

FY 2009 Judicial Branch Budget Request

Presentation to Justice System Appropriations Subcommittee

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**JUSTICE SYSTEM
APPROPRIATIONS SUBCOMMITTEE**

Iowa Judicial Branch: FY 2009 Budget Request

For FY 2008 Base (General Operations) \$144,945,322

For FY 2009 Additions (Operations)

Package 1: Juvenile Court - \$1,012,904

Funding for 17 new positions to handle the growing demands in juvenile court, meet one judge/one child policy and meet new federal reporting requirements: Nine juvenile court officers, one juvenile court technician, one juvenile court coordinator, two case coordinators, two court attendants, one district associate judge and one court reporter.

Package 2: District Court Judge - \$231,128

Funding for an additional district court judge, a court reporter and a court attendant.

Package 3: Electronic Document Management - \$431,386

Seven new positions: Funding for six additional tech staff to help implement the business plan that will move the judicial branch from a paper-based filing and records management system to an electronic environment; and one attorney to assist with compliance issues relating to records management.

Package 4: Education and Training - \$224,818

Funding for an education specialist and money for training programs for all employees in the court system.

Package 5: Supreme Court - \$132,384

Funds for two attorneys to assist with the supreme court's statewide governance and policy development responsibilities, including development of court rules and forms, proposals for legislation and supervisory orders.

Package 6: Judicial Support-Personnel - \$990,228

Funding for 23.25 additional staff to provide support for district court judicial officers and clerks of court offices. Also, four additional law clerks are requested for the court of appeals to enhance the court's case disposition capacity.

Package 7: Judicial Support-Furniture and Equipment - \$775,000

Funding for various furniture and equipment needs in courthouses throughout the state, including courthouses undergoing renovation and modernization.

Package 8: Records Management - \$550,000

Funding to retain a records management consultant and to archive old court records filed in the clerk of district court offices around the state.

Package 9: Access to Justice - \$967,000

Funding for sound and recording equipment systems for numerous courtrooms in the state. Also funding to translate various forms and signs to other languages. Funding for a language interpreter and miscellaneous interpreter cost.

Sub-total Additions (operations) \$ 5,314,848

Total Operations: Base + Additions \$150,260,170

% increase FY 09 over FY 08 3.7%

For Judicial Retirement Fund

Judicial Retirement Request - \$4,174,663

FY 2008 Base (judicial retirement) \$ 3,450,963

FY 2009 Additions (judicial retirement)

Fully fund state share for judicial retirement system \$ 4,174,663
Pursuant to Iowa code section 602.9104(4)(b).

Total Judicial Retirement: Base + Additions \$ 7,625,626

Total Judicial Branch Request: Operations + Judicial Retirement \$157,885,796
% increase FY 09 over FY 08 6.4%

Iowa Judicial Retirement System

Brief History of Funding

- May 13, 1949 – Established by the 53rd General Assembly – Supreme Court Justices and District Court Judges covered.

A judge contributes 3% and the State 3%, or so much as necessary to finance the system.

- 1961 – Judge's contribution increased to 4%.
- 1962 – Amendment to the State constitution states that the General Assembly shall prescribe mandatory retirement for judges and provide for adequate retirement compensation.
- 1981 – Miscellaneous court costs redirected into judicial retirement fund.
- 1985 -- Additional court costs redirected into judicial retirement fund.
- 1994 – Change in funding of State share to 23.7% instead of filing fees being paid directly to the fund (July 1st).
- July 1, 2000 – Judge's contribution increased from 4% to 5%.
- July 1, 2001 – State contributes 15.65% in FY 02.
- July 1, 2002 – State contributes 10.2% for FY 03.
- July 1, 2003 – State contributes 9.90% for FY 04.
- July 1, 2004 – State contributes 9.71% for FY 05.
- July 1, 2005 – State contributes 9.71% for FY 06.
- July 1, 2006 – State contributes 9.16% for FY 07.
- July 1, 2006 -- Judge's contribution increased to 6% multiplied by a fraction equal to the actual percentage rate contributed by the State divided by 23.7%.
- July 1, 2007 – State contributes 22.52% for FY 08.

Source: State Court Administrator's Office

Date: January 22, 2008

Schedule 1

Iowa Judicial Retirement System

Schedule of Funding Progress

For the Last Six Fiscal Years
(in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL/Covered Payroll ((b-a)/c)
7/1/94	25,006	48,959	23,953	51%	13,282	180%
7/1/95	31,929	52,012	20,083	61	14,956	134
7/1/96	37,479	55,647	18,168	67	15,171	120
7/1/97	45,894	59,786	13,892	77	15,721	88
7/1/98	55,048	65,243	10,195	84	16,824	61
7/1/99	62,018	68,768	6,750	90	17,023	40

See Note 3 for additional information on actuarial valuation.

See accompanying independent auditor's report.

Source: State Auditor's Report
Date: November 1, 1999

Judicial Branch
 Judicial Retirement
 Calculation of State Contributions
 FY 02-FY 08

	FY 02 Rate	FY 02 \$\$\$	FY 03 Rate	FY 03 \$\$\$	FY 04 Rate	FY 04 \$\$\$	FY 05 Rate	FY 05 \$\$\$	FY 06 Rate	FY 06 \$\$\$	FY 07 Rate	FY 07 Rate	FY 07 Rate	FY 07 Rate	FY 07 Rate	FY 07 Rate	FY 07 Rate	FY 08 Rate	FY 08 Rate
Total Covered Payroll for contribution		\$19,414,500		\$19,997,790		\$20,598,090		\$21,010,200		\$21,010,200		\$22,259,920		\$22,259,920		\$22,259,920		\$24,209,710	
State Contribution Required per Code Section 602.9104.	23.70%	\$4,601,237	23.70%	\$4,739,476	23.70%	\$4,881,747	23.70%	\$4,979,417	23.70%	\$4,979,417	23.70%	\$5,275,601	23.70%	\$5,275,601	23.70%	\$5,275,601	23.70%	\$5,737,701	
State Contribution Received	15.65%	\$3,039,198	10.20%	\$2,039,664	9.90%	\$2,039,664	9.71%	\$2,039,664	9.71%	\$2,039,664	9.71%	\$2,039,664	9.16%	\$2,039,664	22.52%	\$2,039,664		\$5,450,963	
Difference	8.05%	\$1,562,039	13.50%	\$2,699,812	13.80%	\$2,842,083	13.99%	\$2,939,753	13.99%	\$2,939,753	13.99%	\$3,235,937		\$3,235,937		\$3,235,937		\$286,738	
Total "shortage" FY 02 thru FY 08		\$16,506,116																	

Note 1: Had the state made the mandatory statutory contribution for the previous seven fiscal years, the funded ratio for the JRS would be 81.6% rather than 70%, excluding any investment income. A 5% rate of return on the shortage would have generated an additional \$3.4 million, raising the funded ratio to 84% funded rather than 70%.

Note 2: Had the state made the mandatory statutory contribution for the previous seven fiscal years, the actuarially required state contribution would be 22.4% rather than 30.9%.

Judicial Retirement-Funded Ratio

