

Section 1

Supreme Court of Texas
Summary of Recommendations - Senate

The Honorable Nathan Hecht, Chief Justice

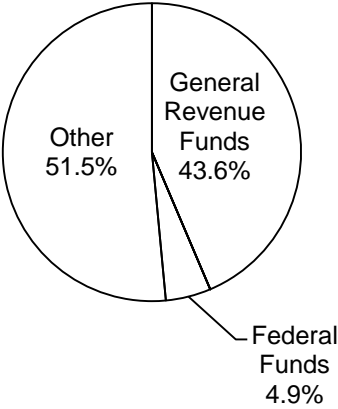
George Dziuk, LBB Analyst

Method of Financing	2014-15 Base	2016-17 Recommended	Biennial Change	% Change
General Revenue Funds	\$28,336,783	\$28,372,835	\$36,052	0.1%
GR Dedicated Funds	\$0	\$0	\$0	0.0%
Total GR-Related Funds	\$28,336,783	\$28,372,835	\$36,052	0.1%
Federal Funds	\$3,295,872	\$3,193,938	(\$101,934)	(3.1%)
Other	\$38,027,909	\$33,511,778	(\$4,516,131)	(11.9%)
All Funds	\$69,660,564	\$65,078,551	(\$4,582,013)	(6.6%)

	FY 2015 Budgeted	FY 2017 Recommended	Biennial Change	% Change
FTEs	77.0	77.0	0.0	0.0%

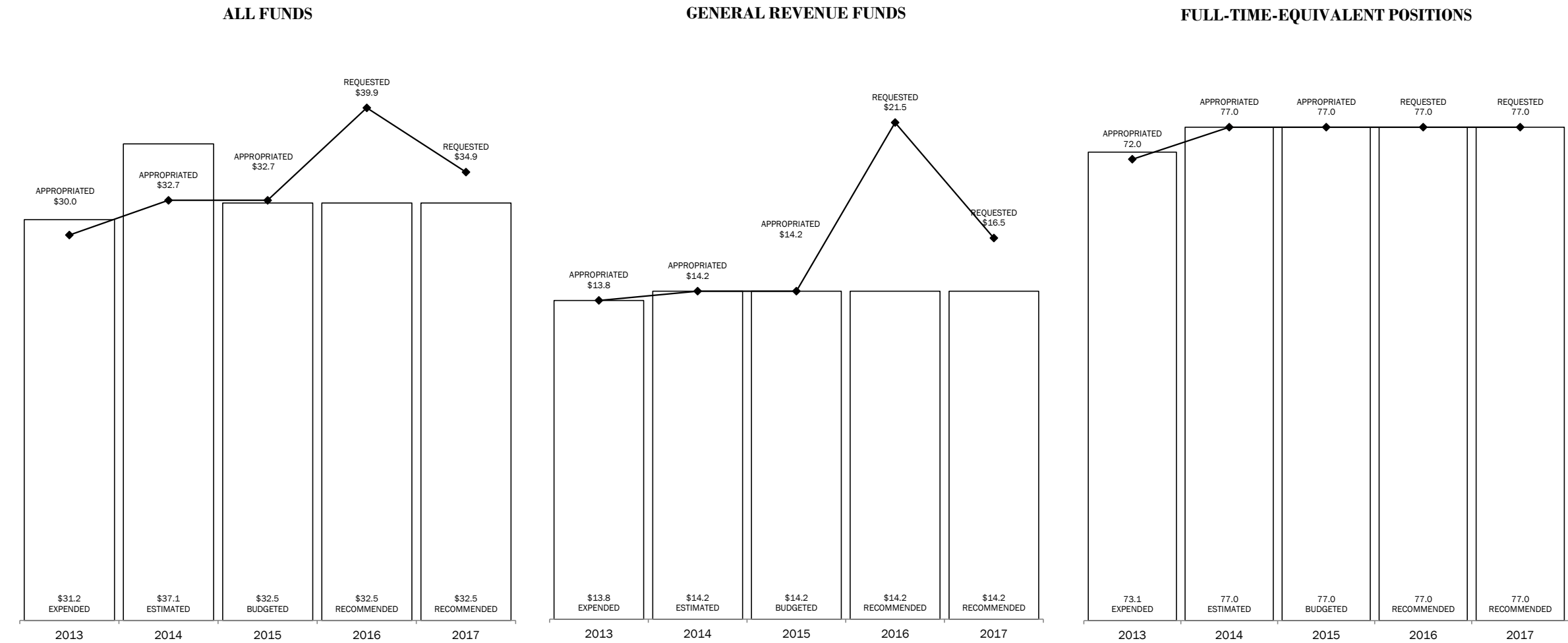
The bill pattern for this court (2016-17 Recommended) represents an estimated 74.0% of the court's estimated total available funds for the 2016-17 biennium.

RECOMMENDED FUNDING
BY METHOD OF FINANCING



Section 1
Supreme Court of Texas
2016-2017 BIENNIUM
IN MILLIONS

TOTAL= \$65.1 MILLION



Note:

1) All Funds expended amounts exceed appropriated amounts in fiscal year 2013 due to unexpended balance authority within the biennium from a combination of Other Funds and General Revenue. General Revenue amounts in fiscal year 2015 are also effected due to general state employee salary increases.

2) All Funds expended amounts exceed appropriated amounts in fiscal year 2014 due to unexpended balance authority across the biennium (from fiscal year 2013 to fiscal year 2014) in Other Funds and General Revenue Funds, one-time civil penalties revenue for Basic Civil Legal Services, and general state employee salary increases.

3) Similar to all appellate courts, the Supreme Court of Texas is 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

Supreme Court of Texas
Summary of Recommendations - Senate, By Method of Finance -- ALL FUNDS

Strategy/Goal	2014-15 Base	2016-17 Recommended	Biennial Change	% Change	Comments
APPELLATE COURT OPERATIONS A.1.1	\$11,817,344	\$11,740,747	(\$76,597)	(0.6%)	Recommendations include: (a) An increase of \$36,052 to biennialize general state employee salary increases in the 2014-15 biennium, and (b) A decrease of \$112,649 due to unexpended balances transferred from fiscal year 2013 into fiscal year 2014 through Rider 8, Appropriation: Supreme Court Support Fee, Unexpended Balance Authority Between Biennia.
Total, Goal A, APPELLATE COURT OPERATIONS	\$11,817,344	\$11,740,747	(\$76,597)	(0.6%)	
BASIC CIVIL LEGAL SERVICES B.1.1	\$54,316,727	\$49,913,245	(\$4,403,482)	(8.1%)	Decrease reflects \$854,417 in unexpended balances brought forward from fiscal year 2013 into fiscal year 2014 and one time windfall of civil penalties in the 2014-15 biennium (see also, Selected Fiscal and Policy Issues - Senate #3). One-time amounts are not included in 2016-17 recommendations.
COURT IMPROVEMENT PROJECTS B.1.2	\$3,295,872	\$3,193,938	(\$101,934)	(3.1%)	Due to the Budget Control Act, Federal Funds were reduced as a result of sequestration.
MULTI-DISTRICT LITIGATION B.1.3	\$230,621	\$230,621	\$0	0.0%	Recommendations fund the Mutli-District Litigation strategy at 100 percent of the 2014-15 levels in All Funds. Funding provides court staff (court coordinator and court reporter, judge's salary paid from CPA Judiciary budget) and technology to handle multi-district litigation cases, such as asbestosis and silicosis related cases with funds used for one multi-district litigation case: asbestosis-related cases being litigated in Harris County.
Total, Goal B, COURT PROGRAMS	\$57,843,220	\$53,337,804	(\$4,505,416)	(7.8%)	
Grand Total, All Strategies	\$69,660,564	\$65,078,551	(\$4,582,013)	(6.6%)	

Section 3

Supreme Court of Texas Selected Fiscal and Policy Issues - Senate

1. **Judicial Compensation Commission and Judicial Pay Raise:** Recommendations continue \$324,000 in General Revenue provided for judicial salary increases in the 2014–15 biennium for the Chief Justice and Justices of the Court. 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.

For the 2016–17 biennium, the Judicial Compensation Commission is recommending a five percent increase in judicial salaries.
2. **Targeted Salary Increases:** Recommendations continue \$289,000 in General Revenue provided for targeted salary increases to staff attorneys, the General Counsel, Clerk of the Court, and non-legal staff positions. Court staff received either the general state employee salary increase or the targeted salary increase.
3. **Basic Civil Legal Services:** In fiscal year 2014, the Court received one-time civil penalties totaling \$6.2 million deposited to Judicial Fund No. 573. Of this amount, \$4.2 million was awarded to the State of Texas due to the settlement between 43 states and GlaxoSmithKline for violations of the Deceptive Trade Practices Act. Pursuant to Government Code §402.007, an amount not to exceed \$50 million each biennium in civil penalties may be awarded to the Court. Recommendations for 2016–17 do not continue these one-time civil penalties.
4. **Sexual Assault Program:** In September 2008, a \$5 fee for admission to certain sexually-oriented businesses became effective (see House Bill 1751, 80th Legislature, Regular Session). Collections are deposited into the General Revenue–Dedicated Sexual Assault Program Account No. 5010; however collections were previously limited due to a lawsuit between the state and sexually oriented businesses. The Supreme Court denied a petition from the Texas Entertainment Association seeking an appeal of a 3rd Court of Appeals ruling in favor of the state in November 2014. With the 3rd Court’s ruling standing, the admissions fee collections are projected to increase. The Comptroller anticipates \$11.4 million per year in collections for the 2016–17 biennium. Recommendations do not include \$5 million the court is requesting from this account to be used for basic civil legal services to victims of sexual assault (see also, Items Not Included in Recommendations – Senate #7).
5. **Justice for Veterans Joint Initiative:** The Supreme Court of Texas and Texas Veterans Commission have developed a new initiative titled “Justice for Veterans” to increase funding for Veterans Courts and to provide direct legal assistance to veterans and their families. As part of this initiative, the Court is requesting \$4 million (\$2 million each year) to be distributed as grants to legal aid organizations providing basic civil legal services to veterans and their families (see also, Items Not Included in Recommendations – Senate #6).

Section 3

Supreme Court of Texas
Performance Measure Highlights - Senate

		Expended 2013	Estimated 2014	Budgeted 2015	Recommended 2016	Recommended 2017
•	<i>Disposition Rate</i>	103.93%	100%	100%	100%	100%
	<i>The disposition rate reflects the number of cases disposed of in any reporting period in relationship to the total number of cases filed or reinstated by the granting of a motion for rehearing during the reporting period.</i>					
•	<i>The Number of BCLS Grantees Provided State Funding</i>	25	25	25	25	25
	<i>This performance measure is new for the 2016-17 biennium.</i>					

All Funding Sources for Basic Civil Legal Services - Senate

Funds Within the GAA - Basic Civil Legal Services (Fiscal Year)

	2013	2014	2015	2014-15 Base	2016 Recommended	2017 Recommended	2016-17 Recommended	Change from 2014-15 to 2016-17 (\$)	Change from 2014-15 to 2016-17 (%)
General Revenue	\$ 8,783,783	\$ 8,783,784	\$ 8,783,783	\$ 17,567,567	\$ 8,783,783	\$ 8,783,784	\$ 17,567,567	\$ -	0.0%
Judicial Fund No. 573	\$ 12,287,361	\$ 18,076,321	\$ 13,672,839	\$ 31,749,160	\$ 13,672,839	\$ 13,672,839	\$ 27,345,678	\$ (4,403,482)	-13.9%
IAC with Attorney General (Crime Victims Compensation Fund No. 469)	\$ 2,494,161	\$ 2,500,000	\$ 2,500,000	\$ 5,000,000	\$ 2,500,000	\$ 2,500,000	\$ 5,000,000	\$ -	0.0%
Total State BCLS Contribution	\$ 23,565,305	\$ 29,360,105	\$ 24,956,622	\$ 54,316,727	\$ 24,956,622	\$ 24,956,623	\$ 49,913,245	\$ (4,403,482)	-13.9%

Funds Outside the GAA - Basic Civil Legal Services (Calendar Year)

	2013	2014	2015	2014-15 Base	2016 Estimated	2017 Estimated	2016-17 Projections	Change from 2014-15 to 2016-17 (\$)	Change from 2014-15 to 2016-17 (%)
Interest on Lawyers Trust Accouts (IOLTA)	\$ 4,212,130	\$ 4,200,000	\$ 4,200,000	\$ 8,400,000	\$ 5,000,000	\$ 5,000,000	\$ 10,000,000	\$ 1,600,000	19.0%
Legal Services Corporation and Other Federal Funding	\$ 39,221,321	\$ 39,450,000	\$ 39,450,000	\$ 78,900,000	\$ 39,450,000	\$ 39,450,000	\$ 78,900,000	\$ -	0.0%
Other (Donations and Grants from Foundations)	\$ 24,310,169	\$ 24,400,000	\$ 24,400,000	\$ 48,800,000	\$ 24,400,000	\$ 24,400,000	\$ 48,800,000	\$ -	0.0%
Total BCLS Funding Outside GAA	\$ 67,743,620	\$ 68,050,000	\$ 68,050,000	\$ 136,100,000	\$ 68,850,000	\$ 68,850,000	\$ 137,700,000	\$ 1,600,000	19.0%

Estimate of Total BCLS
Funding from All Revenue
Sources

\$ 91,308,925	\$ 97,410,105	\$ 93,006,622	\$ 190,416,727	\$ 93,806,622	\$ 93,806,623	\$ 187,613,245	\$ (2,803,482)	5.2%
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Source: Texas Access to Justice Foundation, Supreme Court

Section 4

Supreme Court of Texas
Performance Review and Policy Report Highlights - Senate

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

**Supreme Court of Texas
Rider Highlights - Senate**

- 5. **Court Improvement Projects:** Recommendations update the rider to reflect decreases in Federal Funds from \$1.7 million to \$1.6 million each year granted to the Court for the Court Improvement Project Strategy due to the Budget Control Act and sequestration. The amount allocated to administer the federal grant also decreased from \$600,000 to \$527,000 each fiscal year due to the Budget Control Act and sequestration.

Section 6

Supreme Court of Texas
Items not Included in Recommendations - Senate

	2016-17 Biennial Total			
	GR & GR-Dedicated		All Funds	
Court Exceptional Items - In Court Priority Order				
1. General Revenue funding for legal staff salary increases for 13 staff attorneys from an average of \$100,157 to \$104,500 and 18 law clerk salaries from \$51,612 to \$55,000.	\$	234,886	\$	234,886
2. General Revenue funding for non-legal staff salary increases to raise court deputy clerk's salaries to comparable rates with other appellate court clerks.	\$	268,414	\$	268,414
3. Supreme Court Building and Justice Security	\$	120,900	\$	120,900
a) \$41,900 in General Revenue funding for video surveillance equipment for the Supreme Court building.				
b) \$20,000 in General Revenue funding for ultraviolet blocking film for court lobby windows.				
c) \$50,000 in General Revenue funding for installation of security doors.				
d) \$9,000 in General Revenue funding for personal home security for nine Supreme Court Justices.				
4. General Revenue funding for travel reimbursement for individuals serving on Court-appointed committees.	\$	80,000	\$	80,000
5. General Revenue funding for a contracted court reporter to transcribe six to eight Supreme Court Advisory Committee meetings each year.	\$	50,000	\$	50,000
6. General Revenue funding to provide direct legal assistance to an estimated 2,240 veterans and their immediate families through grants to legal aid organizations each year.	\$	4,000,000	\$	4,000,000
7. General Revenue-Dedicated Sexual Assault Fund No. 5010 funding to provide basic civil legal services to victims of sexual assault (See also, Selected Fiscal and Policy Issues - Senate #4).	\$	5,000,000	\$	5,000,000
Total, Items Not Included in the Recommendations	\$	9,754,200	\$	9,754,200

Section 7

Supreme Court of Texas
Summary of 10 Percent Biennial Base Reduction Options - Senate

Biennial Reduction Amounts								
Priority	Item	Description/Impact	GR and GR-Dedicated	All Funds	FTEs	Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in LBB Recs?
1	Eliminate Law Clerk Program (Appellate Court Operations Strategy)	The reduction would eliminate the law clerk program (18 law clerks) and replace the program with nine junior staff attorneys. Reduction would impact the Court's case processing and would eliminate a method through which newly licensed attorneys can be mentored and trained to practice in Texas.	\$868,032	\$868,032	9.0	None	8%	No
2	Reduce Legal and Non-Legal Staff Positions (Appellate Court Operations Strategy)	The reduction would eliminate two staff attorney positions (\$220,314) , two administrative positions (\$95,600), and one deputy clerk (\$40,000). Reduction would impact Court services and reduce Court staff by 20%.	\$711,828	\$711,828	5.0	None	7%	No
3	Reduce Operating Expenses (Appellate Court Operations Strategy)	The reduction would require the Court to cut operating expenses for consumable supplies and other operating expenses in membership dues, training and maintenance and equipment repairs.	\$75,641	\$75,641		None	1%	No
4	Reduce Basic Civil Legal Services (Basic Civil Legal Services Strategy)	The reduction would impact grant funding to legal aid organizations providing basic civil legal services reducing the number of clients served.	\$878,378	\$878,378		None	5%	No
5	Eliminate the Multi-District Litigation Program (Multi-District Litigation Strategy)	The reduction would eliminate the Multi-Disrict Litigation Program that provides grants to counties to pay court personnel costs associated with large-party cases that cross multiple jurisdictions.	\$230,621	\$230,621		None	100%	No
TOTAL, 10% Reduction Options			\$2,764,500	\$2,764,500	14.0	\$0		