 budget are encouraged to contact:

**Legislative Budget and Finance Office
State House Annex
Room 140 PO Box 068
Trenton, NJ 08625
(609) 847-3105 • Fax (609) 777-2442**