

SUPREME COURT OF VERMONT
OFFICE OF THE COURT ADMINISTRATOR



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TO: Rep. Emilie Kornheiser, Chair of the House Committee on Ways and Means

FROM: Gregg Mousley, Chief of Finance and Administration *GM*

DATE: February 8, 2023

RE: Overview of Judiciary Fees Increase Request

Following is an overview of the Court Technology Special Fund (“Tech Fund”), its declining revenues, and the Judiciary’s request to increase fees to offset the decline in revenues.

The enabling legislation that created the Tech Fund in 2007 provides as follows:

There is established the court technology special fund which shall be managed in accordance with subchapter 5 of chapter 7 of Title 32. Administrative fees collected pursuant to 13 V.S.A. § 7252 and revenue collected pursuant to fees established pursuant to sections 1105 and 1109 of this title shall be deposited and credited to this fund. The fund shall be available to the judicial branch to pay for contractual and operating expenses and project-related staffing not covered by the general fund related to the following:

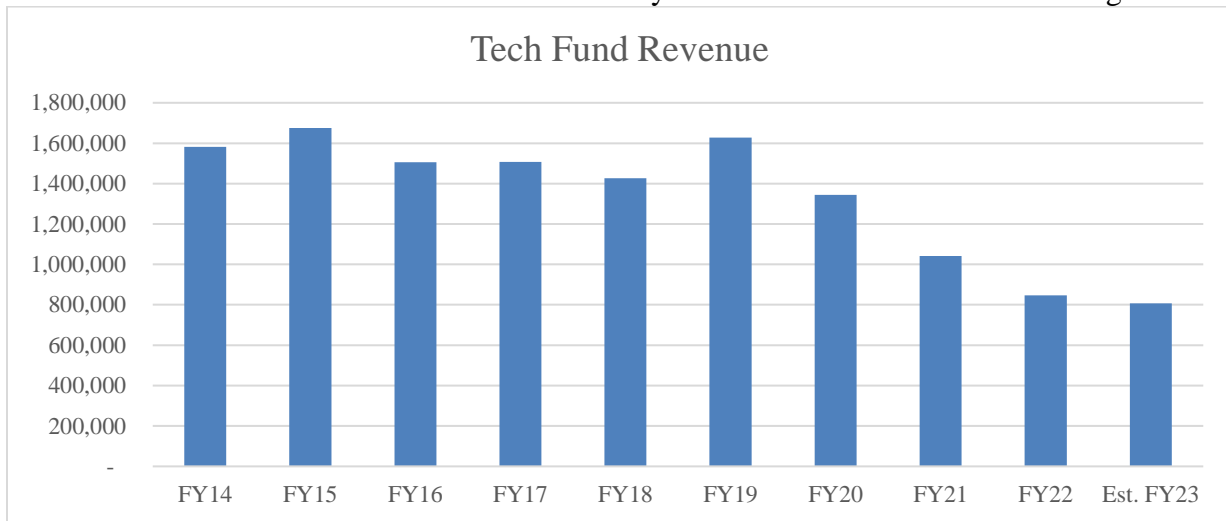
- (1) The acquisition and maintenance of software and hardware needed for case management, electronic filing, an electronic document management system, and the expense of implementation, including training.*
- (2) The acquisition and maintenance of electronic audio and video court recording and conferencing equipment.*
- (3) The acquisition, maintenance, and support of the judiciary's information technology network, including training. 24 V.S.A. §27*

The Judiciary uses the Tech Fund for the ongoing support of its information technology needs, including the general operations of the Technology Service Center (TSC), when General Funds are not available to support the entirety of the TSC budget. TSC is the information technology unit of the Judiciary.

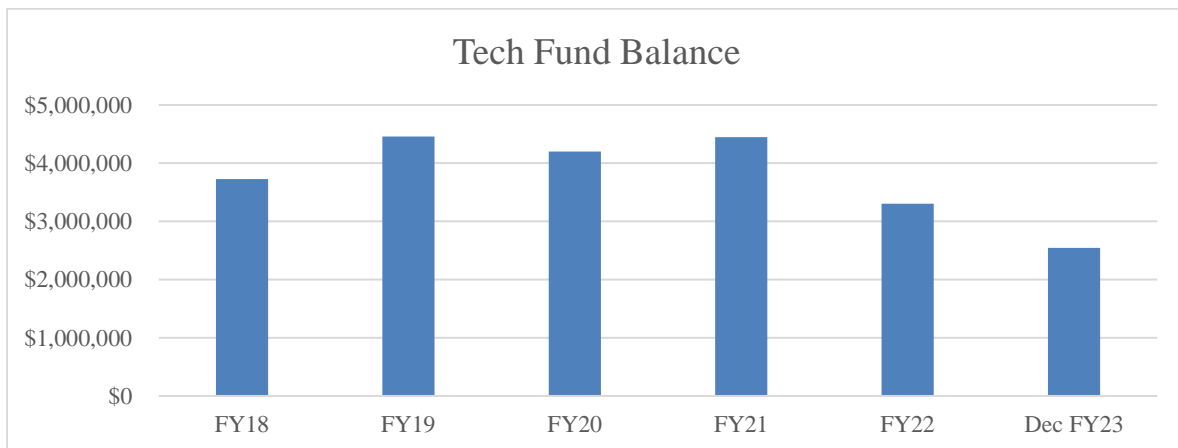
The three sources of revenue supporting this fund include:

- Administrative surcharge for civil violations (\$12.50) under 13 V.S.A. §7252
- Failure to Answer fee (\$20) under 4 V.S.A. §1105
- Failure to Pay fee (\$30) under 4 V.S.A. §1109

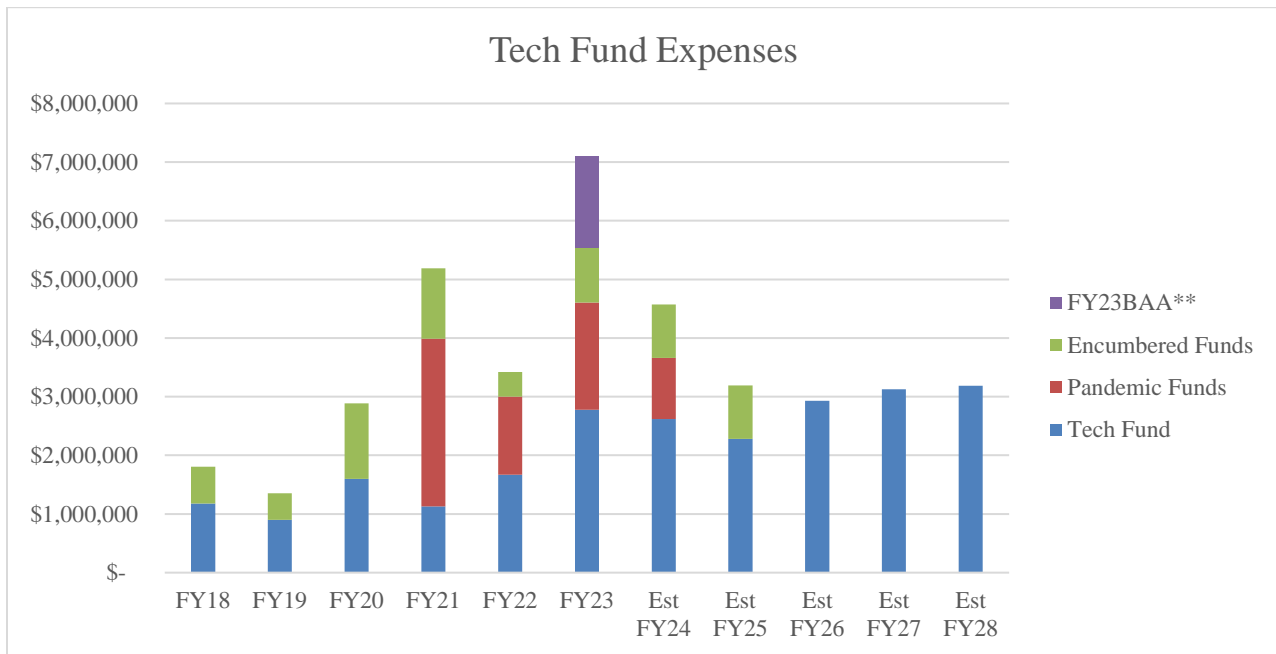
The chart below illustrates the revenue collected by these three sources in FY14 through FY23.



The number of civil violations (primarily traffic tickets) has declined significantly over time, and recent policy initiatives to restore driver’s license privileges have weakened the leverage used to enforce collections. Much of this context is described in a [JFO Issue Brief](#) published in February 2022. As a result, collections of ongoing revenues have declined from a high of \$1.6M to approximately \$850,000, with all indications that this decline is permanent and will likely get worse. The Tech Fund balance has decreased as a direct result of the decrease in revenues. This comes at a time when the Judiciary's technology footprint has expanded due to the new electronic case management system, new e-filing system and new remote hearing technology and demands.



IT expenses for the Judiciary have increased, especially during the pandemic. Although pandemic funding covered many of the increased expenses, the new footprint for a post pandemic Judiciary is above what can be sustained by the existing court fees.



The Judiciary requests the following increases in the three permitted revenue sources:

Fee	FY22 Rev	Percent	EST. of Full Funding	# of Fee Payments	Calculated Fee AMT	Proposed Fee AMT
Court Tech Fee (\$12.50)	\$ 401,594	47.4%	\$ 778,359	32,128	\$ 24.23	\$ 25.00
Fail to Answer Fee (\$20.00)	\$ 198,009	23.4%	\$ 383,776	9,900	\$ 38.76	\$ 40.00
Fail to Pay Fee (\$30.00)	\$ 247,129	29.2%	\$ 478,979	8,238	\$ 58.15	\$ 60.00
Total	\$ 846,732	100%	\$ 1,641,114			

Even with the requested fee increases, however, the Tech Fund is not sustainable without some structural changes. The Judiciary needs to either lower the revenue forecast to a realistic level, shift expenses out of the Tech Fund, or find other revenue sources. Any of these options would put an upward pressure on our General Fund budget.

We very much appreciate your Committee’s consideration of our request for a fee increase to offset the significant decline in Tech Fund revenues.

Tech Fund Change in Revenue

FY14 to FY23

<u>Revenue Account</u>	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>Est. FY23</u>
415150 Court Technology Fee	623,900	645,907	558,395	650,043	630,079	660,941	778,332	480,328	\$ 401,594	\$ 390,718
415151 Fail to Answer Fee	363,369	425,023	368,768	343,424	327,289	388,696	251,725	246,138	\$ 198,009	\$ 191,461
415152 Fail to Pay Fee	580,605	588,968	562,259	494,461	445,540	554,833	296,204	314,355	\$ 247,129	\$ 225,601
415153 Debt Collect Prior 6/25/06	546	778	570	902	363	313	348	23	\$ -	\$ -
417500 Fees Program	12,871	15,163	16,506	17,735	23,564	23,622	18,044		\$ -	\$ -
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Tech Fund Revenue	1,581,291	1,675,839	1,506,498	1,506,565	1,426,834	1,628,404	1,344,652	1,040,843	\$ 846,732	\$ 807,780
Budget	2,184,194	1,631,724	1,631,725	1,631,724	1,631,724	1,631,724	1,641,114	1,641,114	\$ 1,641,114	\$ 1,641,114
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Revenue Over/(Under) Budget	(602,903)	44,115	(125,227)	(125,159)	(204,890)	(3,320)	(296,462)	(600,271)	(794,382)	(833,334)