

Office of the
Legislative Fiscal Analyst

FY 2002 Supplemental Budget Recommendations

Joint Appropriations Subcommittee for
Executive Offices and Criminal Justice

Courts Supplemental Funding Items

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1.0 Summary: Courts

Supplemental funding is for any items in the current fiscal year that have funding issues which were not anticipated during the previous Legislative Session. Usually, this is for additional one-time funding for an unexpected expense. The current economic situation in the State makes this year's supplemental recommendations different. Instead of additional funding being recommended, budget reductions will need to be implemented to balance the FY 2002 State budget, given the projected \$202.5 million shortfall.

The Governor anticipated a shortfall early in the fiscal year and requested that agencies "holdback" expenditures at approximately the 2.5 percent level. When it became obvious that the holdback would indeed need to occur, the Governor implemented those holdbacks. The Courts are a separate branch of government and therefore are not required to submit to the Governor's requests. Nonetheless, the Courts' initial General Fund holdbacks totaled \$1,863,400. Following that, the shortfall grew even larger and the Governor requested additional reductions from agencies and suggested using the State's Rainy Day Fund to supplement the difference. The Courts reduced their budget an additional \$1,539,600 from the General Fund. However, the current supplemental appropriations recommendations of the Office of the Legislative Fiscal Analyst do not include the use of the Rainy Day Fund.

For FY 2002, the Analyst recommends reducing the current General Fund appropriation by \$3,403,000, plus an additional \$731,300 for a total of \$4,134,300.

Virtually all of the budgets are impacted to some degree in these proposed reductions. The Analyst has identified specific programs or functions that could be downsized or eliminated. In addition, several "across-the-board" reductions have been identified. The Analyst has included 10 percent across the board decreases in the General Fund in the following categories: Conventions / Workshops, Data Processing, Entertainment / Receptions, Office Supplies / Equipment, and Travel. For FY 2002, the "across-the-board" reductions were limited to eight months of the year to allow for expenditures made prior to the Legislative Session.

The Utah State Court system consists of two appellate courts, the court of general jurisdiction (District Court) and a Juvenile Court. The State trial courts (District and Juvenile) are organized into eight judicial Districts. These courts are fully funded and operated by the State. Additional courts not-of-record (Justice Courts) are funded and operated by local governments under standards established by the State.

The Table below summarizes the recommended reductions for FY 2002 for the Judicial Branch (Courts).

	Analyst FY 2002 Estimated	Analyst FY 2002 Supplemental	Analyst FY 2002 Revised
Financing			
General Fund	94,303,400		94,303,400
General Fund, One-time	88,000	(4,100,500)	(4,012,500)
Federal Funds	75,900		75,900
Dedicated Credits Revenue	1,183,500		1,183,500
GFR - Alternative Dispute Resolution	144,400		144,400
GFR - Children's Legal Defense	917,400		917,400
GFR - Court Trust Interest	1,357,500		1,357,500
GFR - Guardian Ad Litem Services	245,800		245,800
GFR - State Court Complex	3,500,000		3,500,000
GFR - Transcriptions	250,000		250,000
Transfers	732,700		732,700
Transfers - Commission on Criminal and	1,402,000		1,402,000
Transfers - Human Services	152,800		152,800
Beginning Nonlapsing	1,172,000		1,172,000
Closing Nonlapsing	(170,500)		(170,500)
Total	<u>\$105,354,900</u>	<u>(\$4,100,500)</u>	<u>\$101,254,400</u>
Programs			
Administration	81,066,500	(4,085,100)	76,981,400
Contracts and Leases	19,209,700		19,209,700
Grand Jury	900	(100)	800
Jury and Witness Fees	1,329,200	(3,800)	1,325,400
Guardian ad Litem	3,748,600	(11,500)	3,737,100
Total	<u>\$105,354,900</u>	<u>(\$4,100,500)</u>	<u>\$101,254,400</u>
FTE/Other			
Total FTE	1,277	(58)	1,219

2.0 Issues: Courts

The following summarizes the total Courts' recommended reductions and adjustments, by category.

2.1 Internal Service Fund Rate Changes

As a result of rate changes for services provided by the Department of Administrative Services, the Analyst recommends a one-time supplemental budget net increase of \$33,800 from the General Fund.

General Fund	\$33,800
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2.2 Original Governor's Holdbacks

The Courts made two sets of reductions at the Governor's request for holdbacks. The initial General Fund holdback was for \$1,863,400. The second round of reductions was for \$1,218,600, not including the "across-the-board" reductions. This includes a reduction of 58 FTE.

State Supervision	(\$ 150,000)
Drug Court	(128,700)
Contracts and Leases	(420,000)
Hiring Freeze	(789,600)
Deputy Clerk Fiscal Note	(194,600)
Nonlapsing Balances	(1,399,100)

General Fund	(\$1,432,900)
General Fund -- One-Time	(1,649,100)

2.3 Across-the-Board Reductions

The Analyst has included ten percent across the board decreases in the General Fund in the following expense categories: Conventions / Workshops, Data Processing, Entertainment / Receptions, Office Supplies / Equipment, and Travel. For the Courts, these General Fund reductions total \$321,000.

General Fund	(\$321,000)
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2.4 One-Day Furlough

A one-day furlough at the Courts will save the State \$169,300 in General Funds.

General Fund	(\$169,300)
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2.5 Additional Reduction – Court Administration Operations

The Courts is primarily funded with General Fund and is heavily dependent on personnel for its operations and activities. The initial reductions shifted funding from a planned realignment of judicial responsibilities to a reduction of personnel and programs. West Valley City opened their own Justice Court this last July and Salt Lake City is planning to open their Justice Court this July, 2002. This will cause a reduction of caseload shifting from the Third District Court. Additional effort is needed in the Fifth District and the Third District Juvenile Court, but will not require the number of court clerks and secretaries that were previously employed by the Third District Court. Further budget reductions can be made by expanding a hiring freeze within the overall Court system and requiring administrative efficiency reductions. Some program contracts can also be reevaluated and reduced or eliminated.

General Fund **(\$562,000)**

2.6 Supplemental Appropriation – Juror, Witness, and Interpreter Fees

Under UCA 21-5-1.5, the State is responsible for the payment of the costs of jurors and witnesses called by the Courts, and for interpreter expenses. This line item has been in deficit for successive years. This is one line item authorized to run a deficit. The 2001 Legislature appropriated a portion of the deficit in this account. The Courts have further reduced the deficit in FY 2002 to \$515,600, all carried over from previous years. Under UCA 21-5-1.5, such shortfalls are referred to the Board of Examiners to be certified as a claim against the State. The Analyst recommends that the deficit be carried over for another year.

No funding is recommended.

4.0 Additional Information: Courts

4.1 Funding History

	1999	2000	2001	2002	Difference
Financing	Actual	Actual	Actual	Revised	2001 to 2002
General Fund	82,736,000	85,123,850	88,069,800	94,303,400	6,233,600
General Fund, One-time				(4,012,500)	(4,012,500)
Federal Funds	84,100	26,300		75,900	75,900
Dedicated Credits Revenue	1,200,500	753,500	1,076,600	1,183,500	106,900
GFR - Alternative Dispute Resolution	140,000	140,000	144,400	144,400	
GFR - Children's Legal Defense	603,500	615,000	536,900	892,600	355,700
GFR - Court Reporter Technology	150,000	200,000			
GFR - Court Trust Interest	238,500	590,000	1,300,700	1,357,500	56,800
GFR - Guardian Ad Litem Services	240,500	240,500		245,800	245,800
GFR - Non-Judicial Assessment	634,600	685,700			
GFR - State Court Complex	3,400,000	3,395,600	3,500,000	3,500,000	
GFR - Substance Abuse Prevention	312,400	312,300			
GFR - Transcriptions			250,500	250,000	(500)
Transfers		74,800	35,000	207,500	172,500
Transfers - Commission on Criminal and	828,800	1,028,100	2,303,600	1,402,000	(901,600)
Transfers - Federal	72,100	127,300			
Transfers - Human Services			180,800	152,800	(28,000)
Beginning Nonlapsing	1,177,000	1,059,000	(165,800)	882,900	1,048,700
Closing Nonlapsing	(422,800)	186,700	(1,224,200)	(170,500)	1,053,700
Lapsing Balance	(95,700)	(378,800)	(423,900)		423,900
Total	\$91,299,500	\$94,179,850	\$95,584,400	\$100,415,300	\$4,830,900
Programs					
Administration	71,492,000	73,440,050	76,807,100	75,626,700	(1,180,400)
Contracts and Leases	15,175,100	15,940,800	16,992,900	19,209,700	2,216,800
Grand Jury	1,000	1,000		800	800
Jury and Witness Fees	1,816,200	1,858,800	1,784,400	1,841,000	56,600
Guardian ad Litem	2,815,200	2,939,200		3,737,100	3,737,100
Total	\$91,299,500	\$94,179,850	\$95,584,400	\$100,415,300	\$4,830,900
Expenditures					
Personal Services	59,661,300	61,533,350	62,165,900	67,264,800	5,098,900
In-State Travel	515,000	484,900	352,300	418,400	66,100
Out of State Travel	176,300	215,900	180,000	183,600	3,600
Current Expense	25,032,300	26,909,800	26,348,500	27,987,000	1,638,500
DP Current Expense	3,066,900	4,076,000	3,628,400	1,802,200	(1,826,200)
DP Capital Outlay	66,400	495,900	582,800	521,100	(61,700)
Capital Outlay	692,100	464,000	404,500	586,600	182,100
Other Charges/Pass Thru	2,089,200		1,923,000	1,651,600	(271,400)
Trust & Agency Disbursements			(1,000)		1,000
Total	\$91,299,500	\$94,179,850	\$95,584,400	\$100,415,300	\$4,830,900
FTE/Other					
Total FTE	1,229	1,276	1,277	1,219	(58)
Vehicles			165	165	