

Justice and Public Safety Appropriations Subcommittee

Fiscal Overview: Judicial - Administrative Office of the Courts

**Douglas Holbrook, Principal Analyst
Fiscal Research Division**

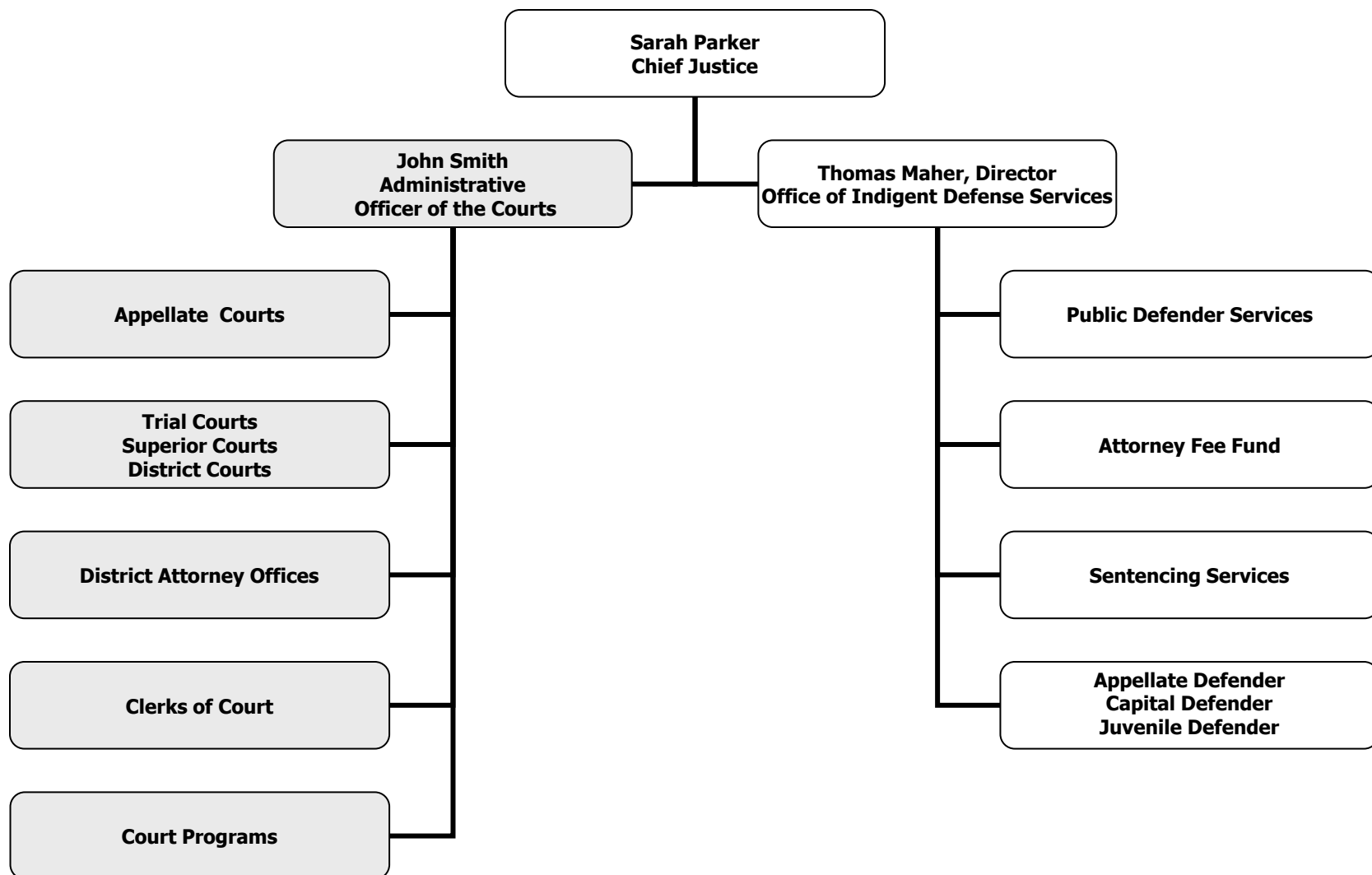
Judicial - AOC Fiscal Overview

1. Overview of Court System Programs and Funding
2. 2009 and 2010 Significant Legislative Actions
3. Overview of Current Year Funding and FY 2011-13 Judicial Budget Proposals
4. Budget Issues/Reduction Options

Overview of Court System Programs and Funding



North Carolina Judicial System



Court System Staffing: 6,292 Positions

Division	# Positions
Administration & Services	381
Appellate	142
District Attorney Offices	1,233
Equipment & Reserves	44
Sentencing Commission	10
Trial Court	4,482
Total	6,292

Court System Organization



- **Appellate Division**

- Supreme Court: 7 Justices hear cases involving constitutional questions or dissent in the Court of Appeals
- Court of Appeals: 15 Appellate Judges hear cases appealed from the trial courts

- **Superior Court Division**

- 112 Superior Court Judges
- all felony cases, those misdemeanor cases specified under G.S.7A-271, and civil trials involving amounts over \$10,000

- **District Court**

- 270 District Court Judges, 751 Magistrates
- misdemeanors, family/domestic matters including child custody and divorces, juvenile matters, traffic cases, etc.

Court System Organization

- **District Attorneys**

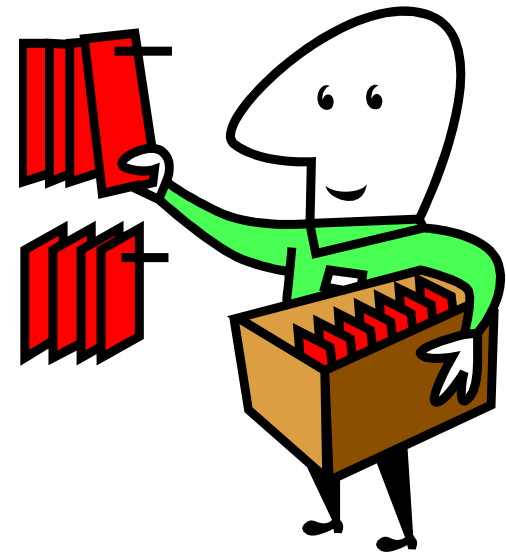
- 44 elected District Attorneys; 599 Assistant DAs ; 550 Victims Witness Legal Assistants (VWLA) and other support staff
- Represent the State in criminal trials
- May manage other local programs such as worthless check programs, domestic violence prosecution, etc.

- **Clerks of Superior Court**

- 100 elected Clerks of Courts; 2,643 Deputy Clerks and other support staff
- Maintain records on all trials and other matters handled in court
- Handle special proceedings

Court Filings – FY 2009-10

- Civil Filings
 - Superior Court: 27,764
 - District Court: 239,347
 - Estates: 66,117
 - Special Proceedings: 142,849
 - Civil Magistrate: 247,759
- Criminal Filings
 - Superior Court: 139,546
 - District (non-motor): 592,456
 - District (motor vehicle): 1,132,100
 - Infractions: 747,593



Court Workload 5-Year Trend

	FY05-06	FY06-07	FY07-08	FY08-09	FY09-10	Pct Chg
Civil						
Superior	27,591	27,091	27,226	29,908	27,764	1%
Civil						
District	200,888	208,426	238,132	239,400	239,347	19%
Estates	61,823	62,028	63,660	64,540	66,117	7%
Special						
Proceedings	117,512	121,093	128,006	125,866	142,849	22%
Civil						
Magistrate	274,032	264,194	268,256	262,126	247,759	-10%
Criminal						
Superior	152,664	152,879	149,919	150,502	139,546	-9%
District						
Criminal	648,224	636,751	643,207	626,763	592,456	-9%
District						
Motor						
Vehicle	1,013,371	1,018,120	1,060,379	1,048,447	1,132,100	12%
Infractions	804,335	808,384	852,749	768,922	747,593	-7%

AOC FY10-11 Authorized Expenditures

Purpose	\$ Amount	% Total
Salaries & Benefits	428,368,321	91.6
Purchased Services	31,704,234	6.7
Supplies; Property; Equipment	8,472,191	2
Aid & Assistance	1,923,263	.4
Reserves & Other Expenditures	-2,718,053	-.5
Total	467,749,956	100

AOC Technology Services

- Half of AOC's administrative budget and positions are Technology Services
- AOC is unusual in State government in having an in-house application development unit
- TSD was the subject of an unfavorable evaluation by the NCGA Program Evaluation Division

AOC Technology Services

- Evaluation findings indicated that projects typically went over time and over budget.
- The warrant repository system, NCAWARE, was initially scheduled for completion in 2004, but was actually implemented in October 2010.
- **Does AOC need more project oversight, or to privatize application development?**

Specialized Courts

- Drug Treatment (\$2,043,523)
 - 44 courts operating in 21 judicial districts (27 counties covering 57% of NC's population)
- Identified in statute as an Intermediate Sanction under Structured Sentencing
- Most drug treatment courts started with federal money
- 44% successful completion rate for adults
- Is AOC the correct place for a sanction? Does this program belong in DOC's Division of Community Corrections?

Specialized Courts

- Family Court (\$2,865,693)
 - 13 courts operating in 22 judicial districts (22 counties comprising 45% of NC population)
- Family Court ensures all of a family's legal concerns except criminal charges will be dealt with by the same judge
- Structure provides additional staff for the judge to organize the Family Court calendar and handle all referrals to mediation and other services
- Median age of pending cases was 90 days in Family Court districts, versus 280 days in non-FC districts for FY2009-10

Major Court Programs

- Guardian ad Litem (\$13,212,775)
 - Provides legal representation for children in abuse/neglect/dependency proceedings in court as required by federal child welfare laws
 - Involves almost 5,000 volunteers annually for representation
 - Includes \$2.6 million for direct legal services
 - **Can these services be privatized?**

Major Court Programs

- Dispute Resolution (\$1,139,513)
 - 23 centers plus the Mediation Network receive General Fund appropriations
 - 11,703 (92%) of the 12,676 referred cases referred by the courts were resolved in FY 2009-10.
 - State appropriations account for 19% of the programs' operation, on average.
 - 86 counties receive mediation services

Major Court Programs

- Custody Mediation (\$2,537,458)
 - Programs in 41 districts serving 97 counties
 - Courts referred 14,351 cases for child custody and visitation mediation.
 - 13,904 cases were disposed in FY2009-10

2009 and 2010 Significant Legislative Actions



2009 Significant Legislative Action

- Authorized new and increased some existing court fees to generate over \$40 million additional general fund revenue annually
- Froze the statutory automatic salary increases for deputy clerks and magistrates for two years
- Eliminated funding for courthouse telephone systems

2010 Significant Legislative Action

- Enacted or increased court fees generating \$13 million
- Authorized a management flexibility reserve of \$3.4 million recurring and \$3.3 million non-recurring
- Took a \$2.6 million non-recurring reduction to the Technology Services Division

Overview of Current Year Funding and FY 2011-13 Judicial Budget Proposals



AOC General Fund Budget Proposals

	\$ Amount	% Change
2009-10 Actual Expenditures	466,620,527	
2010-11 Authorized Budget	464,718,809	-.4
2011-12 Continuation Budget	477,189,575	2.7
2011-12 Governor's Recommended Budget	461,053,029	-.8

FY 2011-13 Continuation Budget

Definition of “Continuation” Budget:

- the recommended funding necessary to continue a program *at the current level of services*; can be adjusted for certain factors such as inflation; annualization of position costs, and operating funds for new facilities
 - Magistrates and Deputy Clerks have a statutory pay plan that was suspended for FY2009-11; it is restored in the Continuation Budget at \$6.4 million
-
- AOC continuation request is 2.7 percent more than the current year’s authorized budget
 - Governor’s proposed budget is .8% less than current authorized, and 3.4% less than the continuation budget

FY 2011-13 Continuation Budget

- Effective March 1, 2011, AOC eliminated 180 positions throughout the Judicial Branch through a voluntary reduction in force.
- These reductions are not reflected in the continuation budget, and must be included in the legislative budget.

Court Fees

- Courts collected and disbursed \$673 million in FY2009-10
- Payments to citizens, such as victim restitution and condemnation, constituted almost half of the disbursements
- 30% of the collections went to the State Treasurer for support of the General Court of Justice

Court Fees

- In general, District Court Criminal fees are \$149 and Superior Court Criminal fees are \$169
- A one-dollar increase in GCOJ fees in criminal cases only would generate \$988,696; raising civil fees by \$1 as well would raise \$1.4 million annually
- **Are Law Enforcement Benefit fees still necessary?**

AOC Budget Issues

Court System Budget: Trends/Issues

- AOC continues to face technology challenges
- Is it more cost-effective to purchase off-the-shelf applications versus developing
- No external oversight for AOC technology projects

Court System Budget: Trends/Issues

- Are specialty courts cost-effective?
- Can Guardian ad Litem services be privatized?
- Should the statutory pay plans be suspended again?
- Should court fees be increased or repurposed?