

Section 1

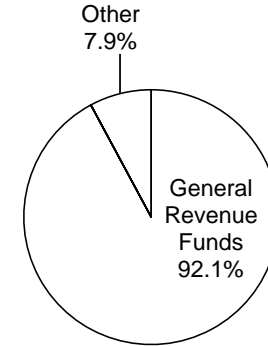
**The 14 Court of Appeals Districts
Summary of Recommendations - House**

Pages IV-7 through IV-22
The Honorable Sherry Radack
Chair, Council of Chief Justices

George Dziuk, LBB Analyst

Method of Financing	2014-15 Base	2016-17 Recommended	Biennial Change	% Change
General Revenue Funds	\$70,128,406	\$70,166,048	\$37,642	0.1%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
<i>Total GR-Related Funds</i>	<i>\$70,128,406</i>	<i>\$70,166,048</i>	<i>\$37,642</i>	<i>0.1%</i>
Federal Funds	\$0	\$0	\$0	0.0%
Other	\$6,031,359	\$5,981,882	(\$49,477)	(0.8%)
All Funds	\$76,159,765	\$76,147,930	(\$11,835)	(0.0%)

RECOMMENDED FUNDING
BY METHOD OF FINANCING



FTEs	FY 2015 Budgeted	FY 2017 Recommended	Biennial Change	% Change
FTEs	408.9	413.7	4.8	1.2%

The bill pattern for these courts (2016-17 Recommended) represent an estimated percentage of the courts' estimated total available funds, detailed

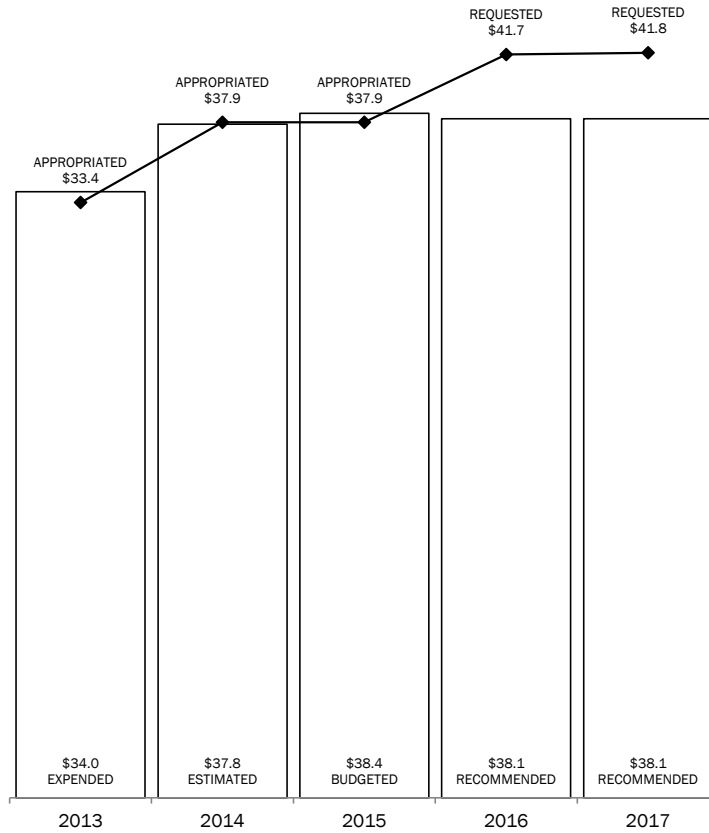
First Court of Appeals District, Houston	91.6%	Eighth Court of Appeals District, El Paso	93.6%
Second Court of Appeals District, Fort Worth	97.2%	Ninth Court of Appeals District, Beaumont	94.5%
Third Court of Appeals District, Austin	91.5%	Tenth Court of Appeals District, Waco	97.9%
Fourth Court of Appeals District, San Antonio	91.5%	Eleventh Court of Appeals District, Eastland	95.3%
Fifth Court of Appeals District, Dallas	95.0%	Twelfth Court of Appeals District, Tyler	94.6%
Sixth Court of Appeals District, Texarkana	94.8%	Thirteenth Court of Appeals District, Corpus Christi-Edinburg	98.2%
Seventh Court of Appeals District, Amarillo	94.4%	Fourteenth Court of Appeals District, Houston	91.9%

Section 1
The 14 Court of Appeals Districts

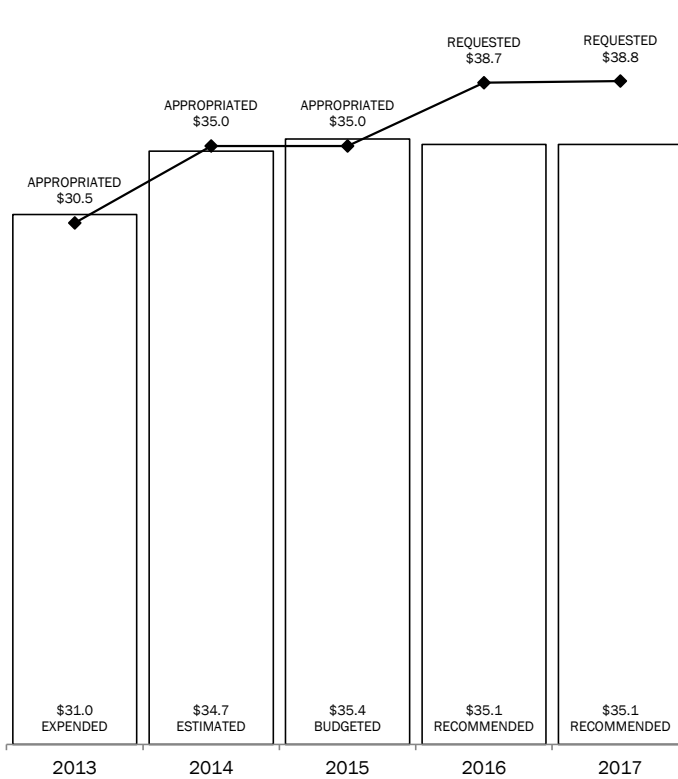
2016-2017 BIENNIUM
 IN MILLIONS

TOTAL= \$76.1 MILLION

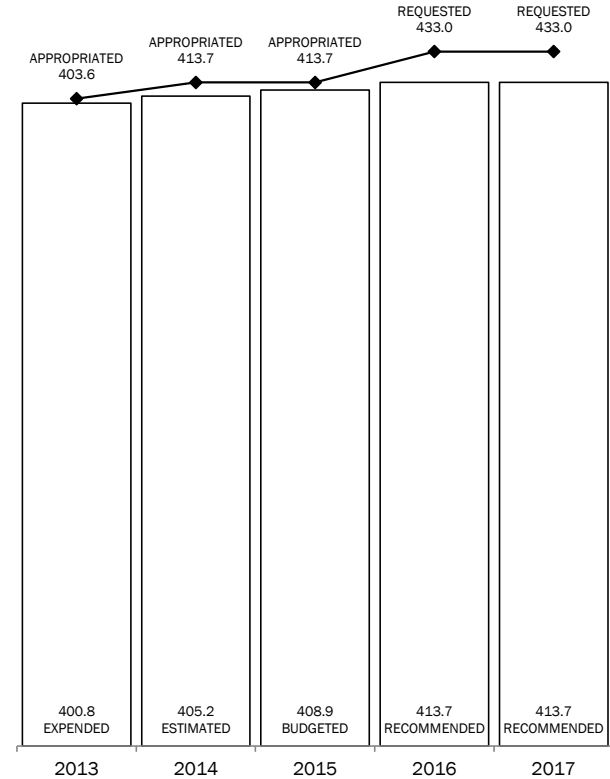
ALL FUNDS



**GENERAL REVENUE AND
 GENERAL REVENUE-DEDICATED FUNDS**



FULL-TIME-EQUIVALENT POSITIONS



Note:

- 1) General Revenue and General Revenue-Dedicated Funds expended amounts exceed appropriated amounts in 2013 and 2015 due to unexpended balance authority within the biennium and authorized salary increases.
- 2) Similar to all appellate courts, the Courts of Appeals are exempted from Art. IX, Sec. 6.10, which limits the number of FTEs paid from appropriated funds to the amounts specified in the General Appropriations Act.

Section 2

**The 14 Court of Appeals Districts
Summary of Recommendations - House, By Method of Finance -- ALL FUNDS**

Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments	
Metropolitan Courts						
First Court of Appeals District, Houston						
APPELLATE COURT OPERATIONS A.1.1	\$8,556,974	\$8,549,258	(\$7,716)	(0.1%)	All Funds recommendations for the 14 Courts differ from 2014-15 levels due to: 1) The biennialization of general state employee salary increases provided in the 2014-15 biennium; and 2) Certain courts receiving additional Appropriated Receipts in 2014-15. Recommendations fund the courts at 100 percent of baseline General Revenue funding levels plus \$37,642 for the biennialization of general state employee salary increases provided in 2014 and 2015.	
Fifth Court of Appeals District, Dallas						
APPELLATE COURT OPERATIONS A.1.1	\$11,657,137	\$11,664,137	\$7,000	0.1%		
Fourteenth Court of Appeals District, Houston						
APPELLATE COURT OPERATIONS A.1.1	\$8,804,054	\$8,806,078	\$2,024	0.0%		
All Other Courts of Appeals						
Second Court of Appeals District, Fort Worth						
APPELLATE COURT OPERATIONS A.1.1	\$6,550,258	\$6,542,909	(\$7,349)	(0.1%)		
Third Court of Appeals District, Austin						
APPELLATE COURT OPERATIONS A.1.1	\$5,600,312	\$5,603,128	\$2,816	0.1%		
Fourth Court of Appeals District, San Antonio						
APPELLATE COURT OPERATIONS A.1.1	\$6,570,647	\$6,563,664	(\$6,983)	(0.1%)		
Sixth Court of Appeals District, Texarkana						
APPELLATE COURT OPERATIONS A.1.1	\$3,036,877	\$3,032,077	(\$4,800)	(0.2%)		
Seventh Court of Appeals District, Amarillo						
APPELLATE COURT OPERATIONS A.1.1	\$3,778,834	\$3,779,286	\$452	0.0%		
Eighth Court of Appeals District, El Paso						
APPELLATE COURT OPERATIONS A.1.1	\$3,094,849	\$3,090,582	(\$4,267)	(0.1%)		
Ninth Court of Appeals District, Beaumont						
APPELLATE COURT OPERATIONS A.1.1	\$3,770,107	\$3,770,107	\$0	0.0%		
Tenth Court of Appeals District, Waco						
APPELLATE COURT OPERATIONS A.1.1	\$3,034,274	\$3,039,062	\$4,788	0.2%		
Eleventh Court of Appeals District, Eastland						
APPELLATE COURT OPERATIONS A.1.1	\$3,041,448	\$3,041,448	\$0	0.0%		
Twelfth Court of Appeals District, Tyler						
APPELLATE COURT OPERATIONS A.1.1	\$3,058,991	\$3,061,191	\$2,200	0.1%		
Thirteenth Court of Appeals District, Corpus Christi-Edinburg						
APPELLATE COURT OPERATIONS A.1.1	\$5,605,003	\$5,605,003	\$0	0.0%		
Total, LBB Recommendations	\$76,159,765	\$76,147,930	(\$11,835)	(0.0%)		

Section 3a

**The 14 Court of Appeals Districts
Selected Fiscal and Policy Issues - House**

1. **Judicial Compensation Commission & Judicial Pay Raise:** Recommendations continue \$2.6 million in General Revenue for judicial salary increases in the 2014–15 biennium for the Chief Justice and Justices for each Court of Appeals. This increase is part of a 12 percent salary increase for judge and prosecutor positions linked to district judge pay totaling \$34.8 million across the 2014–15 biennium.

These funds increased the salary for a Chief Justice of a Court of Appeals from \$140,000 to \$156,500 and for a Justice of a Court of Appeals from \$137,500 to \$154,000. For the 2016–17 biennium, the Judicial Compensation Commission is recommending a 5 percent increase in judicial salaries.

2. **Targeted Salary Increases:** Recommendations continue \$4,052,516 in General Revenue provided for targeted salary increases to the Chief Staff Attorney, staff attorney positions, law clerks, and non-legal positions. Court staff received either the general state employee salary increase or the targeted salary increase.
3. **Similar Funding for Same-Sized Courts Block Grant.** The 14 Court of Appeals have submitted a unified request as an exceptional item for block grant funding repetitively over several biennia called Similar Funding for Same-Sized Courts. Previous block grant funding was split among the courts to provide targeted pay increases for staff attorneys, law clerks, and non-legal staff, and for the addition of new attorneys, and non-attorney staff. The following table reflects the requests and appropriations for this purpose over time.

For the 2016-17 biennium, the 14 Courts of Appeals have requested \$6.4 million in block grant funding for Similar Funding for Same-Sized Courts, a 9.2 percent increase above 2014-15 spending levels. Recommendations do not include additional funds for the 2016-17 biennium. (See Section 3b for more information on the 2016–17 block grant request).

Similar Funding for Same-Sized Courts Block Grants (in Millions)

	<u>2008–09</u>	<u>2010–11</u>	<u>2012–13</u>	<u>2014–15</u>	<u>2016–17</u>
Funding Request	\$4.7	\$8.7	n/a	\$12.8	\$6.4
Appropriated amounts	\$4.3	\$3.8	n/a	\$6.4	

Section 3a

Government Code §22.211 requires the City of Waco to furnish and equip suitable rooms for the Court and justices without expense to the state. The court is housed on the top floor of the McClennan County Courthouse in Waco through an interlocal agreement between the City of Waco and McClennan County. The Court has been seeking to relocate to new facilities for many years due to space concerns and is working with both the City and County who are also considering their space needs.

For the 2014–15 biennium the Court was appropriated funding through the Similar Funding for Same Size Court block grant for court relocation purposes. The Court has included a similar request as part of the Fourteen Court's Similar Funding for Same Size Court 2016–17 request. However, the Comptroller may not authorize expenditures for this purpose due to Government Code §22.211 requirements that Court facilities be provided without expense to the state.

The Court's request includes unexpended balance authority across biennia to allow carry forward of funds designated for relocation in 2014–15 that may not be used for relocation due to delays in identifying potential new facilities.

4. **Article IV, Special Provisions – Section 6:** The 14 Courts jointly request eliminating Article 4 Special Provisions, Section 6, Appellate Court Salary Limits that establishes salary limits for staff attorneys hired by the 14 Courts of Appeals during the 2016–17 biennium. Recommendations continue Section 7, Appellate Court Salary Limits.

Section 3b

The 14 Courts of Appeals Districts
 Similar Funding for Same-Size Courts
 Allocation of Block Grant Funds
 Exceptional Item 1 - House
 Requested Funding for 2016-17

Similar Funding for Same-Size Courts - Allocation to Categories									
COA	Justices	LAR	Salaries*	Additional FTEs	Salary-Related Costs (Health and Retirement Contribution)	Other Operating Costs	Total	Restored FTEs***	New FTEs
1	9	\$ 740,238	\$ 369,299	\$ 360,000	\$ 10,939	\$ -	\$ 740,238	-	3.0
2	7	\$ 634,278	\$ 319,624	\$ 120,000	\$ 6,594	\$ 188,060	\$ 634,278	1.0	-
3	6	\$ 429,576	\$ 240,000	\$ 170,000	\$ 6,150	\$ 13,426	\$ 429,576		1.0
4**	7	\$ 592,422	\$ 284,428	\$ 177,800	\$ 6,933	\$ 123,261	\$ 592,422	-	2.0
5	13	\$ 1,013,361	\$ 752,756	\$ -	\$ 11,291	\$ 249,314	\$ 1,013,361	-	-
6	3	\$ 244,162	\$ 224,162	\$ -	\$ 3,362	\$ 16,638	\$ 244,162	-	-
7	4	\$ 318,350	\$ 112,698	\$ 184,000	\$ 4,450	\$ 17,202	\$ 318,350	-	1.0
8	3	\$ 243,657	\$ 76,155	\$ 157,000	\$ 3,497	\$ 7,005	\$ 243,657	1.0	-
9	4	\$ 323,052	\$ 318,278	\$ -	\$ 4,774	\$ -	\$ 323,052	-	-
10	3	\$ 245,178	\$ -	\$ 107,510	\$ 1,612	\$ 136,056	\$ 245,178	-	1.0
11	3	\$ 248,190	\$ 244,522	\$ -	\$ 3,668	\$ -	\$ 248,190	-	-
12	3	\$ 221,076	\$ 47,809	\$ 170,000	\$ 3,267	\$ -	\$ 221,076	-	1.0
13	6	\$ 422,120	\$ 136,437	\$ 240,000	\$ 5,647	\$ 40,036	\$ 422,120	-	2.0
14	9	\$ 725,958	\$ 355,230	\$ 360,000	\$ 10,728	\$ -	\$ 725,958	-	3.0
		\$ 6,401,618	\$ 3,481,398	\$ 2,046,310	\$ 82,912	\$ 790,998	\$ 6,401,618	2.0	14.0

Notes

* The "Salaries" amount for the 2nd, 4th, and 14th Courts of Appeals includes funding to reclassify law clerks.

** The amount designated as salary increases (\$284,428) for the 4th Court of Appeals, includes \$132,700 needed to convert two law clerk positions to permanent staff attorney. The funds needed to facilitate the conversion is not a salary increase because the positions will be reclassified and filled by new employees.

***Restoration of FTE positions that were reduced in FY 2011.

Section 4

**The 14 Court of Appeals Districts
Performance Review and Policy Report Highlights - House**

Reports & Recommendations	Savings/ (Cost)	Gain/ (Loss)	Fund Type	Included in Introduced Bill	Action Required During Session
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NO RELATED RECOMMENDATIONS

Section 5

**The 14 Courts of Appeals Districts
Rider Highlights - House**

NONE

Section 6

**The 14 Court of Appeals Districts
Items not Included in Recommendations - House**

	2016-17 Biennial Total	
	GR & GR- Dedicated	All Funds
Court Exceptional Items		
Metropolitan Courts		
First Court of Appeals District, Houston		
1. Similar Funding for Same-Size Courts (includes 3.0 FTEs)	\$ 740,238	\$ 740,238
Fifth Court of Appeals District, Dallas		
1. Similar Funding for Same-Size Courts (includes 0.0 FTEs)	\$ 1,013,361	\$ 1,013,361
Fourteenth Court of Appeals District, Houston		
1. Similar Funding for Same-Size Courts (includes 3.0 FTEs)	\$ 725,958	\$ 725,958
All Other Courts of Appeals		
Second Court of Appeals District, Fort Worth		
1. Similar Funding for Same-Size Courts (includes 1.0 FTEs)	\$ 634,278	\$ 634,278
2. Funding for additional staff attorneys to manage caseload (3.0 FTEs)	\$ 567,710	\$ 567,710
3. Request for Voice Over IP (VOIP) phone system and email server as part of court relocation expense.	\$ 110,000	\$ 110,000
Third Court of Appeals District, Austin		
1. Similar Funding for Same-Size Courts (includes 1.0 FTEs)	\$ 429,576	\$ 429,576
2. Funding for additional staff attorneys to manage administrative law cases and to reduce case backlogs (includes 2.0 FTEs)	\$ 336,000	\$ 336,000
Fourth Court of Appeals District, San Antonio		
1. Similar Funding for Same-Size Courts (includes 2.0 FTEs)	\$ 592,422	\$ 592,422
Sixth Court of Appeals District, Texarkana		
1. Similar Funding for Same-Size Courts (includes 0.0 FTEs)	\$ 244,162	\$ 244,162
Seventh Court of Appeals District, Amarillo		
1. Similar Funding for Same-Size Courts (includes 1.0 FTEs)	\$ 318,350	\$ 318,350
Eighth Court of Appeals District, El Paso		
1. Similar Funding for Same-Size Courts (includes 1.0 FTEs)	\$ 243,657	\$ 243,657

Section 6

**The 14 Court of Appeals Districts
Items not Included in Recommendations - House**

	2016-17 Biennial Total	
	GR & GR- Dedicated	All Funds
Ninth Court of Appeals District, Beaumont		
1. Similar Funding for Same-Size Courts (includes 0.0 FTEs)	\$ 323,052	\$ 323,052
Tenth Court of Appeals District, Waco		
1. Similar Funding for Same-Size Courts (includes 1.0 FTEs) & Court Relocation	\$ 245,178	\$ 245,178
Eleventh Court of Appeals District, Eastland		
1. Similar Funding for Same-Size Courts (includes 0.0 FTEs)	\$ 248,190	\$ 248,190
Twelfth Court of Appeals District, Tyler		
1. Similar Funding for Same-Size Courts (includes 1.0 FTEs)	\$ 221,076	\$ 221,076
Thirteenth Court of Appeals District, Corpus Christi-Edinburg		
1. Similar Funding for Same-Size Courts (includes 2.0 FTEs)	\$ 422,120	\$ 422,120
Total, Items Not Included in the Recommendations	\$ 7,415,328	\$ 7,415,328

Note: Total funding for the 14 Courts of Appeals for Exceptional Item 1, Similar Funding for Same-Size Courts is \$6,401,618 with 16.0 FTEs.

Section 7

The 14 Court of Appeals Districts
Summary of 10 Percent Biennial Base Reduction Options - House

Court	Priority	Item	Description/Impact	Biennial Reduction Amounts				Reduction as % of Program GR/GR-D Total	Included in Intro Bill?
				GR and GR-Dedicated	All Funds	FTEs	Potential Revenue Loss		
1st	1	Reduce Legal and Non-Legal Staff Positions	The reduction would eliminate two staff attorney positions representing 10% of the Court's permanent legal staff. The reduction would also eliminate three administrative assistant positions and one deputy clerk position representing 33% of the Court's upper-level administrative staff. This would result in more time needed to process and decide appeals, would affect clearance rates, and contribute to higher case backlogs.	\$721,892	\$721,892	6.0	\$0	9%	No
2nd	1	Reduce Legal and Non-Legal Staff Positions	The reduction would eliminate two staff attorney positions representing 15% of the Court's permanent legal staff, two legal secretary positions representing 20% of the court's upper-level administrative staff, and one law clerk position representing 20% of the Court's legal staff. This would result in more time needed to process and decide appeals, would affect clearance rates, and contribute to higher case backlogs.	\$520,000	\$520,000	4.0	\$0	9%	No
2nd	2	Reduce Consumables and Supplies	The reduction would reduce consumables and travel costs. This would impact employee training for legal and non-legal staff.	\$2,171	\$2,171		\$0	0%	No
3rd	1	Reduce Legal Positions	The reduction would result in the loss of three staff attorney positions representing 20% of the Court's legal staff. Reduction would impact clearance rates, increase the time for which appeals remained pending, and create case backlogs.	\$466,175	\$466,175	3.0	\$0	9%	No
4th	1	Reduce Legal and Non-Legal Staff Positions, Reclassifications of Legal Positions, and Salary Reductions	The reduction would result in the loss of one permanent staff attorney representing 7% of the Court's legal staff; the loss of one administrative position representing 8% of the court's administrative staff. The reduction would also include the reclassification of three permanent staff attorneys to Law Clerk II, with a corresponding reduction in salary; and a salary reduction of the other two remaining Law Clerk II positions. The reductions would contribute to a significant backlog in case dispositions and impact clearance rates.	\$275,542	\$275,542	2.0	\$0	5%	No
4th	2	Reclassification of Staff Attorneys to Law Clerks and Salary Reductions	The reduction would result in the reclassification of three permanent staff attorneys to Law Clerk II with a corresponding salary reduction; and salary reductions for the remaining two Law Clerk II positions. The impact would place Law Clerk salaries significantly below other entry level legal positions and would impact the Court's ability to recruit quality graduates.	\$278,601	\$278,601		\$0	5%	No

Section 7

**The 14 Court of Appeals Districts
Summary of 10 Percent Biennial Base Reduction Options - House**

Court	Priority	Item	Description/Impact	Biennial Reduction Amounts				Reduction as % of Program GR/GR-D Total	Included in Intro Bill?
				GR and GR-Dedicated	All Funds	FTEs	Potential Revenue Loss		
5th	1	Reduce Legal and Non-Legal Staff Positions	The reduction would require the court to eliminate four staff attorney positions, one legal secretary position, and two deputy clerk positions. This represents 12.12% of the court's legal staff, 25% of the court's administrative staff, and 28.57% of the court's clerical staff. This would cause the court to fall below the 2:1 lawyer-to-judge ratio and would cause clearances rate to decrease below current standards. Reduced funding and subsequent staff reductions would also increase the number of cases pending after one year by more than 18%.	\$948,512	\$948,512	7.0	\$0	9%	No
6th	1	Reduce Legal Staff Position	The reduction would eliminate one staff attorney position representing 16% of legal staff. The reduction would reduce decrease court clearance rates, increase the time needed to process appeals, and contribute to case backlogs.	\$180,324	\$180,324	1.0	\$0	6%	No
6th	2	Salary Reductions	The reduction would result in an across-the-board salary reduction of four percent. The reduction would impact the Court's ability to retain its experienced workforce.	\$70,584	\$70,584		\$0	2%	No
7th	1	Reduce Legal Staff Positions	The reduction would eliminate two staff attorney positions. The reduction would decrease court clearance rates, increase the time needed to process appeals, and contribute to case backlogs.	\$327,270	\$327,270	2.0	\$0	9%	No
8th	1	Reduce Currency of Legal Reference Materials and Access to Online Legal Research Collections	The reduction would decrease law libraries/reference materials and online research assess. The impact would be a decrease in the efficiency of the court's legal research.	\$5,300	\$5,300		\$0	0%	No
8th	2	Reduce Legal Staff Positions	Reduction would eliminate two staff attorney positions or eliminate one staff attorney position and one part-time deputy clerk position, and force the reclassification of a full-time staff attorney position into a lower salaried attorney position and/or transfer to part-time status. The reduction would decrease court clearance rates, increase the time needed to process appeals, contribute to case backlogs, and could lead to higher staff turnover.	\$258,224	\$258,224	2.0	\$0	9%	No
9th	1	Reduce Legal Staff Positions	Reduction would eliminate two staff attorney positions. The Court anticipates a 20% drop in the disposition of cases as a result.	\$308,709	\$308,709	2.0	\$0	9%	No

Section 7

The 14 Court of Appeals Districts
Summary of 10 Percent Biennial Base Reduction Options - House

Court	Priority	Item	Description/Impact	Biennial Reduction Amounts				Reduction as % of Program GR/GR-D Total	Included in Intro Bill?
				GR and GR-Dedicated	All Funds	FTEs	Potential Revenue Loss		
10th	1	Eliminate Court Relocation Plans and Reduce Bailiff Hours	The reduction would eliminate funding for court relocation and reduce bailiff to half time coverage.	\$133,135	\$133,135		\$0	5%	No
10th	2	Salary Reductions	The reduction would result in a 3.8% across-the-board salary reduction, including the justices on the court, reduce deferrable expenses such as travel and continuing legal education training, and online legal reference material services.	\$133,135	\$133,135		\$0	5%	No
11th	1	Reduce Currency of Legal Reference Materials and Access to Online Legal Research Collections	The reduction would reduce the frequency that the Court updates its law libraries and research materials and would reduce the court's subscriptions to online research services. The Court anticipates that this would reduce dispositions of appeal and the court's clearance rate and increase the number of cases remaining pending.	\$126,808	\$126,808		\$0	4%	No
11th	2	Reduce Legal Staff Position	The reduction would eliminate one staff attorney position. The reduction would reduce decrease court clearance rates, increase the time needed to process appeals, and contribute to case backlogs.	\$126,807	\$126,807	1.0	\$0	4%	No
12th	1	Reduce Legal Staff Position	The reduction would eliminate one staff attorney position. The reduction would reduce decrease court clearance rates, increase the time needed to process appeals, and contribute to case backlogs.	\$259,916	\$259,916	1.0	\$0	9%	No
13th	1	Reduce Legal Staff Positions	The reduction would eliminate three staff attorney positions. The impact would be a decrease below the two staff attorney to one justice ratio common throughout appellate courts. The impact would be a decrease in court clearance rates to 75%, increase the time needed to process appeals, and contribute to case backlogs.	\$481,152	\$481,152	3.0	\$0	9%	No
14th	1	Reduce Legal and Non-Legal Staff Positions	The reduction would eliminate two permanent staff attorneys representing 10% of the Court's permanent staff attorneys, three administrative assistant positions, and one deputy clerk representing 33% of the Court's upper-level administrative staff. Alternatively, the Court would implement across-the-board salary reductions that would drop salary levels below those of comparable positions. The reduction would decrease court clearance rates, increase the time needed to process appeals, and contribute to case backlogs.	\$724,738	\$724,738	6.0	\$0	9%	No