

**STATEMENT OF
HONORABLE JOHN W. LUNGSTRUM, 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 HOUSE OF REPRESENTATIVES**

April 18, 2018

INTRODUCTION

Chairman Graves, Ranking Member Quigley, and members of the Subcommittee, my name is John Lungstrum, and I am Chair of the Judicial Conference Committee on the Budget. I am a senior United States district judge for the District of Kansas and have been on the federal bench since 1991. My chambers are in Kansas City and I served as chief district judge from 2001 to 2008. I have served on the Budget Committee since 2005 and chaired its Economy Subcommittee the last several years. Chief Justice John G. Roberts, Jr. appointed me chair of the Budget Committee effective February 1, 2018. I succeed Judge Julia Gibbons in this role and will endeavor to maintain the excellent relationship she fostered with this Subcommittee.

As the Chair of the Judicial Conference Committee on the Budget, I will testify on the Judiciary's appropriations requirements for fiscal year 2019. Our fiscal year 2019 request of \$7.22 billion in discretionary appropriations achieves our goal of holding down cost growth across the Judiciary where possible while seeking the resources to support the operations of the Judiciary. My testimony also will discuss final fiscal year 2018 funding outcomes; our concerns about the Administration's proposed cuts to non-defense discretionary spending; cybersecurity; and our cost-containment efforts, including a detailed discussion of our success in lowering Judiciary space rental costs. Appearing with me today is James C. Duff, Director of the Administrative Office of the United States Courts.

STATEMENTS FOR THE HEARING 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 2018 FUNDING FOR THE JUDICIARY

On behalf of the entire Judiciary, I thank the Subcommittee for the funding levels and provisions included in the recently enacted Consolidated Appropriations Act of 2018. Final funding levels for Judiciary accounts are sufficient for us to fulfill our constitutional mission. We appreciate the \$10 increase, from \$40 to \$50, in the daily payment to citizens performing federal jury service, the first such increase since 1990. We believe the increase will lead to fewer jurors seeking to be excused from jury service and will result in more representative juries. We are also grateful for the \$6 above inflation increase to the hourly rate for court-appointed

private lawyers, known as panel attorneys, for work performed in non-capital cases. Surveys show that it has been getting more difficult to retain qualified and experienced panel attorneys in district courts at the prior rates. The short-term extensions for 10 temporary district judgeships will ensure that the authorizations of these critical judicial resources, in some of the busiest district courts in the country, do not lapse. Lastly, we thank the subcommittee for the funding included under the General Services Administration for the construction of the Judiciary's top three courthouse priorities: Harrisburg, Pennsylvania; Huntsville, Alabama; and Fort Lauderdale, Florida.

In the absence of fiscal year 2018 full year appropriations at the time our fiscal year 2019 budget request was constructed, we made certain assumptions on fiscal year 2018 funding levels for each Judiciary account. These assumptions were based on the fiscal year 2018 House and Senate FSGG Appropriations Subcommittee marks, as well as our updated requirements. With fiscal year 2018 full year appropriations enacted, we will re-estimate our fiscal year 2019 budget request later this spring and advise the Subcommittee of any changes from the fiscal year 2019 request level.

PROPOSED CUTS AND LAW ENFORCEMENT PRIORITIES IN THE ADMINISTRATION'S FISCAL YEAR 2019 BUDGET REQUEST

Each year in her appearance before this Subcommittee, Judge Gibbons would ask that, as you consider funding levels for the upcoming fiscal year, you take into account the nature and importance of the work of the federal courts, and I carry that message again this year. The President's 2019 Budget is particularly concerning, because it includes a proposed \$65 billion cut to non-defense discretionary spending to fund an identical increase in defense spending. As part of the reductions, we understand from the Office of Management and Budget (OMB) that the President's Budget includes a \$300 million "negative allowance" to the Judiciary's 2019 budget request. (Last year in the President's 2018 Budget, the Administration proposed a \$460 million negative allowance for the Judiciary.) OMB is required by statute to transmit the Judiciary's budget request to Congress without change. As an independent and co-equal branch of government we strongly object to the Administration's attempts to cut our request in this manner. We have communicated this objection previously to OMB and will do so again this year.

A \$300 million cut to our fiscal year 2019 request would come at a time in which the Administration intends to increase border security and law enforcement activities, which will increase our workload. Enacted fiscal year 2018 funding and the Administration's fiscal year 2019 budget request provide additional resources for Department of Justice (DOJ) law enforcement components to increase prosecutions for violent crimes, drugs, and immigration offenses. This includes additional prosecutors for enhanced border enforcement initiatives and additional immigration judges. The Department of Homeland Security would also receive funding for new border patrol agents and new Immigration and Customs Enforcement personnel. Absent additional information regarding the timing and implementation for these initiatives, we are unable at this time to ascertain the specific impact these proposals will have on our resource needs. We do know that increased criminal prosecutions always increase the workload of the district courts and impact Judiciary resource needs in many ways (e.g., additional judgeships, additional clerks of court staff and probation and pretrial services officers, increased need for

court-appointed counsel). DOJ's plans to clear the backlog of cases pending in its immigration courts will also impact our workload since appeals from DOJ's Board of Immigration Appeals go to the various courts of appeal.

We are hopeful that enactment of the Bipartisan Budget Act of 2018, which increases the statutory spending caps for fiscal years 2018 and 2019, will provide for a more favorable appropriations environment for Congress in preparing fiscal year 2019 appropriations bills.

STRENGTHENING THE JUDICIARY'S CYBERSECURITY PROGRAM

Cybersecurity continues to be a top priority and the Judiciary's fiscal year 2019 budget request includes a total of \$95 million for cybersecurity activities in our largest accounts.

Following the 2015 cyberattacks on the Office of Personnel Management in which the personal data and background investigation records for millions of current and former federal workers, contractors, and their families were compromised, the Judiciary took immediate steps to reassess its own cybersecurity countermeasures and identified several areas requiring attention. Our information technology (IT) personnel routinely counter a wide range of threats posed by hackers, computer viruses, and other malicious acts. Inevitably, Judiciary systems have and will continue to be targeted, like numerous government and commercial entities worldwide.

The Judiciary's cybersecurity program incorporates multiple layers of security defenses placed throughout its IT networks. The Judiciary employs perimeter defenses, such as firewalls, host and network-based intrusion detection and prevention systems, internet proxies for web-based threat protection, and a Judiciary Automated Systems Incident Response Capability managed at the national level. Security devices are monitored 24 hours a day, seven days a week, with event logs aggregated and reviewed for evidence of malicious activity. A weekly security newsletter is distributed Judiciary-wide to promote cybersecurity best practices, such as awareness of newly available patches and emerging threats. In addition, independent third parties perform periodic vulnerability assessments of Judiciary networks and all new public-facing IT assets prior to deployment. We continually evaluate our cybersecurity capabilities and look for new and innovative technologies to improve our cybersecurity posture.

Since 2016, the Judiciary has initiated significant upgrades and expansions to its cybersecurity operations, including outfitting court units and federal defender organizations with state-of-the-art firewalls, implementing log management to track and analyze network traffic and remediate threats, and creating a national directory to ensure uniformity in user credentials and streamline user authentication.

I assure the Subcommittee that the Judiciary is pursuing an aggressive cybersecurity program to safeguard sensitive case-related information, as well as the personal information of Judiciary personnel and their families.

COST CONTAINMENT

The Judiciary is fully committed to good stewardship. Since 2005, we have been focused on containing costs in the Judiciary and we are justifiably proud of our success. Since the

beginning of our formal cost containment program, we 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.

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. Over 90 percent of all courts report having formal or informal/temporary sharing arrangements of some kind. The decision to implement a shared administrative services model is up to each circuit or district, and we are exploring ways to increase shared administrative services, including encouraging 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 2019. 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.

ACHIEVING RENT SAVINGS THROUGH SPACE REDUCTION AND CHANGES IN GSA PRICING POLICIES

One of the highlights of our cost containment efforts is the significant savings we have achieved in our space rental costs through space reduction efforts and by working with the General Services Administration (GSA) to validate and revise, when warranted, its space pricing policies.

Space Reduction

With strong controls in place to limit the growth in our space rental costs, including revamping our courthouse planning process and instituting new procedures to identify billing errors, our focus in recent years has been reducing the Judiciary's space footprint. In September 2013, the Judicial Conference approved several new policies to facilitate space reduction, one of which established a national 3 percent space reduction goal by the end of fiscal year 2018, subject to certain exclusions, such as new courthouse construction, renovation, or alterations projects approved by Congress. A 3 percent reduction equates to a total of 870,305 square feet of the fiscal year 2013 baseline level of 29 million square feet.

I am pleased to report to the Subcommittee significant progress – and savings – associated with our space reduction efforts. The Judiciary has recently surpassed its national space reduction goal set in 2013. As of October 2017, approximately 803,758 square feet of space has been removed from the Judiciary's space footprint as a result of the space reduction efforts. This reduction equates to a net annual rent savings of nearly \$25 million, which is reflected in our fiscal year 2019 budget request. In addition, 76,600 square feet that was originally calculated in the national space reduction baseline was released back to GSA through the Service Validation Initiative and recently applied to the space reduction goal. Considering these reductions together, the Judiciary has reduced approximately 880,000 square feet and we achieved our national space reduction goal ahead of the deadline. Of course, these rent savings

will grow as we exceed our 3 percent goal even further.

Service Validation Initiative

We also have achieved significant rent savings through a joint initiative with GSA called the Service Validation Initiative, or SVI. SVI is a collaborative effort between the Administrative Office, the courts, and GSA that focuses on evaluating and achieving improvements in the services the Judiciary receives from GSA. Significant progress has been made in the five topical areas of concern to the Judiciary: (1) appraisal methodology/return on investment pricing validation; (2) overtime utility estimating and energy savings policy; (3) space assignment, classification, and rent validation; (4) project management, scope of work development, cost estimating, and Reimbursable Work Authorization processing; and (5) broad-based building management concerns.

The most significant SVI cost impact to date is associated with a new memorandum of agreement (MOU) between the Judiciary and GSA that changed the rent pricing policies for 52 court facilities from a “return on investment” (ROI) methodology, to the more typical market-based appraisal methodology. The projected rent savings from this change in fiscal year 2019 are approximately \$33 million. In addition, under ROI pricing, vacant space in court facilities was not released from the Judiciary’s rent bill until GSA was able to find a suitable backfill tenant. This arrangement resulted in substantial rent payments for space that the courts did not need or use. The same MOU eliminated the requirement for the Judiciary to pay rent on vacant space. As a result, the Judiciary transferred approximately 90,000 square feet of vacant space in ROI-priced buildings back to GSA (76,600 square feet which counted toward our space reduction goal) for further savings of \$3.8 million annually.

Through SVI, significant rent savings also have been achieved through GSA’s revised pricing policy on “tenant floor cuts.” When a single space cuts through multiple floors of a building, GSA assigns tenant floor cut pricing. This space is commonly found in courtrooms, auditoriums, stairwells, and elevators. Through SVI, GSA and the Judiciary agreed to a new policy in which the second story of a courtroom (or similar tenant floor cut space) is now billed at 50 percent of the standard rental rate instead of 100 percent. A reduction of approximately \$18 million associated with the new pricing policy took effect in fiscal year 2017. I emphasize that although these changes were negotiated by the Judiciary through the SVI partnership with GSA, the new pricing policy on tenant floor cuts applies to GSA’s portfolio government-wide, thus generating savings for other federal agencies.

In summary, space reduction and revised GSA rent-charging policies on tenant floor cuts and building appraisals generate total Judiciary rent savings of nearly \$80 million annually.

JUDICIARY’S FISCAL YEAR 2019 BUDGET REQUEST

The Judiciary’s fiscal year 2019 budget request of \$7.22 billion in discretionary appropriations reflects an overall 3.2 percent increase above the fiscal year 2018 assumed level to support the constitutional and statutory mission of the Judiciary. As I discussed at the outset of my testimony, we will re-estimate our fiscal year 2019 budget request based on final enacted fiscal year 2018 appropriations and will advise the Subcommittee of any changes from the

current request level. Although this re-estimate may result in revised dollar amounts for portions of our request, the general priorities and areas of focus detailed below will not change.

The Judiciary's requested increase of \$223 million includes: (1) \$168 million for adjustments to base for standard pay and non-pay changes to maintain current services, and (2) \$55 million for program enhancements. I will first summarize the fiscal year 2019 requests for our four major accounts and discuss base adjustments needed to maintain current services, followed by a detailed discussion of our program enhancements. I note that, consistent with the President's 2019 budget proposal for executive branch employees, the Judiciary's budget request does not include a January 2019 Employment Cost Index (ECI) or locality pay adjustment for Judiciary personnel. A summary table of our fiscal year 2019 request is provided in Appendix A.

The Judiciary's largest account, courts' Salaries and Expenses, funds the bulk of federal court operations nationwide, including 28,000 Judiciary personnel in the regional courts of appeals, district courts, bankruptcy courts, and probation and pretrial services offices. For this account, we are requesting a 2.2 percent increase in fiscal year 2019 to \$5.14 billion in discretionary appropriations. The request includes a \$90 million net increase for adjustments to base, of which \$79 million is for pay and benefits adjustments (no 2019 ECI/locality adjustment) and adjustments for goods, services, and contracts; \$50 million is to request appropriated funds to replace the projected decline in fees and carryforward balances available to finance fiscal year 2019 requirements; \$8 million is for 54 additional chambers staff associated with projected increases in filled Article III judgeships and judges taking senior status; a \$37 million base reduction is to better align court allotments with actual spending; a reduction of \$5 million is associated with savings and non-recurring costs in our IT program; and a \$5 million reduction is for non-recurring costs in our probation program associated with implementation of evidence-based practices programs.

The Defender Services program, which provides constitutionally guaranteed court-appointed criminal defense representation under the Criminal Justice Act to financially eligible defendants, requires a 5.9 percent increase to \$1.14 billion in fiscal year 2019 to handle an estimated 193,500 representations. The request includes \$59 million in adjustments to base, of which \$14 million is for standard pay and benefits adjustments (no 2019 ECI/locality adjustment); \$8 million is for an estimated 2,500 additional projected Criminal Justice Act panel attorney representations; \$4 million is for adjustments for goods, services, contracts, and space adjustments; and \$33 million is to replace the non-recurring carryforward balance with appropriated funds.

The Court Security account funds protective guard services and security systems and equipment at federal courthouses and requires a 5.7 percent increase to \$602 million for fiscal year 2019. Adjustments to base total \$18 million, including a \$2 million net increase for standard pay and benefits adjustments (no 2019 ECI/locality adjustment) and adjustments for goods, services, and contracts; \$7 million for a required wage rate increase for contract court security officers, estimated at 3 percent; \$2 million for increased Federal Protective Service charges; and \$8 million for security systems and equipment adjustments.

The Fees of Jurors and Commissioners account funds statutory fees and allowances for grand and petit jurors, as well as land commissioners, who are 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 request totals \$51 million in fiscal year 2019, an 11.8 percent increase above the fiscal year 2018 assumed level. The requested increase includes \$0.3 million in adjustments to base for inflationary adjustments and projected changes in grand and petit jurors requirements.

PROGRAM ENHANCEMENTS TO IMPROVE JUDICIARY OPERATIONS

Ensuring Sufficient Security at Federal Courthouses

We request \$7.5 million for two security-related enhancements in our Court Security account. First, the Judiciary requests an increase of \$5.5 million as the first installment of a new funding strategy for the physical access control systems (PACS) program. PACS control building access and are designed to ensure that unauthorized or dangerous people do not gain entry to court facilities, and only judges, authorized federal employees, and contractors can access secure interior court space. Many of the PACS systems nationwide are fragile and failing, or are in danger of failing, due to aging equipment and outdated software no longer supported by the vendor.

Current spending on PACS systems – \$22 million is planned for fiscal year 2018 – is insufficient to keep pace with failure rates. The Judiciary worked with the U.S. Marshals Service (USMS) to develop a comprehensive, multi-year, budget strategy that prioritizes facilities based on risk of a PACS systems failure. Specifically, Judiciary budget requests will seek approximately \$5 million annual increases in fiscal years 2019 through fiscal year 2022, to increase PACS funding from \$22 million in fiscal year 2018 to \$42 million in fiscal year 2022. PACS funding would then be maintained at the \$42 million level to fund PACS upgrades and begin to refresh PACS on a 10-year cycle, starting in fiscal year 2024.

Second, the Judiciary requests \$2 million for continued phased implementation of revised USMS staffing standards for court security officers (CSOs) at federal court facilities. The updated standards, adopted in 2015, strengthen security at court facilities by adding CSOs in security control rooms and at garage/loading docks at large court facilities and include a crucial exterior “forward watch” position outside courthouse entrances to identify and address threats before they gain entry to the courthouse. The revised standards call for an additional 346 CSOs. Thus far, 138 new positions have been added in fiscal years 2016 and 2017, and the Judiciary’s fiscal year 2019 request seeks funding for 35 additional CSO positions. With this request, the phased implementation of the new staffing standards will be 50 percent complete (173 CSOs would be added of the 346 additional CSOs required).

Critically Needed IT Improvements in the Probation and Pretrial Services Program

In recent years, the information technology applications maintained by the Administrative Office in support of the probation and pretrial services program have had significant problems with reliability and performance. There are more than 30 applications that work together with the Probation and Pretrial Services Automated Case Tracking System

(PACTS) to enable probation and pretrial services officers to maintain key information on offenders released from prison and under supervision and defendants on pretrial release. These applications, along with PACTS, have experienced recurring outages and slowdowns, which impede the ability of officers and staff to access crucial case file information. The lack of immediate access to data on offenders and defendants jeopardizes officer safety, increases risk to public safety, causes delays in providing services to courts and other agencies, and interferes with measuring outcomes and monitoring information required to assess budget and staffing needs.

The Administrative Office has developed a two-step plan to ensure the reliability and performance of PACTS and related applications. The first step is to stabilize PACTS while a replacement system is developed and deployed. The stabilization phase, which began in 2017, has yielded positive results by reducing the number of outages and the system recovery time when outages occur. The second step is to develop a replacement system for PACTS with commercial off-the-shelf products. Completion of the replacement is expected to be a multi-year project with an estimated cost of \$24.5 million, \$11.1 million of which was funded in the fiscal year 2017 financial plan, and the remaining \$13.4 million is included in the fiscal year 2019 request.

Additional Positions in the Defender Services Program

For several decades, the Judiciary has employed a work measurement process to develop statistically sound staffing formulas to estimate the number of employees required to accomplish the program mission. In September 2015, the Judicial Conference approved the first formulas for calculating staffing requirements in federal defender organizations (FDOs) beginning in fiscal year 2016. The approved staffing formulas indicated that some FDOs are significantly understaffed relative to the workload they are required to address. To mitigate this situation, and recognizing that the new positions could not be filled in a single year, the Judiciary is executing a multi-year hiring strategy, started in 2016, to incrementally increase staffing levels to reach full formula requirements. Funding was requested in fiscal years 2016 and 2017 to begin increasing FDO staffing. The fiscal year 2019 request includes a program increase of \$6.8 million (56 positions in federal public defender offices and 14 positions in grant-funded community defender organizations) to implement the FDO staffing formulas at 98 percent of formula requirements. This program increase is partially offset by a \$3.5 million downward adjustment to Criminal Justice Act panel attorney requirements to reflect capital workload that is expected to shift from panel attorneys to FDOs.

The request also includes \$186,000 for three additional positions at the Administrative Office funded by the Defender Services appropriation to support training programs for federal defender staff and panel attorneys to improve client representation.

Providing Adequate Compensation to Court-Appointed Counsel

We request the Subcommittee's continued support for a program enhancement that will ensure effective representation for criminal defendants who cannot afford to retain their own counsel. Our fiscal year 2019 congressional budget request includes \$1.9 million for a \$6 increase to the non-capital panel attorney rate (i.e. non-death penalty), which, based on our fiscal

year 2018 appropriations assumptions, we estimated would increase the rate from \$134 to \$140. Because the fiscal year 2018 omnibus appropriations bill provided a \$6 above inflation increase, the \$6 increase requested in fiscal year 2019 will instead raise the rate from \$140 to \$146. When we re-estimate our fiscal year 2019 funding request later this spring to reflect actual fiscal year 2018 outcomes, we will make the necessary adjustment to the panel attorney non-capital rate.

The Criminal Justice Act (CJA) authorized the Judicial Conference to implement annual inflationary adjustments to panel attorney rates, subject to congressional funding. If the statutory pay adjustments provided to federal employees (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 2019 would be \$147, \$7 above the \$140 rate provided in the fiscal year 2018 omnibus appropriations bill.

The hourly rate is intended to cover both overhead and a fair hourly fee. There are more than 10,000 private panel attorneys accepting CJA appointments in federal court and most are small business owners working solo or in small law firms. According to a 2015 nationwide survey conducted by the Judiciary, panel attorneys billed, on average, \$281 per hour for privately retained criminal cases and incurred overhead costs of \$85 per hour. With a current hourly rate of \$140, after reducing the hourly rate for the costs of overhead expenses, highly-qualified and dedicated CJA counsel net only \$55 of compensation per hour before taxes. By comparison, the Department of Justice pays \$300 per hour to retain private counsel to represent current or former federal employees in civil, congressional, or criminal proceedings.

The Judiciary's goal is to attain the full non-capital rate authorized by statute – \$147 for fiscal year 2019 – and a \$6 per hour increase in fiscal year 2019 would put us within \$1 of that goal. 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.

Infrastructure Costs for New Courthouse Construction Projects

In fiscal year 2016, Congress provided GSA with an unprecedented \$948 million for the construction of eight new courthouses (and partial funding for a ninth), as well as \$53 million for federal buildings that jointly house U.S. courthouses and other federal agencies in Greenville, Mississippi (new construction), and Rutland, Vermont (acquisition from U.S. Postal Service).

In a new courthouse project, GSA is responsible for shell buildout, and the Judiciary is responsible for certain infrastructure costs, such as furniture, information technology cabling/wiring, security, and other space-related infrastructure. These infrastructure costs must be funded in accordance with project construction schedules or the courthouses will not be fully operational by their expected occupancy dates. In addition to infrastructure costs, the Judiciary must pay for office moves and swing space costs.

Current estimates for Judiciary infrastructure and related costs for the new courthouse projects total between \$90 million and \$100 million through fiscal year 2024. The Judiciary's fiscal year 2019 request includes \$5.6 million in the courts' Salaries and Expenses account for telecommunications costs and swing space for the new courthouse projects in Des Moines, Iowa;

Anniston, Alabama; San Antonio, Texas; Toledo, Ohio; Charlotte, North Carolina; and Savannah, Georgia; and \$6.9 million in the Court Security account for new security systems and screening equipment for courthouse projects in Toledo, Ohio; Anniston, Alabama; San Antonio, Texas; and Greenville, Mississippi.

New Magistrate Judges to Meet Workload Demands

Our request also includes a program increase of \$4 million in the courts' Salaries and Expenses account for four full-time magistrate judges: three new full-time magistrate judges (and associated staff and operating costs) to address workload needs in San Juan, Puerto Rico; McAllen, Texas; and Atlanta, Georgia; and the conversion from part-time to full-time of a magistrate judge in Rapid City, South Dakota.

Daily Pay for Federal Jury Service

The Judiciary's fiscal year 2019 budget request includes a \$10 increase to \$50 per day for juror compensation based on the assumption that the \$40 rate would remain in effect for fiscal year 2018. As I mentioned at the outset of my testimony, we were very pleased and grateful to find that the fiscal year 2018 omnibus appropriations bill included the funding and legislative language necessary to increase the daily juror payment to \$50 per day, effective May 7, 2018. When we re-estimate our fiscal year 2019 request later this spring, we will make the necessary adjustments to reflect the fact that this increase has already been funded.

CONCLUSION

Chairman Graves and Ranking Member Quigley, thank you for the opportunity to appear before you today and I look forward to working closely with the Subcommittee in my new role as Budget Committee chair. I hope that my testimony provides you with some insight into the fiscal year 2019 funding priorities of the federal courts. As you make decisions on fiscal year 2019 funding for the agencies under the Subcommittee's jurisdiction, we ask that you consider 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 continued support of the federal Judiciary. I would be happy to answer any questions the Subcommittee may have.

**Judiciary Appropriations
(\$000)**

Discretionary Appropriations Account	FY 2018 Assumed Appropriation	FY 2019 Request	\$ Change FY 2019 vs. FY 2018 Assumed	% Change FY 2019 vs. FY 2018 Assumed
U.S. Supreme Court				
Salaries & Expenses	\$80,669	\$84,359	\$3,690	4.6%
Care of Building and Grounds	\$15,328	\$15,999	\$671	4.4%
Total	\$95,997	\$100,358	\$4,361	4.5%
U.S. Court of Appeals for the Federal Circuit	\$30,350	\$31,274	\$924	3.0%
U.S. Court of International Trade	\$18,509	\$19,070	\$561	3.0%
Courts of Appeals, District Courts, and Other Judicial Services				
Salaries & Expenses - Direct	\$5,019,749	\$5,132,543	\$112,794	
Vaccine Injury Trust Fund	\$8,221	\$8,475	\$254	
Total	\$5,027,970	\$5,141,018	\$113,048	2.2%
Defender Services	\$1,077,511	\$1,141,489	\$63,978	5.9%
Fees of Jurors & Commissioners	\$45,829	\$51,233	\$5,404	11.8%
Court Security	\$569,990	\$602,309	\$32,319	5.7%
Subtotal	\$6,721,300	\$6,936,049	\$214,749	3.2%
Administrative Office of the U.S. Courts	\$87,920	\$89,867	\$1,947	2.2%
Federal Judicial Center	\$28,522	\$29,064	\$542	1.9%
U.S. Sentencing Commission	\$18,219	\$18,548	\$329	1.8%
Direct	\$6,992,596	\$7,215,755	\$223,159	
Vaccine Injury Trust Fund	\$8,221	\$8,475	\$254	
Total Discretionary Appropriations	\$7,000,817	\$7,224,230	\$223,413	3.2%

Mandatory Appropriations:

Salaries of Judges ¹	\$421,613	\$427,049	\$5,436	
Judicial Retirement Funds	\$195,000	\$211,700	\$16,700	
Total Mandatory Appropriations	\$616,613	\$638,749	\$22,136	3.6%

Total Judiciary Appropriations	\$7,617,430	\$7,862,979	\$245,549	3.2%
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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.)