

To All Judicial Branch Personnel:

I write today to brief you on the status of our budget for the fiscal year beginning July 1st. Now that collective bargaining process has been completed, we know that the judicial branch will need \$8.5 million in new money in order to maintain our current service level in FY 16. The breakdown is as follows:

- Judicial Branch salary annualization from FY 15 \$ 3,151,137
- Cost of 2015-17 collective bargaining agreements \$ 1,797,429
- Cost to provide noncontract covered employees the same benefits as contract covered employees \$ 2,478,350
- Cost of 2.5% salary increase for judges and magistrates \$ 1,131,244

Total increase in operating budget necessary to maintain current service level \$ 8,558,160

The \$3.1 million for salary annualization was included in our FY 16 budget request and therefore was included in the governor's original FY 16 budget recommendation. We also had requested a 4.5% salary increase for judges and magistrates, estimated to cost \$2.1 million. For purposes of calculating our FY 16 need, I have reduced this to 2.5% to match the 2.5% across-the-board increase the governor won in arbitration with AFSCME. The thought would be to then ask for 3.5% in FY 17 to match the across-the-board increase contract covered employees will be receiving. This would return things to the way judicial salary increases were handled in the past. And speaking of the past, all of our need would have been covered in the salary bill. But, there hasn't been a salary bill since the 2008 session.

At the present time, the legislature is approximately six weeks behind the normal appropriations schedule. There is no agreement between the House, Senate and Governor on the total size of the state's FY 16 budget, nor have any targets been set for the various appropriation subcommittees. Here's what we do know. According to the most recent Legislative Services Agency (LSA) publication, the FY 16 spending limitation is \$7.423 billion or \$428 million more than FY 15. House Republicans have indicated they do not intend to spend more than \$7.175 billion in FY 16, \$180.9 million above the FY 15 state budget. The Governor's FY 16 budget recommendation was \$7.341 billion or \$346 million more than FY 15.

Consequently, the judicial branch has no choice but to work off of the worst case scenario, i.e., the House Republican numbers, which would work out as follows:

\$ 180.9 million in new money

-\$100 million for K-12 allowable growth (1.25%)

\$ 80.9 million new money available

The \$80.9 million available under this scenario is all that's left to go against an LSA estimated \$487 million in built-in and anticipated expenditure increases for FY 16, not including salary adjustment needs for all of state government.

The salaries and benefits of judicial branch personnel comprise 96% of our operating budget. One need only to look back at the budget reductions from 2009 (FY 10) to see the impact of the potential budget cuts necessary to cover this potential underfunding of the judicial

branch. Underfunding the judicial branch by \$8.6 million in FY 16 would be the equivalent to 77% of the FY 10 budget reduction. Based on the haunting experiences and difficult impacts lowans endured due to the cuts to the judicial branch budget in FY 10, it is possible that any or all of the following might occur if necessary to balance the FY 16 budget:

- Part-time clerk of court offices
- Inability of juvenile court officers to meet face to face with first time offenders
- Delays in the resolution of legal disputes
- Reduction in family treatment courts and other problem-solving courts (e.g., drug courts, veterans courts, mental health courts, and business courts)
- Delays in the implementation of a new track of litigation, expedited civil actions.
- Limited enhancements to current technological services (EDMS, Iowa Courts Online)
- Travel restrictions for all judicial branch personnel, including judges and court reporters
- Delays in the processing of child support payments
- Delays in development of new technology to provide increased services to lowans

As evidenced in FY 10, when courts are not open full-time lowans are denied access to justice in timely manner. We have made great strides in recent years toward becoming the best court system in the nation. However, should such an appropriation shortfall come to pass it will be very difficult for the judicial branch to meet our six goals as outlined in the last two state of the judiciary addresses:

- Protecting Iowa's children;
- Providing full-time access to justice;
- Operating an efficient, full-service court system;
- Providing faster and less costly resolution of legal disputes;
- Remaining open and transparent; and
- Providing fair and impartial justice for all.

The Iowa Judicial Branch will remain fair and impartial, but will be less efficient and provide slower delivery of services to lowans.

We will continue our efforts to secure adequate funding for the judicial branch in FY 16. At the same time, we must take steps to deal with any scenario that would leave us significantly underfunded. Toward this end, in recent weeks Chief Justice Cady has used his statutory authority to place a temporary hold on filling upcoming district judge and district associate judge positions. Due to this uncertainty in the judicial branch FY 16 budget, other non-judicial officer positions are being held vacant. Finally, the judicial council will soon begin the process of making contingency plans to deal with any potential shortfall in our FY 16 appropriation.

In closing, be assured we are doing all we can to secure the necessary funding to provide the services lowans demand and expect from the judicial branch. We have not given up hope. There is a long way to go before this legislative session will be over. In the meantime, the best advice I can give everyone is to be patient while the process works its way out. I will keep you apprised as more information becomes available.

David K. Boyd
State Court Administrator