

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS
Salaries and Expenses
SUMMARY STATEMENT OF ACCOUNT REQUIREMENTS

Fiscal Year 2020 Enacted Appropriation	\$94,261,000
Fiscal Year 2021 Appropriation Request	\$99,812,000
Requested Increase from Fiscal Year 2020 Enacted Appropriation	\$5,551,000

APPROPRIATION LANGUAGE

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

SALARIES AND EXPENSES

For necessary expenses of the Administrative Office of the United States Courts as authorized by law, including travel as authorized by 31 U.S.C. 1345, hire of a passenger motor vehicle as authorized by 31 U.S.C. 1343(b), advertising and rent in the District of Columbia and elsewhere, [\$94,261,000]\$99,812,000, of which not to exceed \$8,500 is authorized for official reception and

(P.L. 116-93 - Financial Services and General Government Appropriations Act, 2020)

**SUMMARY OF REQUEST
ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS
FISCAL YEAR 2021
(Dollar amounts in thousands)**

Fiscal Year 2021 Resource Requirements:

<u>Page</u>		<u>FTEs</u>	<u>Amount</u>
	Fiscal Year 2020 Obligations.	1,254	\$233,852
	Estimated FY 2020 fee collections.	-	(10,710)
	Fee carryforward from FY 2019 into FY 2020	-	(13,060)
	Carryforward from Judiciary Information Technology Fund.	-	(4,009)
	Reimbursable Programs	<u>(632)</u>	<u>(111,812)</u>
	Fiscal Year 2020 Enacted Appropriation.	622	\$94,261

Adjustments to Base to Maintain Current Services:

A. Personnel

	Pay and benefit adjustments		
8.14	1. Proposed January 2021 pay adjustment	-	810
8.14	2. Annualization of January 2020 pay adjustment	-	947
8.14	3. Promotions and within-grade increases.	-	832
8.14	4. Benefits increases		
8.14	a. Health benefits	-	180
8.15	b. FICA adjustment	-	110
8.15	c. FERS adjustment	-	1,225
8.15	5. One less compensable day	-	(409)

<u>Page</u>		<u>FTEs</u>	<u>Amount</u>
	B. Other Adjustments		
8.15	6. Inflationary increases in charges for contracts, services, supplies, and equipment.	-	192
	Subtotal, Adjustments to Base to Maintain Current Services	-	3,887
	Total Current Services Appropriation Required	622	98,148
	<u>Program Increases:</u>		
8.15	7. Expand Office of Judicial Integrity.	2.0	364
8.16	8. Procurement Reforms.	6.5	1,092
8.17	9. Corrective Actions Oversight	0.5	97
8.17	10. AO Internal Control Self-Assessment Training.	0.5	111
		10	1,664
	Total Fiscal Year 2021 Appropriation Required	632	99,812
	Total Appropriation Increase, Fiscal Year 2020 to Fiscal Year 2021.	10	5,551
	<u>Financing the Fiscal Year 2021 Request:</u>		
	Total Appropriation Required.	632	99,812
8.18	Estimated FY 2021 fee collections	-	11,129
8.18	Estimated fee carryforward from FY 2020 into FY 2021.	-	9,211
8.18	Reimbursable programs	651	118,092
8.19	Contractor Conversions	15	2,251
	Estimated Obligations, Fiscal Year 2021	1,298	240,495

ADMINISTRATIVE OFFICE
Salaries and Expenses
Obligations by Activity (\$000)

Activity	FY 2019 Actual	FY 2020 Assumed	FY 2021 Request
Program Direction and Policy Formulation	79,324	85,958	89,875
Program Services	40,622	46,332	47,744
Administrative Services	49,663	54,717	58,785
Technology Services	40,368	46,845	44,091
Total Obligations	209,977	233,852	240,495
Unobligated Balance, Start of Year: Judiciary Information Technology Fund	(3,646)	(4,009)	-
Deposits and Other Adjustments: Judiciary Information Technology Fund	(4,009)	-	-
Unobligated Balance, End of Year: Judiciary Information Technology Fund	4,009	-	-
<i>Subtotal, Other Obligations</i>	<i>(3,646)</i>	<i>(4,009)</i>	<i>-</i>
Direct Obligations	206,331	229,843	240,495
Offsetting Collections			
Federal Funds	(21,594)	(23,770)	(20,340)
Reimbursable Programs	(92,324)	(111,812)	(120,343)
<i>Salaries and Expenses</i>	<i>(75,323)</i>	<i>(88,752)</i>	<i>(96,212)</i>
<i>Electronic Public Access</i>	<i>(10,583)</i>	<i>(14,422)</i>	<i>(14,980)</i>
<i>Defender Services</i>	<i>(4,805)</i>	<i>(6,735)</i>	<i>(7,198)</i>
<i>Court Security</i>	<i>(1,613)</i>	<i>(1,903)</i>	<i>(1,953)</i>
Available Appropriation	\$92,413	\$94,261	\$99,812

ADMINISTRATIVE OFFICE
Salaries and Expenses
Obligations by Budget Object Class (\$000)

Description	FY 2019 Actual	FY 2020 Assumed	FY 2021 Request
1100 Personnel compensation	146,426	164,047	171,303
1200 Personnel benefits	47,050	54,704	58,398
1300 Benefits for former personnel	40	23	23
2100 Travel	1,737	2,066	2,124
2200 Transportation of things	111	138	142
2330 Communications, utilities, & misc	470	673	692
2400 Printing and reproduction	100	186	191
2500 Other services	4,364	5,424	4,967
2600 Supplies and materials	459	1,113	1,144
3100 Equipment	1,605	1,469	1,510
4200 Claims	300	-	-
9100 Undefined Disbursements (JITF Deposit)	3,669	-	-
Direct Obligations	206,331	229,843	240,495
Other Obligations (JITF Obligations)	3,646	4,009	-
Total Obligations	209,977	233,852	240,495

ADMINISTRATIVE OFFICE
Salaries and Expenses
Full-Time Equivalents by Activity

Activity	FY 2019 Actual	FY 2020 Assumed	FY 2021 Request
Program Direction and Policy			
Formulation	194	207	210
Program Services	304	332	346
Administrative Services	355	400	425
Technology Services	279	315	317
Total, Full-Time Equivalents	1,132	1,254	1,298
Less: Reimbursable Positions	(514)	(632)	(666)
<i>Salaries and Expenses</i>	413	514	533
<i>Electronic Public Access</i>	64	75	84
<i>Defender Services</i>	28	34	40
<i>Court Security</i>	9	9	9
Total, Direct Full-Time Equivalents	618	622	632

ADMINISTRATIVE OFFICE
Salaries and Expenses
Relation of Direct Obligations to Outlays (\$000)

	FY 2019 Actual	FY 2020 Assumed	FY 2021 Request
Direct obligations incurred	206,331	229,843	240,495
Obligated balance, unpaid obligations, start of year	12,944	13,127	14,623
Adjustments of prior year activity	1,736	1,934	2,023
Obligated balance, unpaid obligations, end of year	<u>(13,127)</u>	<u>(14,623)</u>	<u>(15,300)</u>
Total Outlays	207,884	230,281	241,840
Less Offsets	<u>(116,986)</u>	<u>(135,582)</u>	<u>(140,683)</u>
Net Outlays	90,898	94,699	101,157

GENERAL STATEMENT AND INFORMATION

This appropriation is for the necessary expenses of the Administrative Office of the United States Courts (AO), pursuant to 28 U.S.C. §§ 601-613. Created by an Act of Congress in 1939, the AO is the central support entity for the judicial branch. It supports and serves the federal judiciary in carrying out its constitutional mission to provide equal justice under the law. The fiscal year (FY) 2021 request for the AO account totals \$99,812,000 to support staff and operating expenses at a current services level and program increases to expand the Office of Judicial Integrity and strengthen procurement, compliance, and internal controls.

The AO provides administrative, legal, financial, management, program, security, and information technology services to the federal courts and federal defender offices. It provides support and staff counsel to the Judicial Conference of the United States and its committees, and it implements Judicial Conference policies as well as applicable federal statutes and regulations. The AO has central responsibility for communication and coordination within the judiciary and with Congress, the executive branch, and the public on behalf of the judiciary. The AO's lawyers, court administrators, accountants, systems engineers, analysts, architects, statisticians, security experts, and other staff provide professional services to meet the needs of judges and staff working in the federal courts and federal defender offices nationwide. These services include:

- ▶ performing central payroll, personnel, accounting, and procurement functions;
- ▶ developing and executing the judiciary's budget and guiding local court and federal defender budget execution;
- ▶ collecting and analyzing statistics on court and federal defender workload;
- ▶ auditing judiciary financial operations;
- ▶ monitoring and reviewing program performance and use of resources;
- ▶ developing and supporting automated systems and technologies used throughout the courts and federal defender offices;
- ▶ coordinating construction and management of court facilities with the General Services Administration (GSA);
- ▶ monitoring U.S. Marshals Service implementation of the Judicial Facility Security Program;
- ▶ defining court and federal defender resource needs through caseload forecasts and work measurement analyses;
- ▶ providing program leadership and support for circuit executives, clerks of court, probation and pretrial services officers, federal defenders, and other managers; and
- ▶ developing and conducting education and training programs focused on improving court administration and operations.

The AO’s vision is to be the “best service organization and the best place to work in the federal government with an engaged, highly qualified, and diverse team.” The AO’s Strategic Direction, updated in 2017, communicates the mission, vision, and values of the AO, and includes specific goals that the AO will pursue in the next few years. The Strategic Direction reinforces the AO’s focus on enhancing services to the judiciary; strengthening relationships both within and outside the judiciary; sharing information more effectively; improving systems and processes; and developing and retaining a high-performing, diverse, and engaged workforce. Among the stated goals are protecting the security of judiciary assets, supporting judiciary cost containment, and strengthening accountability and internal controls. The AO works at implementing its vision through measuring and responding to employee feedback. In November 2019, the AO conducted its third employee viewpoint survey, administered by the Office of Personnel Management. Past survey results (2015, 2017) have been valuable in benchmarking results to other agencies and have brought positive change to the AO’s workplace, informing recruitment and retention strategies, increasing training opportunities, and improving internal communications.

A table of selected workload indicators for the AO follows:

Table 8.1 Selected AO Fiscal Year 2020 Projected Workload Indicators

Indicators	Number
Active and senior judges (Article III, bankruptcy, magistrate, and Court of Federal Claims)	2,448
Court staff (Appellate, district, bankruptcy, probation, and pretrial services) and public defender staff	28,869
Court units (Appellate, district, bankruptcy, probation and pretrial services)	360
Federal defender organizations (Districts)	91
Court facilities (GSA- and U. S. Postal Service-owned federal buildings and leased facilities)	782
Judicial Conference committees	25
Court appropriations and fees (Salaries and Expenses, Defender Services, Fees of Jurors, Court Security, and Judicial Retirement Funds)	\$7.8 billion

FY 2020 APPROPRIATIONS

The judiciary built the FY 2021 budget request for the AO on the FY 2020 enacted appropriation, which is \$94,261,000. This amount maintains current services in FY 2020. For bill language, the judiciary used the language from P.L. 116-93, Financial Services and General Government Appropriations Act, 2020.

SIGNIFICANT ISSUES

Workplace Conduct

In January 2018, at the direction of the Chief Justice, the Director of the AO established a working group to evaluate the judiciary's standards of conduct and procedures for investigating and correcting inappropriate workplace conduct. In June 2018, the working group made more than 30 recommendations to improve the judiciary's policies and procedures and achieve the Chief Justice's goal to "ensure an exemplary workplace for every judge and every court employee." Its recommendations included adopting clear, consistent workplace conduct policies; offering additional avenues to report misconduct; and providing more workplace conduct training. The Judicial Conference, the AO, and the Federal Judicial Center have acted on the recommendations. These actions include the following:

- (1) The Judicial Conference, in March 2019, approved revisions to the Codes of Conduct for United States Judges, the Codes of Conduct for Judicial Employees, and the Rules for Judicial Conduct and Judicial Disability Proceedings to state expressly that sexual and other discriminatory harassment, abusive conduct, and retaliation are cognizable misconduct, as is the failure to report misconduct to the chief district or chief circuit judge;
- (2) The Director of the AO appointed a chief of the newly created Office of Judicial Integrity and that office has been actively providing confidential advice and guidance since January 2019;
- (3) Many federal circuits and courts have established workplace conduct committees and created directors of workplace relations to provide circuit-wide guidance and oversight of workplace conduct matters;
- (4) The Federal Judicial Center has provided nationwide training on workplace civility, diversity and inclusion, and preventing harassment; and
- (5) The Judicial Conference, in September 2019, approved a revised and simplified Model Employment Dispute Resolution (EDR) Plan that clearly states that harassment, discrimination, abusive conduct, and retaliation are prohibited; provides options for employees to report and seek redress for wrongful conduct; and ensures that judiciary employees know the resources available to them.

The AO's Office of Judicial Integrity serves as an independent resource where current and former judiciary employees can seek – by phone or email – counseling, guidance, and intervention regarding sexual and other harassment, abusive conduct, discrimination, and other workplace misconduct. The AO seeks \$364,000 in additional funding in FY 2021 (see page 8.15) to expand the office to include additional staff beyond the judicial integrity officer.

Contractor Conversions

The AO has continued its re-assessment of functions performed by AO contractors and is currently implementing a third round of contractor conversions. This process began in 2012 as part of the AO's cost-containment efforts. The goal of contractor conversions is to improve project/program management by adjusting the ratio of federal employees to contractors and ensuring appropriate supervision of contract operations as well as to reduce costs by converting more expensive contractor positions to less expensive government staff. As part of the second round of contractor conversions, 37 judiciary contractors were converted during 2018.

A third round of contractor conversions began in FY 2019. In total, this third round is estimated to include 114 conversions and is expected to be completed in FY 2020. This third round of contractor conversions will result in cumulative annual net savings of \$5.2 million in the Courts of Appeals, District Courts, and Other Judicial Services, Salaries and Expenses (S&E) account (savings accrue in S&E because the contractor services being replaced were funded by the S&E appropriation). A total of \$4.3 million in reductions was included in the judiciary's FY 2019 and FY 2020 budget requests. A reduction of \$900,000 (to reflect the remaining savings) is included in the FY 2021 S&E appropriation request. Additional contractor conversions beyond the 114 are possible in future years, and the judiciary will advise appropriations subcommittee staffs of any changes to these estimates.

Consolidated Financial Statement Initiative

The judiciary plans to begin a new, multi-year financial management initiative – the Judiciary Data Integrity, Reporting, and Controls Program (JDIRC) in FY 2020. If the judiciary's assumed FY 2020 financial plan is approved, this initiative will build upon the judiciary's foundation of strong financial management practices and robust internal controls. Ultimately, this program will result in the judiciary submitting a consolidated, audited financial statement to the Treasury Department that is compliant with Federal Accounting Standards Advisory Board (FASAB) generally accepted accounting principles (GAAP) or other comprehensive basis of accounting. Existing judiciary financial processes, internal control evaluations and financial systems were not designed to support assertion to and the production of consolidated, auditable financial statements on an annual basis. More information about this initiative can be found in the Salaries and Expenses narrative, page 4.23.

AO SUPPORT OF THE JUDICIARY (INCLUDING COST CONTAINMENT)

The AO supports a number of key national initiatives in the federal courts to strengthen accountability, improve the delivery of justice, increase efficiency, and reduce costs. Many of the initiatives and projects completed during FY 2019, or being implemented now, reflect the application of information technology solutions to court operations and systems enhancements to improve service. Cost containment continues to be a high priority of the judiciary, and AO staff supporting the Judicial Conference and its committees are heavily involved in these efforts. The AO's work to support the judiciary and its cost-containment efforts are summarized below.

Effective Space Management: Now that the judiciary has met and surpassed its three percent space reduction goal, it continues to implement a "No Net New" space management policy and a requirement that each circuit have a plan for implementing space reduction. Ten No Net New projects approved in FY 2019 are expected to reduce the judiciary's space footprint by 57,000 square feet. Further, the judiciary's Service Validation Initiative is a cooperative effort of the AO, the courts, and GSA to maximize the value derived from the judiciary's space rental payments.

Emergency Preparedness: AO managers comprising the Judiciary Emergency Response Team worked closely with affected courts, GSA, and other federal partners to help restore and sustain operations during several hurricane, typhoon, wildfire, and flooding incidents. In FY 2019, the AO began deployment of a geospatial information management system to monitor court facilities during emergencies, identifying hazards, assessing a disaster's impact, and enabling faster recovery and restoration of operations.

Next Generation Case Management: With AO implementation teams and court staff members, the judiciary continues to roll out a significant upgrade to its digital case management system known as NextGen Case Management/Electronic Case Files (CM/ECF). By the end of 2019, 68 courts of appeals, district courts, and bankruptcy courts were live. Implementation for the remaining courts will be conducted in quarterly waves, with approximately 15 courts in each wave. The last wave (Wave 12) is scheduled to begin in January 2021.

Criminal Justice Act Review Recommendations: At its September 2018 and March 2019 sessions, the Judicial Conference approved 29 of 35 interim recommendations of the Ad Hoc Committee to Review the Criminal Justice Act (CJA), with some modifications. The committee was created by the Chief Justice to provide a comprehensive review of the federal public defense system, the first in over 20 years. The AO has supported implementation of the approved recommendations, which promote effective CJA administration. The Judicial Conference deferred considering the recommendation to establish an independent Federal Defender Commission within the judiciary pending further review.

Cybersecurity: The judiciary relies on multiple layers of defenses to protect its networks and information. During 2019, the AO focused special emphasis on:

- (1) adding new features to the judiciary firewall service deployed in 2018 to protect the data communications network with vulnerability protection blocks, spyware blocks, and antivirus blocks;
- (2) providing an endpoint privilege management solution for court units to manage staff with elevated privileges who are at higher risk of infection from cyberattacks;
- (3) deploying a patch and asset management solution to enable courts to automate patching of critical security updates for desktops, laptops, and servers; and
- (4) improving the utility of the national logging service adopted in 2018 which provides data to flag potential security issues.

Work Measurement Formulas: The AO completed work on, and the Judicial Conference approved, updated staffing formulas for the courts of appeals and circuit offices, based on work measurement data from 1,700 judiciary personnel.

Probation and Pretrial Services Officers' Wellness and Safety: To help combat officer stress and serious safety incidents the AO, working with probation and pretrial services offices, determined that officers need additional resources to prepare, address, and react to stressful situations that they routinely encounter while carrying out their official duties. The AO developed electronic training modules focused on officer wellness; hosted the first nationwide wellness conference; and plans to form a Wellness Working Group that will focus on physical, mental, and emotional well-being of officers.

Continued Operations During FY 2019 Appropriations Lapse: On December 21, 2018, the judiciary, along with other portions of the federal government, began an unprecedented period of 35 days with a lapse in appropriations. As a result of an extensive planning and communication effort by the AO in coordination with the courts and federal defender organizations, the judiciary was able to maintain paid operations throughout the entire lapse period and continue providing critical services without interruption.

Implementing the First Step Act of 2018: The First Step Act of 2018, P.L. 115-391, has made the most significant changes to the U.S. criminal justice system in recent years. The legislation reduces mandatory minimum sentencing for certain offenses and requires the Department of Justice (DOJ) to create and implement a system of risk and needs assessment and recidivism reduction that involves early release of thousands of inmates to the community via prerelease custody or supervised release. The AO is working closely with the DOJ and U.S. Sentencing Commission to address these changes and to ensure that the new law is being implemented as intended.

JUSTIFICATION OF CHANGES

The Administrative Office appropriation request for FY 2021 totals \$99,812,000. This represents an increase of \$5,551,000, or 5.9 percent, over the FY 2020 enacted appropriation of \$94,261,000. The FY 2021 budget request includes funds needed to maintain current services and program increases to expand the Office of Judicial Integrity and strengthen procurement, compliance, and internal controls.

Adjustments to base to maintain current services include funding for salaries and benefits increases for staff and increased costs for recurring requirements, such as travel, communications, service agreements, and supplies.

A. PERSONNEL

Pay and Benefit Adjustments

1. Proposed January 2021 pay adjustment

Requested Increase: \$810,000

The judiciary is assuming federal pay rates will increase by 1.0 percent in January 2021. The requested increase provides for the cost of nine months of the anticipated pay raise in FY 2021, from January 2021 to September 2021. (If, ultimately, the pay adjustment included in the President's FY 2021 budget request is different than 1.0 percent, the judiciary will revise this line item in its FY 2021 budget re-estimate.)

2. Annualization of January 2020 pay adjustment

Requested Increase: \$947,000

The requested increase provides for the annualized costs of a 2020 pay adjustment for the Employment Cost Index (ECI) and locality pay. Based on FY 2020 appropriations action, federal pay rates increased by an average of 3.1 percent, effective January 2020. The requested increase provides for the cost of three months (from October 2020 to December 2020) of the 2020 pay increase in FY 2021.

3. Promotions and within-grade increases

Requested Increase: \$832,000

The requested increase provides for promotions and within-grade increases for AO personnel to recognize outstanding work and promote staff development, thereby fostering the AO's ability to recruit and retain a highly professional and capable workforce.

4. Benefits increases

a. Health benefits

Requested Increase: \$180,000

Based on information from the Office of Personnel Management, agency health benefit premium contributions are projected to increase by an average of 3.2 percent both in January 2020 and January 2021. The requested increase annualizes the 2020 premium increase and includes a nine-month provision for the

increase anticipated for FY 2021.

b. FICA adjustment

Requested Increase: \$110,000

Based on information from the Social Security Administration, employer contributions to the Old Age, Survivor, and Disability Insurance (OASDI) portion of the FICA tax will increase in 2020. The salary cap for OASDI increased from \$132,900 to \$137,700 in January 2020. The requested amount is needed to pay the agency contribution in FY 2021.

c. FERS adjustment

Requested Increase: \$1,225,000

Consistent with guidance from the Office of Management and Budget, funds are requested for an increase in the agency contribution rate to Federal Employee Retirement System (FERS) plans for FY 2021. For most employees, the agency contribution rate will increase from 16.0 percent to 17.3 percent. Any FERS increase is in accordance with revised estimates of the cost of providing benefits by the Board of Actuaries of the Civil Service Retirement and Disability System.

5. One less compensable day

Requested Decrease: (\$409,000)

There is one less compensable day in FY 2021 than in FY 2020. The requested amount decreases personnel compensation and benefits associated with one less compensable day for biweekly paid employees.

B. OTHER ADJUSTMENTS

6. Inflationary increases in charges for contracts, services, supplies, and equipment

Requested Increase: \$192,000

Consistent with guidance from the Office of Management and Budget, the requested increase is required to fund inflationary adjustments of 2.0 percent for operating expenses such as travel, communications, printing, contractual services, supplies and materials, and furniture and equipment.

PROGRAM INCREASES

7. Expand Office of Judicial Integrity

Requested Increase: \$364,000

FTE: 2.0

This request provides for the salaries, benefits, and expenses of two staff (2.0 FTE) to expand the Office of Judicial Integrity beyond the judicial integrity officer, who was named in December 2018. Establishing this office fulfilled one of the most significant recommendations from the Federal Judiciary

Workplace Conduct Working Group, formed in January 2018 at the direction of the Chief Justice. The goal was to “ensure an exemplary workplace for every judge and every court employee.”

The new office provides guidance and assistance regarding workplace conduct to all judiciary employees through telephone and email. The office serves as an independent source of information and referral, answering individuals’ questions and providing guidance on conflict resolution, mediation, and formal complaint options. It identifies trends and conducts systemic analyses and reviews, provides training throughout the judiciary, and serves as a resource for workplace conduct staff throughout the court system. In addition, the Office of Judicial Integrity provides advice, guidance, and training to all court employees, managers, and judges about the Model Employment Dispute Resolution Plan, which is the administrative claims process used by judicial employees to assert discrimination or harassment claims or any violation of the other employment laws made applicable to judiciary employees through the Plan. The office also gathers and analyzes employment dispute resolution claims data from courts nationwide.

8. Procurement Reforms

Requested Increase: \$1,092,000 FTE: 6.5

The AO seeks to continually improve its procurement and contract management processes, spearheaded via new procurement reforms. Important work remains to move the judiciary towards more robust performance-based contracts that

yield the best value for the government. However, current resources cannot support staffing requirements in four key areas that are critical to realizing these improvements. A total of 13 new positions (6.5 FTE) at a first-year cost of \$1,092,000 is requested to address these needs.

This program increase has four components. First, strong contracting officer (CO) to contracting officer representative (COR) interactions are a hallmark of organizations with strong acquisition programs. Contracting Officer Representatives are individuals authorized by a contracting officer to perform specific contract management and oversight duties. The AO has an estimated 177 current or potential CORs.

Based on current staffing levels, the AO’s Procurement Management Division (PMD) does not have sufficient staff dedicated to training and certifying CORs, nor are there enough COs to effectively monitor and proactively work with CORs to provide proper contract oversight to ensure tax dollars are wisely and efficiently spent and that the judiciary receives the full measure of the products and services purchased. To meet this need, seven additional staff (3.5 FTE) are requested: one in the Policy and Training Branch and six contracting officers (two in each of PMD’s three operational branches).

Second, the AO is committed to improving its requirements gathering and pre-award functions. As a companion to its certification program for post-award procurement functions described above (*i.e.*, COR certification), the AO plans to improve its training and certification program for program office

staff that covers pre-award procurement functions (e.g., market research and technical evaluations). This pre-award capability will help lead to better procurement and contract management processes. One additional position (0.5 FTE) is requested in the Policy and Training Branch dedicated to training and certification in the pre-award functions.

Third, PMD has no staff dedicated to work on standardization in contracting nor on associated internal training and development of the operational contracting staff. Standardization will reduce variability in the procurement function leading to increased predictability for program offices and contractors and also will reduce procurement lead time by streamlining internal reviews and decision-making.

Strengthening standardization in the AO's procurement processes and improving contractor officer decision-making will improve the efficiency and transparency of the procurement function. Developing and implementing a set of more robust and refined procurement practices is critical to improving the AO's procurement outcomes. One additional position (0.5 FTE) is requested in the Policy and Training Branch to meet this requirement.

Fourth, improving contract management practices at the AO through the plan explained above will also require that the AO departments served by PMD have adequate staffing to implement these improvements. An additional four staff (2.0 FTE) are requested to strengthen procurement in the three AO departments

and the executive offices (including the Defender Services Office).

9. Corrective Actions Oversight

Requested Increase: \$97,000

FTE: 0.5

To further strengthen and enhance the AO's internal control environment, the AO plans to establish a Compliance and Risk Officer to assess risk across the agency and remediate critical findings from audits and reviews. A new position will focus on the oversight and monitoring of corrective actions. One additional support position (0.5 FTE) at a first-year cost of \$97,000 is requested.

10. AO Internal Control Self-Assessment Training

Requested Increase: \$111,000

FTE: 0.5

The AO has helped the courts and federal public defender offices implement an internal control evaluation program in recent years, combined with self-assessment tool software that enables courts to evaluate compliance with internal control standards. A similar initiative is underway at the AO, and an AO self-assessment training position (0.5 FTE) at a first-year cost of \$111,000 is requested to staff this initiative. The position will provide training and support to AO departments and offices on conducting internal control self-assessments for their specific organizational requirements. A fully operational AO internal controls program is critical to the success of the JDIRC program,

with strengthened judiciary and AO internal controls supporting judiciary-wide consolidated financial statements.

FINANCING THE FISCAL YEAR 2021 REQUEST

Estimated Fiscal Year 2021 Fee Collections

Estimated Funds Available: \$11,129,000

The judiciary has authority to collect fees for various services such as bankruptcy filing, civil filing, bankruptcy noticing, and registry administration. These fees are used to reimburse judiciary appropriations and are available without fiscal year limitation. The judiciary estimates that \$11.1 million of new fee collections will be available to offset the AO's FY 2021 budget request. The judiciary will advise appropriations subcommittee staffs of any changes to this estimate.

Estimated fee carryforward from Fiscal Year 2020 into Fiscal Year 2021

Estimated funds available: \$9,211,000

In addition to receiving a portion of new fee collections, the AO account also receives a portion of the fee balances carried over from prior years. This request reflects funds from existing carryforward balances in the judiciary fee accounts that the judiciary estimates will be available to offset the AO's FY 2021 budget request. The judiciary will advise appropriations subcommittee staffs of any changes to this estimate.

Reimbursable Programs

Funds Available: \$118,092,000

FTE: 651

Requested Increase: \$6,280,000

Beginning in 1990, Congress authorized reimbursable funds for the AO to carry out specific support functions for the courts. These functions include: background checks/investigations, case management improvement, Central Violations Bureau, court automation, court financial administration, court financial systems, court investment services, court security, defender services audit and assessment, defender services training, Electronic Public Access services, Federal Probation and Pretrial Services Academy, financial disclosure, judiciary benefits, and work measurement.

The request for the AO reimbursable programs includes funding for 651 FTEs from the Salaries and Expenses, Defender Services, and Court Security appropriations under Courts of Appeals, District Courts, and Other Judicial Services. These positions are necessary to maintain a sufficient AO reimbursable staffing level to fulfill core court and defender support responsibilities, oversee the court security program, and continue to develop, implement, and support automated systems and technologies in the courts. These systems include network and telephone systems; case management/electronic case files systems that support appellate, district, and bankruptcy courts and probation and pretrial services

offices; and financial management systems that ensure sound financial practices and internal controls.

The FY 2021 obligation level requested for the AO's reimbursable program totals \$118,092,000, a net increase of \$6,280,000 from the projected FY 2020 obligation level of \$111,812,000.

The FY 2021 request includes \$3,231,000 in net adjustments to base for inflationary increases in salaries, benefits, and other expenses. The FY 2021 request also includes two additional FTE and \$239,000 to support the annualization of six positions for implementation of the SharePoint Online collaboration and communication platform in the courts' Salaries and Expenses account.

Also within the Salaries and Expenses account, eleven additional FTE (22 positions) and an additional \$2,211,000 are requested to support the implementation of the Judiciary Data Integrity, Reporting, and Controls (JDIRC) program in the courts. This is based on the assumption that this program will be initiated in FY 2020 within the base with \$843,000 to hire 7 positions (3.5 FTE). These positions will be annualized in FY 2021 (3.5 additional FTE), and 15 new positions (7.5 FTE) will be required in FY 2021. (For more information on JDIRC, see the Salaries and Expenses chapter, page 4.23)

Within the Defender Services account, the FY 2021 request includes a program increase of \$599,000 for the first-year cost of eight new positions (four FTE) as well as two additional FTE for the annualization of four new reimbursable positions in FY 2020.

These positions are funded by the Defender Services appropriation and are for program operations and training support. These staff include a branch chief, three program review analysts, and two data analytics staff for the Program Operations Division; a supervisory attorney and administrative analyst for the Training Division; and four staff to address higher workload demands associated with financial transactions, data management, program operations, training, and implementing CJA-related policies approved by the Judicial Conference. This increase is further explained in the Defender Services chapter on page 5.28.

Contractor Conversions

Requested Increase: \$2,251,000

FTE: 15

As explained above, the AO continues to implement a third round of contractor conversions. In FY 2019, 62 conversions occurred and, at this time, 52 conversions are expected to occur in FY 2020. Thus, this round will result in a total of 114 judiciary staff being hired by the end of FY 2020. This 15 FTE and \$2,251,000 in increased reimbursable resources is needed to annualize the 52 contractor conversions planned for FY 2020.

Contractor conversions decrease contracting costs needed in the Courts of Appeals, District Courts, and Other Judicial Services, Salaries and Expenses appropriation while increasing costs for AO reimbursable staff. In total, however, there will be net savings of \$5.2 million after all 114 third round contractor conversions are completed.