

## Judiciary - Court of Appeals

	FY 2021 ACTUAL	FY 2022 ESTIMATE	FY 2023 APPROVED
<b>PROGRAM BUDGET</b>			
Division I	11,825,800	11,622,300	15,052,100 <sup>1/2/3/</sup>
Division II	5,284,000	5,168,500	7,471,100 <sup>4/5/6/</sup>
<b>AGENCY TOTAL</b>	<b>17,109,800</b>	<b>16,790,800</b>	<b>22,523,200</b>
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	136.8	136.8	162.8 <sup>7/</sup>
Personal Services	11,080,700	10,826,500	13,623,100
Employee Related Expenditures	4,601,900	4,612,600	6,648,100
Professional and Outside Services	48,400	8,700	8,700
Travel - In State	125,600	171,200	171,200
Travel - Out of State	0	10,800	10,800
Other Operating Expenditures	1,158,200	1,161,000	2,061,300
Equipment	95,000	0	0
<b>AGENCY TOTAL</b>	<b>17,109,800</b>	<b>16,790,800</b>	<b>22,523,200 <sup>8/</sup></b>
<b>FUND SOURCES</b>			
General Fund	17,109,800	16,790,800	22,523,200
<b>SUBTOTAL - Appropriated Funds</b>	<b>17,109,800</b>	<b>16,790,800</b>	<b>22,523,200</b>
<b>TOTAL - ALL SOURCES</b>	<b>17,109,800</b>	<b>16,790,800</b>	<b>22,523,200</b>

**AGENCY DESCRIPTION** — The Court of Appeals has jurisdiction in all proceedings appealable from the Superior Court except criminal death penalty cases, which are automatically appealed to the Supreme Court. Division I also has statewide responsibility for reviewing appeals from the Arizona Corporation Commission, Industrial Commission, the Department of Economic Security unemployment compensation rulings, and the Arizona Tax Court. Division I convenes in Phoenix and encompasses the counties of Apache, Coconino, La Paz, Maricopa, Mohave, Navajo, Yavapai, and Yuma. Division II convenes in Tucson and encompasses the counties of Cochise, Gila, Graham, Greenlee, Pima, Pinal, and Santa Cruz.

### FOOTNOTES

- <sup>1/</sup> The operating lump sum for division one includes \$468,600 for a pay increase for court of appeals judges. Pursuant to section 41-1904, Arizona Revised Statutes, as of January 1, 2023, the annual salary for a court of appeals judge is \$190,000. (General Appropriation Act footnote)
- <sup>2/</sup> The operating lump sum for division one includes \$1,115,400 for a new three-judge court of appeals panel and ten support staff, effective January 1, 2023. (General Appropriation Act footnote)
- <sup>3/</sup> The operating lump sum for division one includes \$450,000 for the remodeling of chambers to accommodate a new three-judge court of appeals panel. Notwithstanding section 41-1252, Arizona Revised Statutes, the appropriation is not subject to review by the joint committee on capital review. (General Appropriation Act footnote)
- <sup>4/</sup> The operating lump sum for division two includes \$175,800 for a pay increase for court of appeals judges. Pursuant to section 41-1904, Arizona Revised Statutes, as of January 1, 2023, the annual salary for a court of appeals judge is \$190,000. (General Appropriation Act footnote)
- <sup>5/</sup> The operating lump sum for division two includes \$1,115,400 for a new three-judge court of appeals panel and ten support staff, effective January 1, 2023. (General Appropriation Act footnote)
- <sup>6/</sup> The operating lump sum for division two includes \$450,000 for the remodeling of chambers to accommodate a new three-judge court of appeals panel. Notwithstanding section 41-1252, Arizona Revised Statutes, the appropriation is not subject to review by the joint committee on capital review. (General Appropriation Act footnote)
- <sup>7/</sup> Of the 162.8 FTE positions for fiscal year 2022-2023, 111.3 FTE positions are for division one and 51.5 FTE positions are for division two. (General Appropriation Act footnote)
- <sup>8/</sup> General Appropriation Act funds are appropriated as an Operating Lump Sum by Subprogram.

## Operating Budget

The budget includes \$22,523,200 and 162.8 FTE Positions from the General Fund in FY 2023 for the operating budget. These amounts include \$15,052,100 and 111.3 FTE Positions for Division I and \$7,471,100 and 51.5 FTE Positions for Division II. FY 2023 adjustments are as follows:

### Additional Court of Appeals Judges and Staff

The budget includes an increase of \$2,230,800 and 26 FTE Positions from the General Fund in FY 2023 to add 2 new 3-judge Court of Appeals panels and support staff. Of this amount, \$1,115,400 and 13 FTE Positions is for a new panel in Division I and \$1,115,400 and 13 FTE Positions is for a new panel in Division II.

The judicial term begins on January 1, 2023. As a result, two FY 2023 General Appropriation Act footnotes delay implementation until January 1, 2023. The 3-year budget plan increases this appropriation to \$4,461,600 in FY 2024 for the full-year implementation.

### One-Time Chamber Remodeling Funding

The budget includes a one-time increase of \$900,000 from the General Fund in FY 2023 for the remodeling of chambers to accommodate new judges and staff. Of this amount, \$450,000 is for Division I and \$450,000 is for Division II. Two FY 2023 General Appropriation Act footnotes make these appropriations exempt from review by the Joint Committee on Capital Review.

### Judicial Salary Increase

The budget includes an increase of \$644,400 from the General Fund in FY 2023 to increase Court of Appeals judges' salaries from \$154,500 to \$190,000 beginning January 1, 2023. Of this amount, \$468,600 is for judges in Division I and \$175,800 is for judges in Division II.

The 3-year budget plan increases this appropriation to \$1,288,800 in FY 2024 for the full-year implementation.

### Salary Increase

The budget includes an increase of \$1,282,000 from the General Fund in FY 2023 for a statewide employee salary increase. This amount does not include salary increases for judges, as those are addressed separately. Of the total amount, \$895,500 is for a 10% minimum state employee salary increase and \$386,500 is for selected market adjustments above 10%. Of the total amount, \$914,200 is for Division I and \$367,800 is for Division II. *(Please see the Agency Detail and Allocations section.)*

## Statewide Adjustments

The budget includes an increase of \$675,200 from the General Fund in FY 2023 for statewide adjustments. *(Please see the Agency Detail and Allocations section.)*

## Other Issues

### Statutory Changes

The Courts Budget Reconciliation Bill makes the following statutory changes:

- As permanent law, adds new 3-judge Court of Appeals panels to Division I and Division II of the Arizona Court of Appeals, makes 4 judges in Division I and 3 judges in Division II “at-large” judges who can reside in any county in the judges’ division, and allows cases to be transferred between divisions.
- As session law, allows the Chief Judge of each division to designate specialized departments to process different types of cases and requires the Administrative Office of the Courts to evaluate the distribution of cases between divisions and submit a report on the findings to JLBC and OSPB by January 1, 2025.

### Long-Term Budget Impacts

As part of the budget's 3-year spending plan, the Court of Appeals General Fund appropriations will increase by \$1,975,200 in FY 2024 above FY 2023. This is based on:

- An increase of \$2,230,800 in FY 2024 above FY 2023 for full-year implementation of additional Court of Appeals judges and staff.
- An increase of \$644,400 in FY 2024 above FY 2023 for full-year implementation of a judicial salary increase.
- A decrease of \$(900,000) in FY 2024 below FY 2023 to remove one-time chamber remodeling funding.