

The Year In Review

Demonstrating perseverance and teamwork, the Administrative Office made great strides in service to the federal courts during 2003. Staff advanced new technologies for many aspects of court operations, delivered innovative training to strengthen core worker competencies, managed resource acquisition with attention to efficiency and cost effectiveness, and developed detailed plans for continuing the work of the Judiciary during emergencies.

Supporting the governance work of the Judicial Conference and its committees was a major focus of the Administrative Office throughout the year, as was asserting the voice of the Judiciary to Congress on a vari-

ety of issues. And, as the Judiciary's workload continued to grow, the Administrative Office remained fixed on guiding the federal courts' strong tradition of service to the public.

This report describes the Administrative Office's wide-ranging efforts in support of the Judiciary throughout 2003.

The Volcker Commission called for an immediate and significant increase in the salaries of federal judges, members of Congress, and high-level Executive Branch officials.

The Judicial Conference voted to support the JUDGES Act, a bill introduced in Congress to repeal most of the limitations of the PROTECT Act regarding judicial discretion in sentencing.

Judges and Administrative Office staff worked throughout the year with the appropriate congressional delegations and committees to obtain funding for new courthouse construction.

Congressional Relations

Administrative Office personnel support the Judicial Conference and its committees through effective and constant communications with Congress. Agency staff convey and explain the policies adopted by the Judicial Conference to Congress, assist in the drafting of statements for judges testifying on behalf of the Conference, and identify and monitor legislation that could affect the organization and operation of the federal courts, particularly bills concerning judgeships, caseload, jurisdiction, appropriations, and courthouse facilities. They also respond to congressional inquiries regarding legislative proposals and constituent concerns.

During the first session of the 108th Congress, legislative action was taken on a wide range of issues of importance to the Judiciary. Judicial Conference committee chairs and other judges testified at hearings during 2003 in support of legislative proposals of the Conference and in response to issues that could affect the Judiciary.



Judicial Pay

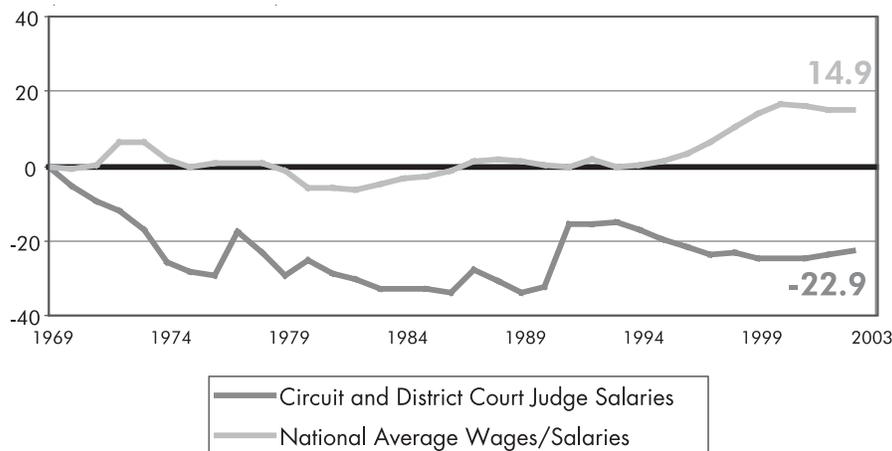
Despite a concerted effort by the Judiciary, and many supporters of an effective Judiciary, the initiative to provide a substantial pay raise for federal judges could not overcome the objections of the House Republican leaders. In the Senate, the Judiciary Committee had approved a bill to give judges a 16.5 percent pay increase. Throughout the year, facts and analyses became public, beginning with the January release of the Volcker Commission Report, which clearly explained the serious problem of decline in the value of judges' pay. The Commission called for an immediate and significant increase in the salaries of federal judges, members of Congress, and high-level Executive Branch officials. The American Bar Association and the Federal Bar Association issued a report on the threat to the vitality and independence of the federal Judiciary posed by the continuing erosion of judges' salaries. Soon thereafter, President Bush publicly announced his support for a 16.5 percent increase in the pay of justices and judges, an average increase of \$25,000. The Chief Justice personally convinced the President that the fair compensation of judges is of critical importance to the Third Branch.

Many justices and judges worked unrelentingly to convince key lawmakers in the House and Senate of the merits of the proposed pay raise. These efforts were coordinated by Judges Deanell Tacha and Richard Arnold and other members of the Judicial Conference Committee on the Judicial Branch, and included extensive support from Director Mecham, Administrative Office staff, judicial officers and bar associations, and many other friends of the judicial branch.

The Senate included the pay increase in the Judiciary's annual appropriations bill, and it was included in the fiscal year 2004 omnibus appropriations bill. Regrettably, key House leaders objected, and the authorizing language for the pay raise and the funds to pay for it were not included in the final conference report.

Judicial Pay

Decline in Salaries of Judges Compared to Private Sector Wage Gains, Adjusted for Inflation From 1969 through 2003.



Efforts to secure a cost-of-living adjustment for the Judiciary were successful. On December 6, 2003, the President signed into law a bill authorizing a 2.2 percent Employment Cost Index (ECI) pay adjustment for federal judges, members of Congress and Executive Schedule employees, effective January 1, 2004. The Committee on the Judicial Branch, judges' associations, members of Congress, Director Mechem, and Administrative Office staff worked diligently to secure this needed salary adjustment. Other judicial branch employees will be receiving a 4.1 percent average cost-of-living adjustment, varying slightly based on locality pay areas.

Sentencing Legislation

President Bush signed into law the PROTECT Act as P.L.108-21 on April 30, 2003, with provisions limiting the use of downward departures in sentencing. The Judiciary and the Sentencing Commission

were not consulted in advance concerning the downward departure provisions of the PROTECT Act. Most significantly, the law directly amends the U.S. Sentencing Guidelines, requires the United States Sentencing Commission (USSC) to amend the guidelines to "substantially reduce" the incidence of downward departures, prohibits the USSC from establishing any new grounds of downward departures on or before May 1, 2005, and establishes a *de novo* standard for appellate review of departure decisions. Both the Chief Justice and the Director wrote to Congress to express their concerns with portions of the legislation.

At its September 2003 meeting, the Judicial Conference voted to support enactment of the JUDGES Act, a bill introduced in both Houses of Congress to repeal most of the limitations of the PROTECT Act regarding judicial discretion in sentencing. Administrative Office staff worked with members of Congress on efforts to achieve passage of the JUDGES Act.

Judicial Operations

Early in 2003, the Judicial Conference transmitted to Congress a proposed Federal Courts Improvement Act that would address major administrative, financial, personnel, and benefits needs of the Judiciary. One provision would authorize the Judiciary to provide its employees with a supplemental benefits package approaching those long offered throughout the private sector and by state and local governments. Another provision would make it a federal crime to file false liens against the property of a federal judge. The bill is pending before the House Judiciary Committee, but has not yet been introduced in the Senate.

Courthouse Construction

The President's proposed budget for fiscal year 2004 did not include funding for courthouse construction projects, but did include \$257 million for 11 courthouse repair and alteration projects. Therefore, the Director of the AO directly submitted, for the first time ever, a formal budget request to Congress to fund new courthouse construction projects in fiscal year 2004. Judge Jane R. Roth (3rd Circuit), chair of the Judicial Conference Committee on Security and Facilities, met with leaders of the appropriations and authorizing committees and testified before one of the committees in support of courthouse funding. Other judges and Administrative Office staff worked throughout the year with the appropriate congressional delegations and committees to obtain funding for new construction.

As a result, the final conference report on the omnibus appropriations bill for fiscal year 2004, which was approved by the House of Representatives in December, 2003, was cleared by the Senate and signed by the President January, 2004, includes funding for nine new courthouse construction projects at \$205 million and 11 courthouse repair and alteration projects at \$248 million. The bill also includes \$17 million for a new federal building/annex to provide additional office space for administrative staff of the



Judge Jane Roth (3rd Circuit) testified in July 2003 on the need to authorize courthouse construction projects before the House Transportation Infrastructure Committee's Subcommittee on Economic Development, Public Buildings and Emergency Management.

Eleventh Circuit Court of Appeals in Atlanta, Georgia. All of the projects were funded at the level requested, except for the new courthouse in Los Angeles, which received only a portion of the requested funding. All of the projects, except Los Angeles, were also fully authorized in the House, but several are still awaiting additional Senate authorization, as they were authorized at lower levels last year. The Senate authorizing committee postponed action until completion next spring of a comprehensive study on the status of the federal court-

house construction program, which the committee asked the General Accounting Office to undertake.

Other Legislation

Several bills introduced but not passed during the first session could significantly affect the Judiciary's operations. As the proposals were considered, judges, Director Mecham, and Administrative Office staff worked to raise awareness throughout Congress about the Conference's positions and

the impact these bills would have on the Judiciary. These bills included:

Class Action Fairness Act

This legislation, which passed the House and was considered by the Senate, would provide for original federal jurisdiction over class actions involving minimal diversity between adverse parties, where the amount in controversy exceeds \$5 million in aggregated damages. The legislation also would provide special rules for the removal of class actions from state to federal court. A "compromise" version of the class action legislation is expected to be deliberated further in the Senate during the second session.

The Judicial Conference adopted a position in March 2003 recognizing that the use of minimal diversity of citizenship may be appropriate to the maintenance of significant multi-state class action litigation in the federal courts. The Conference continued to oppose class action legislation that contains jurisdictional provisions that are similar to those in the bills introduced in the 106th and 107th Congresses.

The Fairness in Asbestos Injury Resolution Act of 2003

This proposal, which was reported favorably by the Senate Judiciary Committee, would create a "non-adversarial" administrative processing system for the resolution of asbestos personal injury claims through the United States Court of Federal Claims. Payments awarded to claimants would be funded by defendant companies and insur-

At the close of 2003, the Judiciary was still operating under a continuing resolution (CR), the sixth in a series of CRs holding spending to the prior year's level.

In order for the courts to continue operations, the Executive Committee of the Judicial Conference approved an interim financial plan for use during the period covered by the continuing resolutions.

At the direction of the Judicial Conference, Director Mecham transmitted to Congress the Conference request for the creation of additional judgeships.

ance carriers through a trust fund. The legislation would apply to pending asbestos cases in the federal and state courts. In 1991, the Judicial Conference urged Congress to consider “a national legislative scheme to come to grips with the impending disaster related to resolution of asbestos personal injury disputes, with the objectives of achieving timely appropriate compensation of present and future asbestos victims and of maximizing the prospect for the economic survival and viability of the defendants.” This session, the Conference reiterated its desire for asbestos legislation to provide for a nationwide solution, but the House of Representatives did not consider asbestos-related legislation.

Multidistrict Litigation Restoration Act of 2003

This legislation, introduced in the House but not yet in the Senate, would respond to the Supreme Court’s decision in *Lexecon v. Milberg Weiss* to permit a district judge with a case transferred by the Judicial Panel on Multidistrict Litigation to retain the case for trial. The legislation also would amend the Multiparty, Multiforum Trial Jurisdiction Act of 2002, which granted the district courts original jurisdiction over civil actions involving minimal diversity between adverse parties arising from a single accident, where at least 75 persons died in the accident at a discrete location, so that the transferee court could retain the cases through trial. The Judicial Conference supports this legislation.

DNA Legislation

In November 2003, the House passed the Advancing Justice Through DNA Technology Act of 2003, as amended. That bill would, in part: reauthorize, expand, and increase the funding for the DNA Analysis Backlog Elimination Act of 2000; authorize training for law enforcement, court and medical personnel on the use of DNA evidence; authorize grant programs to reduce other forensic science backlogs and to re-

search new DNA technology; establish rules for post-conviction DNA testing of federal prisoners, and require the preservation of biological evidence in federal criminal cases while the defendant remains incarcerated; provide incentive grants to states that adopt procedures for providing post-conviction DNA testing; and authorize funding to help states provide legal services for the prosecution and defense in death penalty cases. A similar bill with bipartisan support is pending in the Senate. The Judicial Conference supports the goal of establishing fair and uniform standards for post-conviction forensic DNA testing in the federal criminal justice system. It also supports the goal of ensuring that capital defendants have competent legal representation in both state and federal capital proceedings at every stage of their cases.

Bankruptcy Reform Legislation

Early in the year, the House passed the Bankruptcy Abuse Prevention and Consumer Protection Act of 2003, a bill very similar to legislation passed by the House at

the close of the 107th Congress. The bill includes several provisions of concern to the Judiciary, including a bankruptcy judgeship provision that has been superseded by the Judicial Conference recommendation of September 2002, a duty on the part of bankruptcy clerks to maintain and control access to federal tax returns filed by debtors, a duty on the part of bankruptcy clerks and the Administrative Office to collect and report financial data of debtors, and re-allocation of revenues derived from filing fees to the Executive Office for United States Trustees. The Senate has not acted yet on related legislation.

Victims Rights Constitutional Amendment

The Senate Judiciary Committee favorably reported a constitutional amendment that would grant various rights to the victims of violent crime, including the right to notice of public proceedings involving the crime or release or escape of the defendant; the right not to be excluded from such public proceedings and a reasonable right to be heard at release, plea, sentencing, reprieve



Emphasizing the need for new bankruptcy judgeships, Judge Michael J. Melloy (8th Circuit), left, testified in May 2003 before the House Judiciary Subcommittee on Commercial and Administrative Law. Also testifying, from his left, are William Jenkins, GAO; Gordon Bermant; and Bankruptcy Judge Paul Mannes (D. MD), National Conference of Bankruptcy Judges.

and pardon proceedings; and, the right to adjudicative decisions that duly consider the victim's safety, interest in avoiding unreasonable delay, and just and timely claims to restitution. The House Judiciary Subcommittee on the Constitution held hearings on companion legislation.

Bail Bond Legislation

The House Judiciary Committee favorably reported to the full Senate the Bail Bond Fairness Act of 2003. The bill would amend Title 18, United States Code, and the Federal Rules of Criminal Procedure, to prohibit judges from forfeiting the bond of a criminal defendant for violating any provision of release other than failure to appear. Similar legislation was introduced in the 107th Congress. On behalf of the Judicial Conference, Judge Ed Carnes, Chair of the Advisory Committee on Criminal Rules, testified before the House Judiciary Subcommittee on Crime, Terrorism and Homeland Security, in opposition to the legislation.

Ninth Circuit Split

The House Subcommittee on Courts, the Internet and Intellectual Property held a hearing on the Ninth Circuit Court of Appeals Judgeship and Reorganization Act of 2003, which would divide the Ninth Circuit into a new Ninth comprised of Arizona, California, and Nevada, and a new Twelfth Circuit, comprised of Alaska, Guam, Hawaii, Idaho, Montana, the Northern Mariana Islands, Oregon, and Washington. The bill also would create seven new judgeships for the two circuits. Chief Judge Mary Schroeder and Judge Alex Kozinski testified against the proposal and cited recent statistics describing the implementation of new internal procedures to generate significant improvements in the workload and operations of the court. Ninth Circuit Judge Diarmuid O'Scannlain presented arguments that the split would reduce case backlogs and alleviate travel burdens for judges and litigants.

Funding The Federal Judiciary

Fiscal Year 2003 Supplemental Appropriations

The Judiciary submitted a fiscal year 2003 supplemental request to Congress totaling \$32.2 million. The request was for \$12.2 million in the Judiciary's Salaries and Expenses account for the space build-out and other non-recurring expenses associated with the 15 new judgeships authorized in P.L.107-273; \$17.2 million for defender services to cover the projected shortfall in panel attorney payments; and, \$2.8 million in the fees of jurors account to provide for the higher-than-anticipated costs associated with jurors.

Before beginning the August recess, Congress passed, and the President subsequently signed, an emergency supplemental, with no funding included for the Judiciary in that measure. To avoid the halting of civil jury trials and payments to panel attorneys, the fees of jurors appropriation and the defender services appropriation each received a \$5 million transfer from the emergency reserve of the Salaries and Expenses account.

Late in September, the House and Senate Committees on Appropriations completed conference on H.R. 2657, the fiscal year 2004 Legislative Branch Appropriations Bill. Title III of this bill included the Judiciary's full emergency supplemental request of \$32.2 million. All of the monies provided to the Judiciary will remain available until expended, into fiscal year 2004. The bill was enacted on September 30, 2003.



Fiscal Year 2004 Appropriations

At the close of 2003, the Judiciary was still operating under a continuing resolution (CR), the sixth in a series of CRs holding spending to the level of the prior year's obligations. On January 23, 2004, the President signed the Consolidated Appropriations Act of 2004, which included funding for the Judiciary.

Back on July 23, 2003, the House of Representatives passed the Departments of Commerce, Justice, and State, the Judiciary and Related Agencies (CJSJ) fiscal year 2004 appropriations bill. The Judiciary received a 6.3 percent increase over fiscal year 2003, the highest percentage increase received by any title in the bill. While most accounts including the courts' Salaries and Expenses account were funded at, or very close to, a level that would allow them to maintain their fiscal year 2003 levels of operations, both the defender services and fees of jurors accounts were more than six percent below current services.

On September 4, 2003, the full Senate Appropriations Committee approved its version of the fiscal year 2004 CJSJ appropriations bill, with two provisions affecting judges pay. The first waived section 140, thereby providing for a Cost Of Living Adjustment (COLA) of up to 2.2 percent for judges for 2004. The second provision provided a 16.5 percent pay increase and repealed section 140, which would allow for automatic COLAs for judges in the future.

The pay increase was included in an otherwise extremely austere fiscal year 2004 CJSJ Appropriation Bill. However, severely constrained budget allotments drove the committee's recommendation down to a 3.9 percent increase for the Judiciary overall, substantially below the 6.3 percent increase included in the House bill, but better than most other Departments and agencies in the bill fared. With few exceptions, Judiciary accounts were funded below current services.

In order for the courts to continue operations, the Executive Committee of the



Explaining the need for adequate funding in fiscal year 2004 are, from left, U.S. Marshals Service Director Benigno G. Reyna; Chief Judge John G. Heyburn III, chair of the Judicial Conference Committee on the Budget; and Administrative Office Director Leonidas Ralph Mecham. They testified before the House Appropriations Subcommittee on Commerce, Justice and State, the Judiciary and Related Agencies, in March 2003.

Judicial Conference approved an interim financial plan for use during the period covered by the CR(s). Temporary allotments were issued on October 1, 2003, and all courts were advised to refrain from hiring and from purchasing non-essential goods and services until approval of a final financial plan.

The full Senate did not take up the CJSJ appropriations bill independently. Instead the bill was included in an omnibus bill with six other spending bills. House and Senate negotiators reached an agreement on the conference report on the fiscal year 2004 omnibus appropriations bill and the report was filed on November 25, 2003, just prior to Congress leaving for the holiday break.

The bill provided an increase of 5.7 percent for the Judiciary, but two across-the-board cuts, one within the CJSJ bill and one government-wide, reduced funding for the Judiciary to only a 4.7 percent increase over fiscal year 2003. Further, the

16.5 percent pay increase for judges was not approved. The section 140 waiver that allows a 2.2 percent COLA for judges in 2004 has been provided in separate legislation. The bill did not approve any increase to panel attorney rates.

The House passed the omnibus bill on December 8, 2003, but a consent agreement in the Senate failed. Further action on the bill was deferred until after the Senate returned in January 20, 2004. In the meantime, the Judiciary was required to operate at the fiscal year 2003 level under the terms of the continuing resolution.

On December 10, 2003, the Judicial Conference Executive Committee approved a fiscal year 2004 financial plan based on the funding provided in the omnibus appropriations bill, which will be adjusted as necessary to reflect differences in the final enacted appropriations bill. Considering the adverse impact this constrained funding will have on federal court operations, the Judiciary submitted to the President a fiscal

year 2004 proposed emergency supplemental request for transmission to Congress. The supplemental, totaling \$55.6 million, is necessary to avoid involuntary separations and furloughs of federal court employees, and to avoid suspending payments made to court-appointed private attorneys under the provisions of the Criminal Justice Act.

Five-Year Courthouse Project Plan

Significant congressional funding delays for courthouse projects since 1998 have created a growing backlog of unfunded courthouse projects on the Five-Year Courthouse Project Plan. With no end to delays in sight, all chief circuit judges were asked in April 2003 to recommend possible solutions. With most chief judges voicing support, the Judicial Conference in September froze the annual five-year plans until not more than \$500 million of courthouse projects remains on the first year. As another measure to handle the backlog, the Conference declared judicial space emergencies in Los Angeles, California; El Paso, Texas; San Diego, California; and Las Cruces, New Mexico. It placed those projects above other projects when it approved the Five-Year Courthouse Project Plan for fiscal years 2005-2009.

“Management in the Judiciary: Rules, Tools and Tips of Good Stewardship,” trained court unit executives for greater awareness of their administrative responsibilities.

Judicial Resources

During the first session of the 108th Congress, 69 nominees for Article III judgeships were confirmed—13 court of appeals judges, 55 district court judges, and one in the Court of International Trade. As of January 2004, there were a total of 45 judicial vacancies—18 in the U.S. courts of appeals, and 27 in the U.S. district courts. Although the total number of vacancies has dropped over the last two years, the presence of numerous judicial vacancies on specific courts continues to be a serious concern.



Article III Judgeships

At the direction of the Judicial Conference, Director Mecham transmitted to Congress the Judicial Conference request for the creation of additional Article III judgeships. The proposed legislation would add nine permanent and two temporary judgeships to the courts of appeals, 29 permanent and 17 temporary judgeships to the district courts, and convert five existing temporary judgeships to permanent positions. It also would confer Article III status on the judgeships authorized for the Northern Mariana Islands and the U.S. Virgin Islands. The full Senate passed a bill that would create 13 new permanent district court judgeships, one new temporary judgeship, and convert two temporary judgeships into permanent judgeships.

Related legislation has not been introduced in the House, although a Judiciary Committee subcommittee held a hearing on the need for additional federal judgeships. Judge Dennis Jacobs (2nd Circuit), chair of the Judicial Conference Committee on Judicial Resources, testified on behalf of the Conference recommendations.

Bankruptcy Judgeships

The Judicial Conference's bankruptcy judgeship recommendations were provided to Congress in early 2003. The proposal seeks 29 permanent and seven temporary judgeships in 22 judicial districts, and requests conversion of two existing temporary judgeships to permanent positions and extension of two existing judgeships for five additional years. A hearing on these recommendations was held by the House Judi-

“Director Mecham transmitted to Congress the Judicial Conference request for the creation of additional Article III judgeships.”

ciary Subcommittee on Commercial and Administrative Law. Judge Michael J. Melloy (8th Circuit), chair of the Committee on the Administration of the Bankruptcy System, testified on behalf of the Conference's request. However, when the House passed its bankruptcy reform legislation early in the year, it included authorizations derived in part from the Conference's earlier recommendations, creating 28 temporary judgeships and extending the terms of four existing temporary judgeships for five years.

The Senate passed legislation to create new district court judgeships that included authority to create 36 bankruptcy judgeships, consistent with the current Conference recommendation.

Magistrate Judges Positions

In fiscal year 2003, there were 477 full-time and 54 part-time magistrate judge positions, and three combination clerk/magistrate judge positions. Another 10 new full-time magistrate judge positions were authorized for fiscal year 2004. Three of the 10 represent conversions of existing part-time positions to full-time status. The increases are due to growing caseloads and expanded use of magistrate judges by the district courts.

Intercircuit Assignments

In support of the Committee on Intercircuit Assignments, Administrative Office staff assist in processing assignments for Article III judges to serve outside their home circuits or, in the case of the judges of the Court of International Trade, to serve on other Article III courts. During the first six months of 2003, the Committee processed, and the Chief Justice approved, 62 intercircuit assignments for 48 Article III judges. Of the 62 approved assignments, 36 were to courts of appeals and 26 to district courts. Administrative Office staff also continued to assist in maintaining rosters of both active and senior judges willing to take intercircuit assignments and in identifying judges willing to help courts in need.

Inter- and Intra-Circuit Assignment and Service by Recalled Bankruptcy Judges

The Administrative Office monitors the deployment of bankruptcy judges outside their home districts to assist overburdened courts. Bankruptcy judges may serve, with permission of the pertinent circuit councils, on intra-circuit or inter-circuit assignment. For the 12-month period ending June 30, 2003, bankruptcy judges provided more than 10,300 case-related hours of assistance to help manage a record-breaking national bankruptcy caseload. Intra-circuit assignments accounted for 6,773 hours of trial and other case-related work. Inter-circuit assignments, which require the approval of the chief circuit judge of both the borrowing and the lending circuits, accounted for 3,534 hours. Many of these assignments

The Administrative Office monitors the deployment of bankruptcy judges outside their home districts to assist overburdened courts.

The Federal Rules of Practice and Procedure are posted on the Judiciary's web site for public comment: www.uscourts.gov/rules.

Central to the Administrative Office's statutory charge is providing sound management and administrative guidance, as well as program leadership to the federal courts.

were filled by retired bankruptcy judges, who continue to serve in a recalled capacity. An average of 31 bankruptcy judges were recalled to service in fiscal year 2003.

Judges' Orientation Programs

Orientation programs for new chief judges and judicial nominees are a key element of Administrative Office outreach efforts. In 2003, 18 orientations were conducted for 79 nominees for Article III and non-Article III judgeships. The one-day program provides an overview of the Administrative Office and its services for judges and courts, focusing on information the nominees need when they first take office.

In 2003, there were also orientation programs conducted for two new chief circuit judges and 16 new chief district judges. The program focused on the responsibilities of the chief judges and the assistance they can obtain from the Administrative Office.

Judges' Retirement and Benefits Outreach Programs

Retirement and benefits programs continued to draw significant interest from judges in 2003. Particular focus was placed on planning for retirement, with emphasis on the Judiciary's long-term care insurance and flexible benefits programs. Three retirement planning programs for bankruptcy judges and two for magistrate judges were conducted in conjunction with educational programs sponsored by the Federal Judicial Center.

Several benefits presentations and benefit profile review programs were con-

ducted for Article III judges, bankruptcy judges, and magistrate judges at individual courts, at three circuit judicial conferences, and as optional sessions added to the Federal Judicial Center's circuit workshop programs. In a continuing effort to disseminate information early in a judge's career, eight benefits programs were conducted as part of the Federal Judicial Center's video orientation programs for new district judges, bankruptcy judges, and magistrate judges.

Financial Disclosure

Working with the Committee on Financial Disclosure, the Administrative Office continued educational outreach efforts on financial disclosure filing requirements and procedures. This year, presentations were offered to new judges attending nominee orientations at the Administrative Office and as part of the Federal Judicial Center's new judge video orientation programs. Staff also participated in training programs for judges' secretaries and judicial assistants, providing information to aid them in assisting the judges in the preparation of their financial disclosure reports. In addition, the staff has developed and released newly upgraded financial disclosure software to assist in the filing process.

Federal Employees Group Life Insurance Program for Judges 65 and Over

Since 2000, the Judiciary has been authorized to pay for increases in FEGLI premium rates for Article III judges age 65 and over. In January 2003, the Office of Person-

nel Management (OPM) imposed long-expected increases in the FEGLI premium rate schedule for Option B—Additional Coverage, which allows an enrollee to purchase supplemental insurance coverage up to five times the enrollee's annual rate of pay. The new rate structure creates additional categories that require enrollees age 65 and over to pay substantially more for life insurance. Additional increases in the rates will take effect in January 2004 and 2005.

When OPM first proposed increases in Option B premium rates in 1999, the Administrative Office, with strong support from the Judicial Conference and individual judges, vigorously fought it. The effort was successful in getting legislation passed that authorizes the Director of the AO to pay on behalf of all active and senior Article III judges age 65 and over who are enrolled in the FEGLI program "the full amount of any increases in the cost (and any expenses associated with such payments) of the judges' insurance imposed after April 24, 1999." Total benefits to senior judges this year will be \$2.1 million.

Federal Rules of Practice and Procedure

The Judicial Conference Committee on Rules of Practice and Procedure and its five advisory committees propose amendments to the rules that govern all federal court proceedings. In 2003, the Administrative Office staff supported the rules committees during their dozen meetings and followed up to implement the committees' decisions.

The Judicial Conference approved amendments to the Federal Rules of Bankruptcy and Criminal Procedure, and the

KPMG endorsed budget decentralization as a financial management program for the courts and noted that other federal agencies could profit from an examination of the program.

The Administrative Office initiated a project to identify and assess cost-effective and efficient delivery of administrative support services to the courts.

Federal Rules of Evidence at its September 2003 session for submission to the Supreme Court. The amendments include comprehensive style and substantive amendments to the Rules Governing Section 2254 Cases in the United States District Courts, Rules Governing Section 2255 Proceedings for the United States District Courts, and the official forms accompanying the section 2254 and section 2255 rules.

Administrative Office staff placed proposed amendments to the Federal Rules of Practice and Procedure on the Judiciary's Federal Rulemaking Internet web site for public comment, which can now be submitted electronically. In addition, pamphlets and brochures summarizing the proposed rules amendments were prepared and distributed to the public. The rules web site was modified to make it easier for users to find, research, and track proposed amendments as they proceed through the rule-making process. The redesigned home page includes more information on the status of proposed rule amendments and rules committees' activities. The home page also was reformatted to make it easier for the user to see and navigate through the additional material. Staff continues to update and expand the amount of rules-related content on the web site.

Administrative Office staff monitored congressional activity in the rule-making process and advised the rules committees of 27 separate pieces of legislation introduced in, or passed by, the Congress during the past year that could affect the federal rules of practice and procedure. Staff also prepared position papers and correspondence to Congress expressing the views of the Judiciary relating to rules-related issues in legislation.



Judges and court employees from China were among many international delegations that attended briefings on the U.S. court system.

International Judicial Relations

Court systems in other countries continue to seek opportunities to visit and learn from the U.S. court system. In 2003, the Judicial Conference Committee on International Judicial Relations again coordinated the Judiciary's involvement in the rule-of-law component of the Open World Program at the Library of Congress. Six sessions were held, during which 241 Russian judges participated in a two-day orientation

with the Administrative Office in Washington, D.C. and then were hosted for a week in one of 39 different U.S. courts and communities. Additionally, numerous requests for help came from other countries, international organizations and U.S. government agencies. Administrative Office staff held briefings for 52 international delegations that included 392 judges and court administrators from three dozen countries.

For the second year, Administrative Office staff, with the U.S. Patent and Trademark Office and the Federal Judicial Center,

Administrative Office staff collaborated with court staff to minimize the impact of the numerous worms and viruses that attacked computers world-wide in 2003.

Staff are cooperating with academic researchers in the study of changing trial patterns.

All appellate, district, and bankruptcy courts are currently using Statistics Electronic Forms (SEF) to report data that previously had been reported using paper forms.

conducted a week-long conference on intellectual property and the Judiciary for judges from eight countries. Staff also conducted briefings, attended international conferences, and participated in video conferences with judges and court employees in Central and South America, France, Russia, China, and Ghana to discuss, and offer guidance on, various legal issues.

Administrative Office staff assumed administrative responsibility for the continued support and development of a database and web-based questionnaire of federal judges, court administrators, and defenders interested in assisting foreign judiciaries and international organizations with judicial reform and establishment of the rule of law.

Publications for Judges

The Administrative Office has worked to revise several of the publications in the Judges Information Series. These updates focus on good stewardship of public resources, updated pay and benefit information, and expanded discussion of security and emergency preparedness issues. One new addition to this series is *A Brief Guide to Judges' Travel*. This pamphlet, recently completed for publication, offers a concise description of the travel regulations and policies applicable to judges.

A revised pamphlet has been prepared describing the magistrate judges system and the legal, historical, and policy context in which courts define the roles of magistrate judges. In addition, various memoranda and bulletins have been sent to the courts summarizing significant recent cases addressing the authority of magistrate judges and effective use of magistrate judges by the district courts.

In fiscal year 2003, Telephone Interpreting Program (TIP) services were used in nearly 2,600 events, a 64 percent increase from fiscal year 2002.

Recognition of Court Staff

Central to the Administrative Office's statutory charge is providing sound management and administrative guidance, as well as program leadership to the federal courts. The AO performs this role through the provision of many services, including developing management and business plans, procuring information technology resources, administering payroll and benefits, supporting legal research, and gathering and reporting statistical data.

Recognition of Court Staff With Director's Awards

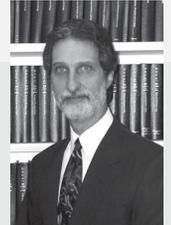
Each year, the Director solicits nominations for awards to honor employees of the federal courts for outstanding contributions to the Judiciary. The *Director's Award for Outstanding Leadership* recognizes managerial employees who have contributed on a national level through their leadership skills to improvements in the administration of the federal Judiciary. The *Director's Award for Excellence in Court Operations* recognizes employees for achievements in improving the operations of the federal courts within four categories: "Excellence in Court Administration," "Excellence in Court Technology," "Excellence in Court Support," and "Excellence in Mission Requirements."

In 2003, the recipients of the *Director's Award for Outstanding Leadership* were:

- Wally A. Edgell, Ph.D., Clerk of Court
United States District Court - West Virginia
- Frank Schwartz, Chief Probation Officer
United States District Court - Florida (Southern)



Wally Edgell



Frank Schwartz

In 2003, the recipients of the *Director's Award for Excellence in Court Operations* were:

Court Technology

- Chengli Gou, Applications Developer
United States Bankruptcy Court - Texas (Western)
- Russ Reynolds, Systems Manager; and Hoa Tran, Systems Programmer
United States Bankruptcy Court - California (Southern)



Chengli Gou



Russ Reynolds



Hoa Tran

Court Support

- CM/ECF Project Team, including Kelly Brewer, Assistant Systems Manager; Gail Carlson, Financial Technician; Susie Cordero, Secretary to Unit Head/CDC; Edward Champion, Courtroom Deputy; Tracey Couling, Automation Specialist; Kathy Griess, Supervisor Courtroom Operations; Beth Hansen, Docket Clerk Specialist; Pat Merritt, Deputy Clerk in Charge; Luta Pleiss, Help Desk/Software Trainer; Jennifer Stone, Docket Clerk Supervisor; Thomas Wisinski, Chief Information Officer; Therese Bollerup, Law Clerk; and Patricia Vansteenburgh, Secretary to Magistrate Judge.
United States District Court - Nebraska



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