



ANALYSIS OF THE NEW JERSEY BUDGET

THE JUDICIARY

FISCAL YEAR

2017 - 2018

NEW JERSEY STATE LEGISLATURE

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

Paul A. Sarlo (D), 36th District (Parts of Bergen and Passaic), *Chair*
Brian P. Stack (D), 33rd District (Part of Hudson), *Vice-Chair*
Jennifer Beck (R), 11th District (Part of Monmouth)
Anthony R. Bucco (R), 25th District (Parts of Morris and Somerset)
Nilsa Cruz-Perez (D), 5th District (Parts of Camden and Gloucester)
Sandra B. Cunningham (D), 31st District (Part of Hudson)
Patrick J. Diegnan Jr. (D), 18th District (Part of Middlesex)
Linda R. Greenstein (D), 14th District (Parts of Mercer and Middlesex)
Steven V. Oroho (R), 24th District (All of Sussex, and parts of Morris and Warren)
Kevin J. O'Toole (R), 40th District (Parts of Bergen, Essex, Morris and Passaic)
M. Teresa Ruiz (D), 29th District (Part of Essex)
Samuel D. Thompson (R), 12th District (Parts of Burlington, Middlesex, Monmouth and Ocean)
Jeff Van Drew (D), 1st District (All of Cape May, and parts of Atlantic and Cumberland)

GENERAL ASSEMBLY BUDGET COMMITTEE

Gary S. Schaer (D), 36th District (Parts of Bergen and Passaic), *Chair*
John J. Burzichelli (D), 3rd District (All of Salem, parts of Cumberland and Gloucester), *Vice-Chair*
Anthony M. Bucco (R), 25th District (Parts of Morris and Somerset)
John DiMaio (R), 23rd District (Parts of Hunterdon, Somerset and Warren)
Gordon M. Johnson (D), 37th District (Part of Bergen)
John F. McKeon (D), 27th District (Parts of Essex and Morris)
Raj Mukherji (D), 33rd District (Part of Hudson)
Elizabeth Maher Muoio (D), 15th District (Parts of Hunterdon and Mercer)
Declan J. O'Scanlon, Jr. (R), 13th District (Part of Monmouth)
Eliana Pintor Marin (D), 29th District (Part of Essex)
Maria Rodriguez-Gregg (R), 8th District (Parts of Atlantic, Burlington and Camden)
Troy Singleton (D), 7th District (Part of Burlington)
Benjie E. Wimberly (D), 35th District (Parts of Bergen and Passaic)

OFFICE OF LEGISLATIVE SERVICES

Frank W. Haines III, *Legislative Budget and Finance Officer*
Thomas Koenig, *Assistant Legislative Budget and Finance Officer*

Marvin W. Jiggetts, *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 Raughley.

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

THE JUDICIARY

Budget Pages..... C-7, C-15, C-22, D-443 to D-450

Fiscal Summary (\$000)

	Expended FY 2016	Adjusted Appropriation FY 2017	Recommended FY 2018	Percent Change 2017-18
State Budgeted	\$687,782	\$738,455	\$747,755	1.3%
Federal Funds	111,943	124,725	123,225	(1.2%)
<u>Other</u>	<u>69,939</u>	<u>99,377</u>	<u>99,802</u>	<u>.4%</u>
Grand Total	\$869,664	\$962,557	\$970,782	.9%

Personnel Summary - Positions By Funding Source

	Actual FY 2016	Revised FY 2017	Funded FY 2018	Percent Change 2017-18
State	7,337	7,251	7,486	3.2%
<u>Non-State</u>	<u>1,424</u>	<u>1,528</u>	<u>1,678</u>	<u>9.8%</u>
Total Positions	8,761	8,779	9,164	4.4%

FY 2016 (as of December) and revised FY 2017 (as of January) personnel data reflect actual payroll counts. FY 2018 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 FY 2018 recommendation for the Judiciary totals \$747.755 million, \$9.3 million more than the FY 2017 adjusted appropriation. This increase funds 20 additional judges and staff to aid in the Criminal Justice Reform program. P.L.2016, c.103 creates 20 new judgeships for the Superior Court, with a July 1, 2017 start date for these new positions. These additional judges are intended to help support the operations of the criminal justice reform, both with respect to handling timely pretrial proceedings and ensuring speedy trials for defendants subject to pretrial detention. The statute does not designate any of the new judgeships to any particular vicinages, giving the Chief Justice complete authority to assign these judges as he deems necessary to support criminal justice reform.
- Criminal Justice Reform authorized by the Constitution and implemented under P.L. 2014, c.31 became fully operational Statewide on January 1, 2017. The program provides for pretrial detention of certain criminal defendants; establishes non-monetary bail alternatives for release; and authorized the Judiciary to revise fees. These fee increases, estimated at \$42.1 million for FY 2017 and FY 2018, are deposited in the newly created 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). In FY 2016, collections totaled about \$44 million.
- Fee collections for Probation Services for the 21st Century Justice Improvement Fund are estimated to total \$22 million in FY 2018, the same as the amount anticipated for FY 2017. 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 as appropriate persons released on court ordered conditions. The program became operational on January 1, 2017. In response to a FY 2017 OLS discussion point concerning the amount of revenue to be collected in support of criminal justice reform, the Judiciary stated that the program would run into deficit sometime during FY 2019.
- Fee collections for Information Services for the 21st Century Justice Improvement Fund are estimated to total \$10 million in FY 2018, the same as the amount anticipated for FY 2017. Under P.L.2014, c.31 the Judiciary was given authority to raise fees to support the development, maintenance and administration of a State wide e-court system.
- Fee collections for Civil Legal Services for the Poor for the 21st Century Justice Improvement Fund are estimated to total \$10.1 million in FY 2018, the same as the amount anticipated for FY 2017. Under P.L.2014, c.31 the Judiciary was given authority to raise fees to Legal Services of New Jersey and its affiliates in its efforts to provide legal assistance to the poor in civil matters.

Highlights (Cont'd)

- According to the AOC, there are currently 17 Superior Court vacancies scattered among 11 counties with another 10 in seven counties anticipated by the end of 2017. This number is greatly reduced from the 42 vacancies existing last year at this time.
- The bulk of the Judiciary's FY 2018 Federal funding consists of \$121.9 million for 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.

Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 2016	Adj. Approp. FY 2017	Recom. FY 2018	Percent Change	
				2016-18	2017-18
General Fund					
Direct State Services	\$687,872	\$738,455	\$747,755	8.7%	1.3%
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	\$687,872	\$738,455	\$747,755	8.7%	1.3%
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		
Casino Revenue Fund	\$0	\$0	\$0	0.0%	0.0%
Casino Control Fund	\$0	\$0	\$0	0.0%	0.0%
State Total	\$687,872	\$738,455	\$747,755	8.7%	1.3%
Federal Funds	\$111,943	\$124,725	\$123,225	10.1%	(1.2%)
Other Funds	\$69,939	\$99,377	\$99,802	42.7%	0.4%
Grand Total	\$869,754	\$962,557	\$970,782	11.6%	0.9%

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2016	Revised FY 2017	Funded FY 2018	Percent Change	
				2016-18	2017-18
State	7,337	7,251	7,486	2.0%	3.2%
Non-State	1,424	1,528	1,678	17.8%	9.8%
Total Positions	8,761	8,779	9,164	4.6%	4.4%

FY 2016 (as of December) and revised FY 2017 (as of January) personnel data reflect actual payroll counts. FY 2018 data reflect the number of positions funded, as provided by the Judiciary.

AFFIRMATIVE ACTION DATA

Total Minority Percent	41.1%	42.5%	N/A	---	---
------------------------	-------	-------	-----	-----	-----

Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2017</u>	<u>Recomm.</u> <u>FY 2018</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
DIRECT STATE SERVICES					
Judges	\$75,597	\$78,897	\$ 3,300	4.4%	D-448
Salaries and Wages	\$480,640	\$484,240	\$ 3,600	.7%	D-448
Services Other Than Personal Additions, Improvements and Equipment	\$32,423	\$32,923	\$ 500	1.5%	D-448
TOTAL			\$ 9,300		

Criminal Justice Reform authorized by Constitutional amendment and implemented under P.L. 2014, c.31 became fully operational statewide on January 1, 2017. The program provides for pretrial detention of certain criminal defendants; establishes non-monetary bail alternatives for release; and authorized the Judiciary to revise fees. P.L.2016, c.103 created 20 new judgeships for the Superior Court, with a July 1, 2017 start date to help support the operations of the criminal justice reform, both with respect to handling timely pretrial proceedings and ensuring speedy trials for defendants subject to pretrial detention. The FY 2018 recommendation would provide for the salaries, equipment and other expenses for these 20 new judges and their staffs.

Each new judgeship requires a team consisting of a Superior Court Judge, a judge's secretary, a law clerk, and a court clerk. For each judge team position, one-time expenses for furniture, computers/tech items, desk phones and law books will be incurred. Each new judgeship will also necessitate the initial purchase of new courtroom furniture, audio/video recording equipment, and video conferencing equipment). Total startup costs are estimated to be approximately \$95,000 per judge team. Continuing operating expenses, such office supplies, telephone service, postage, and office machine rentals, for each judge team are estimated at about \$12,500 per year.

FEDERAL FUNDS

Criminal Courts	\$1,500	\$0	(\$1,500)	(100.0%)	D-449
------------------------	----------------	------------	------------------	------------------	--------------

The \$1.5 million reduction reflects a one-time federal grant awarded to the Judiciary in FY 2017 for Adult Drug Court statewide enhancements over a three-year period. The funding will support sober recovery housing for drug court participants and provide for enhancements to existing data collection systems to improve adult drug court best practice standards throughout calendar years 2017, 2018 and 2019.

ALL OTHER FUNDS

Supreme Court	\$20,839	\$21,523	\$ 684	3.3%	D-449
----------------------	-----------------	-----------------	---------------	-------------	--------------

The Supreme Court oversees the operation of several self-funded activities. The net increase of \$684,000 in fees to support these activities results from higher revenues for three activities and lower revenues for two others.

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2017</u>	<u>Recomm.</u> <u>FY 2018</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
--------------------	---------------------------------------	----------------------------------	--------------------------------	---------------------------------	------------------------------

The Ethics Financial Committee is funded through assessments charged to all practicing attorneys. The Ethics Financial Committee collections are expected to increase by \$418,000, from \$13.148 million in FY 2017 to \$13.566 million in FY 2018, a 3.18 percent increase.

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 2018 collections of \$4.42 million for this program, \$337,000, or 8.25 percent more than the expected FY 2017 collection level of \$4.083 million.

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 \$944,000 in FY 2018, \$168,000 more than estimated 2017 collections.

The New Jersey Lawyers Fund for Client Protection is projected to collect \$2.179 million in FY 2018, \$185,000 less than the estimate of collections in FY 2017. This fund also collects revenue from assessments charged to all practicing attorneys.

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 2018 income for this program is expected to decline by \$54,000 to \$414,000.

Civil Courts	\$4,603	\$4,419	(\$ 184)	(4.0%)	D-449
---------------------	----------------	----------------	-----------------	----------------	--------------

The Civil Courts, consisting of the Civil Part of the Law Division, the General Equity Part of the Chancery Division and the Tax Court, collect fees and other income related to their procedures. The revenues are dedicated to the Civil Courts' operations. The net decrease of \$184,000 results from increase from one source and decreases in two others.

The Budget estimates that the Superior Court Trust Fund will collect \$319,000 in FY 2018, \$16,000 more than projected FY 2017 revenue. The Superior Court Trust Fund consists of deposits with the 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 \$2.0 million in FY 2018, \$100,000 less than estimated FY 2017 revenues. 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.

The Civil Arbitration program is expected to collect \$2.1 million in FY 2018, \$100,000 less than the amount expected FY 2017.

Significant Language Changes

There are no significant language changes recommended for the Judiciary in FY 2018.

EXPLANATION: FY 2017 language not recommended for FY 2018 denoted by strikethrough.
Recommended FY 2018 language that did not appear in FY 2017 denoted by underlining.

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 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 2018 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**