



## The Supreme Court of Texas

CHIEF JUSTICE  
WALLACE B. JEFFERSON

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February 12, 2010

The Honorable Rick Perry  
Governor, State of Texas  
State Capitol  
Austin, Texas 78701

The Honorable David Dewhurst  
Lieutenant Governor  
State Capitol  
Austin, TX 78701

The Honorable Joe Straus  
Speaker of the House  
State Capitol  
Austin, Texas 78701

Dear Governor Perry, Lieutenant Governor Dewhurst and Speaker Straus:

As requested in your letter dated January 15, 2010, the Supreme Court of Texas has identified a reduction amount equal to 5% of its FY 2010 and FY 2011 General Revenue (\$1,675,979.00) and General Revenue-Dedicated (\$100,000.00)<sup>1</sup> Accounts. Based on the directive to minimize the impact on our core services, the Court has identified cuts to three programs, in the following priority order: (1) multi-district litigation grant funds; (2) appellate court operations; and (3) Basic Civil Legal Services funding.

### **Multi-District Litigation Grant Program - \$211,500.00**

In the 80<sup>th</sup> Legislative Session, the legislature allocated funds to support the statewide, multi-district litigation (MDL) system at the trial and appellate levels. After the 81<sup>st</sup> Legislature reduced those funds by 44 percent, we dedicated the remainder to a multi-district litigation pre-trial asbestos court in Harris County. As of this date, the Court has committed the FY 2010 funds to grants for the

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<sup>1</sup> The GR-Dedicated is a contingency appropriation based on funds subject to pending litigation.

Harris County pre-trial asbestos court.<sup>2</sup> This proposed cut will not impact the funding for that grant, but will eliminate the Court's ability to fund grants for FY 2011.

**Appellate Court Operations<sup>3</sup> - \$314,479.00**

Appellate court operations are required to maintain the Court's current level of services. It includes the salaries for the Justices, attorneys, law clerks, clerks and staff, as well as the expenses necessary to perform appellate court functions.

The Court's budget for appellate operations is exceedingly lean. Any reduction has the potential to curtail the Court's ability to perform essential functions and to continue the progress we have made toward the efficient resolution of pending matters. Indeed, the entire judicial branch represents just 0.36% of all State appropriations. Most of that funding is dedicated to court personnel—the judges, staff attorneys, law clerks and clerks working to ensure the efficient administration of justice in Texas. For the Supreme Court, 91 percent of our budget funds salaries. For the courts of appeals, that figure ranges from 91 to 97 percent. Thus, a 5% reduction, though a minor benefit to the State, represents a huge deficiency for the judiciary.

Nevertheless, we have identified strategies to meet the 5% reduction as requested. The immediate impact of such a reduction would be to significantly undermine the Court's plans to digitize and make accessible administrative orders and rules; reduce the Court's ability to attract volunteers to assist the Court in its administrative work by reducing travel reimbursements and other administrative costs for the Court's advisory committees and task forces; and cut back on reimbursements for staff training.

**Basic Civil Legal Services/Access to Justice - \$1,150,000.00**

During the last Legislative Session, the Texas Access to Justice Foundation faced an unprecedented emergency after the Federal Reserve lowered its benchmark interest rate to an all-time low of zero to .25%. That led to an estimated \$37 million shortfall in the Interest on Lawyers' Trust Accounts funding over the biennium for direct legal services for low-income Texans. In response to this crisis, the Texas Legislature appropriated \$20 million for the Access to Justice Foundation for FY 2010 and FY 2011. A 5% cut to these funds would require cuts to a program that is already under-funded and would result in loss of grant funds for legal aid programs in Texas. Over 35 programs and organizations across the state would be impacted by the cuts.

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<sup>2</sup> The MDL Grant Program only partially funds the asbestos pre-trial court. Some of the funding also comes from the Comptroller's Judiciary Account.

<sup>3</sup> It is important to note that the Supreme Court's appellate court operations budget includes the salaries for all nine justices. This represents 27% of the entire budget and for obvious reasons cannot be cut. This amount artificially inflates the 5% cut for the appellate courts and creates an identified 5% amount that disproportionately cuts into essential operational expenses.

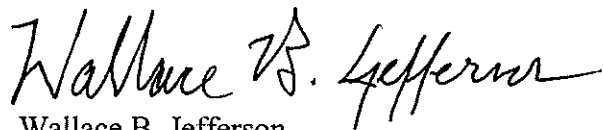
Further, the Texas Access to Justice Foundation estimates the 5% cut would result in the loss of 25 jobs across Texas and could result in 1,000-1,700 fewer low-income Texans receiving legal services. That figure is even higher if you consider the minor children living in the households of those seeking assistance, who are also impacted by the loss of legal services. Because these cuts will directly impact citizens who are most vulnerable in hard economic conditions and because the funding for legal aid has already suffered losses, I respectfully request that the Access to Justice Foundation retain the funding appropriated for FY 2010-2011.

I have asked the Texas Judicial Council to identify the impact budget cuts may have on the administration of justice, and to offer Texas courts strategies to continue serving the public when the need is greatest – during times of economic hardship. We recognize our obligation to eliminate inefficiencies and will work diligently to achieve that goal.

You have a difficult task before you, and I commend you for all of your efforts to protect our overall financial strength while preserving essential functions.

Please let me know if I can provide any further information.

Sincerely,



Wallace B. Jefferson  
Chief Justice  
Supreme Court of Texas

cc: Presiding Judge Sharon Keller, Court of Criminal Appeals,  
Chief Justices, Courts of Appeals

ITEM REDUCTIONS BY METHOD OF FINANCING  
 81st Regular Session, 2010-11 Item Reductions  
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 2/12/2010  
 Time: 3:23:34PM  
 Page: 1 of 3

Agency code: 201

Agency name: Supreme Court of Texas

Item Priority and Name/ Method of Financing	2010	2011	Biennial Total	Target
<b>1 Sexual Assault Program</b>				
<b>Item Comment:</b> Pending litigation - funding for Basic Civil Legal Services				
GR DEDICATED				
5010 Sexual Assault Prog Acct	\$0	\$100,000		
<b>Gr Dedicated Total</b>	<b>\$0</b>	<b>\$100,000</b>		
<b>Item Total</b>	<b>\$0</b>	<b>\$100,000</b>		
<b>2 Multi-District Litigation</b>				
<b>Item Comment:</b> Multi-District Litigation Grant Program - \$211,500.00				
In the 80th Legislative Session, the legislature allocated funds to support the statewide, multi-district litigation (MDL) system at the trial and appellate levels. After the 81st Legislature reduced those funds by 44 percent, we dedicated the remainder to a multi-district litigation pre-trial asbestos court in Harris County. As of this date, the Court has committed the FY 2010 funds to grants for the Harris County pre-trial asbestos court. This proposed cut will not impact the funding for that grant, but will eliminate the Court's ability to fund grants for FY 2011.				
GENERAL REVENUE FUNDS				
1 General Revenue Fund	\$0	\$211,500		
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$211,500</b>		
<b>Item Total</b>	<b>\$0</b>	<b>\$211,500</b>		

**3 Appellate Court Operations**

\* - Indicates amount does not meet target requirements.

**ITEM REDUCTIONS BY METHOD OF FINANCING**  
 81st Regular Session, 2010-11 Item Reductions  
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 2/12/2010  
 Time: 3:23:38PM  
 Page: 2 of 3

Agency code: 201

Agency name: Supreme Court of Texas

Item Priority and Name/ Method of Financing	2010	2011	Biennial Total	Target
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**Item Comment:** Appellate Court Operations - \$314,479.00

Appellate court operations are required to maintain the Court's current level of services. It includes the salaries for the Justices, attorneys, law clerks, clerks and staff, as well as the expenses necessary to perform appellate court functions.

The Court's budget for appellate operations is exceedingly lean. Any reduction has the potential to curtail the Court's ability to perform essential functions and to continue the progress we have made toward the efficient resolution of pending matters. Indeed, the entire judicial branch represents just 0.36% of all State appropriations. Most of that funding is dedicated to court personnel—the judges, staff attorneys, law clerks and clerks working to ensure the efficient administration of justice in Texas. For the Supreme Court, 91 percent of our budget funds salaries. For the courts of appeals, that figure ranges from 91 to 97 percent. Thus, a 5% reduction, though a minor benefit to the State, represents a huge deficiency for the judiciary.

Nevertheless, we have identified strategies to meet the 5% reduction as requested. The immediate impact of such a reduction would be to significantly undermine the Court's plans to digitize and make accessible administrative orders and rules; reduce the Court's ability to attract volunteers to assist the Court in its administrative work by reducing travel reimbursements and other administrative costs for the Court's advisory committees and task forces; and cut back on reimbursements for staff training. More specifically, the Court has identified cuts in the following areas: (1) committee travel; (2) Electronic Document Management Project; (3) judicial security; (4) contracted services; (5) training and registration fees; and (6) other operating expenses. The Court has also identified savings due to staff and judicial vacancies in FY 2010.

**GENERAL REVENUE FUNDS**

I General Revenue Fund	\$172,546	\$141,933		
<b>General Revenue Funds Total</b>	<b>\$172,546</b>	<b>\$141,933</b>		
<b>Item Total</b>	<b>\$172,546</b>	<b>\$141,933</b>		

**4 Basic Civil Legal Services**

\* - Indicates amount does not meet target requirements.

**ITEM REDUCTIONS BY METHOD OF FINANCING**  
 81st Regular Session, 2010-11 Item Reductions  
 Automated Budget and Evaluation System of Texas (ABEST)

Date: 2/12/2010  
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Agency code: 201

Agency name: Supreme Court of Texas

Item Priority and Name/ Method of Financing	2010	2011	Biennial Total	Target
<b>Item Comment:</b> Basic Civil Legal Services/Access to Justice - \$1,150,000.00				
<p>During the last Legislative Session, the Texas Access to Justice Foundation faced an unprecedented emergency after the Federal Reserve lowered its benchmark interest rate to an all-time low of zero to .25%. That led to an estimated \$37 million shortfall in the Interest on Lawyers' Trust Accounts funding over the biennium for direct legal services for low-income Texans. In response to this crisis, the Texas Legislature appropriated \$20 million for the Access to Justice Foundation for FY 2010 and FY 2011. A 5% cut to these funds would require cuts to a program that is already under-funded and would result in loss of grant funds for legal aid programs in Texas. Over 35 programs and organizations across the state would be impacted by the cuts.</p> <p>Further, the Texas Access to Justice Foundation estimates the 5% cut would result in the loss of 25 jobs across Texas and could result in 1,000-1,700 fewer low-income Texans receiving legal services. That figure is even higher if you consider the minor children living in the households of those seeking assistance, who are also impacted by the loss of legal services. Because these cuts will directly impact citizens who are most vulnerable in hard economic conditions and because the funding for legal aid has already suffered losses, I respectfully request that the Access to Justice Foundation retain the funding appropriated for FY 2010-2011.</p>				
<b>GENERAL REVENUE FUNDS</b>				
1 General Revenue Fund	\$0	\$1,150,000		
<b>General Revenue Funds Total</b>	<b>\$0</b>	<b>\$1,150,000</b>		
<b>Item Total</b>	<b>\$0</b>	<b>\$1,150,000</b>		
<b>Agency General Revenue Total</b>	<b>\$172,546</b>	<b>\$1,503,433</b>		
<b>Agency GR Dedicated Total</b>	<b>\$0</b>	<b>\$100,000</b>		
<b>Agency Grand Total</b>	<b>\$172,546</b>	<b>\$1,603,433</b>	<b>\$1,775,979</b>	<b>\$1,775,979</b>

\* - Indicates amount does not meet target requirements.