

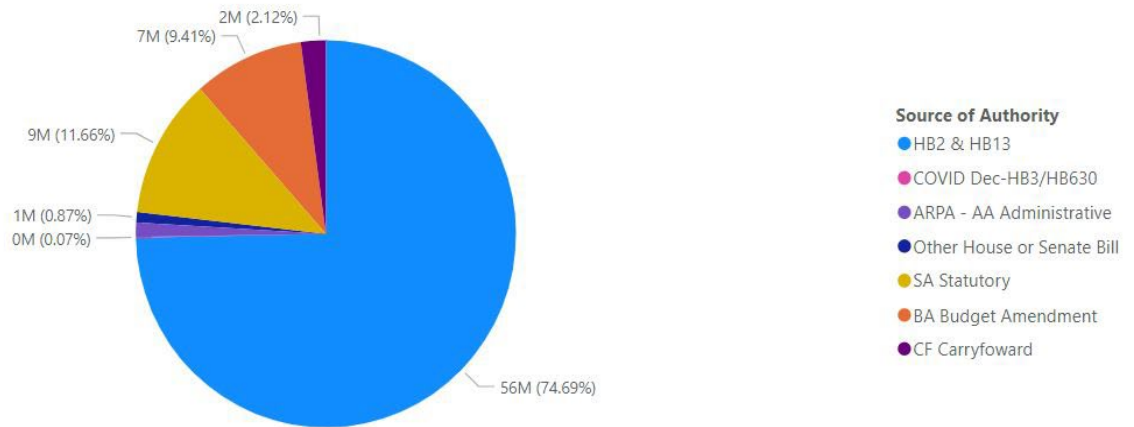
JUDICIAL BRANCH

(Spending report July 1, 2022 through June 30, 2023 - FY 2023)

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the Judicial Branch is shown in the pie chart below. HB 2 and HB 13 provide 74.7% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

Total Modified Budget by Source of Authority



Source of Authority	FYE23 Modified Budget	FYE23 Expended Budget	Percent Expended
HB2 & HB13	56,235,396	53,292,749	94.8%
BA Budget Amendment	7,082,361	2,363,491	33.4%
CF Carryforward	1,598,317	788,155	49.3%
Other House or Senate Bill	653,681	534,774	81.8%
SA Statutory	8,779,790	4,389,895	50.0%
CARES II	51,363	49,108	95.6%
ARPA	895,190	109,194	12.2%
Total	75,296,098	61,527,367	81.7%

Report Period

- Jul
- Aug
- Sep
- Oct
- Nov
- Dec
- Jan
- Feb
- Mar
- Apr
- May
- Jun

Budget Amendments

The Judicial Branch (Branch) budget amendments increased federal authority in the agency budget by nearly \$7.1 million in FY 2023, and the Branch expended nearly \$2.4 million, or 33.4%, of the authority through fiscal year-end (FYE) 2023.

BA funding supports the following activities in the Branch budget:

- Substance abuse and mental health services (SAMHSA), as well as other additional activities within adult, veteran, and family treatment courts
- Facilitate state court data collection and analysis and promote data sharing

At FYE 2023, the Branch had a balance of \$4.7 million in BA authority. One-year no cost extensions have been requested for multiple sources of grant authority set to expire in calendar year 2023 and are likely to be approved. The remaining authority carries forward into FY 2024.

Carryforward

The Branch had \$1.6 million in carryforward (CF) authority in FY 2023. The authority is derived from 30.0% of the qualifying unexpended balance from FY 2021 (\$788,993) and FY 2022 (\$809,324) appropriations. 82.4% of total carryforward authority in FY 2023 is funded with general fund. The Branch expended nearly all (99.9%) of FY 2021 carryforward authority in FY 2023 but did not expend any carryforward authority from FY 2022 resulting in expenditures of 49.3%. The full amount of FY 2022 carryforward authority will continue in the FY 2024 budget while the remaining \$838 from FY 2021 will be reverted to the appropriate sources.

Other Bills

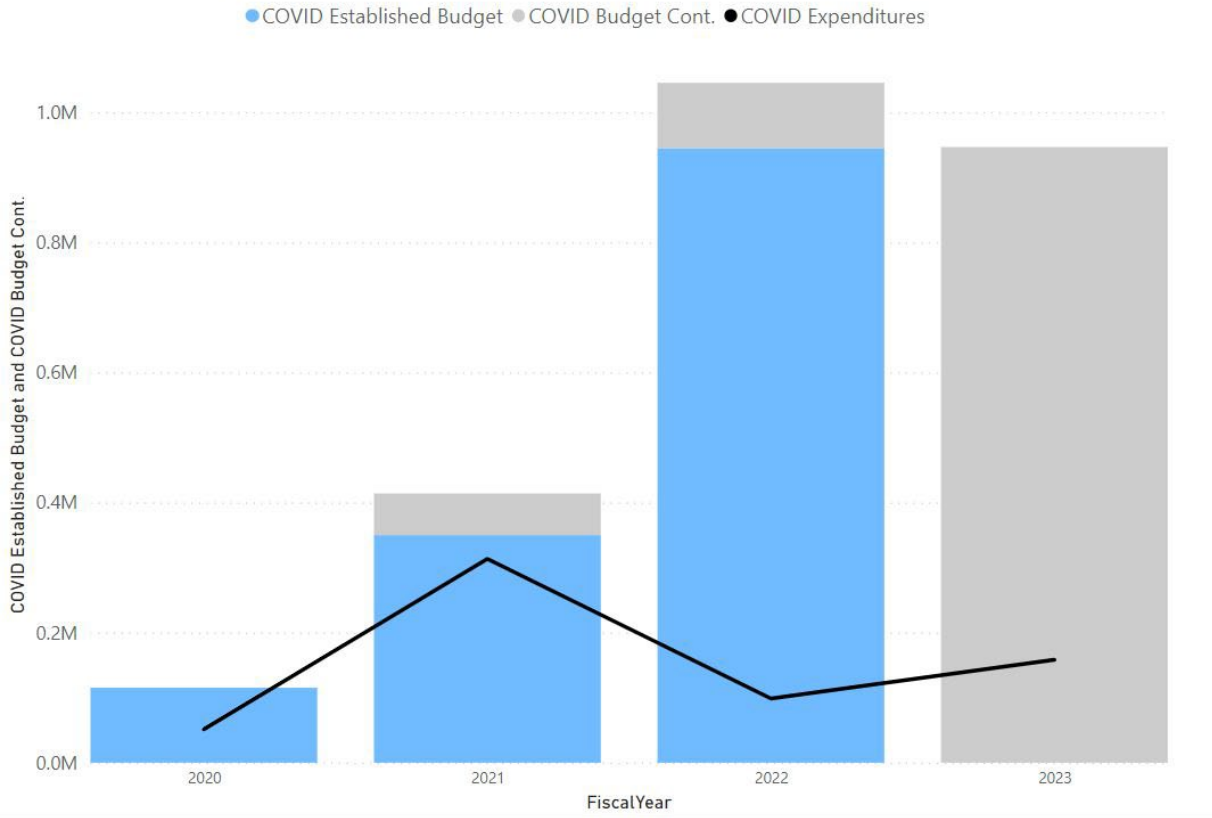
In FY 2023 the Judicial Branch has \$156,187 of capital project appropriation authority through the Long-Range Information Technology (IT) Program for the courtroom improvements project that was not spent during FY 2022. The authority was provided in the 2007 Session and was increased during the 2015 Session. At the end of FY 2022, this remaining balance was re-appropriated for FY 2023 as the project was not yet complete. The Branch expended all remaining authority in FY 2023.

Additionally, HB 13 (2023 Legislature) included a one-time, lump-sum payment to state employees. Full-time employees received a payment of \$1,040, which was prorated for employees that work less than full-time. This payment was effective in the first full pay period following HB 13 being enacted. The Judicial Branch expended \$378,587 in FY 2023 for these lump-sum payouts.

COVID-19 Authority

The following chart is provided to allow the legislature to examine the funding that is available to the agency for COVID-19 impacts.

COVID Established Budget, COVID Continuing Budget, and COVID Expenditures by Fiscal Year



The Branch had a total of \$946,553 million in COVID-19 authority in FY 2023. From the total authority, \$51,363 was continued from the 2021 biennium Coronavirus Aid, Relief, and Economic Security Act (CARES) II funding, and \$895,190 was provided in HB 632 (American Rescue Plan Act - ARPA) by the 2021 Legislature. In FY 2023, the Branch expended a total of \$158,302, or 16.7% of the authority, leaving a balance of \$788,251. Of this balance, the remaining CARES II funding (balance of \$2,255) expired on September 30, 2022, while the ARPA funding (balance of \$785,995) expires on 12/31/2024 and will be continued in the FY 2024 budget.

Of the total COVID expenditures, the Branch expended 45.4% on personal services and 54.6% on operating expenses. The ARPA funds provide a three-year pilot project, Simplify Family Law Resolution, to implement remote mediation services and streamline family law cases. The funding has been used to help clear the backlog in family law cases in district courts where criminal cases were prioritized during the pandemic. Additionally, CARES II funding has been used for costs related to a pre-filing project benefitting youth in need of care cases.

Statutory Appropriations

The statutory appropriation (SA) from the youth court intervention and prevention account is established and statutorily appropriated in 41-5-2011, MCA. The account receives:

- Unexpended funds from the judicial districts’ annual allocations of juvenile placement funds
- Unexpended funds from the cost containment pool created from juvenile placement funds

By statute, the account may be used to:

- Establish or expand community prevention and intervention programs and services for the youth

- Provide alternative funding methods for out-of-home placements
- Provide matching funds for federal money for intervention and prevention programs that provide services to the youth

Funding is transferred to the SA account in the Branch at fiscal year end and is used by the District Courts in 22 judicial districts for the following two years. Each district receives an allocation equal to the amount of unexpended placement funds from the prior year allocation to each district. The allocation to each district is based on a formula, which includes factors such as the number of youths in a district and the number of offenses. As directed in law, any funding remaining after two years is to be transferred to the general fund.

This transfer increased the statutory appropriation budget by \$4.4 million, resulting in total authority of \$8.8 million. The Branch expended \$4.4 million or 50.0% of this authority. The remaining balance of \$4.4 million continues into FY 2024.

Non-Budgeted Proprietary Funding

Not included in the figure above as the expenditures are not appropriated, the Judiciary has \$270,414 in off-budget proprietary authority within the Law Library Program. The authority supports online search functions within the Lexis system. In FY 2023, the program expended all this authority.

HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget through FYE 2023. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The **positive modifications** and **negative modifications** are shown by program, expenditure account, and fund type.

Legislative Budget Compared to Modified Budget - HB 2 Only

Agency Name	HB 2 Budget	FYE23 Modified Budget	Net Modifications
Judiciary	56,181,358	56,235,396	54,038
CLERK OF COURT	591,074	591,074	
DISTRICT COURT OPERATIONS	31,375,457	31,335,133	-40,324
LAW LIBRARY	895,957	895,957	0
SUPREME COURT OPERATIONS	20,893,039	20,987,401	94,362
WATER COURT	2,425,831	2,425,831	0
Total	56,181,358	56,235,396	54,038

Acct & Lvl 1 DESC	HB 2 Budget	FYE23 Modified Budget	Net Modifications
61000 Personal Services	39,903,342	39,860,456	-42,886
62000 Operating Expenses	9,258,295	9,056,971	-201,324
63000 Equipment & Intangible Assets	183,116	254,422	71,306
66000 Grants	690,000	675,000	-15,000
67000 Benefits & Claims	6,146,605	1,614,765	-4,531,840
68000 Transfers-out		4,389,895	4,389,895
69000 Debt Service		383,887	383,887

Fund Type	HB 2 Budget	FYE23 Modified Budget	Net Modifications
01 General	52,680,240	52,734,278	54,038
02 State/Other Spec Rev	3,398,633	3,398,633	0
03 Fed/Other Spec Rev	102,485	102,485	0

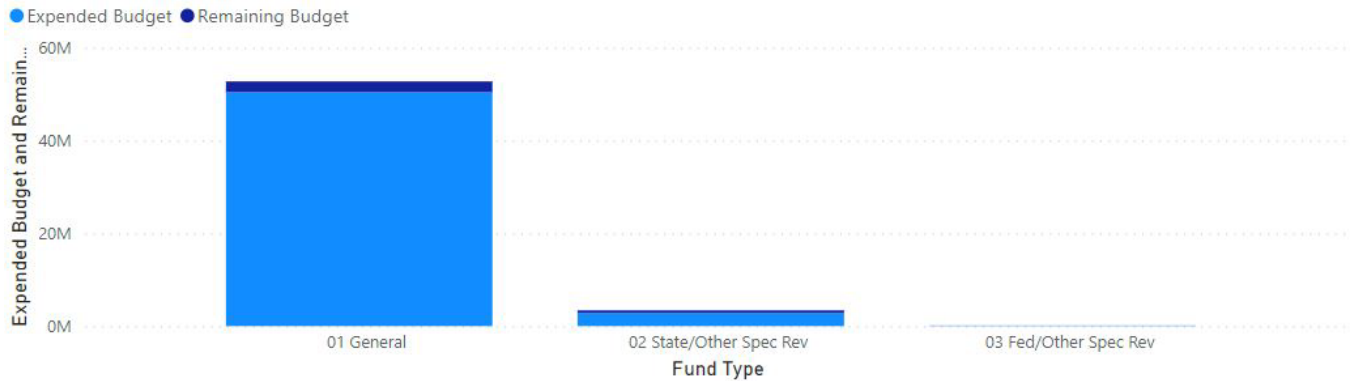
The figure above highlights modifications to the HB 2 budget that occurred in FY 2023. The most significant modifications made by the Judicial Branch include:

- An operation plan adjustment which moved \$4.4 million in authority from benefits and claims to transfers-out to accommodate the transfer of youth court intervention and prevention funds (JDIP) to the Branch statutory appropriation
- A few operation plan adjustments which moved approximately \$384,000 authority from operating expenses to debt service due to the new accounting treatment of long-term leases
- The movement of \$40,324 and 0.50 FTE from District Court Operations Division to the Supreme Court Operations Division
- The continuation of \$54,038 general fund authority provided for the Legislative Audit into the FY 2023 budget
- Other adjustments to align expenditures with appropriations and to balance costs in funds

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through FYE 2023.

Expended Budget and Remaining Budget by Fund Type - HB 2 Only



acclv1_descr	Modified Budget	Expended Budget	Percent Expended
Personal Services	39,860,456	38,292,958	96.1%
Operating Expenses	9,056,971	8,730,501	96.4%
Equipment & Intangible Assets	254,422	253,045	99.5%
Grants	675,000	527,630	78.2%
Benefits & Claims	1,614,765	714,834	44.3%
Transfers-out	4,389,895	4,389,895	100.0%
Debt Service	383,887	383,886	100.0%

Program Name	Modified Budget	Expended Budget	Percent Expended
CLERK OF COURT	591,074	527,263	89.2%
DISTRICT COURT OPERATIONS	31,335,133	30,545,924	97.5%
LAW LIBRARY	895,957	827,905	92.4%
SUPREME COURT OPERATIONS	20,987,401	18,998,691	90.5%
WATER COURT	2,425,831	2,392,966	98.6%
Total	56,235,396	53,292,749	94.8%

In FY 2023, the Branch expended \$53.3 million, or 94.8%, of the modified HB 2 budget. The figure at the top of this page explains the HB 2 funding. In FY 2023, appropriations for the Branch were funded with general fund (93.8%), state special revenue (6.0%), and some federal special revenue (0.2%). At FYE 2023, general fund appropriations were 95.6 % expended, state special revenues were 82.3% expended, and federal special revenues were 75.0% expended.

Total HB 2 spending is in line with the average of the previous five years (94.7%) and is approximately \$3.1 million higher than FY 2022 spending. The majority of this increase is attributed to personal services and can be explained by the following:

- The reinstatement of \$900,000 general fund which was reduced in FY 2022 for the one-time elimination of the state share holiday
- Additional \$380,000 in FY 2023 for judges and staff in the 11th and 18th judicial districts
- Higher level of personal service spending of 96.1% in FY 2023 vs 93.8% in FY 2022. For more information regarding personal services and vacant FTE, please refer to the personal services section of this report

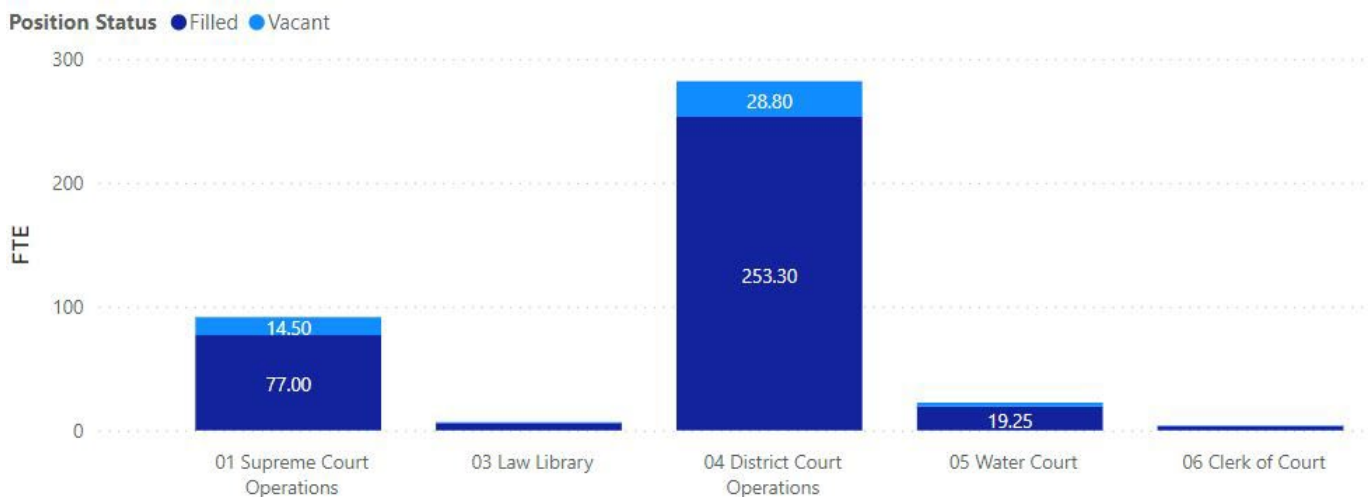
A few other details regarding the Judicial Branch’s HB 2 FY 2023 expenditures include:

- Pretrial Program (OTO) – The FY 2023 budget for this program is \$829,511 of general fund authority in Supreme Court Operations Division
 - This budget item is a continuation of the program that assists the criminal justice system with handling persons arrested and held in jails in five pilot counties (Butte-Silver Bow, Lake, Lewis & Clark, Missoula, and Yellowstone)
 - At FYE 2023, the Branch has expended \$696,327, or 79.4%, of the authority
- In the 2019 version of HB 654, the Branch received an annual base appropriation of \$250,000 to expand the capacity and quality of existing treatment courts and extend treatment courts to areas of the state that are unserved. The appropriation is funded through a fee of \$500 assessed on persons or entities engaged in the initial sales of opioids, not including retail pharmacies
 - At FYE 2023, spending from this appropriation was \$153,518, or 61.4% of the appropriation
 - In FY 2023, this appropriation was increased with a transfer of opioid settlement funds totaling \$354,901 from the Department of Justice, as provided in HB 693, but this appropriation was not expended due to unmet contingencies
- HB 111 from the 2019 legislative session transferred the operations and responsibilities required in the revocation of a youth's conditional release when the terms and conditions of the youth's conditional release have been violated to the Judicial Branch from the Department of Corrections
 - FY 2023 appropriations totaled \$571,070 in general fund and \$146,224 in state special revenue from the youth court intervention and prevention account
 - FY 2023 expenditures from this authority totaled \$243,787 or 34.0%

At FYE 2023, the Branch had a HB 2 unexpended/unobligated balance of \$2.9 million including approximately \$2.3 million (78.9%) of general fund. Qualifying unexpended balances will be available for the Branch to establish carryforward and the remainder of the balance will be reverted to the appropriated fund/account.

Personal Services

The following chart shows the filled and vacant FTE within the agency as of June 1, 2023. Personal services totaled \$39.9 million for the Branch in FY 2023 and were 96.1% expended.



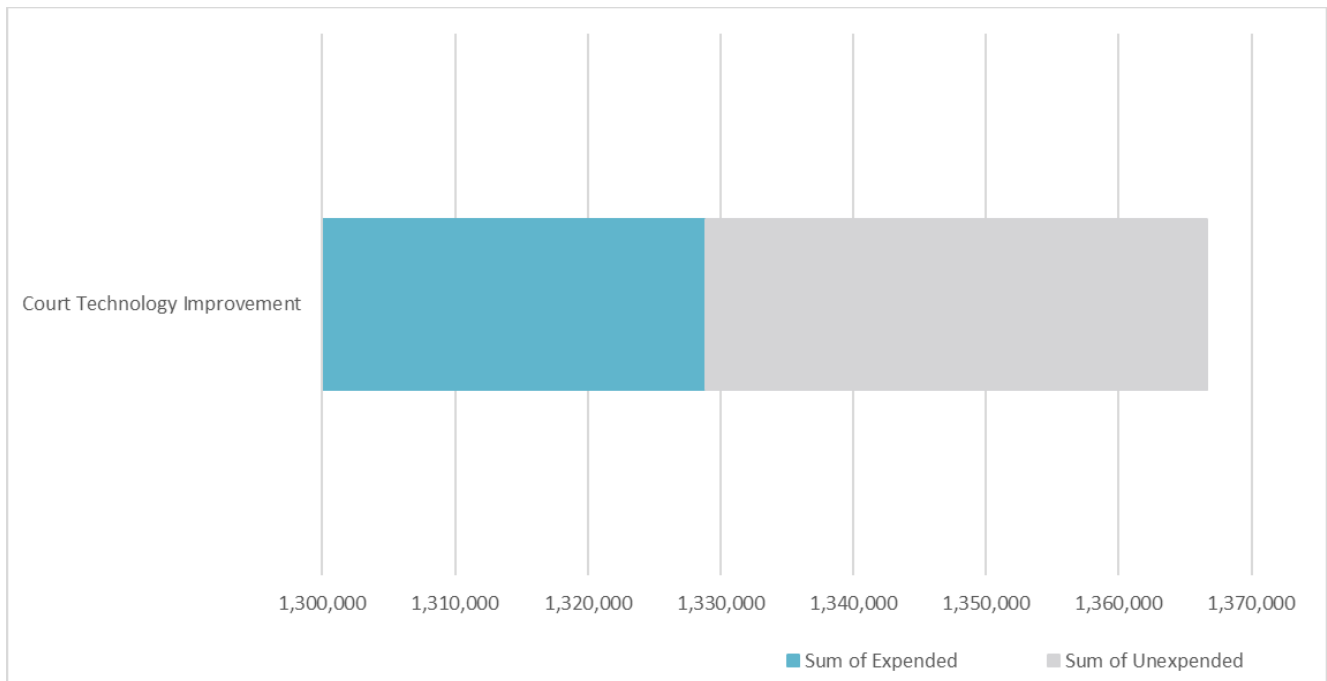
For FY 2023, the Branch had a total of 406.85 FTE, excluding elected official positions. According to data provided by the State Human Resources Division, the Branch had 47.80 vacant FTE, 11.8% of the indicated FTE, as of June 1, 2023. These numbers are down slightly from 53.05 vacant FTE at the end of FY 2022.

As shown in the figure above, the District Court Operations Division and Supreme Court Operations Division had the highest numbers of vacant FTE at 28.80 (60.3% of vacancies) and 14.50 (30.3% of all vacancies) respectively and account for the majority of all the vacant FTE in the Branch. Within the two divisions, there were 5.00 vacant law clerk positions, 13.00 vacant deputy juvenile probation officers, and 5.00 vacant treatment court coordinators. Six of the deputy juvenile placement positions have been vacant for over a year. Additionally, all 5.00 treatment court coordinators have been vacant for nearly two years. These five positions were scheduled to transition to state funding in the 2023 biennium as startup federal grants for these five courts expired, but this grant funding was extended through FY 2023 due to COVID. It is anticipated these positions will be hired in FY 2024.

Additionally, the Branch experienced turnover within 83 positions by June of 2023. Of these positions, 17 transferred to other agencies in state government while the remaining 66 either retired or left state employment during the fiscal year.

OTHER ISSUES

Information Technology Project Expenditures



As viewed in the State Information Technology Services Division (SITSD) dashboard report, the Branch began the court technology improvements project in FY 2015 with an appropriation from HB 10, the Long-Range Information Technology bill (2015 Legislature). The project entails adding IT improvements to courtrooms and systems across the state, and costs related to the project consist of personal services and operating costs charged against and expended from HB 2 budgets. In April 2021, the project budget was increased by \$532,652 resulting total project authority of \$1.37 million. The project was completed in December 2022 with total expenditures of \$1.33 million or 97.2% of authority.

In the FY 2023 budget, the Judicial Branch also had nearly \$5.6 million in general fund HB 2 authority to provide information technology services in the Branch including technical support and training in the District Courts

and Courts of Limited Jurisdiction. At FYE 2022, the Branch had expended approximately \$5.5 million or 99.3% of the budgeted authority.

REQUIRED REPORTS

Triggering BCD's

A triggering budget change document is one that makes changes to level 1 account categories (personal services, operating expenses and so on) that exceed \$1.0 million or 25.0% of the account level. Time-sensitive "triggering" budget change documents (BCD's) are reviewed by staff of the LFD. When a triggering BCD is non-time sensitive, the change requires review and comment by the Legislative Finance Committee. At the FYE closing, triggering BCDs are common and are time-sensitive due to the need to close the accounting records. The Branch requested a triggering BCD as follows:

- A time-sensitive BCD movement of \$4.4 million from benefits and claims to transfers-out in the Supreme Court Operations Division
 - This change was required to move excess JDIP administrative funds to the Branch statutory appropriation at FYE 2023
 - LFD staff had no comments/concerns related to this change
- A pair of time-sensitive BCDs that move \$360,726 from operating expenses to debt service
 - Required by accounting rules related to long-term leases
 - LFD staff had no comments/concerns related to these changes

HB 693 Reporting – This legislation requires reporting by the Judicial Branch on the following item:

Each quarter of the fiscal year, the Office of the Court Administrator shall report to the Law and Justice Interim Committee and the Legislative Finance Committee on the number of civil cases that have been pending for more than two years by judicial district. The report must identify:

- 1) the judicial district;
- 2) the number of cases in that district that are pending for more than 2 years but less than 3 years;
- 3) the number of cases in that district that are pending for more than 3 years but less than 4 years;
- 4) the number of cases in that district that are pending for more than 4 years but less than 5 years; and
- 5) the number of cases in that district that are pending for more than 5 year.

HB 632 Reporting-Sec. 21 – The Branch is required to report quarterly to the ARPA commission on program implementation, expenditure of funds, and measurable outcomes of the new program simplifying domestic relations trials.

The final submission of these reports for the 2023 biennium will be posted on the Section D IBC webpage with the September meeting materials as they are provided.