STATEMENT OF
HONORABLE JULIA S. GIBBONS, CHAIR
COMMITTEE ON THE BUDGET OF THE
JUDICIAL CONFERENCE OF THE UNITED STATES
BEFORE THE
SUBCOMMITTEE ON FINANCIAL SERVICES AND GENERAL GOVERNMENT
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE

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INTRODUCTION

Chairman Boozman, Senator Coons, and members of the Committee, I am Judge Julia Gibbons of the Sixth Circuit Court of Appeals. Our court sits in Cincinnati, Ohio, and my resident chambers are in Memphis, Tennessee. As the Chair of the Judicial Conference Committee on the Budget, I will testify on the Judiciary's appropriations requirements for fiscal year 2016. I believe our fiscal year 2016 request of $7.0 billion in discretionary appropriations achieves our goal of holding down cost growth across the Judiciary where possible while also investing in several important new information technology and program initiatives that will improve Judiciary operations. My testimony will provide details on those initiatives, discuss recently enacted fiscal year 2015 Judiciary appropriations, and provide an update on our cost-containment program, including a detailed discussion of efforts underway to reduce the Judiciary's space footprint. This is my eleventh year testifying before Congress on behalf of the federal Judiciary and my first appearance before this Financial Services and General Government panel since 2008. Appearing with me today is James C. Duff, Director of the Administrative Office of the United States Courts. We are very appreciative that you are holding this hearing today.

STATEMENTS FOR THE RECORD

In addition to my statement and Director Duff's, I ask that the entire statements of the Federal Judicial Center, the U.S. Sentencing Commission, the U.S. Court of Appeals for the Federal Circuit, and the U.S. Court of International Trade be included in the hearing record.

FISCAL YEAR 2015 FUNDING FOR THE JUDICIARY

Chairman Boozman and Senator Coons, I begin today by thanking Congress for the funding the Judiciary received in the "Consolidated and Further Continuing Appropriations Act of 2015," the omnibus spending measure that funds most of the federal government for fiscal year 2015. The omnibus bill provided the Judiciary with a 2.8 percent overall increase in discretionary appropriations above fiscal year 2014, essentially equal to the Judiciary's re-estimated request and sufficient to meet our full funding needs. The 2.8 percent increase builds on the 5.1 percent appropriations increase Congress provided the Judiciary for fiscal year 2014 and will enable the courts to recover from the harmful effects of the 2013 sequestration cuts. It will allow us to backfill some vacancies in clerks of court, probation and pretrial services offices,

and federal defender organizations, and will provide sufficient funding to meet operational costs, juror expenses, and court security requirements for fiscal year 2015. We are aware that this Subcommittee had a 1 percent cut in its allocation below fiscal year 2014 for constructing a final fiscal year 2015 bill, and we are greatly appreciative that the Judiciary was again treated as funding priority, receiving an overall 2.8 percent increase as I just mentioned.

ROLE OF THE JUDICIAL BRANCH

Each year in my testimony before Congress on the Judiciary's budget request, I ask that the Appropriations Committees take into account the nature and importance of the work of the federal courts, and I do so again this year. This plea takes on a greater urgency as the federal budget tightens and as proposals for further deficit reduction for fiscal year 2016 and beyond are considered that make cuts to non-defense discretionary spending below the current spending caps.

The Judiciary performs Constitutionally-mandated core government functions that are a pillar of our democratic system of government. The scope and volume of our work is dictated by the functions assigned to us by the Constitution and by statute. We must adjudicate all criminal, bankruptcy, civil, and appellate cases that are filed with the courts; we must protect the community by supervising defendants awaiting trial and offenders on post-conviction release; we must provide qualified defense counsel for defendants who cannot afford representation; we must pay jurors for costs associated with performing their civic duty; and we must ensure the safety and security of judges, court staff, litigants, and the public in federal court facilities. We look to Congress to provide us with the resources we need to accomplish this broad mission.

While Congress has made the Judiciary a funding priority in fiscal years 2014 and 2015, we remain concerned about the longer-term funding prospects for the Judiciary in what will be a constrained federal budget environment for the foreseeable future. As you know, the overall discretionary spending cap provides essentially no growth from fiscal year 2015 to 2016, increasing only about $2.0 billion (0.2 percent) to $1.017 trillion. Beyond fiscal year 2016, assuming the continuation of current law, the spending caps will rise by only about 2.4 percent annually through fiscal year 2021, which may not be sufficient to keep pace with inflation and to meet other critical requirements. This may be a best-case scenario, given some of the additional deficit reduction proposals being discussed. Sequestration cuts in 2013 had a devastating impact on federal court operations, and we fear a return to sharply reduced funding levels and the cutbacks it would necessitate. As I mentioned at the outset of my testimony, Congress has made it possible for the Judiciary to recover from sequestration and we ask you to take into account the nature and importance of our work and to make the Judicial Branch a funding priority again in fiscal year 2016, as well as in future years.

COST CONTAINMENT

For more than 10 years we have been focused on containing costs in the Judiciary's budget and we have achieved significant success. In fact, since the beginning of our formal cost containment program in 2005, the Judiciary has realized a cost avoidance of nearly $1.5 billion relative to our projected requirements, attributable primarily to cost-containment policies put in

place, as well as other factors. Changes made to date have reduced current and future costs for: rent, information technology, magistrate judges, compensation of court staff and law clerks, law books, probation and pretrial services supervision work, and other areas. And we have achieved this cost containment without harming court operations. But we recognize there is more work to be done.

We are now working on a new round of cost-containment initiatives that may be more controversial within the Judiciary, more difficult to implement quickly, and could result in significant change within the Judiciary. But we believe these new initiatives are essential to positioning the Judiciary for what likely will continue to be a constrained federal budget environment going forward. We continue to expand the use of shared administrative services among the courts of appeals, district courts, bankruptcy courts, probation and pretrial services offices, and federal defender organizations to reduce duplicative human resources, procurement, financial management, and information technology activities. Forty-two percent of all courts have formal sharing arrangements of some kind, and many others have informal or temporary arrangements. The decision to migrate to a shared administrative services model is up to each circuit or district, and we are exploring ways in which we can increase shared administrative services, including offering incentives. We also are exploring voluntary consolidation of offices and other longer-term changes that would further reduce growth in personnel and operational costs.

As we continue our efforts to reduce cost growth in the Judiciary's budget, I emphasize that no amount of cost containment will offset budget cuts or even flat funding in fiscal year 2016. Our budget request is reflective of the cost-containment policies we have put in place and is the amount we require to fulfill our mission.

REDUCING THE JUDICIARY'S SPACE FOOTPRINT

With strong controls in place to limit the growth in our space rent costs, including revamping our courthouse planning process and instituting new procedures to identify billing errors, we are now focusing on reducing the Judiciary's overall space footprint and we are making real progress in this area. At its September 2013 session, the Judicial Conference approved three new initiatives to facilitate space reduction: (1) a 3 percent space reduction target by the end of fiscal year 2018 subject to certain exclusions such as new courthouse construction, renovation, or alterations projects approved by Congress; (2) a "no net new" policy in which any increase in square footage within a circuit must be offset by an equivalent reduction in square footage identified within that circuit in the same fiscal year; and (3) requiring each of the 12 judicial councils to formulate a space management plan articulating how the new space reduction policy will be implemented.

I am pleased to report to the Committee significant progress on our space reduction efforts. The Judiciary's 3 percent space reduction goal aims to reduce our space footprint by 870,305 square feet by the end of fiscal year 2018, which is 3 percent of the 2013 space baseline level of 29,010,183 square feet. The space reduction target was prorated among the 12 regional circuits nationwide to ensure space reduction is fair and equitable across the country. As of October 2014, the Judiciary has reduced space on a national basis by nearly 1 percent – that is

242,403 square feet of space that has been removed from the courts' rent bill, resulting in an annual rent cost avoidance of $5.8 million to the Judiciary. We are on track to accomplish the full 3 percent reduction by the end of fiscal year 2018.

The Judiciary appreciates the funding provided by Congress to support our cost-containment efforts, particularly those related to space reduction. Up-front costs to support construction, renovation, and information technology are critical to the success of this effort. Our fiscal year 2016 request includes $25.0 million for space reduction efforts. Space reduction projects requiring renovations each undergo a two-step process: first, an architectural and engineering analysis is completed on potential projects to determine if space reduction is feasible and cost effective; and second, if the architectural and engineering analysis identifies reasonable savings, funding is made available for the implementation phase to design and construct the new space. It is important to note that not all projects make it beyond the architectural and engineering analysis step to implementation. The Judiciary pursues projects that yield the greatest savings with the quickest return on investment.

A key component of our space reduction effort is our Integrated Workplace Initiative (IWI), which seeks to create a smaller and more efficient workplace that reflects changing work practices, such as mobile work or telework for some court employees. An example of an area where an IWI project would be especially useful is a probation or pretrial services office. Some probation officers require less space now because they use mobile devices while visiting clients and working in the field. As a result, some probation offices can reduce the amount of commercial leased space that they occupy, or they could move out of commercial leased space and into government owned courthouses and federal buildings, while occupying less space than previously needed. This is just one example. We currently have 10 IWI projects in the design phase in the courts and an eleventh in the implementation phase.

In addition, we have an IWI project underway right here in Washington, DC, at the AO. This is a national demonstration project that involves co-locating the nearly 70 staff from four Facilities and Security Office divisions into one space on the first floor of the Thurgood Marshall Federal Judiciary Building. The total occupied space will be reduced by up to 25 percent and the design fully incorporates IWI mobility concepts. The space will include systems furniture and movable walls to allow for flexible space configuration. The design process for this project is now underway. The project will serve as a working example for judges and court unit executives who travel to Washington, DC to experience first-hand what an IWI project looks like and to then consider something similar for their court.

I will close on this topic by assuring the Committee that we are working hard to reduce the Judiciary's space inventory. The General Services Administration's (GSA) cooperation is essential to our ability to reduce space and to date GSA has been working collaboratively with us on our space reduction efforts.

NASHVILLE COURTHOUSE AND CAPITAL SECURITY FUNDING

Director Duff addresses these topics in more detail in his written testimony, but I want to add my strong support for two items included in the President's 2016 Budget under the General

Services Administration. First, the President's Budget includes $181.5 million for constructing a new courthouse in Nashville, Tennessee, the Judicial Conference's top space priority. The Nashville courthouse project has been on the Judiciary's *Five-Year Courthouse Construction Project Plan* for nearly 20 years and a new courthouse is needed to address severe security, space, and operational deficiencies in the existing facility.

The second item is the $20 million in the President's Budget for the Judiciary Capital Security Program. This program was designed to address serious security deficiencies in existing courthouse buildings where physical renovations are viable alternatives to new courthouse construction. Eight Capital Security Program projects have been funded with appropriations provided in fiscal years 2012, 2013, and 2015. Fiscal year 2016 funding would be utilized to address security deficiencies at federal courthouses in Raleigh, North Carolina and Alexandria, Louisiana. The Capital Security Program has been a valuable, cost-effective solution to achieving greater security at courthouses with significant security deficiencies.

I respectfully ask that the Committee fund these two items in fiscal year 2016.

JUDICIARY'S FISCAL YEAR 2016 BUDGET REQUEST

The Judiciary's fiscal year 2016 budget request of $7.0 billion in discretionary appropriations reflects an overall 3.9 percent increase above fiscal year 2015 to support the Constitutional and statutory mission of the federal courts. As I mentioned at the outset of my testimony, we believe the request achieves our goal of holding down cost growth across the Judiciary where possible, while also investing in several important new information technology and program initiatives that will improve Judiciary operations. With the sequestration cuts of 2013 behind us and our financial position now on more solid footing, we believe it is the right time to make these investments. The Judiciary's requested increase of $264.5 million includes $209.0 million for adjustments to base for standard pay and non-pay changes, and a total of $55.5 million for program enhancements. I will now summarize the fiscal year 2016 requests for our four major accounts and discuss base adjustments needed to maintain current services. In the next section of my testimony I discuss in detail our program enhancements. A more detailed summary of our fiscal year 2016 request is provided in Appendix A.

The Judiciary's largest account, courts' Salaries and Expenses, funds the bulk of federal court operations nationwide, including the regional courts of appeals, district courts, bankruptcy courts, and probation and pretrial services offices. For this account, we are requesting a 3.9 percent increase in fiscal year 2016 to $5.0 billion in discretionary appropriations. I note that we are not requesting funding to increase the number of staff in clerks of court or probation and pretrial services offices, but those offices will have the ability to continue backfilling some vacancies in fiscal year 2016. The request includes $136.2 million for standard pay and non-pay inflationary adjustments for court staff. In addition, we are requesting an increase of $11.0 million for additional chambers staff associated with projected changes in filled judgeships. We also seek $8.9 million in net adjustments in our space program.

The Defender Services program, which provides court-appointed criminal defense representation under the Criminal Justice Act to financially eligible defendants, requires a 4.0

percent increase to $1.06 billion in fiscal year 2016 to handle an estimated 200,000 representations. The fiscal year 2016 request includes $39.3 million for inflationary pay and benefits adjustments for federal defender organizations, changes in projected federal defender and panel attorney caseload, and payments to panel attorneys, including a 1 percent cost-of-living adjustment to panel attorney hourly rates.

Our Court Security account funds protective guard services and security systems and equipment at federal courthouses and requires a 5.5 percent increase to $542.4 million for fiscal year 2016. Adjustments to base total $22.1 million and include $11.7 million for a required 3 percent wage rate increase for contract court security officers (CSOs), $4.9 million for additional security systems and equipment costs, $2.4 million in higher Federal Protective Service charges, and $3.1 million in other standard pay and non-pay adjustments.

The Fees of Jurors and Commissioners account funds statutory fees and allowances for grand and petit jurors and land commissioners appointed by a court to determine just compensation in federal eminent domain cases. This includes the daily compensation paid to jurors as well as related costs for meals and incidental expenses. This account requires $52.4 million in fiscal year 2016, a 0.4 percent increase above fiscal year 2015, a net increase of $220,000 comprised of downward adjustments to base totaling $3.8 million primarily due to lower petit juror projections, and a $4.0 million program enhancement to increase daily juror pay, which I discuss in the next section of my testimony.

PROGRAM ENHANCEMENTS TO IMPROVE JUDICIARY OPERATIONS

Implementing Centralized IT Hosting Services for the Courts

The Judiciary's fiscal year 2016 request for the Salaries and Expenses account includes $19.0 million for the first year costs of a multi-year national IT hosting initiative. Over the past decade, the Judiciary has pursued an incremental path toward consolidating both its national systems and court hosting environments. Previously, courts were responsible for locally hosting mission-essential systems and providing the necessary infrastructure for those systems. Most courts now access their national case management, jury management, e-mail, telephone service, and other systems over the Judiciary's data network from one of two national data centers, one on each coast.

The remaining systems in the local courts' server rooms are primarily focused on managing courts' desktop computers and providing file servers for court staff. Yet even these systems are capable of being hosted centrally. There are four primary benefits to doing so: (1) economy-of-scale savings of as much as 40 percent in lower hardware and software costs as local courts would no longer have to maintain separate hosting infrastructure; (2) improved continuity of operations because a regional disaster or outage would not impact data/applications that are centrally hosted (the national data centers on each coast provide failure backup to each other); (3) standardized security for court systems versus the various security models that exist today; and (4) reduced space needs as rooms previously dedicated to local computer servers could be given up or repurposed for other uses. As an example of the benefits of providing centralized IT services, several years ago the Judiciary implemented a national phone system to

replace individual court phone systems across the country. Since implementation of the new phone system we have seen lower aggregate telecommunications costs, reduced equipment costs, better security, and improved reliability.

Currently, 17 court units participate in a pilot program for national hosting of their local IT systems. The pilot has confirmed that while the reasons an individual court might decide to adopt enterprise hosting and cloud computing services for its systems may vary, the basic benefits across the judiciary are the same: reduce the total cost-of-ownership for hosting systems; achieve true continuity-of-operations; and improve IT security. The success of the pilot drove, in part, the Judiciary's decision to seek funding in fiscal year 2016 to make centralized hosting available to all courts nationwide. The initial implementation will employ a Judiciary private "cloud" technology that will address our specific and unique security requirements. Funding requested in fiscal year 2016 would enable the judiciary to move beyond the pilot with implementation in a number of additional courts. Locally, courts will be able to accrue savings by not having to spend funds for hardware and related systems administration and will benefit from enhanced reliability, redundancy, and security. In addition, providing a national solution reduces the need for courts to maintain large computer rooms, thus reducing space and utilities requirements.

Replacing Outdated and Inefficient Email and Messaging System

We request $7.0 million in the courts' Salaries and Expenses account to begin replacement of the Judiciary's 14-year old email and messaging system that is inadequate to meet the Judiciary's current workload demands. While email and calendaring were the primary needs in 2000, today's email platform includes advanced features and functionality, such as instant messaging, collaboration, document sharing, integration with mobile device platforms, and more. This initial investment will fund the development of a unified Judiciary-wide email and messaging system that incorporates advanced features and functionality required for mobile computing, document sharing, and improved security. The judiciary is examining several key issues, such as whether to migrate legacy email data and alternatives for doing so, that will determine the ultimate cost. It is anticipated such decisions will be made this summer so that the project can move forward, subject to available funding in fiscal year 2016.

Reducing Offender Recidivism

Our probation and pretrial services program strives to employ the most proven strategies for supervising offenders awaiting trial or released from prison and living in the community. Our fiscal year 2016 request includes $15.0 million in the courts' Salaries and Expenses account to expand evidence-based offender supervision practices to further reduce recidivism rates.

To begin, the federal system's recidivism rate has been half that of many states. The three-year felony re-arrest rate for persons under federal supervision is 24 percent, and the revocation rate hovers at 30 percent. In contrast, a Bureau of Justice Statistics study looking at 15 state parole systems found a recidivism rate of 67.5 percent. Similarly, while supervision violators constituted 33 percent of all new prison admissions in the states in 2011, violators constituted only 8 percent of the new admissions in federal prisons during the same period.

Past supervision approaches have focused on frequency of probation officer/offender contacts and compliance with conditions of supervision imposed by the judge. While compliance with conditions still remains a major component of supervision, working with the offender to change his behavior will provide the best long-term value to the offender and the community. "Evidence-based practices" (EBP) are the supervision practices proven to produce specific, intended results. EBP is an outcome-based approach that focuses on specific supervision and treatment strategies versus the more traditional contact-driven supervision approach. One of the Judiciary's EBP programs, called Staff Training Aimed at Re-Arrest Reduction (STARR), involves exercises and instructions designed to alter the dysfunctional thinking patterns exhibited by many offenders and improves the quality and nature of the relationship between the offender and the officer. STARR builds on officers' existing communication skills, use of authority, and ability to impart cognitive restructuring strategies to offenders. Since STARR was implemented in 2012, 1,139 officers have been trained in 57 of the 94 judicial districts nationwide. The $15 million requested for fiscal year 2016 will expand access to programs like STARR that target dynamic risks posed by offenders.

We believe that the modest cost for the Judiciary's evidence-based approach to offender reentry into society will reduce the high costs associated with recidivism. It costs the Bureau of Prisons about $80 per day to incarcerate an offender in a federal prison. It costs the Judiciary on average less than $10 per day for a probation officer to supervise an offender in the community. If that offender succeeds, the costs of further incarceration are avoided and the offender can become a productive member of society – gain employment, pay taxes, make restitution, pay fines, etc. This may not be possible in every case, but we believe there are ways to improve the chances that many more offenders will remain law-abiding, and through our STARR program we are proactively seeking to identify and implement supervision practices that will assist offenders.

Adding Magistrate Judges to Meet Workload Demands

Our request also includes a program increase of $1.9 million in the courts' Salaries and Expenses account for three additional magistrate judges and associated staff to address workload demands in three judicial districts. The Judicial Conference authorizes new magistrate judge positions based upon a demonstration of need by a requesting court. The Judicial Conference has approved three new magistrate judge positions in the following locations: San Francisco or San Jose, California (California-Northern); Tacoma, Washington (Washington-Western); and Tampa, Florida (Florida-Middle).

Providing Adequate Compensation to Court-Appointed Counsel

We request your support for a program enhancement in our budget that will ensure effective representation for criminal defendants who cannot afford to retain their own counsel. We are requesting $1.8 million in the Defender Services program to increase the non-capital (non-death penalty) panel attorney rate by $6 per hour above the cost-of-living adjustment (COLA) level, effective January 1, 2016. If the Judiciary's budget request is fully funded, the new effective non-capital hourly rate would be $134. The annualized cost of the $6 increase is $14.4 million. A panel attorney is a private attorney who serves on a panel of attorneys maintained by the district or appellate court and is assigned by the court to represent financially-

eligible defendants in federal court in accordance with the Criminal Justice Act (CJA). There are more than 10,000 panel attorneys accepting CJA appointments in federal court and most are solo or small law firm practitioners.

Panel attorneys currently are paid $127 per hour for non-capital work and $181 per hour for capital (death penalty) work. The CJA authorized the Judicial Conference to implement annual cost-of-living adjustments (COLAs) to panel attorney rates, subject to congressional funding. The COLA requested in our fiscal year 2016 budget would increase the current rate by $1 to $128 per hour. If the statutory COLAs provided to federal employees (the base employment cost index component only) had been provided to panel attorneys on a recurring, annual basis since 1986, the authorized non-capital hourly rate for fiscal year 2016 would be $144. As a result, we are also seeking a $6 "catch up" increase to $134 in fiscal year 2016 to close the gap between the current rate and the authorized hourly rate of $144.

Panel attorneys are small business owners who pay their own salary, as well as rent, staff salaries, health insurance, and other overhead expenses from the CJA hourly rate. The rate is intended to cover both overhead and a fair hourly fee. According to a 2009 nationwide survey conducted by the Judiciary, panel attorneys earned on average $246 per hour for their non-CJA cases and incurred overhead expenses of $70 per hour. The current CJA non-capital rate is not competitive with even these out-of-date figures. For comparison, the Department of Justice pays $200 per hour to retain private counsel to represent current or former federal employees in civil, congressional, or criminal proceedings. The Judiciary is in the process of completing another nationwide survey of panel attorneys and judges to assess the effect of the current hourly rate on CJA representations and will share that information with the Committee once the survey data has been compiled.

Although the Judiciary's goal is to eventually attain the full non-capital rate authorized by statute, we are cognizant of pressures on the federal budget and seek only a partial catch-up increase in fiscal year 2016. We must, however, remain mindful that ensuring the Sixth Amendment right to effective counsel depends on the quality and competence of these CJA panel attorneys, and a fair hourly rate is essential to meeting this Constitutional mandate.

Improving Security at Federal Courthouses

The Judiciary's fiscal year 2016 request for Court Security includes $4.6 million to improve security at federal courthouses nationwide. One of the U.S. Marshals Service's (USMS) primary missions is to provide security for the federal courts. Congress appropriates funding to the Judiciary and we transfer about 85 percent of that funding to the USMS for it to manage the Judicial Facility Security Program, which includes contracting for 4,200 court security officer (CSO) positions to protect federal courthouses, and procuring court security systems and equipment, such as magnetometers, to deploy at federal court facilities.

The USMS currently allocates CSOs to judicial districts based on a staffing formula that was developed in 1994. The USMS commissioned a review in September 2011 to assess CSO staffing levels to determine if they were sufficient to meet current security requirements. Based on the results of the review, the USMS recommends that 346 additional CSOs be posted at

federal courthouses during business hours. The updated standard strengthens security at court facilities by adding CSOs in security control rooms and at garage/loading docks at large court facilities. The updated standard also includes a crucial exterior "forward watch" position outside courthouse entrances to identify and address threats earlier, before they gain entry to the courthouse.

Hiring 346 additional CSOs in a single year would cost an estimated $33.8 million. Mindful of federal budget constraints, the Judiciary and the USMS propose phasing in the new staffing standard over five years, with 69 additional CSO positions being hired in fiscal year 2016 at a cost of $4.6 million, and a similar number each succeeding year, through full implementation in fiscal year 2020.

Additional program enhancements for Court Security include $780,000 to increase the class size for in-depth CSO training at the Federal Law Enforcement Training Center in Glynco, Georgia from 24 to 30 students, and extending the training from three to five days, and $1.0 million to reimburse the USMS for security-related IT support services it provides but has not previously charged to the Judiciary.

Increasing the Daily Pay for Federal Jury Service

The Judiciary's fiscal year 2016 request includes $4.0 million in the Fees of Jurors and Commissioners account to increase petit and grand juror daily attendance pay by $10, from $40 to $50. Although inflation and the cost-of-living have increased, juror pay has not changed since December 1990. If basic inflationary increases were applied each year since 1990, the current rate would be $72 per day. In order to compensate jurors more fairly for performing their civic duty, we are requesting a modest $10 increase to $50 per day. We would appreciate the Committee's support of this proposal.

CONCLUSION

Chairman Boozman and Senator Coons, I hope that my testimony today provides you with some insight into the fiscal year 2016 funding needs of the federal courts, particularly the information technology and other program initiatives that I just described. Again, I thank the Committee for holding this hearing today and I look forward to working closely with you going forward. As you make decisions on fiscal year 2016 funding for the agencies under the Committee's jurisdiction, we ask that you take into account the Judiciary's unique Constitutional role in our system of government. In return, we commit to you that we will continue to be good fiscal stewards, cutting costs where possible, spending each dollar wisely, and making smart investments to achieve long-term savings.

Thank you for your support of the federal Judiciary. I would be happy to answer any questions the Committee may have.

Appendix A

SUMMARY OF THE JUDICIARY'S FISCAL YEAR 2016 BUDGET REQUEST

The Judiciary's fiscal year 2016 budget request of $7.0 billion in discretionary appropriations reflects a 3.9 percent increase above fiscal year 2015 to support the Constitutional and statutory mission of the federal courts.

The Judiciary's fiscal year 2016 request will maintain current services across the Judiciary, continue the recovery and restoration of activities that were disrupted because of sequestration, and enable investment in important new or upgraded program initiatives needed to support judicial operations.

The Judiciary's budget request does not include funding for additional staff in clerks of court or probation and pretrial services offices, but those offices will have the ability to continue backfilling some vacancies in fiscal year 2016. The request fully funds the Judiciary's defender services program which provides court-appointed counsel to indigent defendants, and includes a $6 rate increase above inflation to the non-capital panel attorney hourly rate, from $128 to $134. The requested level also provides for a sufficient level of security at federal court facilities nationwide. Lastly, the Judiciary's request will ensure that funds are available for criminal and civil jury trials, and will allow for an increase in the daily juror attendance fee by $10, from $40 to $50, the first such increase since 1990.

Details of the Fiscal Year 2016 Budget Request

- The Judiciary's fiscal year 2016 appropriations request totals $7.5 billion. The request includes $7.0 billion in discretionary appropriations, an increase of $264.5 million (3.9 percent) over the fiscal year 2015 enacted level. The request also includes $571.1 million in mandatory appropriations, an increase of $20.7 million above fiscal year 2015.

Discretionary Appropriations

- A total of $209.0 million (79 percent) of the $264.5 million increase requested will provide for pay adjustments, inflation, and other adjustments to base necessary to maintain current services. Of this amount:

    - An increase of $132.0 million provides for inflationary pay and benefit rate increases for magistrate and claims judges and support personnel, including annualization of fiscal year 2015 pay adjustments, expected January 2016 pay adjustments (e.g. 1.0% ECI adjustment for federal workers), changes in benefits costs, a cost-of-living adjustment for panel attorneys, and a wage rate adjustment for court security officers.

    - An increase of $50.2 million is necessary to replace non-appropriated sources of funds used to support base requirements in fiscal year 2015 with direct appropriations, due to lower fee collections and carryforward balances projected for fiscal year 2016 versus fiscal year 2015.

- An increase of $15.7 million provides for increases in contract rates and other standard inflationary increases.

- An increase of $13.8 million is necessary to maintain on-going information technology requirements.

- An increase of $11.0 million is associated with additional chambers staff for newly confirmed judges and judges taking senior status.

- An increase of $9.7 million provides for space-related adjustments.

- An increase of $7.3 million funds security-related adjustments.

- A net decrease of $30.7 million is associated with fiscal year 2015 non-recurring requirements, projected changes in Defender Services caseload, and other minor adjustments.

- A total of $55.5 million (21.0 percent) of the $264.5 million increase requested will provide for program enhancements. Of this amount,

  - An increase of $26.0 million provides initial funding for a national enterprise hosting and cloud computing initiative and to upgrade the Judiciary's email and messaging system.

  - An increase of $15.0 million expands evidence-based supervision practices in the probation and pretrial services program to further reduce recidivism rates.

  - An increase of $6.3 million funds security-related enhancements, including the initial implementation of a new court security officer staffing standard recommended by the U.S. Marshals Service.

  - An increase of $4.0 million raises the daily juror attendance fee by $10 – from $40 to $50 – for grand and petit jurors, the first such increase since 1990.

  - An increase of $1.9 million funds three additional magistrate judges and staff.

  - An increase of $1.8 million provides for a $6 per hour panel attorney rate increase above inflation, from $128 to $134, for non-capital cases.

  - An increase of $0.5 million funds higher Supreme Court facility maintenance costs.

<u>Mandatory Appropriations</u>

- A $20.7 million increase is requested for Judiciary mandatory appropriations, as follows:

  - An increase of $4.1 million provides for pay adjustments for Article III and bankruptcy

judges' salaries, including annualization of the fiscal year 2015 pay adjustment, the proposed January 2016 pay adjustment (e.g. 1.0% ECI adjustment for federal workers), and changes in benefits costs.

- An increase of $4.8 million funds salary costs associated with 45 projected judge confirmations and 30 judges taking senior status in fiscal year 2016, and changes in the number of filled bankruptcy judgeships.

- An increase of $11.8 million provides for the Judiciary retirement trust funds accounts based on requirements calculated by an independent actuary.

Judiciary Appropriations

Discretionary Appropriations Account	FY 2015 Enacted	FY 2016 Request	$ Change FY 2016 vs. FY 2015	% Change FY 2016 vs. FY 2015
U.S. Supreme Court				
Salaries & Expenses	$74,967	$75,717	$750	1.0%
Care of Building and Grounds	$11,640	$9,953	($1,687)	-14.5%
Total	$86,607	$85,670	($937)	-1.1%
U.S. Court of Appeals for the Federal Circuit	$30,212	$30,841	$629	2.1%
U.S. Court of International Trade	$17,807	$18,145	$338	1.9%
Courts of Appeals, District Courts, and Other Judicial Services				
Salaries & Expenses - Direct	$4,846,818	$5,036,338	$189,520	
Vaccine Injury Trust Fund	$5,423	$6,045	$622	
Total	$4,852,241	$5,042,383	$190,142	3.9%
Defender Services	$1,016,499	$1,057,616	$41,117	4.0%
Fees of Jurors & Commissioners	$52,191	$52,411	$220	0.4%
Court Security	$513,975	$542,390	$28,415	5.5%
Subtotal	$6,434,906	$6,694,800	$259,894	4.0%
Administrative Office of the U.S. Courts	$84,399	$87,590	$3,191	3.8%
Federal Judicial Center	$26,959	$27,679	$720	2.7%
U.S. Sentencing Commission	$16,894	$17,540	$646	3.8%
Direct	**$6,692,361**	**$6,956,220**	**$263,859**	
Vaccine Injury Trust Fund	**$5,423**	**$6,045**	**$622**	
Total Discretionary Appropriations	**$6,697,784**	**$6,962,265**	**$264,481**	**3.9%**

Mandatory Appropriations:

Salaries of Judges[1]	$406,762	$415,699	$8,937
Judiciary Retirement Trust Funds	$143,600	$155,400	$11,800
Total Mandatory Appropriations	**$550,362**	**$571,099**	**$20,737**

Total Judiciary Appropriations	**$7,248,146**	**$7,533,364**	**$285,218**

[1] Mandatory salaries include the salaries of justices of the Supreme Court, judges of the Court of Appeals for the Federal Circuit and Court of International Trade, and Article III and bankruptcy judges funded in the Courts' Salaries and Expenses account. (Magistrate judges and Court of Federal Claims judges are funded by discretionary appropriations.)