

**Judiciary - Court of Appeals**

Arizona Constitution Article VI  
A.R.S. § 12-120

Chief Judge - Division I: The Honorable Sheldon H. Weisberg  
Chief Judge - Division II: The Honorable John Pelander

JLBC Analyst: Martin Lorenzo III

	FY 2005 Actual	FY 2006 Estimate	FY 2007 Approved
<b>PROGRAM BUDGET</b>			
Court of Appeals			
Division I	7,685,600	8,411,300	9,363,900
Division II	3,347,200	3,817,800	4,192,600
<b>AGENCY TOTAL</b>	<b>11,032,800</b>	<b>12,229,100</b>	<b>13,556,500</b>

<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	144.5	147.6	147.6 <sup>1/</sup>
Personal Services	8,231,400	8,730,200	9,437,200
Employee Related Expenditures	1,600,000	2,292,500	2,788,800
Professional and Outside Services	74,900	86,800	91,800
Travel - In State	147,200	157,200	162,200
Travel - Out of State	11,700	10,200	15,200
Other Operating Expenditures	866,900	862,200	937,800
Equipment	100,700	90,000	123,500
<b>AGENCY TOTAL</b>	<b>11,032,800</b>	<b>12,229,100</b>	<b>13,556,500<sup>2/</sup></b>

<b>FUND SOURCES</b>			
General Fund	11,032,800	12,229,100	13,556,500
<b>SUBTOTAL - Appropriated Funds</b>	<b>11,032,800</b>	<b>12,229,100</b>	<b>13,556,500</b>
<b>TOTAL - ALL SOURCES</b>	<b>11,032,800</b>	<b>12,229,100</b>	<b>13,556,500</b>

**AGENCY DESCRIPTION** — The Court of Appeals has jurisdiction in all proceedings appealable from the Superior Court except criminal death penalty cases, which are automatically appealed to the Supreme Court. Division I also has statewide responsibility for reviewing appeals from the Arizona Corporation Commission, Industrial Commission, the Department of Economic Security unemployment compensation rulings, and the Arizona Tax Court. Division I convenes in Phoenix and encompasses the counties of Apache, Coconino, La Paz, Maricopa, Mohave, Navajo, Yavapai, and Yuma. Division II convenes in Tucson and encompasses the counties of Cochise, Gila, Graham, Greenlee, Pima, Pinal, and Santa Cruz.

**Division I**

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2007 Approved
<b>PERFORMANCE MEASURES</b>				
• Customer satisfaction rating for settlement program (Scale 1-8)	7.0	6.7	6.4	6.8

**Division II**

	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual	FY 2007 Approved
<b>PERFORMANCE MEASURES</b>				
• Customer satisfaction rating for settlement program (Scale 1-8)	NA	7.5	7.5	7.6
Comments: The agency did not submit information for this measure in FY 2003.				

<sup>1/</sup> Of the 147.6 FTE Positions for FY 2007, 107.8 FTE Positions are for Division I and 39.8 FTE Positions are for Division II. (General Appropriation Act footnote)

<sup>2/</sup> General Appropriation Act funds are appropriated as an Operating Lump Sum by Subprogram.

## **Operating Budget**

The budget provides \$13,556,500 from the General Fund for the operating budget in FY 2007. This amount includes \$9,363,900 for Division I and \$4,192,600 for Division II.

The amount includes an increase of \$639,600 from the General Fund in FY 2007 for statewide adjustments. This amount includes \$467,900 for Division I and \$171,700 for Division II. Of Division II's allocation, \$1,900 is appropriated for the Arizona Network (AZNet). Division I received no funding for AZNet as in July 2006, they will no longer utilize the system. *(Please see the Statewide Adjustments section at the end of this Appropriations Report for details.)*

The budget also includes the following adjustments:

### **Retirement Redistribution**

The budget provides an increase of \$34,800 from the General Fund in FY 2007 for a redistribution of monies appropriated in FY 2006 for the Elected Officials Retirement Plan increase. This amount includes a decrease of \$(6,700) for Division I and an increase of \$41,500 for Division II. This redistribution has no impact on the Judiciary's total appropriation.

### **Judicial Salary Increase**

The budget provides an increase of \$193,700 from the General Fund in FY 2007 for half-year funding for a 12.5% judicial salary increase authorized in Laws 2005, Chapter 286 (General Appropriation Act). This amount includes an increase of \$140,900 for Division I and \$52,800 for Division II. Chapter 286 appropriated the funding to increase Appellate Judges salaries from \$123,900 to \$139,388 beginning January 1, 2007. As a result of this appropriation, this funding does not appear in the FY 2007 General Appropriation Act.

The Commission on Salaries for Elected State Officers conducts biennial salary reviews and provides recommendations to the Governor based on the results of their findings. The Legislature disagreed with the Executive recommendation but approved the 12.5% pay raise, which will take effect January 1, 2007. The FY 2007 appropriation funds half-year costs. Annual costs of \$387,400 would not be realized until FY 2008.

### **Law Clerk Market Adjustment**

The budget provides an increase of \$205,400 from the General Fund in FY 2007 for a law clerk market adjustment. This amount includes an increase of \$148,100 for Division I and \$57,300 for Division II. The Court of Appeals Division I and Division II employ 2 Law Clerks for each of the 22 Appellate Judges. After the salary increase and performance incentive authorized by Laws 2006, Chapter 1, the Law Clerk I and Law Clerk II salary's are approximately \$46,299

and \$51,295. This appropriation increases these amounts by an additional \$4,160 to \$50,459 and \$55,455, respectively. The higher salary is anticipated to attract more Law Clerk applicants and provide a salary that would be comparable with the Federal District Court Law Clerk salaries.

### **Annualize Division I Staff**

The budget provides an increase of \$117,200 from the General Fund in FY 2007 to annualize the cost of 4 FTE Positions previously appropriated to Division I. Laws 2005, Chapter 286 (General Appropriation Act) appropriated half-year funding for 2 deputy clerks and 2 staff attorneys. The additional positions addressed increased workloads resulting from increases in civil, tax and corporation commission filings as well as civil case backlogs. The additional monies would provide full-year funding for the 4 FTE Positions added in FY 2006.

### **Division I VOIP Phone System**

The budget provides an increase of \$33,700 from the General Fund in FY 2007 to allow Division I to acquire a voice-over-internet-protocol (VOIP) phone system from a private vendor. Currently, Division I is utilizing the Arizona Network (AZNet) telecommunications system. Beginning in July 2006, however, Division I will no longer utilize the AZNet system. The VOIP system will increase the division's manageability and flexibility when compared to their current system as well as improve its functionality due to the system's ability to support a court-to-court and attorney-to-court e-filing system. Prior to any interest payments, the VOIP telephone system is estimated to cost \$126,900, which will be funded via a 3-year lease-purchase agreement. Annual costs of the system beyond the life of the lease-purchase will be \$28,100.

### **Division I Archiving Expense**

The budget provides an increase of \$30,000 from the General Fund in FY 2007 to address a backlog of records in need of archiving. Division I has accumulated a backlog of permanent records that are ready for microfilming and destruction by the Arizona Department of Library, Archives and Public Records. This one-time appropriation is anticipated to eliminate the division's backlog of court records and archiving costs in FY 2007.

### **Division I Position Upgrade**

The budget provides an increase of \$12,800 from the General Fund in FY 2007 to upgrade an existing position to a Senior Desktop Support Position. The division currently employs an Information Systems Manager and a temporary employee to configure and maintain the division's network of computers, printers, photocopiers, scanners as well as provide technical support to all users. This appropriation would allow the division to hire a Senior Desktop Support Position to allow the division to address the current workload and begin to implement other technological initiatives such as e-filing.

**Other Issues**

**Division I PC Lease Payment**

The budget provides an increase of \$8,700 from the General Fund in FY 2007 to allow Division I to implement a PC lease and replacement plan. Under the plan, a total of 120 PC's will be leased through FY 2009. Annually, the plan will replace 40 existing PC's owned by the division with 40 new PC's. An additional cost of approximately \$8,700 in FY 2008 and FY 2009 would be required to fully fund the annual costs of the plan.

**Division II Server & Software Upgrade**

The budget provides an increase of \$27,500 from the General Fund in FY 2007 to upgrade the division's existing servers and software. Division II currently operates several servers to provide public access, e-court applications, electronic document storing, management and file storage. The appropriation funds the one-time purchase of new servers and software to replace the existing servers that have extended their warranty and storage capabilities.

**Division II Operating Costs**

The budget provides an increase of \$13,000 from the General Fund in FY 2007 for additional travel and research material costs. This appropriation provides funding for the following:

- \$5,000 for in-state travel costs resulting from increased per diem allowances and judges participation on various commissions and committees which require travel;
- \$5,000 to allow out-of-state travel for judges who decide to attend judicial conferences, legal seminars and meetings at the regional and national level; and
- \$3,000 to offset the increased costs of research materials.

**Division II Postage Meter**

The budget provides an increase of \$6,000 from the General Fund in FY 2007 for the purchase of a postage meter. The United States Postal Service has mandated that Division II's postage meter be replaced with a digital postage meter by the end of calendar year 2006. This appropriation provides additional one-time monies to replace the current postage meter with a digital meter.

**Division II Security**

The budget provides an increase of \$5,000 from the General Fund in FY 2007 for court security for Division II. The Capitol Police are responsible for securing the state office complex that houses the court. The complex includes 3 buildings and 3 accompanying parking garages, resulting in limited security presence at the court itself. The additional monies would allow Division II to contract with off-duty Capitol Police officers to increase the security presence during oral arguments on an hourly basis.

**FTE Position Allocations**

In FY 2007, the distribution of FTE Positions between the Supreme Court, Court of Appeals and Superior Court was reallocated. *(Please see the Other Issues section in the Supreme Court Budget for additional information.)*