

Judiciary - Supreme Court

**Arizona Constitution Article VI
A.R.S. § 12-101**

Chief Justice: The Honorable Ruth V. McGregor

JLBC Analyst: Martin Lorenzo III

	FY 2004 Actual	FY 2005 Estimate	FY 2006 Approved
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	233.1	233.1	227.6 ^{1/}
Personal Services	5,787,000	6,201,100	6,295,600
Employee Related Expenditures	1,261,400	1,323,100	1,684,800
Professional and Outside Services	549,300	488,200	488,200
Travel - In State	45,700	66,800	66,800
Travel - Out of State	18,400	34,600	34,600
Other Operating Expenditures	4,687,400	6,055,400	6,124,300
Equipment	54,700	13,000	13,000
OPERATING SUBTOTAL	12,403,900	14,182,200	14,707,300^{2/3/}
SPECIAL LINE ITEMS			
State Aid	3,492,100	4,960,900	5,626,800
Rural State Aid to Courts	418,500	418,500	418,500 ^{4/}
County Reimbursements	143,900	246,000	246,000
Automation	10,089,200	14,522,900	14,874,800
Foster Care Review Board	2,043,700	2,136,900	2,199,800
Court Appointed Special Advocate	2,458,900	2,704,600	3,250,300
Model Court	465,100	514,300	514,300
Domestic Relations	706,900	713,900	725,400
Judicial Nominations & Performance Review	279,100	284,300	292,800
Commission on Judicial Conduct	341,900	348,600	360,600
AGENCY TOTAL	32,843,200	41,033,100	43,216,600^{5/6/7/}
FUND SOURCES			
General Fund	11,363,700	12,299,600	12,650,000
Other Appropriated Funds			
Confidential Intermediary and Fiduciary Fund	324,100	433,600	487,000
Court Appointed Special Advocate Fund	3,206,600	3,454,600	4,000,900
Criminal Justice Enhancement Fund	1,667,000	3,035,800	3,097,000 ^{8/}
Defensive Driving School Fund	2,290,700	5,270,700	5,753,500 ^{9/}
Judicial Collection Enhancement Fund	12,191,000	14,698,400	14,783,100 ^{10/}
State Aid to the Courts Fund	1,800,100	1,840,400	2,445,100
SUBTOTAL - Other Appropriated Funds	21,479,500	28,733,500	30,566,600
SUBTOTAL - Appropriated Funds	32,843,200	41,033,100	43,216,600
Other Non-Appropriated Funds	11,061,400	11,930,600	11,930,600
TOTAL - ALL SOURCES	43,904,600	52,963,700	55,147,200

1/ Includes 50 GF and 56.8 OF FTE Positions funded from Special Line Items in FY 2006.

2/ Included in the appropriation for the Supreme Court program is \$1,000 for the purchase of mementos and items for visiting officials. (General Appropriation Act footnote)

3/ The Administrative Office of the Courts shall not transfer monies between the Supreme Court operating budget and the Automation line item without review by the Joint Legislative Budget Committee. (General Appropriation Act footnote)

4/ Notwithstanding any other law, the amount appropriated for Rural State Aid to Courts shall be allocated to counties with populations of less than 500,000 persons. (General Appropriation Act footnote)

5/ By November 1, 2005, the Administrative Office of the Courts shall report to the Joint Legislative Budget Committee on the total receipts and expenditures in each account of the Adult Probation Services Fund established by A.R.S. § 12-267 and the Juvenile Probation Fund established by A.R.S. § 12-268. The report shall present the information by county and include the amount of Personal Services expended from each revenue source of each account. (General Appropriation Act footnote)

6/ By September 1, 2005, the Supreme Court shall report to the Joint Legislative Budget Committee on current and future automation projects coordinated by the Administrative Office of the Courts. The report shall include a list of court automation projects that receive state monies and shall include projects occurring in the current fiscal year, as well as projects planned for the next 2 fiscal years. The report shall provide a description of each project as well as the funding source, estimated cost for each fiscal year, number of FTE Positions, the entities involved, and the goals and anticipated results for each automation project. The report shall be submitted in 1 summary document. (General Appropriation Act footnote)

7/ General Appropriation Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.

AGENCY DESCRIPTION — The Supreme Court consists of 5 Supreme Court Justices, judicial support staff and the Administrative Office of the Courts (AOC). The Supreme Court, as the state’s highest court, has the responsibility to review appeals and to provide rules of procedure for all the courts in Arizona. Under the direction of the Chief Justice, the AOC provides administrative supervision over the Arizona court system.

PERFORMANCE MEASURES	FY 2003	FY 2004	FY 2006
	Actual	Actual	Approved
• Customer satisfaction rating for defensive driving schools (Scale 1-8)	7.7	7.5	7.6

Operating Budget

The budget provides \$14,707,300 for the operating budget in FY 2006. This amount consists of:

	FY 2006
General Fund	\$8,558,500
Confidential Intermediary and Private Fiduciary Fund	487,000
Defensive Driving School Fund	764,800
Judicial Collection Enhancement Fund (JCEF)	4,897,000

The approved amount includes an increase of \$324,100 in FY 2006 for statewide adjustments. This amount consists of:

General Fund	275,400
Confidential Intermediary and Private Fiduciary Fund	3,000
Defensive Driving School Fund	18,600
JCEF	27,100

(Please see the Statewide Adjustments section at the end of this Appropriations Report for details.)

Vacant FTE Position Reduction

The approved amount includes a decrease of \$(19,300) and (4) FTE Positions from the General Fund in FY 2006 for the elimination of vacant FTE Positions. By reducing the number of vacant FTE Positions, the budget reduced the amount of money appropriated for health, dental, and life insurance. These monies are passed through directly to the Arizona Department of Administration for statewide insurance costs and will not affect the amount of monies the agency has for other purposes. All other funding for these vacant positions had been previously eliminated.

Lease-Purchase Payment

The approved amount includes an increase of \$220,300 in FY 2006 to fund increased lease costs for the Supreme Court building and the Tucson office. This amount consists of:

Confidential Intermediary and Private Fiduciary Fund	50,400
Defensive Driving School Fund	112,300
JCEF	57,600

The FY 2006 lease-purchase payment of \$3,866,100 for the Supreme Court building and the Tucson office includes an increase of \$1,687,800 above the FY 2005 payment. In prior years, the full cost of these lease-purchase payments have been paid by the General Fund. In FY 2006, the lease-purchase payments are allocated to the agency’s other appropriated and non-appropriated funds, as well as the General Fund. These costs are also being allocated to Special Line Items. The result of the new lease-purchase cost allocation arrangement will result in an increased cost to the General Fund of \$139,100 in FY 2006. The Administrative Office of the Courts will absorb this increased General Fund cost in its FY 2006 operating budget.

Special Line Items

State Aid

The budget provides \$5,626,800 and 3.2 FTE Positions for State Aid in FY 2006. This amount consists of:

General Fund	84,700
CJEF	3,097,000
State Aid to the Courts Fund	2,445,100

8/ All Case Processing Assistance Fund receipts received by the Administrative Office of the Courts in excess of \$3,097,000 in FY 2006 are appropriated to the Supreme Court. Before the expenditure of any Case Processing Assistance Fund receipts in excess of \$3,097,000 in FY 2006, the Administrative Office of the Courts shall submit the intended use of the monies for review by the Joint Legislative Budget Committee. (General Appropriation Act footnote, as adjusted for statewide allocations)

9/ All Defensive Driving School Fund receipts received by the Administrative Office of the Courts in excess of \$5,753,500 in FY 2006 are appropriated to the Supreme Court. Before the expenditure of any Defensive Driving School Fund receipts in excess of \$5,753,500 in FY 2006, the Administrative Office of the Courts shall submit the intended use of the monies for review by the Joint Legislative Budget Committee. (General Appropriation Act footnote, as adjusted for statewide allocations)

10/ All Judicial Collection Enhancement Fund receipts received by the Administrative Office of the Courts in excess of \$14,783,100 in FY 2006 are appropriated to the Supreme Court. Before the expenditure of Judicial Collection Enhancement Fund receipts in excess of \$14,783,100 in FY 2006, the Administrative Office of the Courts shall submit the intended use of the monies for review by the Joint Legislative Budget Committee. (General Appropriation Act footnote, as adjusted for statewide allocations)

The approved amount includes an increase of \$19,800 in FY 2006 for statewide adjustments. This amount consists of \$18,000 from CJEF and \$1,800 from the State Aid to the Courts Fund.

Lease-Purchase Payment

The approved amount includes an increase of \$46,100 in FY 2006 to fund increased lease costs for the Supreme Court building and the Tucson office. This amount consists of \$43,200 from CJEF and \$2,900 from the State Aid to the Courts Fund. (*Please see the Operating Budget section for additional information.*)

Increased Revenue

The approved amount includes an increase of \$600,000 from the State Aid to the Courts Fund in FY 2006 to reflect recent increases in revenue. This increase provides additional grant monies available to local courts.

This line item provides state aid to counties for the payment of judges pro tempore salaries and for projects designed to improve the processing of criminal cases in the Superior Court and Justice Courts. The State Aid to the Courts Fund receives: 1) General Fund monies, 2) 40.97% of a 7% penalty assessment on fines, penalties, and forfeitures imposed by the courts for criminal and civil motor vehicle violations, and 3) a portion of the monies collected by the Supreme Court and the Court of Appeals.

The Administrative Office of the Courts distributes the monies appropriated from court fines and collections to the Superior Court and the Justice Courts based on a composite index formula using Superior Court felony filings and county population. Monies appropriated from the State Aid to the Courts Fund in the State Aid line item are distributed to all counties. General Fund monies deposited in the State Aid to the Courts Fund are appropriated in the Rural State Aid to the Courts line item. General Fund monies used for pro tem judges are appropriated in the State Aid line item.

Rural State Aid to Courts

The budget provides \$418,500 from the General Fund for Rural State Aid to Courts in FY 2006. This amount is unchanged from FY 2005.

This line item provides funding for projects designed to improve the processing of criminal cases in the Superior Court and Justice Courts. The General Fund monies are allocated in counties with populations of less than 500,000 persons. These monies are deposited in the State Aid to the Courts Fund.

County Reimbursements

The budget provides \$246,000 from the General Fund for County Reimbursements in FY 2006. This amount is unchanged from FY 2005.

This line item provides reimbursement to counties for grand jury expenses and for state-funded representation of indigent defendants in first-time capital post conviction relief proceedings.

Automation

The budget provides \$14,874,800 and 20.6 FTE Positions for Automation in FY 2006. This amount consists of \$4,988,700 from the Defensive Driving School Fund and \$9,886,100 from JCEF.

The approved amount includes an increase of \$55,400 from the Defensive Driving School Fund in FY 2006 for statewide adjustments.

Lease-Purchase Payment

The approved amount includes an increase of \$296,500 from the Defensive Driving School Fund in FY 2006 to fund increased lease costs for the Supreme Court building and the Tucson office. (*Please see the Operating Budget section for additional information.*)

This line item provides funding for court automation projects throughout the state.

Foster Care Review Board

The budget provides \$2,199,800 and 36.5 FTE Positions for the Foster Care Review Board in FY 2006. This amount consists of \$1,963,500 from the General Fund and \$236,300 from the Court Appointed Special Advocate (CASA) Fund.

The approved amount includes an increase of \$70,100 in FY 2006 for statewide adjustments. This amount consists of \$69,500 from the General Fund and \$600 from the CASA Fund.

Vacant FTE Position Reduction

The approved amount includes a decrease of \$(7,200) and (1.5) FTE Positions from the General Fund in FY 2006 for the elimination of vacant FTE Positions. (*Please see Operating Budget discussion for additional information.*)

This line item coordinates local volunteer review boards for foster care children in out-of-home placement. It also coordinates the activities of a state advisory board that oversees the activities of the 91 local review boards and makes recommendations to the Governor and Legislature for improving the state's foster care system.

Court Appointed Special Advocate

The budget provides \$3,250,300 and 33 FTE Positions from the CASA Fund for Court Appointed Special Advocate in FY 2006.

The approved amount includes an increase of \$70,700 from the CASA Fund in FY 2006 for statewide adjustments.

Lease-Purchase Payment

The approved amount includes an increase of \$475,000 from the CASA Fund in FY 2006 to fund increased lease costs for the Supreme Court building and the Tucson office. (Please see the *Operating Budget* section for additional information.)

This line item administers and monitors a community-based volunteer advocacy program for abused and neglected children in the Juvenile Court System. Local volunteers are trained and then appointed to individual dependency cases by presiding juvenile judges to function as independent advocates for children who are wards of the state. In FY 2004, approximately 1,140 individuals volunteered for this program. This line item is funded from the CASA Fund, which consists of 30% of State Lottery unclaimed prize money.

Model Court

The budget provides \$514,300 from the CASA Fund for Model Court in FY 2006. This amount is unchanged from FY 2005.

This program is responsible for overseeing and recommending changes to laws governing reduced dependency case time lines and processing of cases for children in the state's foster care system. Monies in this line item represent a pass-thru to counties to improve processing of dependency cases.

Domestic Relations

The budget provides \$725,400 and 5.5 FTE Positions from the General Fund for Domestic Relations in FY 2006.

The approved amount includes an increase of \$11,500 from the General Fund in FY 2006 for statewide adjustments.

This line item provides coordination and technical support for groups formed to develop and review policies and programs related to domestic relations and child support.

Judicial Nominations and Performance Review

The budget provides \$292,800 and 3 FTE Positions from the General Fund for Judicial Nominations and Performance Review in FY 2006.

The approved amount includes an increase of \$8,500 from the General Fund in FY 2006 for statewide adjustments.

This line item provides a mechanism for nominating individuals for appointment to the Supreme Court, the Court of Appeals, and the Superior Court in Maricopa and Pima Counties, as well as evaluating the performance of all merit retention justices and judges. The results of the performance evaluations are provided to the voters before each retention election.

Commission on Judicial Conduct

The budget provides \$360,600 and 5 FTE Positions from the General Fund for Commission on Judicial Conduct in FY 2006.

The approved amount includes an increase of \$12,000 from the General Fund in FY 2006 for statewide adjustments.

This line item functions as an internal audit body of the Judicial Branch by investigating and resolving all complaints of judicial misconduct.

Additional Appropriation

Judicial Salary Increase

Laws 2005, Chapter 286 (General Appropriation Act) appropriates \$45,400 in FY 2007 from the General Fund for half-year salary increases associated with the Supreme Court Justices.

The Commission on Salaries for Elective State Officers conducts biennial salary reviews and provides recommendations to the Governor based on the results of their findings. As a result, the Executive proposed a salary of \$160,000 for the Supreme Court Chief Justice; an increase of \$30,850 (or 23.9%). In addition, the Executive proposed a salary of \$155,000 for each of the Associate Justice Positions, an increase of \$28,475 (or 22.5%). The Executive proposal goes into effect unless either the House of Representatives or the Senate pass a resolution in opposition to the proposal. On April 12, 2005, the House of Representatives approved such a resolution (HR 2001).

While the Legislature was not in agreement with the Executive proposal, the Legislature subsequently approved Section 106 of Chapter 286 which provides a 12.5% pay raise to both the Chief Justice and each of the 4 Associate Justices.

Section 106 of Chapter 286 stipulates that judicial salaries for Supreme Court Justices, Appellate Judges and Superior Court Judges will be increased by 12.5% effective January 1, 2007. As a result, the budget funds half-year costs of \$45,400 in FY 2007. Annual costs of \$90,800 will not be realized until FY 2008. *Table 1* indicates the current judicial salaries, salaries after the 12.5% pay raise and the fiscal impact associated with the salary increase.

Table 1**Judiciary Elected Official Salaries and Associated Costs**

<u>Position (# of Judges)</u>	<u>Current Salary</u>	<u>1/1/07 Salary</u>	<u>FY 07 Cost</u>	<u>FY 08 Cost</u>
Chief Justice (1)	\$129,150	\$145,294	\$ 9,200	\$ 18,400
Associate Justice (4)	126,525	142,341	36,200	72,400
Appellate Judges–Div. I (16)	123,900	139,388	140,900	281,800
Appellate Judges–Div. II (6)	123,900	139,388	52,800	105,600
Superior Court Judges (161)	120,750	135,844	<u>702,500</u>	<u>1,405,000</u>
Total			\$941,600	\$1,883,200