

**The 2017-18 Budget Request of
Pennsylvania's Unified Judicial System**

Mr. Chairman and committee members, on behalf of Chief Justice Tom Saylor and our colleagues on the Supreme Court, we are pleased to appear before you. On a daily basis Pennsylvania's courts administer justice "without sale, denial, or delay" as the Constitution prescribes. As always, we appreciate the opportunity to discuss the judiciary's budget proposal which tangibly supports those principles.

As leaders of the Judicial Branch, the Supreme Court is ultimately responsible for the sound and ethical administration of the Unified Judicial System. In that role, we are mindful of the need to be cost-conscious, just as we recognize the legislature's heavy responsibility to sustain core functions of state government.

The judiciary's budget represents six-tenths of one percent (.6%) of the overall state budget, a percentage similar to that of the General Assembly. Much like the legislature, our budget is primarily "personnel driven." More than 90% of the cost drivers affecting our requested increase are effectively beyond our control. Fifty-three percent of the increase is attributable to higher pension contributions, health care costs, statutory cost-of-living increases, and costs of filling judicial vacancies.

Another 39% of this year's proposed increase reflects the suggested restoration of full funding of county court reimbursement grants. These funds pass through the state judicial budget to county coffers. Their historical intent has been to help counties defray their cost of supporting courts, given the joint state/county system of funding courts in Pennsylvania.

Absent the factors noted above, the judiciary's requested spending increase for FY 2017-18 is less than 1%.

As veteran committee members know, Pennsylvania's courts collect more in fines, fees, costs and restitution annually than is spent in the state judicial appropriation; this year \$462 million was collected; \$380 million is our state *general funds* request. In ten years the court system has collected nearly \$4.6 billion, most of which does not flow to the courts but is deposited in state and local government general funds.

Over the past nine years, the judiciary has saved more than \$75 million through various austerity actions. For example, the nine year period saw a reduction of 29 magisterial district judge offices and resulting savings, a tribute to the work of president judges and MDJs alike. Similar savings become more difficult to achieve, but the Court is committed to efficient utilization of the entire judicial complement.

Other efforts at achieving savings include review of contract and lease costs, changing insurance program requirements and coverage, and balancing staff

compensation with available revenues and market factors. The aggregate of those savings is illustrated in charts in the brochure we have provided this morning.

Over the past decade or more, the work of courts has evolved beyond the judges' bench to include "programs" that collaboratively engage participants in the justice system at modest cost and significant benefit. *Problem-solving courts*, in which the fundamental goal is to reduce incarceration and recidivism with resulting cost savings, are examples. Pennsylvania data suggests that these courts reduce recidivism from 60 percent to 30 percent; national data indicates that overall \$3.36 is saved for every dollar spent on problem solving courts.

Last year the judicial budget received significant financial support for problem-solving courts from the General Assembly. We can report that this funding is providing seed money to start 10 new problem-solving courts and a pilot program establishing a regional drug court to cover three additional counties. We hope to extend those efforts in the next fiscal year.

The judiciary's federally-funded *Office of Children and Families in the Courts* (OCFC), another program initiated by the Supreme Court, continues to have dramatic impacts on children's lives while contributing savings to the state. OCFC works with judicial leaders and child advocates to place neglected and abused children in permanent homes rather than in temporary foster care. This improves a child's opportunities to succeed and significantly reduces the cost of institutional care, a savings of hundreds of millions of dollars in the past decade.

Both programs demonstrate the judicial branch's commitment to collaborate with other parts of state and local government.

Earlier, it was noted that the Supreme Court's role is to try to ensure the ethical administration of justice. To that end, under the Chief Justice's leadership the Court has this year instituted mandatory continuing legal education for every jurist. Of jurists' 12 annual mandatory education credits, 3 are in ethics. To support this mandate, relatively modest, additional funding is sought this year.

Finally, we should point out that about 11% of the state judiciary budget is funded by fee revenue and the statute which authorizes those fees sunsets December 31, 2017. Although fee funding must be balanced so as not to hinder access to justice, we believe reenactment of Act 49-2009 is prudent.

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At all times, our goal is to sustain the public's trust by delivering fair, timely and accessible justice. One important way to sustain that trust in the context of today's hearing is for us to be wise fiduciaries of tax-payer dollars and we strive to be that as well. Thank you for your courtesy today; we look forward to your questions.

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