

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

# Annual Report of the Director



**Leonidas Ralph Mecham, Director**

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Activities of the  
Administrative Office  
of the U.S. Courts

Leonidas Ralph Mecham, Director

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## Director's Message

Three concerns topped the Administrative Office's agenda in 2004. They were: securing adequate resources for the courts to conduct business, coordinating judicial branch cost-containment efforts, and providing essential support services to the Judicial Conference and the courts. It is difficult to assign a higher priority to any one of these endeavors, since all are inextricably linked. The following is a brief summary of AO activities in these areas.

At the request of the AO, judges dedicated their time, energy, and enthusiasm to meet with, call, and write their local members of Congress and drive home the anticipated impact of inadequate funding on court operations. They were well prepared, armed with data and talking points provided by the Administrative Office. Some AO staff worked closely with bar associations and the news media to educate them about court funding needs. Others were involved in developing staffing and funding scenarios based on anticipated lower appropriation levels, so courts could operate with as little disruption as possible. Court advisory groups provided important input from the courts. In the end, we achieved more than originally anticipated. The hard freeze that once seemed likely was replaced by a small funding increase of 4.3 percent, which, although insufficient to cover court workload growth and built-in cost increases, was greater than the increases received by most executive branch agencies. The efforts of judges and AO and court staff clearly paid off: Congress appeared to recognize the importance of adequately funding the Third Branch of government.

Nevertheless, the budgetary climate is likely to be austere for several years and the cumulative impact of lower-than-needed funding on Judiciary programs over the past three years is significant. The courts were forced to slash six percent of their workforce in fiscal year 2004. The Administrative Office held 10 percent of all its jobs vacant. Like the courts, the AO



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has been controlling its own costs for several years and will continue to do so. In fact, over the past decade AO staffing has remained essentially unchanged while court staff levels have grown by 18 percent. In 2004, the AO cut out all non-essential travel and training, and implemented other cost-saving reductions. Even so, it is clear that the Judiciary's workload keeps increasing while available resources continue to decline. As the Judicial Conference has concluded, the Third Branch needs to better understand and rethink how it conducts business. The Administrative Office is a fully engaged partner in this mission.

This past year, with the approval of the Chief Justice and under the leadership of the Executive Committee of the Judicial Conference chaired by Chief Judge Carolyn King (5<sup>th</sup> Circuit), the Judiciary launched an unprecedented system-wide cost-containment effort. As with our campaign to obtain funding, judges and court staff throughout the country stepped forward to propose cost-saving innovations and efficiencies. Conference committees are actively involved in this effort. Dozens of short- and long-term cost-saving measures have been reviewed and analyzed and this process continues. I am pleased that in its fiscal year 2005 funding bill Congress specifically recognized the leadership of the Administrative Office for cost-containment efforts.

In September 2004, the Judicial Conference unanimously approved a sweeping cost-containment plan proposed by the Security and Facilities Committee, which includes a two-year moratorium on courthouse construction. During this time, the Judiciary will conduct a comprehensive review of its space and facilities program. We need to address the growth in the rent the Judiciary pays the General Services Administration—currently 22 cents out of every dollar Congress appropriates for running the courts. This figure rises at least 6 percent each year, a rate of growth significantly greater than our annual

appropriations increase. Late this fall, meetings were held with both GSA and the Office of Management and Budget top leaders, seeking to reduce the Judiciary's rent, and this will remain a very high priority in the coming year. Perhaps the greatest challenge is how to control growth in courthouses and personnel at a time when caseloads and security demands are projected to increase.

While some initiatives are prompted by concerns over costs, others simply represent good government practice. Increased workforce efficiency, more effective use of technology, review of compensation practices, and other avenues will be fully explored. The quality of justice cannot be sacrificed, yet a premium needs to be placed on new ways of doing court business that are less costly.

At the direction of the Judicial Conference, the Administrative Office continued to pursue an active legislative agenda. While we made some progress, judgeship legislation was not enacted during this Congress, largely because the House majority leadership has said that no new positions will be created until the Ninth Circuit is split. New judges at all levels, and in particular in the courts of appeals and bankruptcy courts, are essential to the effective operations of these courts.

For the sixth consecutive year, Congress approved a cost-of-living adjustment, which provided judges and members of Congress with a 2.5 percent increase in compensation. The Administrative Office stands ready to go to work on improving judicial pay in the coming year, should the Judicial Conference decide to do so in this challenging economic and fiscal climate. The enactment of multiple federal courts improvement bills will be a high priority in 2005. Rather than just a single bill as in the past, the bills would contain several provisions that would assist with court operations and would also give the Director the authority to establish a supplemental medical benefits program.

The Administrative Office and the courts have joined together to help more than 130 bankruptcy and district courts move to the Case Management/Electronic Case Files (CM/ECF) system, and we are on track to move the courts of appeals to CM/ECF. The ability to file documents over the Internet has be-

come extremely popular with the courts and the bar, and over 16 million cases now are stored on the CM/ECF system.

This year we finished implementation of a new human resources information management system, which means that for the first time, the entire Judiciary will use the same personnel and payroll system, and eventually will eliminate all paper transactions. The Financial Accounting System for Tomorrow, known as FAS<sub>4</sub>T, is now operating in every circuit and district court. It interfaces with a number of systems that already provide financial data and will improve court financial management practices. All district courts also are using the Probation and Pretrial Services Automated System. This case-management and case-tracking tool also has been linked with personal digital assistants so that probation officers can access critical case information when they are in the field.

We continue to explore new models for conducting court business more efficiently and at the lowest possible cost, with particular emphasis on information technology services that can help the Judiciary realize economies of scale. An important study of alternatives for providing administrative court services also is in progress.

Significant progress has been achieved in emergency preparedness, and the majority of federal courts now have worked with the Administrative Office to develop a continuity of operations plan. The AO's off-site Court Operations Support Center will become fully operational in the coming year, assuring that key administrative, technical, payroll, and financial services will continue uninterrupted in the event of any manmade or natural disaster.

This year marked the 65<sup>th</sup> anniversary of the creation of the Administrative Office. In past annual messages I have pledged that the AO stands ready to deal with unexpected issues sure to arise in the coming year. While I renew this vow for 2005, it is two familiar challenges that are likely to consume the most energy: securing adequate congressional funding and continuing the cost-containment campaign. These two goals stand side by side. The AO is focused and dedicated to their pursuit. ■