

Good morning. Chairman Greenleaf, Chairman Leach, and members of the Senate Judiciary Committee, we thank you for providing this opportunity to discuss the proposed budget of the Unified Judicial System.

I am Justice Tom Saylor. With me representing the court system are Justice Max Baer, Superior Court President Judge Kate Ford Elliott, Commonwealth Court President Judge Bonnie Leadbetter, state Court Administrator Zig Pines, and AOPC Finance Director Deb McDivitt.

The Supreme Court is fully aware of the economic challenges our Commonwealth government faces. The cost-cutting measures we've taken and the scaled-down budget proposal we've submitted reflect that recognition.

As it became apparent that state revenues were in serious decline, we immediately took the following measures to curb spending:

- Suspended staff merit increases for 2009
- Reclassified, or left unfilled, at least six high-level staff positions
- Froze hiring for non-essential positions, and
- Eliminated all but essential out-of-state travel

While our courts remain focused on our fundamental, core government function, we continually explore new and practical collaborative methods to address societal problems in an efficient and cost-effective manner.

For instance, several judicial districts have initiated programs to help resolve issues between homeowners and lenders before mortgage foreclosures occur. Problem-solving courts of various

types now exist and more will be created. They meet society's need for accountability, while providing treatment to those convicted of non-violent crimes.

Additionally, video conferencing has been employed in certain court proceedings to reduce transportation costs while enhancing security. Studies have shown that use of this equipment can decrease costs by some \$25,000 per site.

However, the major challenge we face is the chronic structural deficit due to years of underfunding in mandated salary appropriations for jurists. While we have been able to internally fund the current salary shortfalls, similar shortfalls proposed in next year's budget would continue, and would exacerbate, the judiciary's deficit.

The Governor's budget proposal marks the fifth consecutive year that salaries for our Common Pleas and magisterial district

judges have been underfunded. This \$24 million shortfall equates to funding for salaries of 150 sitting jurists, as well as for 11 new judgeships created by statute in 2008 to be seated in January 2010.

The overall Executive budget proposal of roughly \$29 billion for next year is estimated to be between a 2.5 and 4.6 percent increase. The proposal for the Judiciary represents a **6 percent decrease** from the current available budget. This translates to an overall **\$34 million shortfall** that mostly under-funds mandated salaries, but also shorts the Superior Court by \$5 million, under-funds the operation of the Supreme Court, and provides no funds for 39 court administrators at the county level.

Additionally, the Judicial Computer System, which is funded through non-tax fines, fees and court costs, is **cut by 6.6 percent**. We see this as shortsighted given the widely acknowledged value of our statewide systems. Last year, for instance, the systems collected and distributed **\$463 million** to state and local

government entities. Maintaining and improving these electronic systems is vital to continue providing the many benefits derived from their operations, and requires full funding to operate at capacity.

We again thank you for inviting us to participate in today's hearing. We are particularly appreciative of the Senate Judiciary Committee's interest in addressing the problems the proposed budget may pose in effectively and responsively sustaining the rule of law in our Commonwealth.

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