



New York State Senate Finance

DEMOCRATIC CONFERENCE

Staff Analysis of the 2013-14 Executive Budget

**Senator Andrea Stewart-Cousins
Democratic Conference Leader**

**Senator Liz Krueger
Ranking Member
Senate Finance Committee**

**Joseph F. Pennisi
Secretary
Senate Finance Committee
Democratic Conference**

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Senator Daniel Squadron

Senator Toby Ann Stavisky

**LIZ KRUEGER
SENATOR, 26TH DISTRICT**

ALBANY OFFICE
LEGISLATIVE OFFICE BUILDING
ALBANY, NEW YORK 12247
(518) 493-2277
FAX (518) 426-6874

DISTRICT OFFICE
201 EAST 40RD STREET
SUITE 401
NEW YORK, NEW YORK 10017
(212) 490-9529
FAX (212) 490-2751

E-MAIL:
LKRUEGER@NYSENATE.GOV

**NEW YORK
STATE
SENATE**

ALBANY, NEW YORK 12247



RANKING MINORITY MEMBER
FINANCE

COMMITTEES:

BANKS
HIGHER EDUCATION
HOUSING, CONSTRUCTION
& COMMUNITY DEVELOPMENT
JUDICIARY
RULES

January 23, 2013

Dear Colleagues:

On Tuesday, January 22nd, Governor Cuomo proposed his Executive Budget for the 2013-14 Fiscal Year. The Executive Budget presents the Governor's plan for closing an anticipated gap of \$1.35 billion. The budget proposal closes this gap primarily through cost control measures saving \$1 billion and \$330 million in additional revenues achieved through extensions of expiring taxes and fees.

The overall proposed budget is \$142.6 billion. This represents a 5.3 percent increase over last year's budget, with most of the increase coming from \$6 billion in Federal funds for Hurricane Sandy recovery and implementation of the Affordable Care Act.

This year's budget gap is much more modest and manageable than the gaps the state faced in previous years. The Senate will still face extremely difficult choices in achieving a balanced budget for the coming year that meets the needs of New Yorkers, particularly in the challenging economic times we are still facing.

In addition to closing the budget gap, the Governor has proposed a number of significant policy changes that the Senate will need to evaluate. These proposed changes include an increase in the minimum wage, allowing localities to implement a pension stabilization option that would reduce current pension costs while raising future costs, expansion of prekindergarten and new certification requirements and incentives for teachers.

The data and analyses prepared by Finance Committee staff and included in this document will provide insights into these and other proposals in the Executive Budget which can inform the difficult decisions the Senate faces. I look forward to working with all of you as we consider the Governor's proposals in our shared effort to develop a final budget that addresses existing budget gaps, protects the most vulnerable New Yorkers, and continues to reform and improve state government operations.

Sincerely,

A handwritten signature in black ink that reads "Liz Krueger".

Liz Krueger
Ranking Minority Member
Senate Finance Committee

SB-1a

**STAFF ANALYSIS OF THE
SFY 2013 EXECUTIVE BUDGET
As prepared by the
Senate Democratic Conference Counsel and Finance Staff**

**Joseph F. Pennisi
Secretary to the Senate Finance
Committee**

**Laura Wood
Counsel to the Democratic Conference**

**Michael J. Laccetti
Director of Fiscal Studies**

**Felix O. Muñiz
Director of Budget Studies**

Paul Alexander

Tonya Cantlo-Cockfield

Josh Ehrlich

Kit Flood

Cheryl Halter

Christopher Higgins

Richard Jacobson

Alejandra Paulino

Daniel Ranellone

Dwayne Robertson

Keith St. John

Shontell Smith

Dilay Watson

JUDICIARY

Funding Source	Adjusted Appropriation 2012-2013	Executive Recommendation 2013-2014	Change	Percent Change
OPERATING BUDGET				
General Fund	\$1,756,572,965	\$1,756,360,952	(\$212,013)	(0.01%)
Special Revenue-Fed	\$10,500,000	\$9,000,000	(\$1,500,000)	(14.29%)
Special Revenue-Other	\$204,921,050	\$204,874,917	\$2,953,867	1.44%
TOTAL OPERATING FUNDS	\$1,971,994,015	\$1,973,235,896	\$1,241,854	0.06%
GENERAL STATE CHARGES				
General Fund	\$544,896,158	\$634,428,210	\$89,532,052	16.43%
Special Revenue-Fed	\$0	\$0	\$0	0%
Special Revenue Other	\$22,743,164	\$26,232,397	\$3,489,233	15.34%
TOTAL GENERAL STATE CHARGES	\$ 567,639,322	\$660,660,607	\$93,021,285	16.39%
TOTAL ALL FUNDS	\$2,639,583,337	\$2,660,128,900	\$20,545,563	78%

The Judiciary is one of the three branches of New York State Government. Article VI of the State Constitution establishes a Unified Court System (UCS), defines the organization and jurisdiction of the courts and provides for the administrative supervision of the courts by a Chief Administrator on behalf of the Chief Judge of the State of New York. Pursuant to the Unified Court Budget Act, the cost of operating the UCS, excluding town and village courts, is borne by the State. The Judiciary provides a forum for the resolution of civil claims and family disputes, criminal charges and charges of juvenile delinquency, disputes between citizens and their government, and challenges to government actions. It also supervises the administration of estates, considers adoption petitions, and presides over dissolution of marriages, and provides protection for children and the mentally ill. In addition, the Judiciary regulates the admission of lawyers to the New York State Bar and regulates their conduct.

The Judiciary's General Fund Operating Budget request is \$1.75 billion. The request a decrease of \$212,013 from the current fiscal year budget, a reduction of .012% This is the second negative budget request in two years that is being presented in the face of a number of cost increases, including the second phase of the judicial salary increase, and contractually-required increments for eligible non-judicial employees

This budget request will require that the court system continue to seek ways to reduce costs, especially in the area of non-personal service. Since the vast majority of the Judiciary budget supports personnel, many of whom are required by law to maintain open courtrooms, the Early Retirement Incentive, a hiring freeze and targeted layoffs, the non-judicial workforce of the court

system has been reduced by almost ten percent to a level that is below the staffing levels of a decade ago despite an increased workload.

It can be expected in the coming year that the Judiciary will seek to expand e-filing, transfer to Internet Protocol telephones, consolidate and transfer offices and programs that provide services to the public and utilize web based training for Judges. This type of web based training can probably be used in training other judicial and non-judicial employees such as the court officers.

DIVISION OF CRIMINAL JUSTICE SERVICES

Funding Source	Adjusted Appropriation 2012-2013	Executive Recommendation 2013-2014	Change	Percent Change
General Fund	\$163,116,000	\$165,201,000	\$2,085,000	1.28%
Special Revenue-Other	\$51,559,997	\$53,242,000	\$1,682,003	3.26%
Special Revenue-Federal	\$46,960,000	\$47,250,000	\$290,000	0.62%
Total	\$261,635,997	\$265,693,000	\$4,057,003	1.55%

The Division of Criminal Justice Services (DCJS) is charged with increasing the effectiveness of the criminal justice system. The Division manages the DNA databank and criminal fingerprint files; maintains computerized criminal history and statistical data for Federal, State and local law enforcement agencies; provides training and management services to municipal police and peace officers; and distributes local aid to various components of the criminal justice system including prosecution, defense services, and local law enforcement.

Overview of the Executive Budget Proposal

The Executive Budget recommends \$265.7 million All Funds for the Division (\$165.2 million General Fund; \$47.3 Federal Funds; and \$53.2 million Other Funds), representing an increase of \$4 million from the 2012-13 budget.

An increase of \$3 million in State Operations reflects support for on-going information technology projects. In Aid to Localities, the Executive Budget recommends consolidation of several funding streams in the amount of \$11.4 million, (see below) for Alternative to Incarceration (ATI) programs into a competitive grant program focused. The Executive also eliminates \$4.3 million. An additional \$350,000 is provided to fully fund statutory increases to district attorney salaries. The Executive Budget recommends a workforce of 443 FTEs for the Division. This represents an increase of 20 FTEs.

**NEW YORK STATE
UNIFIED COURT SYSTEM**

BUDGET

FISCAL YEAR 2013-2014

Jonathan Lippman
CHIEF JUDGE

A. Gail Prudenti
CHIEF ADMINISTRATIVE JUDGE

Lawrence K. Marks
FIRST DEPUTY CHIEF ADMINISTRATIVE JUDGE

Ronald Younkins
CHIEF OF OPERATIONS

Maureen McAlary
BUDGET DIRECTOR



**Unified Court System
2013-14 Budget Request
All Funds Appropriation Requirements
Major Purpose by Fund Summary**

State Operations General Fund	2012-13 Available	2013-14 Requested	Change
Courts of Original Jurisdiction	\$1,455,588,708	\$1,433,033,887	(\$22,554,821)
Court of Appeals	\$14,755,987	\$14,751,698	(\$4,289)
Appellate Court Operations	\$77,547,580	\$76,145,047	(\$1,402,533)
Appellate Auxilliary Operations	\$161,148,489	\$170,889,311	\$9,740,822
Administration and General Support	\$20,086,617	\$19,095,425	(\$991,192)
Judiciary Wide Maintenance Undistributed	\$25,000,000	\$40,000,000	\$15,000,000
State Operations - General Fund Total	\$1,754,127,381	\$1,753,915,368	(\$212,013)
State Operations - Special Revenue Funds - Federal	\$10,500,000	\$9,000,000	(\$1,500,000)
Special Revenue Funds - Other			
NYC County Clerks' Operations Offset Fund	\$23,382,399	\$22,962,046	(\$420,353)
Judiciary Data Processing Offset Fund	\$16,757,046	\$20,671,771	\$3,914,725
Miscellaneous Special Revenue Fund	\$1,500,000	\$1,000,000	(\$500,000)
Attorney Licensing Fund	\$24,223,832	\$23,850,977	(\$372,855)
Indigent Legal Services Fund	\$25,000,000	\$25,000,000	\$0
Court Facilities Incentive Aid Fund	\$2,095,390	\$1,714,336	(\$381,054)
Lawyers' Fund for Client Protection	\$12,763,927	\$12,743,876	(\$20,051)
State Operations - Special Revenue Funds - Other	\$105,722,594	\$107,943,006	\$2,220,412
State Operations - All Funds - Total	\$1,870,349,975	\$1,870,858,374	\$508,399
Aid to Localities			
General Fund	\$2,445,584	\$2,445,584	\$0
Court Facilities Incentive Aid	\$99,198,456	\$99,931,911	\$733,455
Aid to Localities - All Funds Total	\$101,644,040	\$102,377,495	\$733,455
Grand Total General Fund	\$1,756,572,965	\$1,756,360,952	(\$212,013)
Grand Total All Funds	\$1,971,994,015	\$1,973,235,869	\$1,241,854

Ex B-2a

Judiciary 2013-14 Budget Request

Introduction

The Judiciary. The Judiciary is one of the three branches of New York State government. Article VI of the State Constitution establishes the Judiciary as the Unified Court System for the State, defines the organization and jurisdiction of the courts, and provides for the administrative supervision of the courts by a Chief Administrator on behalf of the Chief Judge of the State.

The objectives of the Judiciary are to: (1) provide a forum for the peaceful, fair and prompt resolution of civil and family disputes, criminal charges, disputes between citizens and the state, and challenges to government action; (2) supervise the administration of decedents' estates; (3) preside over adoptions and proceedings to protect children and the mentally-ill; and (4) regulate the admission of lawyers to the Bar and their conduct and discipline.

Administration of the Judiciary. The administrative structure of this court system is prescribed by the State Constitution, which denominates the Chief Judge of the Court of Appeals as the head of the Judiciary. The Chief Judge is authorized to adopt administrative policy for the courts after consultation with the Administrative Board of the Courts (comprised of the Chief Judge and the Presiding Justices of the four Appellate Divisions) and approval by the Court of Appeals. With the advice and consent of the Administrative Board, the Chief Judge also appoints a Chief Administrator of the Courts who is responsible for supervising the day to day administration and operation of the trial courts. The Appellate Divisions and the Court of Appeals are responsible for the administration and operation of their courts.

In discharge of his or her responsibility for managing the trial courts, the Chief Administrator designates three Deputy Chief Administrative Judges. The First Deputy Chief Administrative Judge, supervises court operations as directed by the Chief Administrator; a Deputy Chief Administrative Judge for the New York City Courts and a Deputy Chief Administrative Judge for the courts outside the New York City. The latter two, on behalf of the Chief Administrator and together with a corps of Administrative Judges, supervise court operations in the State's Judicial Districts (*see* map of 13 Judicial Districts that follows). In some instances, Supervising Judges also are designated to assist the Chief Administrator, the Deputy Chief Administrative Judges and the Administrative Judges.

By statute and by direction of the Chief Judge, the Chief Administrator also establishes the administrative office of the courts. This office is bifurcated into the Office of Court Administration within the Administration and General Support Major Purpose, and the Division of Court Support Services within the Courts of Original Jurisdiction Major Purpose. The Office of Court Administration consists of offices that provide legal, policy, fiscal and human resource support to the Chief Administrator. The Division of Court Support Services assists the Chief Administrator by providing centralized management support to court operations including technology, personnel, legal information, records management, security and payroll services.

JUDICIARY
2013-2014 BUDGET REQUEST
EXECUTIVE SUMMARY

In response to the State's fiscal condition, the Judiciary has been engaged in an ongoing and comprehensive review of its operations. The court system has streamlined administration, eliminated or reduced programs that are not critical to its core mission, modified court operations, and cut all but essential expenditures. The goal is not just to reduce costs, but to rethink the way that we do business and to find the best, and most efficient, ways to serve the justice needs of all New Yorkers.

In preparing this budget request, the Judiciary was very aware of the impact that Hurricane Sandy is having on the State's financial situation, in terms of both increased expenditures and reduced revenues. The Judiciary's budget request for Fiscal Year 2013-2014 reflects its commitment to work with the other branches of government in addressing this fiscal crisis, while at the same time ensuring that the courts have the resources necessary to provide timely and fair justice to every person who comes to our courthouses.

The Judiciary's General Fund Operating Budget request is \$1.75 billion. The request is a decrease of \$212,013 from the current fiscal year budget, a reduction of .012%. This negative budget request is being presented in the face of a number of cost increases, including the second phase of the judicial salary increase, and contractually-required increments for eligible non-judicial employees. }

This budget request is austere, as is required by the State's fiscal outlook, and will require that the court system continue to reduce costs and to seek ways to make the court system work better and smarter. The vast majority of the Judiciary budget supports personnel, so controlling these costs is critical. Over the past three fiscal years, as a result of participation in the Early Retirement Incentive Program, targeted layoffs, a hiring freeze, and other measures, the non-judicial workforce of the court system has been reduced by more than 1,500 positions, a reduction of almost ten percent. Our current staffing is below levels last seen a decade ago, despite a significant increase in our workload over that time period. }

Among the steps that we are taking to improve efficiencies, reduce costs and enhance service to the public are:

- We continue to expand e-filing, which allows parties to file and serve legal documents electronically, and which offers significant savings and convenience to the courts, the County Clerks, attorneys and litigants.
- We also continue to seek better ways to use automation to streamline court operations, improve efficiency, and reduce costs through initiatives such as the inter-agency electronic transmission of data in criminal and family court cases, and deployment of Internet Protocol telephones, which operate over the court system's own data network, to virtually eliminate monthly telephone charges.

- We have streamlined administrative functions, reorganized, and consolidated offices and programs that provide services to the courts and the public, including law libraries, court interpreters and technical staff.
- We have sharply cut expenditures for print legal materials in favor of on-line materials that are available under flat-rate agreements with legal publishers.
- We closely monitor juror utilization, both to reduce expenditures for per diem juror fees, as well as to ensure that jurors are not called for service when it is unlikely that they will be needed.
- We have largely replaced in-person training for Judges and court personnel with web-based training.
- We vigilantly track overtime expenditures, ensuring that they are reserved for critical operations (e.g., weekend arraignments) while providing necessary discretion for completing expert testimony or trials and accommodating extraordinary circumstances.

The requested budget will require that the Judiciary continue to seek cost savings wherever possible. It will also require the Judiciary monitor closely the size of its workforce, and will only allow the filling of critical operational positions that maximize the efficiency of the courts. It will also permit the courts to continue a phased-in replacement of antiquated case management systems, which are reaching the end of their useful life. Given the importance of utilizing automation technology to facilitate the processing of cases, moving forward to modernize these outdated and inefficient systems must be given the highest priority.

The budget provides the minimum funds the Judiciary needs; any further reduction would seriously jeopardize the ability of the courts to fulfill their core mission. In this regard, the budget addresses two issues that go to the heart of that mission, by providing funding essential to ensuring equal justice. First, the budget provides funding to assist in meeting the caseload standards for indigent criminal defense, the requirement for which was established pursuant to Part ZZ of section 1 of chapter 56 of the Laws of 2009. Second, it provides funding to help ensure equal justice to the millions of litigants who appear each year without counsel in eviction, foreclosure, domestic violence, consumer debt, and other cases involving the essentials of life. Not only does the lack of representation in these cases impose a profound human and social toll on the most vulnerable New Yorkers, but our judges bear significant additional burdens, including more and longer court appearances, when they hear cases in which a party is not represented. The result is delay and inefficiency, as well as increased costs, both to the court system and to represented parties.

The courts of New York State continue to face an overwhelming workload. In the face of this task, and the reductions in personnel and resources necessitated by years of austere budgets, the Judges and non-judicial employees of the New York State court system have redoubled their efforts and are working harder than ever. The proposed budget reflects a very careful balancing of the Judiciary's obligation to provide its Judges and non-judicial personnel with the resources necessary to ensure that the courts can fulfill their core mission and constitutional obligations, while working with the other Branches of government in addressing the State's fiscal crisis.