

Exhibit Number: 4

Judiciary of the State of Montana 2003 Annual Report

**[pages 3,5,7,9,11,13,15,17,
19,21,23,25,27,29,31, and 33]**

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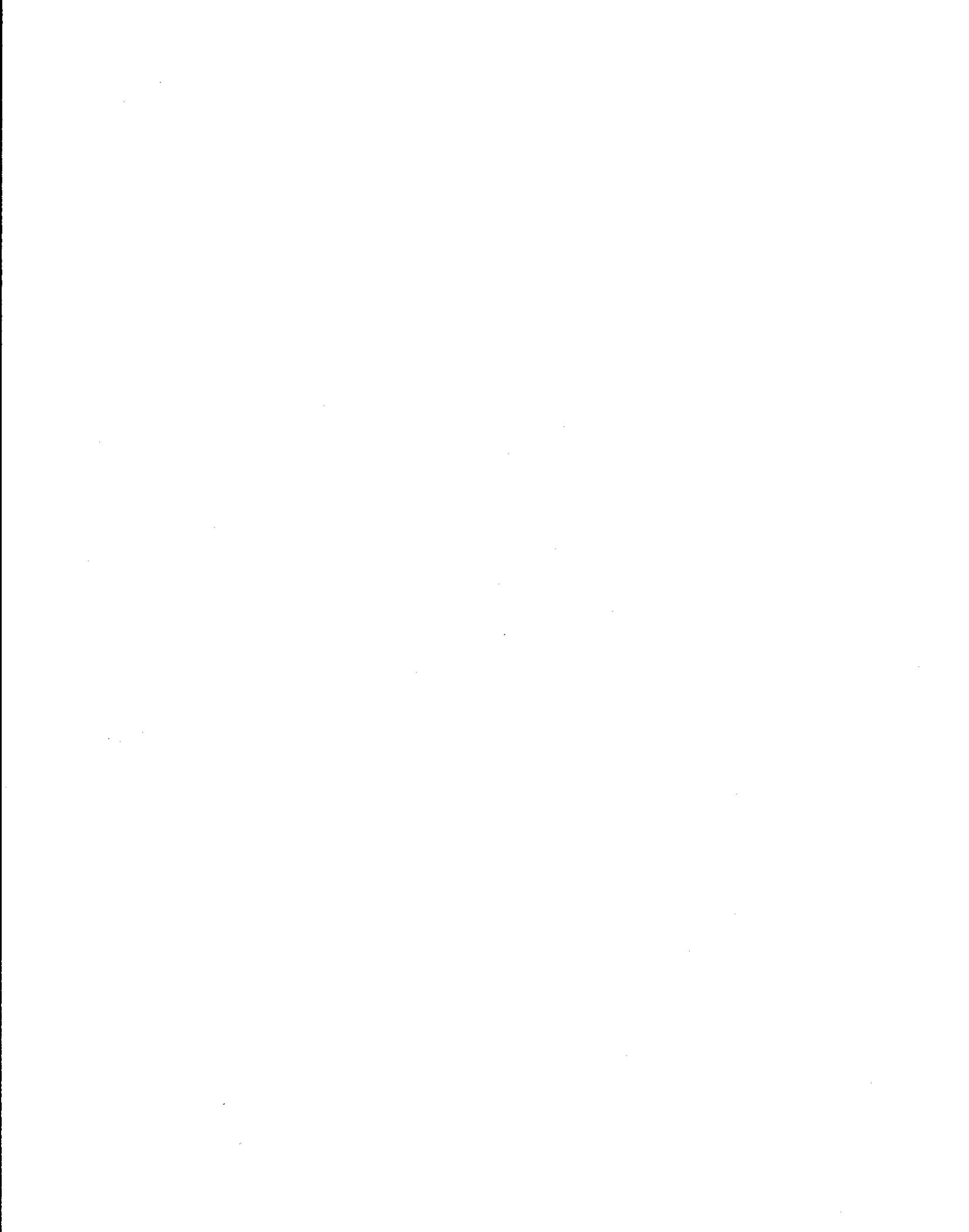
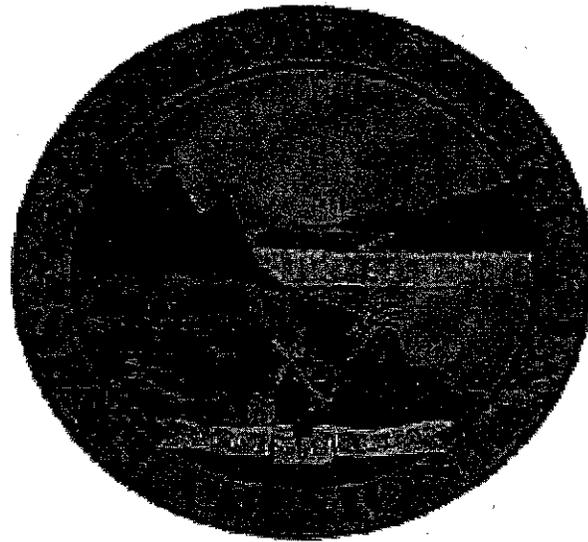


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Judiciary
of the
State of
Montana



2003
Annual Report

A message from Chief Justice Karla M. Gray

Calendar year 2003 was a remarkably challenging time for Montana's Judiciary as judicial leaders continued their work ensuring that the Montana court system addresses the judicial needs of our citizens. This Annual Report details many of our activities during the past year and much of our vision for the future.

As I reported to you last year, Montana's judicial branch faces a number of challenges, not the least of which has been to make a smooth transition from a primarily county-funded district court system to one that is fully state funded. I can report to you this year that the transition – notwithstanding some “bumps” along the way – has been relatively smooth. Much of what seemed overwhelming in 2002 has been conquered. Judicial leaders developed and ultimately adopted a variety of statewide policies and procedures for the Branch that moved district courts well beyond the early stages of what we have called “state assumption” into a period where, for the most part, we can all get back to the normal business of courts.

Overall, much of 2003 was devoted to making Montana's judicial system more accessible to all Montanans, using technology for maximum efficiency, improving the public's trust and confidence in the



judicial system and ensuring that children and families are treated with compassion and respect. You will find in the 2003 Annual Report concrete examples of what we have done in each of these areas to ensure Montana Courts deliver quality service to the public.

It is with great pleasure and obvious gratitude to the Judicial Branch's many dedicated and hard working judges and staff that I recommend the 2003 Annual Report to you.

PART 1: Highlights and Priorities for 2003

THE DISTRICT COURT COUNCIL

The 2001 Legislature shifted the funding of district court personnel (law clerks, court reporters, juvenile probation officers and judicial assistants) and operations from a county-funded system to one that is wholly funded by the state. As part of the "state assumption" of district courts, the Legislature established the District Court Council (DCC) – a nine-member body charged with the responsibility of developing and adopting, subject to Supreme Court review, policies and procedures to administer the state funding of district courts.

The 2003 Legislature made significant changes in the payment of district court expenses for indigent defense, civil juries and other costs. Because of the legislative policy changes by the 2003 Legislature, the DCC's work focused

primarily around policy development in the area of public defender payment and reimbursement policies aimed at creating uniformity in administrative practices across the 22 judicial districts and ensuring a high level of accountability for administrative practices.

In addition, the Council began the process of examining issues related to statewide resource reallocation processes in district courts. The initial phase of this effort began with an examination of the filing of cases in district courts. A survey of district court clerks determined that case filing policy and procedures differ between counties and judicial districts. The Council's examination of uniform case filing standards will be a major focus of activities in 2004.

ENSURING EQUAL ACCESS TO JUSTICE

Ensuring equal access to justice for all Montana citizens continued to be a major priority in 2003. This broad-based initiative is making progress on several fronts. The work of three groups is highlighted here.

The Commission on Self-Represented Litigants worked to ensure that those who are compelled or chose to go it alone in the judicial system are not denied the opportunity to succeed. Members of the Commission worked on guidelines for Montana court personnel that would explicitly detail the type of information that should be given to litigants representing themselves. The Commission also began the process of identifying which district courts would benefit from a pro bono advocate who could respond to questions that would be inappropriate for court

personnel to answer. In addition, the Commission examined:

- Formally approving marriage dissolution forms for pro se litigants, with an accompanying explanation of the divorce process and what to expect in, and by, the district court;
- Providing electronic pro se forms;
- Compiling an accurate and current directory of all pro se assistance and pro bono programs throughout the state; and
- Coordinating the Commission's work with other equal justice entities to both enhance educational programs for those who represent themselves and eliminate duplication.

more obvious are that video technology allows judges to conduct court business in a wide variety of ways and makes them more accessible where distance is a significant problem. In addition, it allows low-income legal assistance

organizations and other attorneys to overcome the costs of distance and travel time to better represent their clients.

BUILDING PUBLIC TRUST AND CONFIDENCE

By using a number of programs tailored for both the public and legal professionals, we are continuing one of our most important tasks - Building public trust and confidence in the judiciary.

The Supreme Court has several specific programs that seek to increase public understanding of the role courts play in our society and to ensure that judicial officers and legal professionals are properly trained and held accountable for a high-level of professional conduct. In addition, there are programs to make sure the district court system is administered in a cost-effective and uniform manner.

The following is a brief description of each program and some of its activities in 2003.

Outreach to Schools and the Public

The Supreme Court takes to the road as part of its public education outreach program. Justices leave the formal court setting in Helena to hear oral arguments in a real case at a public facility - typically in a public school or other public facility. This program lets the public see the Supreme Court in action - and it allows the justices to discuss the judicial system with Montanan citizens. In 2003, the Court traveled to Missoula, Bozeman, Billings and the historic Washoe Theatre in Anaconda as part of this outreach program and visited with hundreds of Montanans.

Professional Training

All Supreme Court justices and District Court judges are required to complete 15 hours of continuing judicial education each year - three hours of which must be in judicial ethics. While this requirement can be met in several ways, the core training that justices and judges receive each year is during biannual judicial conferences.

In 2003, 25 hours of judicial training were conducted under the supervision of the Supreme Court.

Justices of the Peace and City and Municipal Judges also must complete mandatory education requirements to ensure a high level of professionalism in Courts of Limited Jurisdiction. In 2003, limited jurisdiction judges received 45 hours of judicial education training in a wide range of topics that ensures the judges are up-to-date on legal requirements and court procedures.

Regulation and Discipline

Montana has a comprehensive regulatory and discipline system for judicial officers and attorneys to help protect the public from inappropriate conduct by judges and lawyers.

The Judicial Standards Commission investigates complaints against judges and, where appropriate, recommends discipline to the Supreme Court. In 2003, the Commission began with a backlog of 26 complaints, received 41 new complaints and closed 38 cases.

Both the Office of Disciplinary Counsel (ODC) and the Commission on Practice handle a complaint against an attorney. 2003 marked the first full year of operations for the ODC, which was established in 2002. The ODC performs central intake functions and processes and investigates and prosecutes complaints against lawyers within the jurisdiction of the Supreme Court. In 2003, the ODC received 320 new complaints. (See Appendix B for the 2003 Annual Report of the ODC)

The Commission on Practice reviews complaints against attorneys. The Commission hears and decides the complaints filed with the ODC and in



A staff person in the 13th Judicial District Youth Court in Billings works on the office's new on-line risk assessment program. The program, which will roll out into the youth courts statewide in 2005, determines risk and protective factors for youth involved in the juvenile justice system. The 13th Judicial District uses the program in an on-site assessment center.

Treatment Courts

Montana courts also continued to try innovative approaches to dealing with people who have drug and alcohol problems, which lead to criminal behavior as well as child abuse and neglect. Montana's youth and families benefited from the creation of five specialty courts designed to more holistically address youth and family offender issues. Using federal funding, family drug/treatment courts are operating in the 10th and 13th Judicial Districts; the 4th Judicial District hosts two Youth Drug Courts (one in Missoula and one in Superior); and an Adult Drug Court is operating in the 18th Judicial District.

The Yellowstone County Family Treatment Drug Court, started in 2002, is the largest in the state, with a capacity of 20 clients. Clients are referred to the drug court program by child protection services when their children are placed in the custody of the state. Statistics from this court show that children whose parents are

involved in drug court are reaching permanency in about one-third the time as children whose parents are not involved with the treatment court. Data to date suggests that participants in drug court show significantly higher rates of maintaining sobriety, staying employed and of obtaining adequate housing.

The Gallatin County Treatment Court in Bozeman has a capacity of 18 clients. The program has successfully channeled clients into drug court, secured alcohol and drug treatment for them, and assisted with their search for employment, training and housing. The program is moving from grant funding to permanent county funding based on its success in dealing with chemically dependent repeat offenders. Since November of 2000, the treatment court has graduated 30 participants.

The Youth Drug Courts in Superior and Missoula continue to serve clients and have good success with juvenile offenders.

IMPROVING INFORMATION TECHNOLOGY IN THE COURTS

The application and management of appropriate information technology resources is absolutely critical to the Montana Judiciary. Court technology plays an important supporting role in the mission to provide an independent, accessible, responsive, impartial and timely forum to resolve disputes; to preserve the rule of law; and to protect the rights and liberties guaranteed by the Constitutions of the United States and the State of Montana.

In March 2003, the Supreme Court's Commission on Technology, with membership from various parts of the judiciary, the Legislature and the public, published the Montana Judicial Branch Information Technology Strategic Plan. The Strategic Plan, and subsequent updates, provides a long-term vision of the needs and uses of Information Technology (IT) in the Judicial Branch and will guide information technology initiatives in the future.

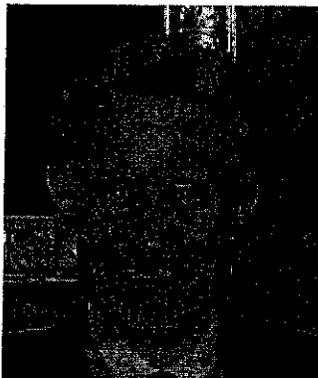
Case management systems are one of the primary tools used by courts to move disputes in a timely and effective manner from filing to closure. These systems encompass many aspects of judicial activities. When done best, the systems integrate many different but interrelated activities. Some examples of these activities include case intake, filing, tracking, calendaring, jury selection, word processing, accounting and, finally, sharing of information inside and outside of judicial offices.

In the IT area, 2003 was primarily devoted to supporting, expanding and improving court case management and ancillary applications.

Accomplishments in 2003 included:

- Establishing a Help Desk to support judicial branch employees with application, hardware, software and networking problems. The Help Desk staff logged 1,441 calls in 2003.
- Installing and training the FullCourt case management system in 49 courts of limited jurisdiction.
- Continuing to support and enhance the Judicial Case Management System used by 56 county Clerks of the District Courts.
- Providing on-going support and maintenance for the hardware, software and computer networks used by judicial branch employees, including 907 personal computers, 33 local area networks and file servers, 85 laptop computers and other computing peripherals.

Funding for Judicial Branch IT is derived from a court automation surcharge on certain court case filings and, when available, from limited federal grants. In 2003 the Legislature increased the surcharge from \$5 to \$10. The money is used to staff judicial IT efforts, buy and support the networks, hardware and software used by almost 1,000 judicial branch users located in city, county and state offices throughout the state. In calendar year 2003, the surcharge generated approximately \$1.2 million dollars.



Clerk of the Supreme Court

Ed Smith

The Clerk of the Supreme Court is one of Montana's statewide elected officials in the Judicial Branch of government. The current clerk, Ed Smith of Helena is serving his third term. He is the nineteenth person to hold the office. Established in 1865, the office conducts the business of the Court, and serves as the liaison between the public, attorneys and the Supreme Court. By statutory authority, the Clerk controls the docket and filings, facilitates the appellate process, and is the custodian of all legal records for the public and the Court. Additionally the Clerk administers appellate mediation, maintains the official roll of Montana attorneys, and is responsible for licensing Montana's 3,700 attorneys.

2003 Supreme Court Caseload Statistics

Filings carried over from 2002	332	Dispositions by Remittitur	375
New Civil Filings	634	Dispositions by Dismissal	169
New Criminal Filings	176	Dispositions - Writ Denied	250
		Dispositions - Writ Granted	20
		Dispositions - Other	464
Total New Filings	1142	Total Dispositions	878

Supreme Court Law Library

Judy Meadows, Law Librarian

The Supreme Court Law Library provides bibliographical and physical or remote access to recorded legal knowledge and information consistent with the present and anticipated research needs, responsibilities and concerns of Montana's courts, the Legislature, state officers and employees, attorneys and the general public. A Board of Trustees comprised of the seven members of the Supreme Court governs the Law Library. The Annual Report for 2003 of the Law Library can be found in Appendix A of this document.



Through the Division's help desk, judicial employees can receive support, ask questions, and get problems resolved related to the information systems, software, and hardware they use.

Budget and Finance Division

Primary functions of the Office of Court Administrator are to obtain adequate financial resources for judicial operations and to manage these resources. These functions are met through fiscal personnel consisting of a director of budget and finance and accounting and technical staff. With the assistance of fiscal staff, the judicial budget is developed for funding consideration by the Legislature. The Supreme Court budget request is developed with input from judicial staff and district court judges and approved by the Supreme Court

A monitoring function is carried out on a monthly basis with an analysis of the budget and preparation of status reports after the monthly payroll and other expenditures have been processed. The Budget and Finance Division also provides oversight for approval of various expenditures based on budgetary policies.

The state general fund supports the Supreme Court, the District Court Council, most district court expenses in the 22 judicial districts, expenses for indigent defense and some civil jury expenses in the clerk of district court offices. The Workers' Compensation Court is state funded outside of the Supreme Court's budget. The counties and municipalities fund courts of limited jurisdiction.