

ANALYSIS OF THE NEW JERSEY BUDGET

THE JUDICIARY

FISCAL YEAR

2004 - 2005

NEW JERSEY STATE LEGISLATURE

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

Wayne R. Bryant (D), 5th District (Parts of Camden and Gloucester), *Chairman*
Sharpe James (D), 29th District (Parts of Essex and Union) *Vice-Chairman*
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)
Glenn D. Cunningham (D), 31st District (Part of Hudson)
Walter J. Kavanaugh (R), 16th District (Parts of Morris and Somerset)
Thomas H. Kean, Jr. (R), 21st District (Parts of Essex, Morris, Somerset and Union)
Bernard F. Kenny, Jr. (D), 33rd District (Part of Hudson)
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)

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)
Joseph Cryan (D), 20th District (Part of Union)
Linda R. Greenstein (D), 14th District (Parts of Mercer and Middlesex)
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)
Joseph Vas (D), 19th District (Part of Middlesex)
Bonnie Watson Coleman (D), 15th District (Part of Mercer)

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, 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 and 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..... C-18, C-26, C-34, C-36, C-38,
D-459 to D-466, H-71, H-72

Fiscal Summary (\$000)

	Expended FY 2003	Adjusted Appropriation FY 2004	Recommended FY 2005	Percent Change 2004-05
State Budgeted	\$477,715	\$523,964	\$526,073	0.4%
Federal Funds	60,368	69,168	72,370	4.6%
<u>Other</u>	<u>39,230</u>	<u>39,475</u>	<u>39,761</u>	<u>0.7%</u>
Grand Total	\$577,313	\$632,607	\$638,204	0.9%

Personnel Summary - Positions By Funding Source

	Actual FY 2003	Revised FY 2004	Funded FY 2005	Percent Change 2004-05
State	7,627	7,820	7,859	0.5%
Federal	1,242	1,263	1,296	2.6%
<u>Other</u>	<u>204</u>	<u>219</u>	<u>215</u>	<u>(1.8)%</u>
Total Positions	9,073	9,302	9,370	0.7%

FY 2003 (as of December) and revised FY 2004 (as of September) personnel data reflect actual payroll counts. FY 2005 data reflect the number of positions funded.

Introduction

The Judiciary includes the State's court system and the Administrative Office of the Courts (AOC), which provides technical and administrative support to the courts. In addition, the Judiciary designs, supervises and operates many court-related programs at the State, county and municipal levels of government.

The New Jersey Supreme Court is responsible for the regulation of attorneys. The Chief Justice of the New Jersey Supreme Court serves as the administrative head of the court system. The Chief Justice directs court policy and appoints special committees to investigate problems and issues concerning the administration of the judicial system and supervises the AOC.

Key Points

- Recommended FY 2005 State funding for the Judiciary is \$526.1 million, \$2.1 million or 0.4 percent more than the Judiciary's FY 2004 adjusted appropriation of \$524 million.
- A total of \$21.196 million is recommended for drug courts in FY 2005, \$2.2 million, or 11.6 percent more, than that appropriated during FY 2004. This appropriation is divided into three distinct categories: Drug Court Operations, which is recommended to receive \$5.78 million, \$700,000 more than last year; Drug Court Judgeships, which is recommended to receive \$1.498 million, the same amount as last year; and Drug Court Treatment/Aftercare, which is recommended to receive \$13.918 million, \$1.5 million more than last year. While the Judiciary would retain the \$7.3 million appropriated for operations and judicial positions, the remaining \$13.9 million would be transferred to the Department of Health and Senior 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. The recommended appropriation is intended to allow the Judiciary to continue to expand the drug court program Statewide, although the extent and timing of expansion from increased FY 2005 funding is unclear. Currently, 10 of the 15 vicinages have operating drug courts providing.
- The Intensive Supervision Program (ISP) is recommended to receive \$11.1 million in FY 2005, the same amount as the FY 2004 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, thus reserving prison bed spaces for violent offenders. During FY 2004, the program diverted 1,217 adult offenders from the State's prisons. Of these offenders, 357, or 29 percent, were returned to State prison for various infractions of the ISP regulations. The FY 2005 recommended appropriation would again support 1,217 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 \$12.7 million will be collected for this purpose in FY 2005, \$1.2 million less than is anticipated in FY 2004.
- The Judiciary anticipates the receipt of \$72.4 million in Federal Funding in FY 2005, an increase of \$3.2 million or 4.6 percent over the FY 2004 adjusted appropriation. The increase primarily constitutes growth in Federal matching funds for the Title IV-D Paternity program in both the Family and Probation Divisions. 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 Judiciary has historically received authorization to carry forward unexpended balances into the following fiscal year. FY 2005 recommended budget language would permit the reappropriation of up to \$3 million in unexpended balances from FY 2004 subject to the approval of the Director of the Division of Budget and Accounting.

Background Paper

Program Description and Overview

The Judiciary is responsible for the operation of the State's court system and the regulation of attorneys. The Judiciary is organized into 15 vicinages encompassing the 21 counties in New Jersey. The Administrative Office of the Courts (AOC) provides administrative services to the courts. The Judiciary is organized among the following activities:

SUPREME COURT

The Supreme Court is charged with the responsibility for interpreting the New Jersey and Federal Constitutions, statutes enacted by the State Legislature, regulations adopted by State departments and administrative agencies and common law. The New Jersey Supreme Court is also required to review all death penalty cases and to conduct proportionality reviews to determine whether the sentence of death fits the crime in comparison with other capital cases. The Court is also responsible for regulating attorney conduct.

The Chief Justice of the New Jersey Supreme Court serves as the administrative head of the court system. The Chief Justice directs court policy and appoints special committees to investigate problems and issues concerning the administration of the judicial system and supervises the Administrative Office of the Courts.

SUPERIOR COURT

APPELLATE

The Appellate Division of the Superior Court serves as the State's intermediate appellate court. The Appellate Division considers appeals from the final judgments of the trial divisions of Superior Court and the Tax Court, as well as appeals from the decisions of State administrative agencies.

TRIAL COURTS

The Chief Justice organizes the Superior Court system into four trial level courts: criminal, civil, general equity and family.

Criminal Criminal cases consist of those in which defendants are accused of indictable offenses. Examples include accusations of murder, arson, sexual assault, assault, theft, robbery or fraud.

Civil Most civil cases that are heard in the Superior Court involve disputes in which a plaintiff claims to have been injured in some way by the actions of the defendant and seeks monetary compensation. Examples of such cases are those involving personal injury, medical malpractice and contract disputes.

Civil cases are heard based upon the amount of compensation being sought. Cases in which the monetary damages exceed \$15,000 are heard in the Civil Division of Superior Court.

Program Description and Overview (Cont'd)

Special Civil - cases in which the amounts in controversy are between \$3,000 and \$15,000 and landlord/tenant disputes are heard in the Special Civil Part of the Civil Division. Cases involving amounts that are less than \$3,000 are termed Small Claims cases and are also heard in the Special Civil Part.

General Equity Civil cases in which monetary damages are not being sought are heard in the General Equity Division of Superior Court. General Equity judges handle non-jury cases such as those involving trade secrets, labor matters, foreclosures, probate and other disputes. Equity judges also handle cases in which court relief is sought on an emergency basis.

Family The Family Division of Superior Court hears family related cases, such as divorce, domestic violence, juvenile delinquency, child support, foster care placements and the termination of parental rights.

TAX COURT

The Tax Court is a court of limited jurisdiction. Tax Court judges hear appeals of tax decisions made by county boards of taxation. They also hear appeals on decisions made by the Director of the Division of Taxation on such matters as state income taxes, sales and business taxes, and homestead rebates and review actions by state, county and municipal officials.

PROBATION SERVICES

Probation Services supervises adult and juvenile offenders who were placed on probation in lieu of incarceration. Probation Services monitors probationer compliance with the rules and conditions imposed by the sentencing court, such as maintaining employment, attending school, remaining drug free, paying assessed fees and fines, and avoiding additional unlawful behavior.

The Probation Services Division is also responsible for administering the State's Title IV-D Child Support and Paternity program along with the Family Division of the trial courts, enforcing child support orders and distributing child support payments to custodial parents.

COURT REPORTING SERVICES

The Division of Court Reporting is responsible for the verbatim recording, either by court reporters or by sound recordings, of court proceedings, as provided by Supreme Court Rules.

MUNICIPAL COURT SERVICES

The Municipal Courts are courts of limited jurisdiction. They are responsible for local matters including motor vehicle and traffic violations; disorderly and petty disorderly persons offenses; municipal and county ordinance violations; penalty enforcement actions; fish and game law violations; specified criminal offenses where indictment and trial by jury are waived by the defendant; boating law violations; enforcement of regulatory provisions and conducting probable cause hearings for indictable offenses.

Program Description and Overview (Cont'd)

The Judiciary provides support services for the municipal courts. The Presiding Judge - Municipal Courts in a number of vicinages is designated by the Chief Justice from among sitting Municipal Court and Superior Court Judges, to act as a liaison between the vicinage and municipal courts and to coordinate the management, oversight and training of the Municipal Court Judges and support staff. The territorial jurisdiction of municipal courts extends to the boundaries of each municipality unless they are joint municipal courts, in which case it extends to the combined boundaries of their constituent municipalities. Central municipal courts have jurisdiction over cases arising within the territorial boundaries of the county.

PERSONNEL

The Judiciary has a total of 460 judicial positions. Of these 7 are Supreme Court justices, 12 are Tax Court judges, and 441 are Superior Court judges. As of March 1, 2004, 26 of these positions were vacant. It is expected that 16 more judicial vacancies will become available before the end of FY 2005, as a result of pending judicial retirements. Of this total, 14 retirements will occur in FY 2004 and two will occur in FY 2005.

Judicial salaries were increased in stages over a three-year period beginning on January 1, 2000 pursuant to P.L. 1999, c. 380. Under the statute, the Chief Justice, Supreme Court Associate Justices, Superior Court Appellate Division Judges, Assignment Judges of the Superior Court, Superior Court Judges and Tax Court Judges all became eligible for increases on an annual basis until January 1, 2002 when they received their most recent increase. Current judicial salaries are as follows:

JUDICIAL SALARIES

P.L. 1999 c.380

Judge	Salary
Supreme Court, Chief Justice	\$164,250
Supreme Court, Associate Justice	\$158,500
Superior Court, Appellate Division Judge	\$150,000
Superior Court, Assignment Judge	\$146,750
Superior Court Judge	\$141,000
Tax Court Judge	\$141,000

During FY 2004, the Judiciary maintains 7,820 State funded positions, 1,263 Federally funded positions, and 219 positions funded from other sources such as dedicated funds. The FY 2005 recommendation provides funding for 7,859 State funded positions, 1,296 Federally funded positions, and 215 positions supported from other funds.

Program Description and Overview (Cont'd)

ALTERNATIVES TO INCARCERATION

In an effort to reduce the strain of increasing prison population on the Department of Corrections, and to explore other avenues for detaining and rehabilitating New Jersey's convicted offenders, the New Jersey Judiciary, in concert with the Department of Corrections, has been actively pursuing various alternatives to incarceration strategies over the past several years. These strategies are geared toward reducing the number of repeat offenders appearing before the courts; reducing the number of individuals remanded to the State's correctional system; and reducing the demand for correctional bed spaces.

Drug Court

The Drug Court program involves the Judiciary, the Departments of Corrections and Health and Senior Services, and the Office of the Public Defender in a cooperative effort to oversee intensive, court supervised substance abuse treatment for carefully screened non-violent, addicted offenders as an alternative to incarceration. The program attempts to address alcohol and drug addictions in an effort to break the cycle of criminal behavior.

Eligible candidates for the Drug Court program are non-violent substance abusing defendants. Participants include those who would otherwise be prison bound as well as those who are facing probation. Generally, prison bound participants are required to participate in the program for a minimum of five years. Probation level participants spend an average of three years in the program. To be eligible for the program, participants must:

- Have no history of possessing a firearm during the commission of an offense;
- Have no previous convictions or pending charges for a serious violent offense;
- Have no convictions on two or more separate occasions;
- Present no danger to the community if placed on probation;
- Possess a drug or alcohol dependence as determined by a diagnostic assessment and;
- Be likely to benefit from substance abuse treatment and monitoring.

Drug courts require several components for successful operation. Immediately upon arrest, the arresting agency in coordination with addiction specialists and probation officers, identifies addicted individuals who are eligible for drug court. After identification of the problem, the offender immediately enters intensive treatment so as to limit the opportunity for relapse into drug use. Included in this treatment are biological, psychological and social assessments and reports to ensure that the offender receives the correct treatment procedure.

The program itself provides for the integration of treatment with the judicial process. There is an active involvement of the judge with each offender's case to ensure proper placement, monitoring and follow through.

Camden, Essex, Mercer, Passaic and Union vicinages served as pilot programs, and received funding during the first phase of the drug court program. Upon expiration of the federal funding the State assumed program funding in these vicinages and began an expansion of the program on a phased-in basis. Bergen, Cumberland/Gloucester/Salem, Monmouth, Ocean and Morris/Sussex vicinages began operation of their drug courts on April 1, 2002. Program expansion is anticipated to continue into FY 2005.

Program Description and Overview (Cont'd)

Intensive Supervision Program

The Intensive Supervision Program (ISP) 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, thus reserving prison bed spaces for violent offenders.

Juvenile Intensive Supervision Program

The Juvenile Intensive Supervision Program (JISP) is structured to provide Family Court judges with an alternative to incarceration for selected juvenile offenders.

INFORMATION TECHNOLOGY UPGRADE

The Judiciary notes that it relies on its information systems for its basic operations. Most of the transactions made and records filed each day are recorded and saved via information technology. In response to a question posed by the Office of Legislative Services concerning the Judiciary's information technology program during the FY 2003 budget process the Judiciary stated:

New Jersey's court information systems are vital to the operations of the Judiciary and various State and local agencies as well. The Judiciary uses Statewide automated systems for all cases, from parking tickets in each municipality to appeals to the Supreme Court. There are 20,000 users and more than 3 million computerized transactions per day. The systems automate management of cases, including docketing, scheduling, noticing, and recordation of payments. They are the official court record of each case. The courts are completely dependent on these systems.

The Judiciary notes that its information system is operating on 20-year old technology in almost all of its key systems. As a result, program expansion and enhancements are difficult, if not impossible to implement. In response to this, the Judiciary has developed a strategic plan that would address these needs and update the system to accommodate continued operation and future expansion. P.L.2002, c.34, which raised fees and deposited the revenue from these fee increases into a Court Technology Improvement Fund, has provided the funding to allow the Judiciary to begin this upgrade.

RECENT ENACTMENTS

Increased Filing Fees

P.L.2002, c.34 provides for an increase in a number of 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.

Program Description and Overview (Cont'd)

Increased Juror Compensation

P.L. 2001, c.38 increased the amount of compensation paid to jurors. Prior to the enactment of P.L. 2001, c.38, all individuals called to perform jury duty service were compensated at a rate of \$5 per day. Under the statute, for each consecutive day of attendance in excess of three days, jurors would receive an additional \$35 per day (i.e., for a total per diem reimbursement on those days of \$40). The term "consecutive" day excludes Saturdays, Sundays, State holidays or days when a trial is in recess. Public employees, who are entitled to their usual compensation while on jury duty, are not eligible for the increase in compensation.

Kinship Legal Guardianship Program

P.L.2001, c.250 established the Kinship Legal Guardianship program. The program, which took effect on January 1, 2002, 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. The program designates 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, as kinship legal guardians. 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 program created seven additional judgeships to oversee drug court cases.

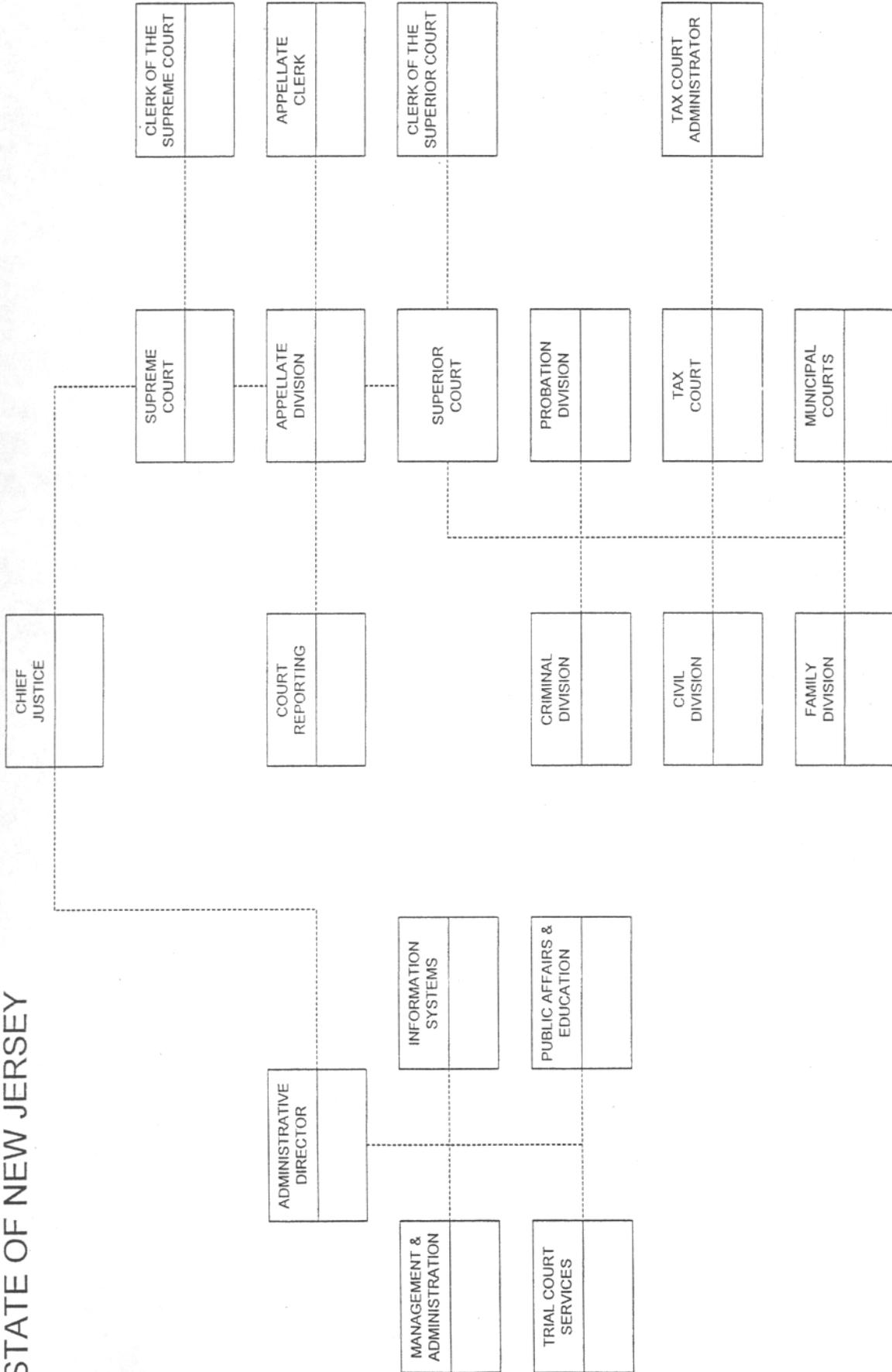
Drug Offender Restraining Order

P.L. 2001, c.365 revised the "Drug Offender Restraining Order Act of 1999" to permit rather than require courts to issue restraining orders prohibiting certain offenders from entering premises, locations or areas where the offense occurred.

Drug Court

P.L. 2001, c.243 provided for the expansion of the drug court pilot program into a Statewide program, created six additional judgeships, and appropriated \$4 million to the Judiciary for this purpose. The pilot, which had been supported in five vicinages by federal funding, provides for court supervised substance abuse treatment for carefully screened non-violent, addicted offenders as an alternative to incarceration. Currently, the State is funding and operating the program in 10 vicinages.

Organization Chart



Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 2003	Adj. Approp. FY 2004	Recom. FY 2005	Percent Change	
				2003-05	2004-05
General Fund					
Direct State Services	\$477,715	\$523,964	\$526,073	10.1%	0.4%
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	\$477,715	\$523,964	\$526,073	10.1%	0.4%
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	\$477,715	\$523,964	\$526,073	10.1%	0.4%
Federal Funds	\$60,368	\$69,168	\$72,370	19.9%	4.6%
Other Funds	\$39,230	\$39,475	\$39,761	1.4%	0.7%
Grand Total	\$577,313	\$632,607	\$638,204	10.5%	0.9%

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2003	Revised FY 2004	Funded FY 2005	Percent Change	
				2003-05	2004-05
State	7,627	7,820	7,859	3.0%	0.5%
Federal	1,242	1,263	1,296	4.3%	2.6%
All Other	204	219	215	5.4%	(1.8)%
Total Positions	9,073	9,302	9,370	3.3%	0.7%

FY 2003 (as of December) and revised FY 2004 (as of September) personnel data reflect actual payroll counts. FY 2005 data reflect the number of positions funded.

AFFIRMATIVE ACTION DATA

Total Minority Percent	34.0%	36.0%	36.0%	----	----
------------------------	-------	-------	-------	------	------

Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp. FY 2004</u>	<u>Recomm. FY 2005</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
DIRECT STATE SERVICES:					
Materials and Supplies	\$7,846	\$7,755	(\$91)	(1.2)%	D-465
SPECIAL PURPOSE:					
Drug Court					
Treatment/Aftercare	\$12,418	\$13,918	\$1,500	12.1%	D-465
Drug Court Operations	\$5,080	\$5,780	\$700	13.8%	D-465
Drug Court Judgeships	\$1,498	\$1,498	\$0	0.0%	D-465
TOTAL	\$18,996	\$21,196	\$2,200	11.6%	

The FY 2005 recommendation for drug courts would provide an additional \$1.5 million for treatment services and \$700,000 for operational needs. The recommended appropriation is intended to allow the Judiciary to continue to expand the drug court program Statewide. The extent and timing of expansion from this funding increase is unclear. Currently, 10 of the 15 vicinages have operating drug courts. The Drug Court Program is aimed toward diverting certain drug offenders from the State prison system and into treatment programs, thereby reducing the demand for State prison bed spaces.

FEDERAL FUNDING

FAMILY COURTS	\$18,034	\$19,049	\$1,015	5.6%	D-465
----------------------	-----------------	-----------------	----------------	-------------	--------------

The recommended increase in Federal funding for the Family Courts consists of increases in three programs: the New Jersey State Court Improvement Grant, the State Access and Visitation Program and the Title IV-D Child Support and Paternity program.

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 FY 2005 recommendation of \$450,000 represents an increase of \$119,000 or 36 percent over the FY 2004 appropriation of \$331,000.

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. The program is recommended to receive \$350,000 in FY 2005, a \$125,000 or 56 percent increase over the FY 2004 adjusted appropriation of \$225,000.

The Child Support and Paternity Program is recommended to increase from \$17.478 million in FY

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2004</u>	<u>Recomm. FY 2005</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
--------------------	---------------------------------	----------------------------	--------------------------	---------------------------	------------------------

2004 to \$18.249 million in FY 2005, an increase of \$771,000. The recommendation would fund increased salary expenditures in FY 2005.

PROBATION SERVICES	\$51,134	\$53,321	\$2,187	4.3%	D-465
---------------------------	-----------------	-----------------	----------------	-------------	--------------

The FY 2005 recommendation for federal funding for Probation Services includes an increase of \$2.2 million for the Title IV-D Child Support and Paternity program allocated to salary and fringe benefit costs.

ALL OTHER FUNDS:

SUPREME COURT	\$11,067	\$12,025	\$958	8.7%	D-465
----------------------	-----------------	-----------------	--------------	-------------	--------------

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 to the New Jersey Bar. The Judiciary anticipates FY 2005 collections of \$2.411 million for this program, a \$119,000, or five percent increase over the FY 2004 collection level of \$2.292 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 2005 income for this program is expected to increase from the FY 2004 level of \$197,000 to \$251,000, a \$54,000 or 27 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 \$712,000, from \$7.233 million in FY 2004 to \$7.945 million in FY 2005, a 10 percent increase. The New Jersey Lawyers Fund for Client Protection is projected to collect \$1.418 million in FY 2005, a five percent increase over the FY 2004 collections of \$1.345 million.

CIVIL COURTS	\$1,766	\$1,802	\$36	2.0%	D-465
---------------------	----------------	----------------	-------------	-------------	--------------

The FY 2005 budget projects increased receipts to the Superior Court Trust Fund, consisting 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.

MUNICIPAL COURTS	\$9,188	\$9,564	\$376	4.1%	D-466
-------------------------	----------------	----------------	--------------	-------------	--------------

The FY 2005 budget projects increased collections from surcharges imposed on all traffic tickets written in the State which are dedicated to funding the Automated Traffic System for Municipal Courts. This 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.

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

<u>Budget Item</u>	<u>Adj. Approp. FY 2004</u>	<u>Recomm. FY 2005</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
PROBATION SERVICES	\$2,498	\$2,558	\$60	2.4%	D-466

This change constitutes an increase of \$60,000 in the collections of the Court Computerized Collections Fund. FY 2005 collections are anticipated to total \$500,000. The remaining portion of this recommendation reflects the Comprehensive Enforcement program which is anticipated to collect the same amount of revenue in FY 2005 as it had in FY 2004.

INFORMATION SERVICES	\$14,556	\$13,412	(\$1,144)	(7.9)%	D-466
-----------------------------	-----------------	-----------------	------------------	---------------	--------------

Decreased FY 2005 funding for Information Systems is primarily the result of a \$1.2 million decline in anticipated collections for the Court Technology Improvement Fund, from \$13.9 million in FY 2004 to \$12.7 million in FY 2005. The revenues comprise court fee increases enacted by P.L.2002, c.34 and earmarked for the Judiciary's computerized court information systems.

Language Provisions

There are no substantive revisions to language provisions recommended for FY 2005.

Discussion Points

1. During the past several fiscal years the Judiciary has undertaken a program to upgrade its automated services, transform the computer platform to a Web based technology, replace obsolete equipment and improve services to the public. Because of the lack of available capital funding the Judiciary has made use of carry forward funding and other internal sources of funds to accomplish this. In FY 2003, the Judiciary was given authorization to raise fees in order to generate funds to continue with the upgrade effort. The budget recommendation estimates that the Judiciary will collect \$12.7 million for this purpose in FY 2005, which would result in a three-year total of nearly \$38.5 million since this new fee authorization was approved.

- **Question:** Please provide an update of the Judiciary's information technology upgrade. What needs to be done? How much more funding is required to complete the effort? When does the Judiciary anticipate that this upgrade will be completed? What benefits to attorneys, litigants and the general public are expected to result from this investment of resources?

2. As part of the Judiciary's program to upgrade its computer technology, the electronic filing of complaints, answer and various motions is being pursued. In FY 2001 the Judiciary began a program for the electronic filing in the Civil-Law Division cases and dissolution cases.

- **Question:** How successful has that earlier program been? What plans exist for program expansion into other areas?

3. P.L. 2001, c.243, provided for the expansion of the drug court pilot program into a Statewide program and appropriated \$4 million to the Judiciary for this purpose. The pilot, which had been supported in five vicinages by federal funding, provides for court supervised substance abuse treatment for carefully screened non-violent, addicted offenders as an alternative to incarceration. The program is recommended to receive a total of \$21.2 million in FY 2005, an increase of \$2.2 million over the FY 2004 adjusted appropriation.

- **Question:** How will this increase further the Judiciary's goal of expanding the drug court program to all 15 vicinages? How much funding would be required to expand the program Statewide on July 1, 2004? January 1, 2005?

4. Budget evaluation data show that the Judiciary anticipates 3,850 applications for admission into the Intensive Supervision Program (ISP) and that 1,217 individuals will be accepted and participate in the program, a 32 percent acceptance rate.

- **Question:** Is this acceptance rate capped due to the need to adhere to strict guidelines for entering the program, or because of the number of available slots? Could the acceptance rate be higher if the ISP program were expanded? Could the program be effectively expanded in order to reduce the State prison population? Would an increase in the acceptance rate affect the success of the program?

5. The Judiciary has indicated that it was developing a plan for televising Supreme Court proceedings.

- **Question:** Please comment on the status of this initiative. Have directives been issued concerning this program? When and at what cost does the Judiciary estimate that this plan might be implemented?

Discussion Points (Cont'd)

6. In January 2002, the Judiciary began a program enabling the public to pay municipal court fines by credit card over the Internet. The program, New Jersey Municipal Courts Direct (NJMC Direct) is accessible through the Judiciary's website.

- **Question:** How many municipalities are currently participating in this program? How many individuals have chosen to make use of the program? How much has the Judiciary collected? What percentage of the total amount of municipal court fines does this represent? What savings, if any, have been accrued by the Judiciary and municipal courts as a result of the use of this program? Are transaction fees charged to offset the cost of offering this service? If so, what are the fees and by whom are they paid?

7. The Judiciary has undertaken a study to evaluate juvenile sentencing and the potential disparity of the treatment of juveniles in the court system Statewide.

- **Question:** Please comment on the status and findings of this study.

8. Last year the Judiciary informed the Budget and Appropriations Committees that it had placed a major emphasis on reducing the number of backlogged cases to the "lowest achievable level possible".

- **Question:** How successful has the Judiciary been in this effort? Please provide an update on the Judiciary's current number of backlogged cases. What is the Judiciary's estimate of the "lowest achievable level possible"?

9. Court systems in several other states (Florida, California, Washington) have implemented mental health courts as a way to address the needs of mentally ill offenders, many of whom are charged with low level offenses.

- **Question:** What initiatives are underway to screen and treat these offenders? Is the concept of a mental health court in New Jersey feasible at this time? What more is needed to address the problems associated with these offenders?

10. The New Jersey State Bar Association submitted a report to the Judiciary in November 2003 on the subject of mandatory court-annexed arbitration in civil disputes. The report was critical of the current system, and recommended establishing a program of multi-option Alternative Dispute Resolution, modeled on the program in place in the Northern District of California. This program would include early neutral evaluation, mediation, and non-binding arbitration with the power to opt out if all counsel agree and compulsory participation on the application of any party. The report cautions that there would be cost factors impacting the adoption of its recommendations.

- **Question:** Please identify any revisions to the system of court-annexed arbitration that have been or are planned to be implemented in response to the Bar Association's report. If no revisions are to be made, what are the reasons for that decision? What additional costs would be incurred if the Judiciary were to adopt the program recommended in the report?

Background Paper: Judicial Compensation

Budget Pages.... C-18, C-26, C-34, C-36, C-38,
D-459 to D-466, H-71, H-72

Judicial salaries in New Jersey are set by statute. The January 1, 2002 increase was the last of three annual increases awarded under P.L. 1999, c. 380. Under the statute, the Chief Justice, Supreme Court Associate Justices, Superior Court Appellate Division Judges, Assignment Judges of the Superior Court, Superior Court Judges and Tax Court Judges all became eligible for increases on January 1, 2000, January 1, 2001, and January 1, 2002, respectively. New Jersey's current judicial salary scale falls at the high end of the range of judicial salaries nationwide. Below is a table listing the New Jersey's current judicial compensation rates as compared to the national range of compensation offered in other states.

	New Jersey Judicial Compensation	National Compensation Ranges As of April 1, 2003	
Supreme Court Chief Justice	\$164,250	\$90,482	to \$185,773
Supreme Court Associate Justice	\$158,500	\$83,381	to \$170,319
Superior Court Appellate Judge	\$150,000	\$91,469	to \$159,657
Superior Court Assignment Judge	\$146,750	--	--
Superior Court Judge	\$141,000	\$82,600	to \$154,700
Tax Court Judge	\$141,000	--	--

According to the April 1, 2003 nationwide [Survey of Judicial Salaries](#) issued by the National Center for State Courts, New Jersey's Superior Court Judge salary of \$141,000 ranks second to District of Columbia's judicial salary of \$154,700. Acknowledging the varying costs of living in different regions in the nation, the survey calculated these salaries against the ACCRA¹ cost of living index. After these regional cost of living adjustments are made, New Jersey's judicial compensation

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. This organization is the most widely accepted U.S. source of cost of living indices. 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. 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

rank falls from second place, to 38th place in the nation. In this survey, the National Center for State Courts stated:

This "normalization" of trial court judge salaries showed some interesting results. New Jersey, for example, is ranked 2nd in the real salary column and has an ACCRA factor of 1.43. The basic interpretation is that the average purchasing power of a salary in New Jersey (\$98,393) is lower than its real dollar salary (\$141,000). The change in the two salary measurements is significant, resulting in the large movement in New Jersey's salary rankings (2nd to 38th). In contrast, Tennessee ranked 24th in the real salary column, but ranked 9th after adjusting for a more modest cost of living.

Judicial Compensation Rankings

Below is a table charting the judicial compensation in actual dollars of the top five states along with the rankings of neighboring New York, Pennsylvania, and Maryland. The table also provides the rank of each of these states after the ACCRA cost of living factor has been applied. It is notable that while New Jersey may compensate its judiciary at a higher rate than its bordering states, these states all rank higher in real compensation after the cost of living factor has been applied.

Rank	Jurisdiction	Gross Salaries	COLA Adjusted Salaries	Adjusted Rank
1	District of Columbia	\$154,700	\$114,918	20
2	New Jersey	\$141,000	\$98,393	38
3	Delaware	\$140,200	\$137,796	2
4	Michigan	\$139,919	\$138,181	1
5	California	\$139,476	\$112,465	24
6	New York	\$136,700	\$113,400	22
14	Pennsylvania	\$121,225	\$121,060	13
16	Maryland	\$119,600	\$126,489	7

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 charged with the responsibility of reviewing 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.

Background Paper: Judicial Compensation

In reviewing the salaries, the commission was instructed 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 on State officers' salaries was issued on December 18, 2003. With reference to Judicial salaries, the commission noted that the New Jersey bench is among the most widely respected in the country. In addition, the New Jersey Judiciary has the fourth highest rate of filings per judge.

The commission also noted that 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 in the nation whose judges are precluded from engaging in any outside income-generating 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 have been set at \$158,100. The following table lists the commission's recommendations for accomplishing parity with Federal District Court Judges:

Public Officers Salary Review Commission Recommendations

Supreme Court, Chief Justice	\$186,600
Supreme Court, Associate Justice	\$180,250
Superior Court, Appellate Judge	\$170,750
Superior Court, Assignment Judge	\$166,000
Superior Court Judge	\$158,100
Tax Court Judge	\$158,100

The cost of implementing the recommended salary increases for New Jersey's judges would total \$8.1 million.

State and County Official Salary Linkages

Judicial salaries are the standard by which several other State officials' salaries are determined. State statute provides that these officials receive a certain percentage of the salary of a Superior Court Judge.

Background Paper: Judicial Compensation

Position	Percent of Judge Salary	Statute	New Salary
Chief Judge/Div of Workers' Compensation	89%	N.J.S.A.34:15-49	\$140,709
Workers Compensation Judge	85%	N.J.S.A.34:15-49	\$134,385
Chief Judge/Office of Administrative Law	89%	N.J.S.A.52:14F-3	\$140,709
Administrative Law Judge	85%	N.J.S.A.52:14F-4	\$134,385
County Surrogate	65%	N.J.S.A.2B:14-3	\$102,765
County Clerk	65%	N.J.S.A.40A:9-76	\$102,765
Register of Deeds and Mortgages	65%	N.J.S.A.40:9-92	\$102,765
Sheriff	65%	N.J.S.A.40A:9-104	\$102,765

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.

The Public Officers Salary Review Commission acknowledged the linkages of judicial salaries with other state officials and recommended that the salaries of County Prosecutors be increased from \$141,000 to \$158,100; the salaries of Administrative Law Judges be increased from \$119,850 to \$134,400; and the salaries of Workers' Compensation Judges be increased from \$119,850 to \$134,400. The cost of these increases would total \$1.6 million. The additional cost of increasing the county officials' salaries would total \$934,000.

Other State Salary Recommendations

The Public Officers Salary Review Commission also recommended that effective July 1, 2004, the Legislature receive an increase to their current \$49,000 per annum salary equal to the percentage increase in the 2003 Northeast Regional CPI over 2002, with similar adjustments to be made annually.

With respect to the Executive Branch, the commission recommended that effective July 1, 2004 the Governor's salary be increased from \$175,000 to \$200,000 per year. Cabinet members' salaries were recommended to be increased from \$141,000 to \$158,100 per year, and the president and members of the Board of Public Utilities were recommended to receive an increase from \$141,000 to \$158,100 per year.

By statute, the commission is scheduled to meet next in 2007, when it will again review the necessity for altering judicial and other public officers' salaries.

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 2005 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**