

**Judicial Branch Appropriations Bill
House Study Bill 729
(LSB5195H)**

Last Action:
**House Appropriations
Subcommittee**
February 21, 2006

An Act relating to and making appropriations to the Judicial Branch.

**Fiscal Services Division
Legislative Services Agency**

NOTES ON BILLS AND AMENDMENTS (NOBA)

Available on line at <http://www3.legis.state.ia.us/noba/index.jsp>

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**EXECUTIVE SUMMARY
NOTES ON BILLS AND AMENDMENTS**

**HOUSE STUDY BILL 729
JUDICIAL BRANCH APPROPRIATIONS BILL**

FUNDING SUMMARY

**INTENT LANGUAGE AND REQUIRED
REPORTS**

**SIGNIFICANT CHANGES TO THE
CODE OF IOWA**

- Appropriates a total of \$125.3 million from the General Fund to the Judicial Branch. The Judicial Branch has 1,958.2 FTE positions that are not appropriated in this Bill. This is a decrease of \$100,000 and no change in FTE positions compared to the estimated FY 2006 appropriations.
- Specifies that the Offices of the Clerks of District Court operate in all 99 counties and be accessible to the public as much as reasonably possible. (Page 2, Line 5)
- Requires the Judicial Branch to study the best practices and efficiencies of each judicial district and submit a report to the General Assembly by December 15, 2006. (Page 2, Line 10)
- Requires the Judicial Branch to report to the General Assembly by January 1, 2007, regarding the revenues and expenditures for the Enhanced Court Collections Fund and the Court Technology and Modernization Fund. The report must include revenues and expenditures for FY 2006 and planned expenditures for FY 2007. (Page 3, Line 3)
- Requires the State Court Administrator to approve all Clerk of Court appointments. (Page 3, Line 23)
- Reduces the State's contribution to the Judicial Retirement Fund. (Page 3, Line 18)
- Permits electronic acceptance, processing, distribution, and retention of electronic records and electronic signatures. (Page 4, Line 3)
- Repeals language related to facsimile signatures to reflect the use of electronic signatures. (Page 6, Line 8)

LSB5195H

LSB5195H provides for the following changes to the Code of Iowa.

Page #	Line #	Bill Section	Action	Code Section	Description
3	18	2	Nwthstnd	Sec. 602.9104	Reduction of Judicial Retirement Fund Contribution
4	3	5	Adds	Sec. 602.1614	Permits Use of Electronic Records and Signatures
6	8	6	Repeals	Sec. 622.29	Repeals Reference to Facsimile Records

1 1 DIVISION I -- APPROPRIATIONS

1 2 Section 1. JUDICIAL BRANCH.

1 3 1. There is appropriated from the general fund of the
 1 4 state to the judicial branch for the fiscal year beginning
 1 5 July 1, 2006, and ending June 30, 2007, the following amount,
 1 6 or so much thereof as is necessary, to be used for the
 1 7 purposes designated:

1 8 For salaries of supreme court justices, appellate court
 1 9 judges, district court judges, district associate judges,
 1 10 judicial magistrates and staff, state court administrators,
 1 11 clerk of the supreme court, district court administrators,
 1 12 clerks of the district court, juvenile court officers, board
 1 13 of law examiners and board of examiners of shorthand reporters
 1 14 and judicial qualifications commission, receipt and
 1 15 disbursement of child support payments, reimbursement of the
 1 16 auditor of state for expenses incurred in completing audits of
 1 17 the offices of the clerks of the district court during the
 1 18 fiscal year beginning July 1, 2006, and maintenance,
 1 19 equipment, and miscellaneous purposes:
 1 20 \$123,237,410

General Fund appropriation to the Judicial Branch for operations.

DETAIL: Maintains current level of General Fund support.

1 21 2. The judicial branch, except for purposes of internal
 1 22 processing, shall use the current state budget system, the
 1 23 state payroll system, and the Iowa finance and accounting
 1 24 system in administration of programs and payments for
 1 25 services, and shall not duplicate the state payroll,
 1 26 accounting, and budgeting systems.

Prohibits the Judicial Branch from duplicating current State payroll, budgeting, and accounting systems, except for the implementation of an internal accounting and record keeping system.

1 27 3. The judicial branch shall submit monthly financial
 1 28 statements to the legislative services agency and the
 1 29 department of management containing all appropriated accounts
 1 30 in the same manner as provided in the monthly financial status

Requires the Judicial Branch to submit monthly financial statements on all appropriated accounts to the Fiscal Services Division of the Legislative Services Agency and the Department of Management (DOM). Specifies what is to be included in the financial statements.

1 31 reports and personal services usage reports of the department
1 32 of administrative services. The monthly financial statements
1 33 shall include a comparison of the dollars and percentage spent
1 34 of budgeted versus actual revenues and expenditures on a
1 35 cumulative basis for full-time equivalent positions and
2 1 dollars.

2 2 4. The judicial branch shall focus efforts upon the
2 3 collection of delinquent fines, penalties, court costs, fees,
2 4 surcharges, or similar amounts.

Requires the Judicial Branch to focus efforts on collecting delinquent fines and fees.

2 5 5. It is the intent of the general assembly that the
2 6 offices of the clerks of the district court operate in all
2 7 ninety-nine counties and be accessible to the public as much
2 8 as is reasonably possible in order to address the relative
2 9 needs of the citizens of each county.

Specifies that it is the intent of the General Assembly that the Judicial Branch operate Clerk of Court offices in all 99 counties and ensure the offices are accessible to the public as much as reasonably possible.

2 10 6. The judicial branch shall study the best practices and
2 11 efficiencies of each judicial district. In identifying the
2 12 most efficient judicial districts and the districts using best
2 13 practices, the judicial branch shall consider the average cost
2 14 to the judicial branch for processing each classification of
2 15 criminal offense or civil action and the overall number of
2 16 cases filed. The judicial branch shall file a report
2 17 regarding the study made and actions taken pursuant to this
2 18 subsection with the cochairpersons and ranking members of the
2 19 joint appropriations subcommittee on the justice system and to
2 20 the legislative services agency by December 15, 2006.

Requires the Judicial Branch to study the best practices and efficiencies of each judicial district and submit a report to the General Assembly and the Legislative Services Agency by December 15, 2006.

2 21 7. In addition to the requirements for transfers under
2 22 section 8.39, the judicial branch shall not change the
2 23 appropriations from the amounts appropriated to the judicial
2 24 branch in this Act, unless notice of the revisions is given
2 25 prior to their effective date to the legislative services

Requires the Judicial Branch to notify the Legislative Services Agency prior to any intradepartmental transfer of funds. Specifies the contents of the notice.

2 26 agency. The notice shall include information on the branch's
2 27 rationale for making the changes and details concerning the
2 28 workload and performance measures upon which the changes are
2 29 based.

2 30 8. The judicial branch shall submit a semiannual update to
2 31 the legislative services agency specifying the amounts of
2 32 fines, surcharges, and court costs collected using the Iowa
2 33 court information system since the last report. The judicial
2 34 branch shall continue to facilitate the sharing of vital
2 35 sentencing and other information with other state departments
3 1 and governmental agencies involved in the criminal justice
3 2 system through the Iowa court information system.

Requires the Judicial Branch to provide a semi-annual report to the Legislative Services Agency, specifying the amount of fines, surcharges, and court costs collected using the Iowa Court Information System (ICIS). Requires the Judicial Branch to continue to share vital sentencing and other information with departments and government agencies involved with the criminal justice system through the Iowa Court Information System.

3 3 9. The judicial branch shall provide a report to the
3 4 general assembly by January 1, 2007, concerning the amounts
3 5 received and expended from the enhanced court collections fund
3 6 created in section 602.1304 and the court technology and
3 7 modernization fund created in section 602.8108, subsection 7,
3 8 during the fiscal year beginning July 1, 2005, and ending June
3 9 30, 2006, and the plans for expenditures from each fund during
3 10 the fiscal year beginning July 1, 2006, and ending June 30,
3 11 2007. A copy of the report shall be provided to the
3 12 legislative services agency.

Requires the Judicial Branch to report to the General Assembly by January 1, 2007, concerning the revenues and expenditures of the Enhanced Court Collections Fund and the Court Technology and Modernization Fund for FY 2006 and planned expenditures for FY 2007. The Judicial Branch is required to provide a copy of this report to the Legislative Services Agency.

3 13 Sec. 2. JUDICIAL RETIREMENT FUND. There is appropriated
3 14 from the general fund of the state to the judicial retirement
3 15 fund for the fiscal year beginning July 1, 2006, and ending
3 16 June 30, 2007, the following amount, or so much thereof as is
3 17 necessary, to be used for the purpose designated:

3 18 Notwithstanding section 602.9104, for the state's
3 19 contribution to the judicial retirement fund in the amount of
3 20 9.16 percent of the basic salaries of the judges covered under

General Fund appropriation to the Judicial Branch for the Judicial Retirement Fund.

3 21 chapter 602, article 9:	DETAIL: Maintains current level of General Fund support.
3 22 \$ 2,039,664	CODE: This level of funding effectively reduces the State's statutorily required contribution to the Judicial Retirement Fund from 23.70% to 9.16% of the basic salaries of judges. The effective (actual) contribution rate for FY 2006 is 9.71%.
3 23 Sec. 3. APPOINTMENT OF CLERK OF COURT. The appointment of	Requires the State Court Administrator to approve all Clerk of Court appointments.
3 24 a clerk of the district court shall not occur unless the state	DETAIL: The State Court Administrator is supervising the appointment of Clerks of the District Court for budgetary reasons.
3 25 court administrator approves the appointment.	
3 26 Sec. 4. POSTING OF REPORTS IN ELECTRONIC FORMAT --	Requires the Judicial Branch to provide the Legislative Services Agency with reports in electronic format so that the reports can be placed on the Legislative Services Agency web site. The Legislative Services Agency is to notify members of the Justice System Appropriations Subcommittee when reports have been received and published.
3 27 LEGISLATIVE SERVICES AGENCY. All reports or copies of reports	
3 28 required to be provided by the judicial branch for fiscal year	
3 29 2006-2007 to the legislative services agency shall be provided	
3 30 in an electronic format. The legislative services agency	
3 31 shall post the reports on its internet site and shall notify	
3 32 by electronic means all the members of the joint	
3 33 appropriations subcommittee on the justice system when a	
3 34 report is posted. Upon request, copies of the reports may be	
3 35 mailed to members of the joint appropriations subcommittee on	
4 1 the justice system.	
4 2 DIVISION II -- STATUTORY CHANGES	
4 3 Sec. 5. <u>NEW SECTION</u> . 602.1614 ACCEPTANCE, DISTRIBUTION,	CODE: Permits the use of electronic records and signatures. Establishes guidelines for rules if prescribed by the Supreme Court.
4 4 AND RETENTION OF ELECTRONIC RECORDS BY THE JUDICIAL BRANCH.	
4 5 1. As used in this section, "governmental agencies" means	
4 6 an executive, legislative, or judicial agency, department,	
4 7 board, commission, authority, institution, or instrumentality	
4 8 of the federal government or of a state or of a county,	
4 9 municipality, or other political subdivision of a state.	

4 10 2. Notwithstanding section 554D.120, the supreme court may
4 11 prescribe by rule whether and to what extent the judicial
4 12 branch will accept, process, distribute, and retain electronic
4 13 records and electronic signatures from litigants, governmental
4 14 agencies, and other persons, and to what extent the judicial
4 15 branch will create, generate, communicate, store, process,
4 16 use, and rely upon electronic records and electronic
4 17 signatures.

4 18 3. If the supreme court prescribes rules relating to
4 19 electronic records and electronic signatures under subsection
4 20 2, the rules may include but are not limited to the following:

4 21 a. Defining terms.

4 22 b. The manner and format in which an electronic record is
4 23 created, generated, sent, communicated, received, filed,
4 24 recorded, and stored.

4 25 c. Establishing the information process system to create,
4 26 generate, send, communicate, receive, file, record, and store
4 27 an electronic record.

4 28 d. How a traditional written signature will relate to an
4 29 electronic signature.

4 30 e. The criteria establishing when an electronic document
4 31 must be electronically signed.

4 32 f. The type of electronic signature required.

4 33 g. The manner and format in which an electronic signature
4 34 is associated with an electronic record.

4 35 h. Who can create an electronic signature.

5 1 i. The criteria and procedures to follow when filing an
5 2 electronic document, including who is allowed to file
5 3 electronically, how notice is given, and electronic service of
5 4 process.

5 5 j. Establishing processes and procedures to ensure
5 6 adequate preservation, integrity, security, disposition, and
5 7 audit worthiness of the electronic records.

5 8 k. Establishing the criteria for the retention of paper
5 9 documents when deemed necessary to promote the integrity of
5 10 electronic records.

5 11 l. Establishing the appropriate level of public access to

5 12 differing classes of electronic records and other court
5 13 records to ensure the confidentiality of any records that are
5 14 required by law to be confidential.
5 15 m. Establishing any other process or procedures
5 16 attributable to creating, generating, communicating, storing,
5 17 processing, and using electronic records and electronic
5 18 signatures, and how these electronic records and electronic
5 19 signatures will relate to nonelectronic court records.
5 20 4. Rules prescribed pursuant to this section shall prevail
5 21 over any other laws or court rules that specify the method,
5 22 manner, or format for sending, receiving, retaining, or
5 23 creating paper records relating to the courts. The supreme
5 24 court may limit the applicability and scope of any rules
5 25 prescribed pursuant to this section to single offices, courts,
5 26 judicial election districts, or by specific case types for the
5 27 purpose of testing and implementing an electronic information
5 28 processing system. Temporary rules prescribed pursuant to
5 29 this section for the purpose of testing an electronic
5 30 information processing system are not subject to the
5 31 requirements of section 602.4202.
5 32 5. An electronic record that complies with the rules
5 33 prescribed under this section shall prevail over any law that
5 34 requires a written record, and an electronic signature that
5 35 complies with the rules prescribed under this section shall
6 1 prevail over any law that requires a written signature. An
6 2 electronic record or signature that complies with rules
6 3 prescribed under this section shall not be denied legal effect
6 4 or enforceability based solely because of the record's or
6 5 signature's electronic form. The determination of an
6 6 electronic record's or signature's legal consequence is
6 7 determined by this chapter, applicable law, and court rules.

6 8 Sec. 6. Section 622.29, Code 2005, is repealed.

CODE: Repeals language related to facsimile signatures to reflect the use of electronic signatures.

6 10 This bill makes appropriations for FY 2006-2007 to the
6 11 judicial branch.
6 12 The bill provides that the appointment of a clerk of the
6 13 district court shall not occur unless the state court
6 14 administrator approves such an appointment.
6 15 The bill permits the supreme court to prescribe by rule
6 16 whether and to what extent the judicial branch will accept,
6 17 process, distribute, and retain electronic records and
6 18 electronic signatures. Under the bill the supreme court also
6 19 may prescribe by rule to what extent the judicial branch will
6 20 create, generate, communicate, store, process, use, and rely
6 21 upon electronic records and electronic signatures. Any rule
6 22 prescribed pursuant to the bill prevails over any other laws
6 23 or court rules that specify the method, manner, or format for
6 24 sending, receiving, retaining, or creating paper records. The
6 25 bill specifies the supreme court may limit the applicability
6 26 and scope of any rule relating to electronic records and
6 27 signatures for the purposes of testing and implementing an
6 28 electronic information processing system.
6 29 The bill repeals Code section 622.29 relating to use of a
6 30 signature facsimile.
6 31 LSB 5195HB 81
6 32 jm:mg/sh/8

Judicial Branch General Fund

HSB 729	Actual FY 2005 <u>(2)</u>	Estimated FY 2006 <u>(3)</u>	House Subcom FY 2007 <u>(4)</u>	House Sub vs Est FY 2006 <u>(5)</u>	Page & Line Number <u>(6)</u>
Judicial Branch					
Judicial Branch	\$ 118,084,282	\$ 123,237,410	\$ 123,237,410	\$ 0	PG 1 LN 8
Judicial Retirement	2,039,664	2,039,664	2,039,664	0	PG 3 LN 18
Youth Enrichment Pilot Project	0	100,000	0	-100,000	
Total Judicial Branch	<u>\$ 120,123,946</u>	<u>\$ 125,377,074</u>	<u>\$ 125,277,074</u>	<u>\$ -100,000</u>	

Judicial Branch

FTE

HSB 729	<u>Actual FY 2005</u>	<u>Estimated FY 2006</u>	<u>House Subcom FY 2007</u>	<u>House Sub vs Est FY 2006</u>	<u>Page & Line Number</u>
	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>	<u>(5)</u>	<u>(6)</u>
Judicial Branch					
Judicial Branch	1,814.99	1,958.15	1,958.15	0.00	PG 1 LN 8
Grand Total	<u>1,814.99</u>	<u>1,958.15</u>	<u>1,958.15</u>	<u>0.00</u>	