

## Vermont Judicial Branch

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### FY 2017 Budget Summary – Key Budget and Programmatic Issues

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#### The Judiciary's FY 2017 budget presentation materials include four documents:

- This summary of key FY2017 budget and programmatic issues within the Branch
- Vermont Judiciary Annual Statistical Report for FY2015
- Vermont Judicial Branch Overview, 2016 Legislative Session: Courts, Judiciary Programs, and Performance Measures
- Budget detail document – includes budget “ups and downs” and all Vantage reports

#### Topics covered in this summary document include:

- Courts, Judiciary Programs, and Performance Measures
- Upward Pressures on Court Resources
- Structural Challenges in Court System Funding
- FY 2017 Budget: Governor's Recommendation
- Budget Items for FY 2017 and Beyond: Not Included in the Governor's Recommendation
- Legislative Challenge to Reinvent Governmental Operations
- Improvements Reflected in FY 2017 Request

#### Courts, Judiciary Programs, and Performance Measures

Basic indicators of court performance are a necessary ingredient of accountability in the administration of justice and effective governance of the third branch. Moreover, performance measures provide a structured means for courts to communicate this message.

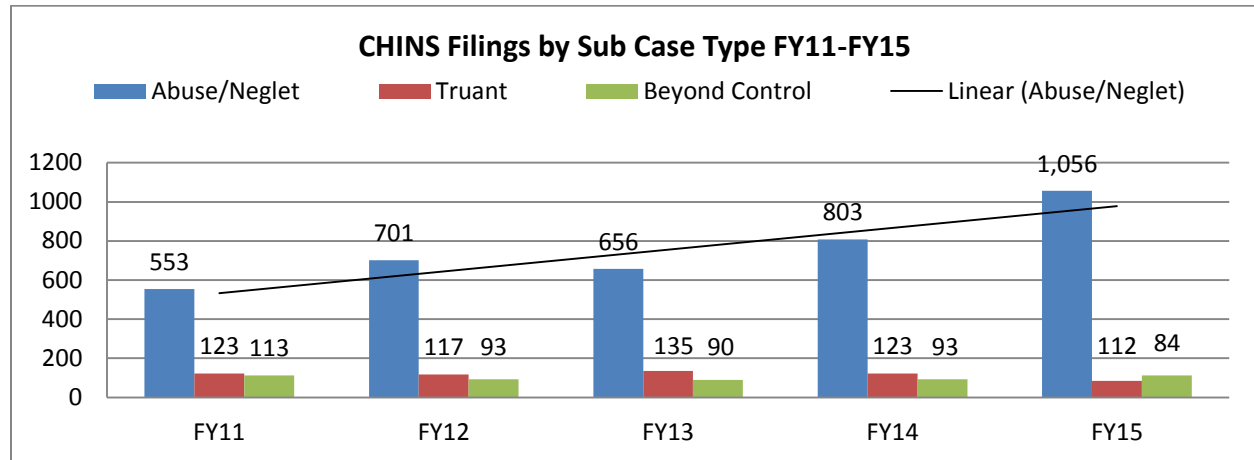
The Vermont Judiciary assesses performance through measures developed by the National Center for State Courts. *CourTools* is an instrument designed to foster consensus on what courts should strive to achieve and their success in meeting objectives in a world of limited resources.

The Vermont Judiciary also used the Results Based Accountability model to measure performance of court programs. These programs include treatment court dockets, the Vermont Superior Court family mediation program, the parent coordination program, the Guardian ad Litem program, the Court Interpreter program, and judicial and staff education programs.

The Vermont Judiciary Branch Overview for the 2016 Legislative Session, which accompanies the Judiciary's budget materials, sets forth in greater detail the Mission, Vision, and Principles for Administration of the Vermont Judiciary adopted by the Supreme Court, as well as performance measures established by the Judiciary, where applicable, and measurements of performance outcomes, to the extent available.

## Upward Pressures on Court Resources

Increase in Abuse/Neglect (CHINS) Filings



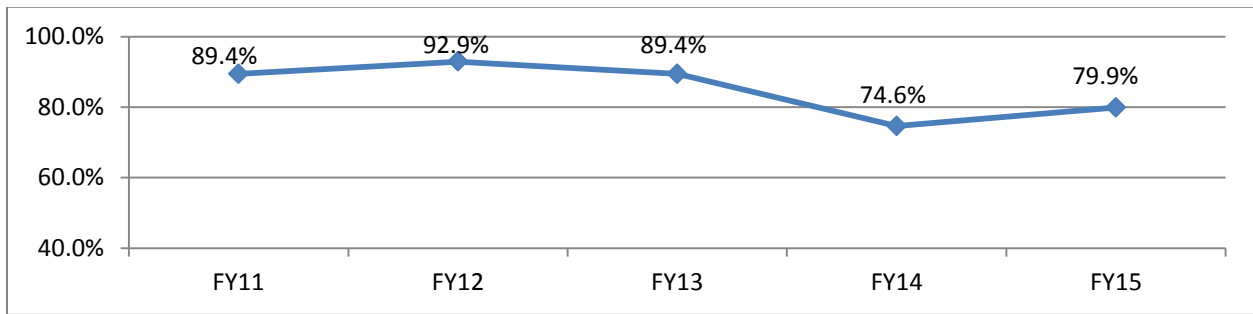
### **CHINS**

Of the 1,252 CHINS cases filed in FY15, 1,056 were abuse/neglect cases, the remainder were beyond parental control or truant. The increase in CHINS filings over the past few years has been fueled primarily by a dramatic growth in abuse/neglect cases. The number of abuse neglect filings increased by 91% between FY11 and FY15. This represents the largest increase in any case type in any division of the superior court.

Given the dramatic upsurge of abuse/neglect cases in FY15, the clearance rate for CHINS cases was one of the lowest of any group of cases in any division of the superior court. CHINS cases are labor intensive for judges and court staff. They require numerous hearings and the stakes for the litigants are high. Not only are many of the children involved in these cases removed from the custody of their parents, there is always the threat of termination of parental rights if parents are unable to regain custody within a reasonable amount of time. Five years of clearance rates below 100% is a source of significant concern. It means the development of a backlog of cases that will be difficult to overcome without a dramatic decline in the number of filings or an increase in resources.

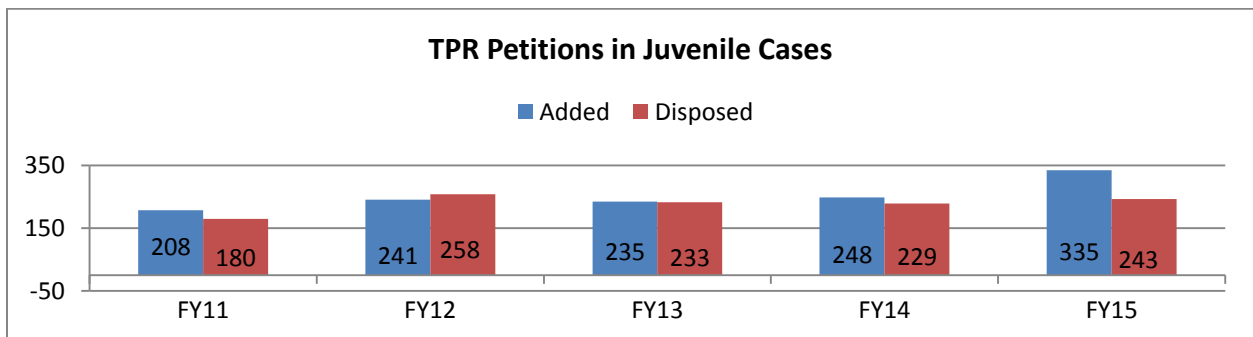
- The weighted caseload model, updated with 2015 case filings, indicates a baseline demand for 50.17 judicial officers and 211.80 court staff.
- Of the 50.17 judicial officers, 34.02 are Superior Judges. This need requirement excludes the Chief Superior Judge.
- The needs model in the study is a quantitative analysis. A qualitative analysis needs to take place. The qualitative analysis should consider what work is not getting done with current resources, as well as consider other anomalies such as workload variances from unit to unit affected by such things as the proximity of correctional facilities and mental health treatment facilities, for example.

### Clearance Rate CHINS

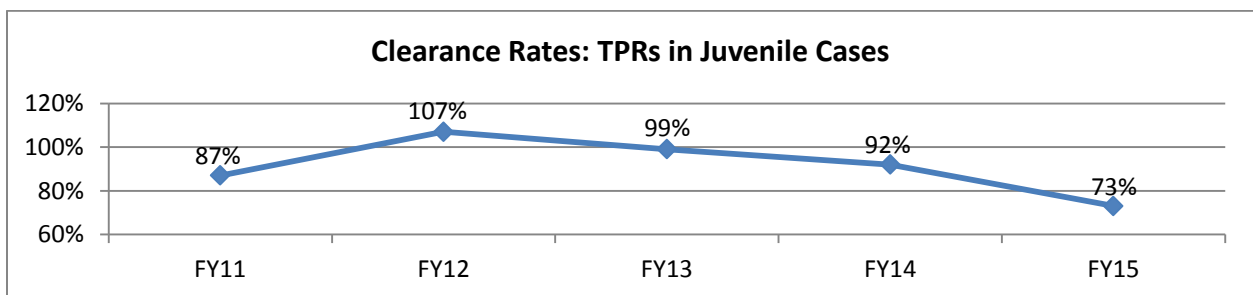


### Increase in Termination of Parental Rights (TPR) Filings

TPR petitions have increased by 61% since 2011 with the major increase occurring during the past three years. This is a trend that is likely to continue given recent increases in the number of CHINS filings.

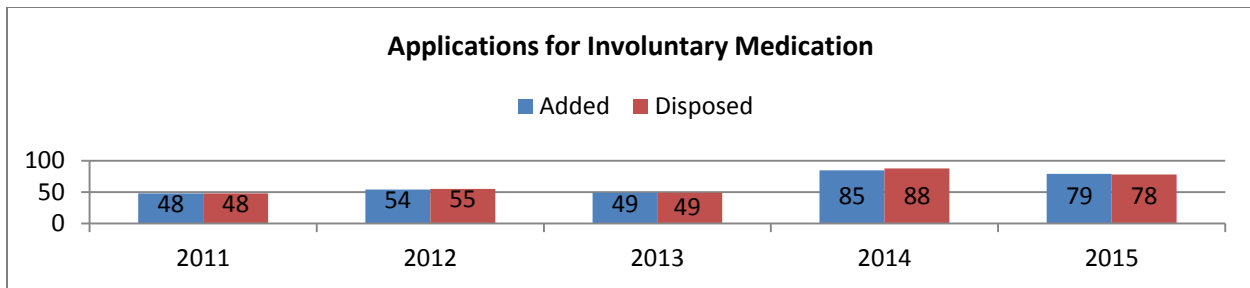


The clearance rate for termination of parental rights petitions fell dramatically in FY15 -- yet another indication of the degree of stress that increased filings has placed on the juvenile caseload.



### Increase in Applications for Involuntary Medication

The fastest growing case type in the Mental Health docket is involuntary medication applications, with filings nearly doubled in FY15 over filings in FY11. While the numbers of cases still remain small in comparison to applications for involuntary treatment or continued treatment, they nearly doubled in FY14 as compared to FY13 and filings remain high in FY15. From a workload perspective medication cases require a significant amount of judge time since they are almost always contested. They also place a significant burden on the family division units where a designated hospital is located.



### Structural Challenges in Court System Funding

The Judiciary’s funding structure provides relatively little room to absorb growth in operating costs due to its reliance on General Funds, and there is relatively little leeway to reallocate resources within the Branch due to high share of personnel and physical footprint costs as a share of the total budget.

Over 87% of the Judiciary’s budget is funded with General Funds; while less than 6% is derived from various fee and surcharge sources, as illustrated below.

<b>Fund:</b>	<b>FY 2017 Governor's Recommendation</b>	<b>Fund Sources as Percent of Total</b>
General Fund	39,407,330	87.6%
<b>Fee-based revenue sources:</b>		
Attorney Admission Licensing Fund	759,088	1.7%
Court Technology Fund	1,631,724	3.6%
<b>Other fund sources:</b>		
Waste Management Fund	128,305	0.3%
Environmental Permit	148,342	0.3%
Tobacco Litigation Settlement	39,031	0.1%
Inter-Unit Transfer Fund	2,325,272	5.2%
Federal Revenue Funds	556,455	1.2%
<b>TOTAL</b>	<b>\$44,995,547</b>	<b>100.0%</b>

In addition to being heavily reliant on General Funds, the Judiciary’s budget is concentrated in several cost areas. The three largest items -- salary and fringe benefits; Fee for Space; and court security contracts – account for over 88% of the branch’s expenses. After accounting for mandatory internal service charges; accounting transactions; and program-related grants and contracts, less than 7% of the Judiciary’s budget is associated with operating expenses.

<b>Major category of expense (all funds):</b>	<b>FY 2017 Governor's Recommendation</b>	<b>As Percent of Total</b>
Salary and Fringe (less vacancy savings)	32,747,098	72.8%
Fee for Space	4,445,840	9.9%
Court security contracts	2,353,599	5.2%
Other internal service charges (DII; VISION; Insurance)	1,050,442	2.3%
Cash payment to DCF (Title IVD accounting transaction)	422,720	1.0%
Program-related grants and contracts	906,205	2.0%
All other expenses	3,069,643	6.8%
<b>Total (all funds)</b>	<b>\$44,995,547</b>	<b>100.0%</b>

### **FY 2017 Budget: Governor's Recommendation**

- The primary FY 2017 cost drivers for the Judiciary are:
  - Growth in statewide pressures – generally included in FY17 Governor's Recommendation (salary; salary-driven fringe benefits; health insurance rates)
  - Costs associated with identified security needs – NOT included in Governor's Recommendation (sheriffs' rate increase; increased court security coverage)
  - New Superior Judge – as part of Governor's initiative – based on caseload needs
  - The Judiciary FY17 request does not include requests for funding any other initiatives (costs of small initiatives absorbed internally via savings from efficiencies)
- Baseline budget growth based on statewide pressures:
  - Salary and salary-driven fringe associated with annualization of FY16 Pay Act: +\$1.1M GF
  - Health insurance growth: +\$88K GF
  - Changes in internal service charges: -\$336K GF
- Multiple small-scale efficiency efforts underway, to mitigate cost growth and fund small initiatives
  - Areas of savings: land-line telephones; in-state mileage; office supplies; subscriptions; Equipment Revolving Fund
  - Savings used to absorb:
    - Cost pressures: rent; dues; sheriffs' current services deficit
    - Small initiatives within Branch: service center pilot; Guardian ad Litem expenses; IT training; replacement schedule for office equipment, IT equipment, and software
- Several larger efficiency efforts underway but do not provide "harvestable" savings in FY 2017 Judiciary budget
  - Case Management System; video appearances; service center; physical footprint consolidation – discussed further below
- New One-time item (separate appropriation):
  - \$101K to complete video appearance rollout; creates future sheriff transport savings

- New item included in Governor’s recommendation:
  - Governor’s recommendation includes one additional Superior Judge as part of package to address family abuse/neglect issues associated with opiate addiction and other factors (\$193K including benefits)
  - Abuse and neglect caseload pressures in Family Division and Weighted Caseload Study results indicate need
    - Abuse and neglect cases are more time-consuming
    - Creates ripple effect on backlogs in other divisions

**Budget Items for FY 2017 and Beyond: Not Included in the Governor’s Recommendation**

Two items requested by the Judiciary were NOT included in the Governor’s Recommendation:

- Base cost pressure: Minimum 3% overall rate increase for Sheriffs’ court security contracts: \$75,000
- Implementation of security study findings discussed below
- The CAO 2015-2016 security study finds significant security operational and infrastructure needs and deficiencies.
- Background:
  - Last year the Legislature mandated security study with local assessment teams
    - Follows 2014 legislatively-mandated study – national consultants (NCSC) found significant operational and infrastructure deficiencies
  - Legislative study requires evaluation of impact from a 3% reduction in State expenditures
  - 2015 study - Local teams met in summer and fall 2015 and developed assessments
    - Local assessments also found significant operational and infrastructure deficiencies, consistent with NCSC report
- **Operating Budget – General Fund impact:**
  - Security operating needs based on CAO security report -- primarily additional court security officers -- based on local security assessments, insufficient staffing at screening post and in courtrooms. Year 1 of two-year implementation: First year: \$936,000 (18 additional court security officers)
- **Capital Budget:**
  - \$2.1M of security capital infrastructure needs plus physical modifications to Barre courthouse
  - \$275K already funded in FY17-18 Capital Bill (not included in need above)
  - Capital Budget Adjustment Governor’s Recommendation includes additional \$315K toward need
    - Includes: X-rays; metal detectors; cameras; duress alarms; etc.

**Legislative Challenge To Reinvent Governmental Operations:**

The Judiciary is taking on a variety of restructuring endeavors to improve and modernize operations. These initiatives, however, will not manifest into “harvestable” budget savings in the immediate future.

The items discussed below will: (1) take several years to produce quantifiable savings; (2) produce savings other than within the Judiciary; (3) improve the quality and customer experience of the judicial process but not necessarily reduce costs; or (4) some combination of the above.

- **Video arraignments:**
  - Pilot underway in Chittenden; results positive so far.
    - Telecom (VOIP) issues slowing progress
    - Potential for significant future savings in transports, but will manifest in other appropriations, not the Judiciary
    - **Additional \$101K in one-time funds required for start-up costs**
- **Service Center** to centralize and expedite court inquiries:
  - Pilot underway in Chittenden County
  - Operational results generally positive
    - Reduces burden on front-line staff
    - Better quality and productivity
    - Continuous improvement of business processes
    - Acceptance of new model difficult for some court users
- **Next Generation Case Management System:**
  - \$4.6M funding in FY16-17 Capital Bill – only partial funding
  - Project manager selected and governance team being put in place; next step developing RFP
  - Next Generation CMS has potential to overcome variety of current operational roadblocks
    - May require future operational restructuring
- **Other operational initiatives:**
  - Administrative management structuring underway
  - Fiscal efficiencies via use of unit budget responsibility; routinized financial monitoring
  - Consolidation/efficiency of physical operations within existing county structure
    - Essex County Probate Division operations shifted from Island Pond to Guildhall
    - Washington County Probate Division operations shifted from Montpelier annex to Washington Civil courthouse (Montpelier)

### **Operational Efficiencies and Budget Improvements Reflected in FY 2017 Request**

In light of the difficult budget situation and the constraints described above, the Judiciary continues to emphasize identification of savings opportunities within the branch – and utilizing those savings to “self-fund” existing budget pressures. The Judiciary has already embarked on a variety of efficiency endeavors and will continue to do so in FY 2017. These initiatives include:

- “Unit budgets”: As described last year, the Judiciary has implemented “unit budgets” that are managed by the Superior Clerk for each county (or other unit division managers).
  - The unit budget process empowers the unit manager – who is in the best position to weigh the operational needs of the unit versus budget priority – to make purchasing decisions.

- Administrative savings: Efforts at both the central and unit level have resulted in current and anticipated savings in a variety of operating expenses, including:
  - Elimination of the use of the Equipment Revolving Fund for regular operating expense items;
  - In-state mileage:
    - reduced \$3K or 1% in FY17 budget vs. FY16 budget
    - Reduced \$36K or 13% vs. FY14 Actuals
    - via increased use of fleet and application of mileage limit for Judicial Officers;
  - Office supplies
    - reduced \$5K or 3% in FY17 budget vs. FY16 budget
    - Reduced \$14K or 7% vs. FY14 Actuals
  - Phone lines
    - reduced \$5K or 3% in FY17 budget vs. FY16 budget
    - reduced \$25K or 11% vs. FY14 Actuals
  - Books & Periodicals
    - reduced \$16K or 35% in FY17 budget vs. FY16 budget
    - reduced \$21K or 41% vs. FY14 Actuals
  - Postage
    - Level funding in FY17
    - But reduced \$5K or 2% vs. FY14 Actuals
- The savings associated with these items have been reinvested in the branch to address budget pressures and fund some small internal initiatives, including:
  - Upward operating expense budget pressures:
    - JUD-Cloud virtual servers via DII; (\$38K Tech fund – multiple expense rows)
    - Rent increase (\$4K GF; \$8K Tech Fund; \$12K total)
    - Dues increase (\$5K GF; \$8K total)
    - sheriffs' current services deficit (\$126K total – primarily utilizing Title IVD)
  - Internal initiatives funded from operational savings:
    - Service Center pilot - operating expenses – see discussion above (\$11K GF)
    - Additional support for Guardian ad Litem to replace lost grants- training and support (\$24K GF)
    - Advanced IT training to support future IT needs (\$25K Tech Fund)
    - Replacement schedule for office & IT equipment; software (\$21K GF; \$108K Tech Fund)