

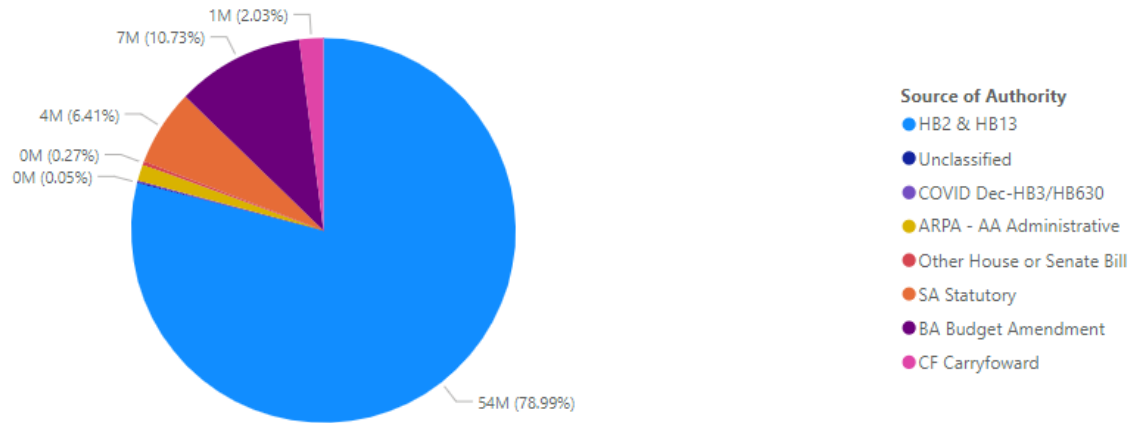
JUDICIAL BRANCH

(Spending report July 1, 2021 through May 31, 2022)

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the agency is shown in the pie chart below. HB 2 and HB 13 provide 79.0% 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	Modified Budget	Expended Budget	Percent Expended
HB2 & HB13	54,069,271	40,609,115	75.1%
BA Budget Amendment	7,341,396	1,474,213	20.1%
CF Carryforward	1,386,348	74,779	5.4%
Other House or Senate Bill	185,212	20,225	10.9%
SA Statutory	4,389,895	2,200,225	50.1%
Unclassified	32,673		
CARES II	100,469		
ARPA	944,721	39,744	4.2%
Total	68,449,985	44,418,300	64.9%

Report Period

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

Budget Amendments

The Judicial Branch (Branch) budget amendments (BA) increased federal authority by \$7.3 million in FY 2022 and through May they expended \$1.5 million, or 20.1%, of the authority. Most of the BA authority, 92.3%, was allocated to the District Court Operations Division and the remainder to the Supreme Court Operations Division. The Branch added \$201,634 of BA authority since the March meeting. The following summarizes the Branch budget amendments:

- \$1.5 million of authority to support substance abuse and mental health services within drug courts (expenditures of \$619,624)
- \$1.6 million of authority to support activities related to adult treatment courts (expenditures of \$244,059)
- \$1.3 million of continued authority to fund three treatment courts, a Montana drug court conference, and a financial specialist, including 4.00 modified FTE (expenditures of \$227,127)

- \$1.2 million of authority to support veteran’s treatment courts including activities that will increase the number of participants and enhance services (expenditures of \$101,027)
- \$563,263 of authority to facilitate state court data collection and analysis, promote data sharing between state courts and child welfare agencies, and provide training within various disciplines related to children at risk, for which expenditures of \$105,169 support the requirements of HB 39 (2021 Legislature)
- \$487,032 of authority to support family drug treatment courts (expenditures of \$84,445)

Carryforward

The Branch has \$1.4 million of carryforward authority in FY 2022, which is derived from 30.0% of the qualifying unexpended balance of FY 2020 and FY 2021 appropriations. The carryforward authority was increased by \$788,993 since the March report. The total authority is funded 83.5% with general fund. The Branch has expended \$74,779, or 5.4% of the FY 2020 authority through May.

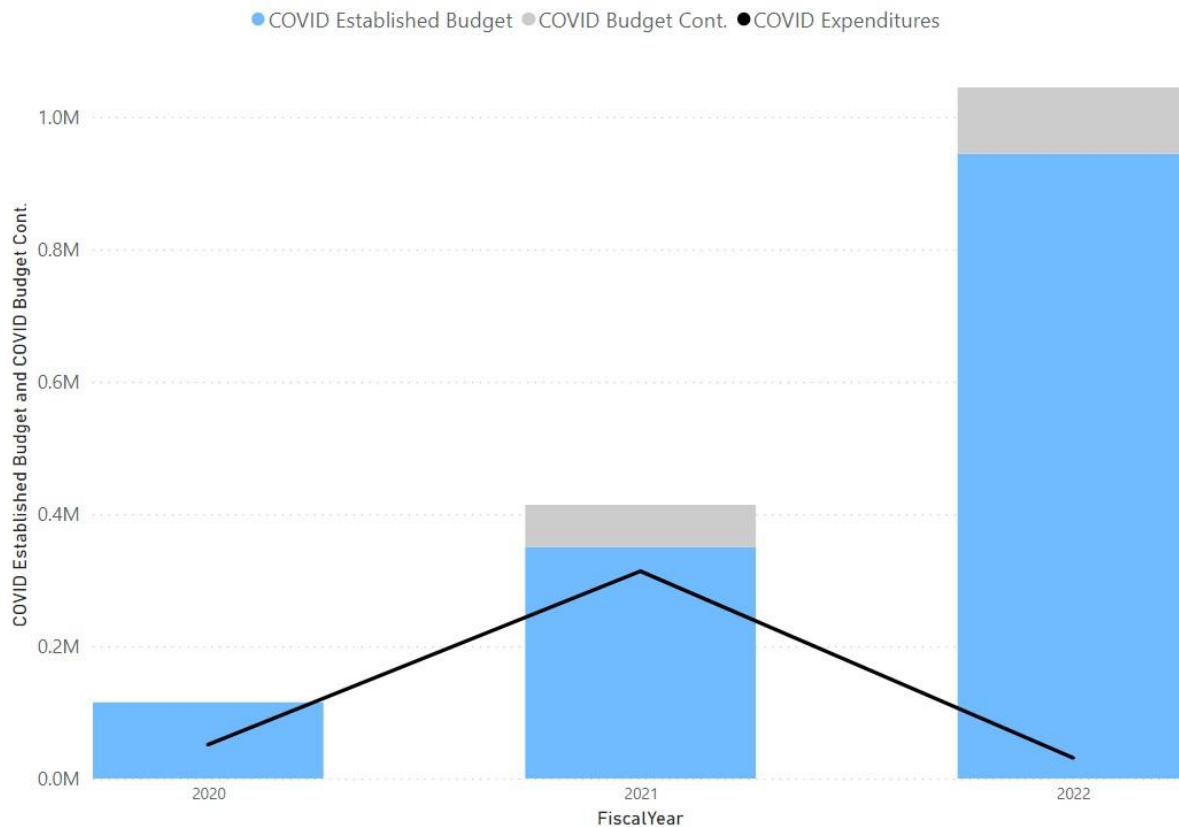
Other Bills

In FY 2022 the Judicial Branch has \$185,212 of capital project appropriation authority through the Long-Range Information Technology (IT) Program for the courtroom improvements project. The authority was provided in the 2007 Session (\$1,018 remaining) and was increased in the 2015 Session (\$184,193 remaining). The Branch expended \$20,225 of the authority through May, primarily on IT improvements in new courtrooms in Yellowstone County.

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 has a total of \$1.0 million in COVID-19 authority in FY 2022. From the total authority, \$100,469 was continued from the 2021 biennium CARES I funding and \$944,721 was provided in HB 632 (ARPA) by the 2021 Legislature. Through May, the Branch had not expended any of the remaining CARES I authority and had expended \$39,744 of the ARPA authority.

From the total COVID expenditures, the Branch expended 87.2% on personal services and the remaining on operating expenses. The funding will provide a three-year pilot project, Simplify Family Law Resolution, to implement remote mediation services and streamline family law cases. The funding is expected to help clear the backlog in family law cases in district courts where criminal cases were prioritized during the pandemic. The funding will be used to establish the program, monitor the implementation, and pay mediators in family law cases involving pro se litigants.

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 (for more information, HB 2 Appropriation Authority section of this report)
- 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

After funding is transferred to the SA account in the Branch, it 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 youth in a district and the number of offenses. In FY 2022, the total statutory appropriation authority is \$4.4 million. Through May, the Branch expended \$2.2 million, or 50.1% of the total authority. Any funding remaining after two years will be transferred to the general fund.

Unclassified

Per 39-71-403(1)(b)(iv), MCA, when workers' compensation premiums are lower than the previous year, state agencies shall reduce personal services appropriations by the amount of the premium reduction. To track the changes in appropriation authority, total appropriations are not reduced, instead the Governor's Office of Budget and Program Planning (OBPP) requires state agencies to:

- Reduce HB 2, statutory, and proprietary appropriations
- Create a separate offsetting entry on the financial statements in the same amount using an identifying number for workers' compensation entries (shown in the Total Authority figure above as "Unclassified")

The offsetting entries are identified as "frozen" appropriations, which means the appropriations will not be spent unless authorized by OBPP. The Branch HB 2 personal services budget was reduced by \$32,673 and has an offsetting unclassified appropriation of a like amount.

Non-Budgeted Proprietary Funding

Not included in the figure above, the Judiciary has \$254,897 in off-budget proprietary authority within the Law Library Program. The authority supports online search functions in the Lexis system. Through May, the program expended \$219,141, or 86.0%, of the 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 May 31, 2022. 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	March Modified Budget	June Modified Budget	Net Modifications
<input type="checkbox"/> Judiciary	54,101,944	54,069,271	-32,673
CLERK OF COURT	570,421	570,021	-400
DISTRICT COURT OPERATIONS	29,978,417	29,955,877	-22,540
LAW LIBRARY	876,038	875,766	-272
SUPREME COURT OPERATIONS	20,293,381	20,285,653	-7,728
WATER COURT	2,383,687	2,381,954	-1,733
Total	54,101,944	54,069,271	-32,673

Acct & Lvl 1 DESC	March Modified Budget	June Modified Budget	Net Modifications
<input type="checkbox"/> 61000 Personal Services	38,009,698	37,977,025	-32,673
<input type="checkbox"/> 62000 Operating Expenses	9,190,154	9,190,154	
<input type="checkbox"/> 63000 Equipment & Intangible Assets	183,116	183,116	
<input type="checkbox"/> 66000 Grants	690,000	690,000	
<input type="checkbox"/> 67000 Benefits & Claims	6,013,625	6,013,625	
<input type="checkbox"/> 69000 Debt Service	15,351	15,351	

Fund Type	March Modified Budget	June Modified Budget	Net Modifications
<input type="checkbox"/> 01 General	50,969,027	50,937,485	-31,542
<input type="checkbox"/> 02 State/Other Spec Rev	3,030,966	3,029,857	-1,109
<input type="checkbox"/> 03 Fed/Other Spec Rev	101,951	101,929	-22

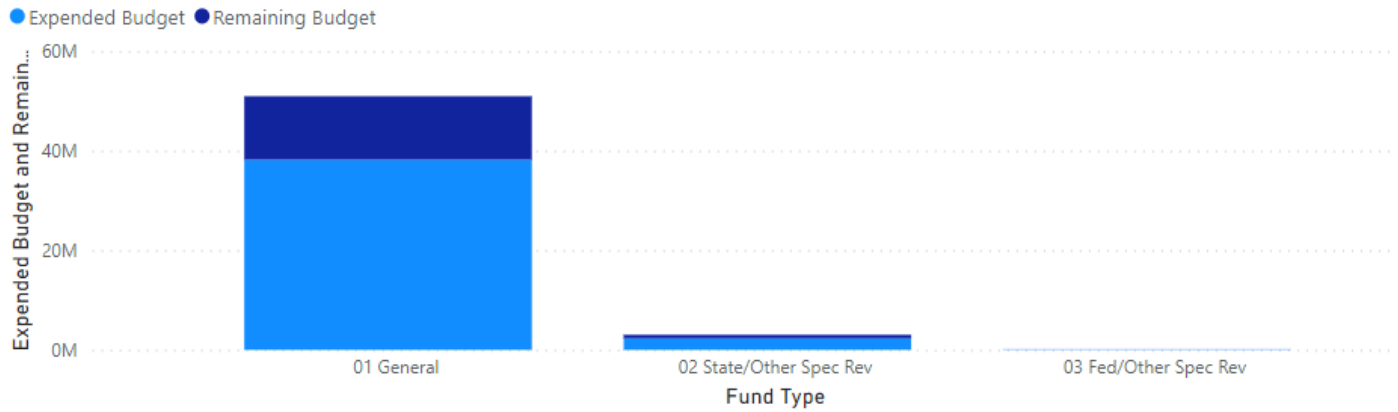
The figure above highlights modifications to the HB 2 budget that occurred between March 2022 and May 2022. These modifications are then added to the modified budget presented at the March Interim Budget Committee (IBC) meeting.

Between March and May, the Branch modified their budget with \$32,673 of reductions to the workers' compensation insurance. Small adjustments were made to the personal services budget in each of the Branch divisions. Of the total reductions, 96.5% are funded by general fund.

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through May 31, 2022.

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



acclv1_descr	Modified Budget	Expended Budget	Percent Expended
Personal Services	37,977,025	31,794,886	83.7%
Operating Expenses	9,190,154	7,277,195	79.2%
Equipment & Intangible Assets	183,116	101,440	55.4%
Grants	690,000	348,860	50.6%
Benefits & Claims	6,013,625	1,078,857	17.9%
Debt Service	15,351	7,877	51.3%

Program Name	Modified Budget	Expended Budget	Percent Expended
CLERK OF COURT	570,021	471,333	82.7%
DISTRICT COURT OPERATIONS	29,955,877	24,951,073	83.3%
LAW LIBRARY	875,766	707,856	80.8%
SUPREME COURT OPERATIONS	20,285,653	12,493,292	61.6%
WATER COURT	2,381,954	1,985,561	83.4%
Total	54,069,271	40,609,115	75.1%

Through May, the Branch expended \$40.6 million, or 75.1%, of the modified HB 2 budget. The figure at the top of this page explains the HB 2 funding. In FY 2022, the Branch budget is funded with 94.2% general fund and total expenditures through May were 90.3% general fund.

Total HB 2 spending, at 75.1% of the modified budget, is slightly lower than the average of the previous five years (76.8%) and is approximately \$521,000, or 1.27%, lower than the same period in FY 2021. The change from the historic average is explained by lower spending in Benefits and Claims (17.9%) when compared to the previous five years (32.7%). In nominal terms, personal service costs are \$982,000 below the same period in FY 2021 and can be explained by the retirement system “holidays” provided in SB 175 and HB 2 as approved by the 2021 Legislature. For more information on personal services in the Branch see the Personal Services section of this report.

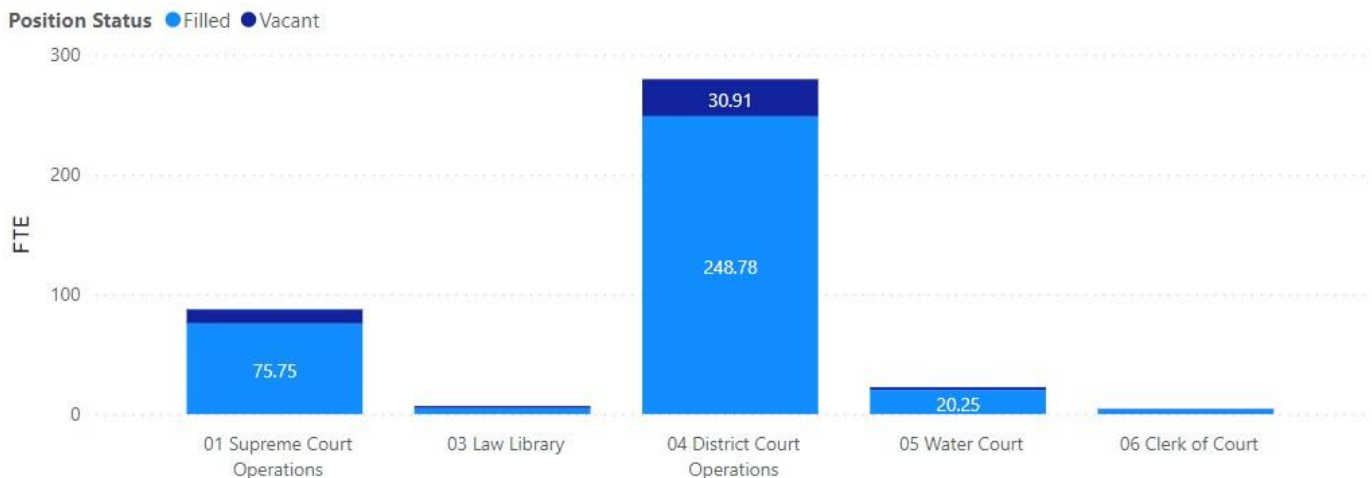
The Supreme Court Operations Division expended 61.6% of the division’s appropriation. In the division budget, the Juvenile Delinquency Intervention Administration is allocated \$4.8 million of appropriation authority. Through May, the division has expended \$589,952, or 12.1%, of that allocation, accounting for low level of spending in the division. The low level of spending in the division is not unusual, as the agency traditionally plans to statutorily appropriate the balance. Additionally, this allocation includes \$4.6 million categorized as benefits and claims, which makes up 76.9% of agency benefits and claims. To date, the Branch has expended \$442,219, or 9.6%, of the allocation leaving a current balance of \$4.2 million. At the end of the fiscal year, the remaining balance will be transferred to the Juvenile Delinquency Intervention Program statutory appropriation.

Some specific details of FY 2022 Judicial Branch HB 2 budget include:

- Pretrial Program (OTO) – The FY 2022 budget for this program is \$829,253 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)
 - In FY 2022, the Branch has expended \$515,501, or 62.2%, 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, and is intended to support the appropriation
 - Through May, spending from this appropriation was \$69,348, or 27.7% of the appropriation
 - The appropriation addresses the previously unmet needs of the \$1.9 million drug treatment court component of the base (with spending of \$1.4 million)

Personal Services

The following chart shows the filled and vacant FTE within the agency as of May 1, 2022.



In FY 2022, the Branch is budgeted for 463.19 FTE, an increase of 8.50 FTE over the budgeted FTE in FY 2021. The total number of budgeted FTE includes 51 judges, which are not included in the figure above. According to

data provided by the State Human Resources Division, the Judicial Branch had 47.16 vacant FTE or 10.2% of the budgeted FTE.

As shown in the figure above, the District Court Operations Division has the highest number of vacancies at 30.91 FTE, which is almost two-thirds of the total vacant FTE in the Branch. The District Court Operations Division has 12.00 vacant deputy juvenile probation officer I and II positions, which makes up 38.8% of the vacancies in the division.

According to the Branch, significant recruitment and retention issues continue throughout the state and in all occupational groups. In particular, the Branch is struggling to recruit court reporters, juvenile probation officers, and key central office staff in fiscal and information technology.

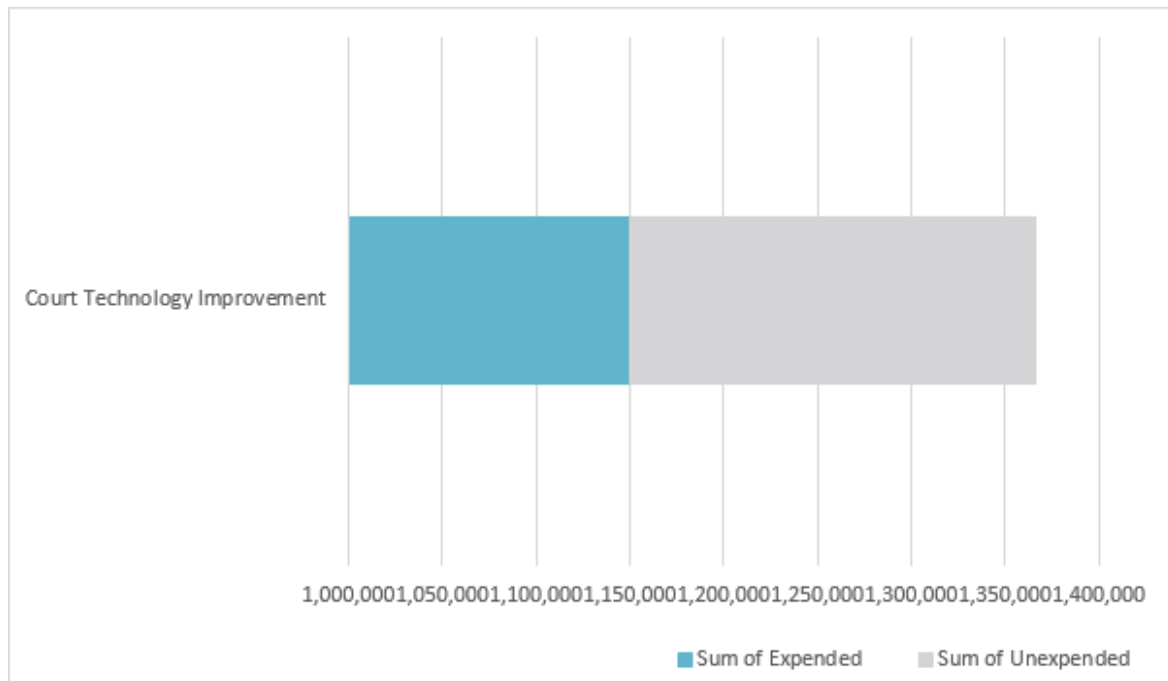
Next Steps for Personal Services Reporting

As mentioned in the March report, the LFD will begin the process of a more comprehensive look at personal services this summer. The LFD will compare two executive “snapshots” -- July 2020 and July 2022. The analysis will identify adjustments adopted by the legislature in 2021 and modifications made by the agencies, within the confines of budget law.

The September Quarterly Financial Report will provide the complete comparison from July 2020 to July 2022. Ultimately, the analysis will result in a description of all the components that will be part of the executive’s decision package one (DP 1) 2025 biennium budget request. This work will prepare legislators for budget deliberations in the 2023 session. For a review of how DP 1 works and snapshot components, please read this [short brochure](#) from 2019.

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 budget was increased by \$532,652, or 63.9% as a result of the addition of agency internal resources costs. These costs, over the history of the project (2015-2021), consist of personal services and operating costs dedicated to the project and were charged against and expended from the HB 2 budgets. The project entails adding information technology (IT) improvements to courtrooms and systems across the state. Throughout the history of the project, the Branch has expended approximately \$1.2 million and the project is still in the execution phase. In the 2021 biennium, travel restrictions related to the COVID-19 pandemic led to a delay in project completion, which is now expected to be December 31, 2022.

In FY 2022 the Branch has \$185,212 of re-appropriated HB 10 capital project fund authority. As mentioned above in the Other Legislation section of this report, the Branch expended \$20,225 of this authority for IT improvements, primarily in new courtrooms in Yellowstone County.

In the FY 2022 budget, the Judicial Branch also has \$5.3 million of 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. Through May, the Branch expended \$4.5 million, or 84.9% of the budgeted authority.

REQUIRED REPORTS

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.

Reports are available on the Section D IBC webpage under the Meeting Materials tab, found at:

<https://leg.mt.gov/lfd/interim-budget-committee-section-d/>

The title page and report are shown as:

- HB 693 Report
- Pending Civil Cases, First Quarter Jan 1 – March 31, 2022

The Judicial Branch has also updated their ARPA report. The report is shown as:

- HB 632, ARPA report