



JUDICIAL CONFERENCE OF THE UNITED STATES

WASHINGTON, D.C. 20544

THE CHIEF JUSTICE
OF THE UNITED STATES
Presiding

HONORABLE THOMAS F. HOGAN
Secretary

November 30, 2012

Honorable Charles E. Grassley
Ranking Member
Committee on the Judiciary
United States Senate
Washington, DC 20510

Dear Senator Grassley:

I write in response to your letter of November 8, 2012, concerning a comprehensive plan by the Judiciary to implement the possible sequestration of funds in fiscal year 2013 called for by the Budget Control Act of 2012. Let me assure you that the Judicial Conference of the United States (JCUS) and the Administrative Office of the U.S. Courts (AO) have been working diligently to identify ways to reduce operating costs in order to minimize the impact of sequestration on court staff and court operations.

In recognition of constrained federal budgets, the JCUS has been engaged since 2005 in a Judiciary-wide effort to contain costs, with the understanding that these initiatives would do no harm to the judicial process. In fact, in the past year we have redoubled these efforts in the hope of lessening the impact of a worsening fiscal climate. Unfortunately, these cost containment efforts do not come close to offsetting the impact of sequestration. Thus, the Executive Committee of the JCUS, supported by the AO, began to develop a comprehensive Sequestration Plan. The Plan is designed to absorb possible significant budget cuts under sequestration, while avoiding disruption to the Judiciary's Constitutional and statutory responsibilities. The draft Plan will be vetted with the courts and will not be approved for implementation until late December.

In developing the draft Plan for the Courts' Salaries and Expenses (S&E) account, the goal of the Executive Committee is to examine all aspects of court operations, and reduce related expenses as much as possible. I would note, however, that

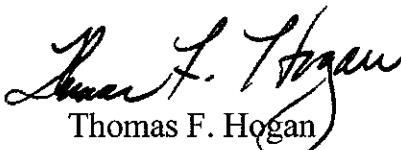
three areas of the S&E budget (judges' compensation, the government share of health and retirement benefits, and GSA rent), make up over 40 percent of our expenses and, by law, they must be paid in full. An additional 17 percent of must-pay requirements is associated with our highest priority of direct support of judges (chambers staff) and judge-ordered services (e.g. drug testing and mental health treatment for offenders). This means that sequestration falls disproportionately on the remaining portion of our expenses, primarily salaries of probation officers and clerks' office staff, operating expenses, and national information technology (IT) systems (e.g. payroll, telecommunications, accounting). Any significant reductions in court employees and IT systems due to sequestration will adversely affect court operations and result in delayed cases and public safety risks.

Again, in order to minimize involuntary personnel actions against court employees, the Executive Committee Plan will examine, for cost reduction purposes, Judiciary salary policies and practices and non-salary areas of the budget, such as travel, training, replacement of equipment, promotions, IT system upgrades, repair and alteration projects, and leased office space. In your letter, you specifically mention non-case related travel as an area in which "savings could go a long way towards filling the funding shortfalls your office identified." Travel is of course one area of consideration for cost reduction, including funding for circuit judicial conferences. It is important to note, however, that even if non-case related travel by judges were to be eliminated completely, it would amount to less than one percent of the \$555 million sequestration.

Let me conclude by stating that the Judiciary will work hard to minimize the impact of sequestration on the core functions of our justice system, but both the size of the budget cuts and the fact they will occur well into the fiscal year, make reductions in service inevitable. These cuts in service will create real and substantial hardships on all those who look to the federal courts to administer the nation's system of justice. We urge the two political branches to enact whatever measures are needed to avoid sequestration.

If we may be of further assistance to you, please contact our Office of Legislative Affairs at 202-502-1700.

Sincerely,


Thomas F. Hogan
Secretary

cc: Honorable Patrick J. Leahy