



**ANALYSIS OF THE NEW JERSEY BUDGET**

**THE JUDICIARY**

**FISCAL YEAR**

**2018-2019**

# 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 (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-447 to D-454

## **Fiscal Summary (\$000)**

	Expended FY 2017	Adjusted Appropriation FY 2018	Recommended FY 2019	Percent Change 2018-19
State Budgeted	\$667,956	\$772,255	\$762,255	(1.3%)
Federal Funds	109,376	124,725	120,297	(3.6%)
<u>Other</u>	<u>82,300</u>	<u>99,802</u>	<u>99,380</u>	<u>(0.4%)</u>
Grand Total	\$859,632	\$996,782	\$981,932	(1.5%)

## **Personnel Summary - Positions By Funding Source**

	Actual FY 2017	Revised FY 2018	Funded FY 2019	Percent Change 2018-19
State	7,244	7,272	7,515	3.3%
<u>Non-State</u>	<u>1,529</u>	<u>1,632</u>	<u>1,975</u>	<u>21.0%</u>
Total Positions	8,773	8,904	9,490	6.6%

FY 2017 (as of December) and revised FY 2018 (as of January) personnel data reflect actual payroll counts. FY 2019 data reflect the number of positions funded.

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

## Highlights

- The Governor's FY 2019 Budget recommendation provides a total of \$981.9 million for the Judiciary, a net decrease of \$14.9 million (1.5 percent) from the total FY 2018 adjusted appropriation. This change encompasses a \$10.0 million (1.3 percent) decrease in State funding, a \$4.4 million (3.6 percent) decrease in federal funding, and a \$422,000 (0.4 percent) decrease in funding from All Other Funds.
- The recommended \$10 million reduction in State funding is wholly attributable to one change. According to the Judiciary, this decrease represents the elimination of an additional one-time salary appropriation to the Judiciary in FY 2018 for personnel services in lieu of carrying \$10 million in unexpended FY 2017 Judiciary balances forward into FY 2018 pursuant to budget language. This budgetary mechanism allowed for the lapse of \$10 million in unexpended Judiciary balances into the State General Fund at the end of FY 2017 without altering the resources available to the Judiciary to pay for personnel services in FY 2018. It appears that the recommended non-renewal of the \$10 million appropriation would not affect the number of positions in the Judiciary in FY 2019.
- 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. Annual collections from these fee increases are to be deposited in the dedicated 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). Any fees revenue in excess of \$42.1 million is to be retained by the Judiciary for the sole purpose of developing, maintaining, and administering court information technology.
- The Governor's FY 2019 Budget projects \$42.1 million in dedicated 21st Century Justice Improvement Fund fee collections for each of FY 2018 and FY 2019. The recommended distribution of anticipated collections in each fiscal year is consistent with the allocation set forth in P.L.2014, c.31. Actual FY 2017 collections were \$41.0 million.
- Budget evaluation data show a two-year increase of 235 positions funded from "All Other Funds" from FY 2016 to FY 2018. According to the Judiciary, this increase has been the result of filling dedicated positions related to Criminal Justice Reform.
- The Judiciary anticipates the receipt of \$120.3 million in federal funding in FY 2019, a decrease of \$4.4 million below the FY 2018 adjusted appropriation of \$124.7 million. Of this reduction, \$2.9 million is 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. The remaining \$1.5 million reduction reflects the non-recurrence of a one-time federal grant for Adult Drug Court Statewide enhancements.

## Highlights (Cont'd)

- The Judiciary has historically received authorization to carry forward unexpended balances into the following fiscal year. FY 2019 recommended budget language would permit the re-appropriation of up to \$10 million in unexpended balances from FY 2018, subject to the approval of the Director of the Office of Management and Budget.

## Fiscal and Personnel Summary

## AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 2017	Adj. Approp. FY 2018	Recom. FY 2019	Percent Change	
				2017-19	2018-19
<b>General Fund</b>					
Direct State Services	\$667,956	\$772,255	\$762,255	14.1%	(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%
<b>Sub-Total</b>	<b>\$667,956</b>	<b>\$772,255</b>	<b>\$762,255</b>	<b>14.1%</b>	<b>(1.3%)</b>
<b>Property Tax Relief Fund</b>					
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%
<b>Sub-Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Casino Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Casino Control Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>	<b>0.0%</b>
<b>State Total</b>	<b>\$667,956</b>	<b>\$772,255</b>	<b>\$762,255</b>	<b>14.1%</b>	<b>(1.3%)</b>
<b>Federal Funds</b>	<b>\$109,376</b>	<b>\$124,725</b>	<b>\$120,297</b>	<b>10.0%</b>	<b>(3.6%)</b>
<b>Other Funds</b>	<b>\$82,300</b>	<b>\$99,802</b>	<b>\$99,380</b>	<b>20.8%</b>	<b>(0.4%)</b>
<b>Grand Total</b>	<b>\$859,632</b>	<b>\$996,782</b>	<b>\$981,932</b>	<b>14.2%</b>	<b>(1.5%)</b>

## PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2017	Revised FY 2018	Funded FY 2019	Percent Change	
				2017-19	2018-19
State	7,244	7,272	7,515	3.7%	3.3%
Non-State	1,529	1,632	1,975	29.2%	21.0%
<b>Total Positions</b>	<b>8,773</b>	<b>8,904</b>	<b>9,490</b>	<b>8.2%</b>	<b>6.6%</b>

FY 2017 (as of December) and revised FY 2018 (as of January) personnel data reflect actual payroll counts. FY 2019 data reflect the number of positions funded.

## AFFIRMATIVE ACTION DATA

Total Minority Percent	42.5%	42.9%	N/A	---	---
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**Significant Changes/New Programs (\$000)**

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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**DIRECT STATE  
SERVICES**

<b>Salaries and Wages</b>	<b>\$511,215</b>	<b>\$501,215</b>	<b>(\$10,000)</b>	<b>(2.0%)</b>	<b>D-453</b>
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According to the Judiciary, the recommended \$10.0 million reduction represents the elimination of a one-time additional \$10.0 million salary appropriation to the Judiciary in FY 2018 for personnel services in lieu of carrying \$10.0 million in unexpended FY 2017 Judiciary balances forward into FY 2018 pursuant to budget language. This budgetary mechanism allowed for the lapse of \$10.0 million in unexpended Judiciary balances into the State General Fund at the end of FY 2017 without altering the resources available to the Judiciary to pay for personnel services in FY 2018. It appears that the recommended non-renewal of the \$10.0 million appropriation would not affect the number of positions in the Judiciary in FY 2019.

**FEDERAL FUNDS**

<b>Criminal Courts</b>	<b>\$1,500</b>	<b>\$0</b>	<b>(\$1,500)</b>	<b>(100.0%)</b>	<b>D-453</b>
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The recommended elimination of federal funds appropriations for Criminal Courts reflects the non-renewal of a one-time federal grant awarded to the Judiciary for Adult Drug Court Statewide enhancements. The funding was to support sober recovery housing for New Jersey Drug Court participants and provide for enhancements to existing systems and data collection to improve Adult Drug Court best practice standards throughout calendar years 2017, 2018 and 2019. The grant was awarded by the Bureau of Justice Assistance in the United States Department of Justice under the Adult Drug Court Discretionary Grant Program for federal FY 2016.

**FEDERAL FUNDS**

<b>Family Courts</b>	<b>\$39,641</b>	<b>\$37,778</b>	<b>(\$1,863)</b>	<b>(4.7%)</b>	<b>D-453</b>
<b>Probation Services</b>	<b>\$79,191</b>	<b>\$78,063</b>	<b>(\$1,128)</b>	<b>(1.4%)</b>	<b>D-453</b>
<b><u>Trial Court Services</u></b>	<b><u>\$4,393</u></b>	<b><u>\$4,456</u></b>	<b><u>\$63</u></b>	<b><u>1.4%</u></b>	<b><u>D-453</u></b>
<b>Total</b>	<b>\$123,225</b>	<b>\$120,297</b>	<b>(\$2,928)</b>	<b>(2.4%)</b>	

The Title IV-D Child Support and Paternity Program accounts for almost the entirety of, and the full \$2.9 million net reduction in, the recommended FY 2019 federal funds appropriations for the above components of the State Court system. Specifically, the Governor recommends a combined \$119.0 million federal funds appropriation for the Judiciary's portion of the program in FY 2019. This amount represents a \$2.9 million decrease from the adjusted \$121.9 million appropriation in FY 2018. The recommended combined State appropriation for the Judiciary's portion of the program remains unchanged at \$47.1 million in FY 2019.

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

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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The recommended decrease in federal funds appropriations is consistent with the anticipated continuation in FY 2019 of the declining year-over-year trend in the number of child support cases. Evaluation Data in the FY 2019 Governor's Budget show 301,465 Title IV-D Child Support and Paternity Program cases in FY 2016, 295,119 cases in FY 2017, an estimated 285,000 cases in FY 2018, and an estimated 283,000 cases in FY 2019. The Evaluation Data also show a slightly declining year-over-year trend in actual and expected child support collections. It is not clear to what extent P.L.2015, c.223 contributes to the declining trends. The law, which took effect February 1, 2017, established that the obligation to pay child support generally ends when a child reaches age 19, subject to several exceptions.

The Title IV-D Child Support and Paternity 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, Part D of the federal Social Security Act of 1975, the federal government reimburses states and counties for 66 percent of the cost of conducting child support activities. In addition, the federal government provides incentive payments to states to encourage them to operate a strong performance-based child support system, which can increase the federal share of total expenditures beyond the base 66 percent rate. The Department of Human Services administers the Title IV-D Child Support and Paternity Program grant in New Jersey. Anticipated federal reimbursements for all elements of the Child Support Enforcement Program are to decline by \$2.9 million from \$178.1 million in FY 2018 to \$175.2 million in FY 2019 (page C-19 in the Governor's FY 2019 Budget).



## Significant Language Changes

There are no significant language changes recommended for the Judiciary in FY 2019.

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough.  
Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

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Individuals wishing information and committee schedules on the FY 2019 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**