



**Report to Senate Appropriations Subcommittee on Justice & Public Safety
Judicial Response to Governor's FY 2010-11 Budget Proposal**

Governor's Recommended Budget Adjustments

- \$9.2 million in reductions:
 - Eight percent reduction (\$2.6 million) to Technology Services, which supports courthouse technology infrastructure statewide.
 - \$6.6 million management flexibility reserve (\$3.3 million R and \$3.3 million NR).
- Reinstates select salary schedules (i.e. teachers), but excludes salary steps for assistant and deputy clerks and magistrates.
- Spends \$15.8 million in additional recurring fee increases to be generated by the Judicial Branch.
- Governor's recommended reductions and fee increases are equivalent to 5% of Judicial budget.
- No expansion funding is recommended.

Judicial Expansion Request

Expansion :: \$75.2 M with 1,059 FTE (positions)

- New positions are based on time studies and workload staffing schedules, including:

<i>Court Personnel Needs</i>	<i># Positions</i>	<i>Request</i>
Prosecutors: ADAs and VWLAs	133	\$12.3 million
Deputy Clerks	524	\$25.3 million
District Court Judges	67	\$11.5 million
Magistrates	160	\$ 9.0 million
District Court Support Staff	37	\$ 2.4 million
Superior Court Support Staff	13	\$789,000

- Other budget requests for continuation restoration, program expansions and other positions.

Potential Impact of Governor's Budget

Impact on essential court services

- 90% of the judicial budget is personnel costs; reductions will result in loss of positions or prolonged vacancies.
- Validated workload studies indicate local courts are short more than 1,000 personnel.
- Proposed budget reductions will further delay the disposition of cases.

Significant impact on technology/automation and court efficiency

- Will reduce information technology responsiveness and services for the more than 6,700 judicial officials and employees who work in courthouses across the state.
- Will impact ability to complete current high priority technology projects such as eFiling, ePayment, NCAWARE and CJLEADS.
- Long-term impact on the court system's ability to reduce personnel needs through automation.
- Proposed \$2.6 million technology cut is equivalent to the elimination of 25 technology positions, which could require in excess of \$1 million in severance expenditures.

Other Considerations

- NCAOC has identified more than \$20 million in potential revenue from new and expanded fees.



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February 15, 2010

MEMORANDUM

TO: Charlie Perusse
FROM: John Smith
SUBJECT: Budget Submission for 2010-2011

Attached please find the information you requested through your December 18, 2009, memorandum for use in developing adjustments to the 2010-2011 fiscal year budget.

The past year and a half have been difficult ones for all of us in dealing with the financial crisis and resulting budget shortfalls. The Judicial Department has been as cooperative as possible in providing reversions during the past fiscal year, budget cuts to this year's budget and potential reversions at the end of this fiscal year. We have contributed our share to ease the burden of balancing the state budget while still providing core court services and constitutionally mandated rights to those who seek justice, although the workload has been burdensome.

This past fiscal year we reverted more than \$26 million (not counting May and June payroll, which were funded with Federal Recovery funds) through various line items. During budget deliberations by the General Assembly, we provided \$30.7 million in cuts to the first year of the biennium and \$43.8 million in the second year, including 47 positions. We were also credited with the development of \$42 million in fee increases for the State's General Fund. For this fiscal year, we have committed to nearly \$10 million in reversions if necessary due to revenue shortfalls. This has required us to maintain a historically high number of vacancies in ADA, deputy clerk, magistrate, and other court field staff, and at the NCAOC. Many offices are stretched and struggle under their workload.

Your memorandum notes that Governor Perdue has established healthy and safe communities as one of her budget priorities. I trust that this includes the Judicial Department, as the judicial branch is one of the cornerstones of our state's often beleaguered criminal justice system, and it is an integral part of our state's infrastructure. We appreciate the Governor focusing on safe communities in her budget.

General Statute 143C-3-2 directs the Administrative Office of the Courts to provide the budget director with the requirements for the judicial branch for the upcoming budget period. In analyzing our requirements, we cannot find additional reductions to our budget for the 2010-2011 fiscal year. Therefore, I will not be submitting any proposed budget cuts for the Judicial Department.

Your memo asks that we address five specific reduction strategies, and in doing so, we were to attempt to minimize the impact on direct services to citizens as well as the impact on statutorily mandated or "core mission" government services. We have done our best and found:

- We have no duplicative and / or underachieving programs.
- We have no available consolidation of programs, offices or services.
- We have been focused on reducing operating funds due to service efficiencies and have taken those reductions in this biennial budget.
- We have no savings in reducing layers of management and administration.

However, in regards to the strategy of budgeting additional receipts, we have some expanded fees that we could propose that would increase availability by nearly \$17 million. These fees were proposed during the past session of the General Assembly but were not implemented. I would like to provide details of these new fees if you are interested.

The judicial branch does, however, have Expansion Budget needs. Attached is an updated list of staffing and operating needs that was submitted last year. I do so to demonstrate the documented staffing needs of the judges, clerks of superior court, magistrates, and district attorneys, and in other areas. The workload requirements for all groups continue to increase even during this financially challenging time. We have workload formulas for staffing most offices that were developed in consultation with the National Center for State Courts. These formulas are for district court judges, clerks of superior court staff, magistrates and district attorney staff. Based upon these well-developed workload formulas, each group has need for the additional positions requested in the Expansion Budget.

Also, as provided for in your memo, we are resubmitting some continuation budget items included in the 2009-2011 Governor's Recommended Budget that were not included in the budget enacted by the General Assembly.

Persuant to G.S. 143C-3-2, Chief Justice Sarah Parker has certified the needs for the judicial branch that we have outlined and submitted by way of this memorandum and attachments.

I welcome an opportunity to meet in person and to discuss this further as we all work together through this economic hardship.

