

## **BUDGET NARRATIVE**

2011-2013 biennium

Agency Name: Indiana Supreme Court

Unit or Program Name: Indiana Supreme Court, Divisions of Supreme Court and State Court Administration; Supreme Court Library; Board of Law Examiners; and Clerk of the Supreme Court, Court of Appeals, and Tax Court

Fund: 10210 Indiana Supreme Court

### **A. The Supreme Court's Purpose and Functions.**

The Supreme Court is the constitutional head of the judicial branch of government and the highest court in Indiana. The Court therefore has a wide range of responsibilities. The Court's mission is to decide fairly and efficiently the cases that come before it, establish common law and legal precedent, interpret laws enacted by the Legislature, give meaning and force to the United States and Indiana Constitutions, promulgate and enforce rules relating to the operation of the courts and the supervision of the State's lawyers and judges, and provide leadership, assistance, and direction in the management of all Indiana courts and judges. The Legislature has created various entities to assist the Court in the performance of its mission. The two major entities that come within this fund are the Division of Supreme Court Administration and the Division of State Court Administration. The Division of Supreme Court Administration, which now includes the Clerk of the Supreme Court, Court of Appeals, and Tax Court, aids the Court in the discharge of its adjudicative duties. The Division of State Court Administration provides support for the Court in the management of the state trial court system. Some costs associated with the State Board of Law Examiners come within this Fund's budget submission as well.

### **B. Accomplishments and challenges over the last two years.**

Please refer to the Court's transmittal letter.

### **C. Objectives for the new biennium: the Court's budget plan for this Fund.**

The following sections discuss the Court's objectives for the new biennium that will be funded by Fund 10210 and its plan to meet those objectives.

The Court appreciates the difficult financial situation that the State has been in. Like the rest of state government, the Court has tried to be especially frugal during the current biennium. Not only have the Court's employees not received salary increases for two, and in some cases three, years, even to keep up with increases in the cost of living and health care, but the Court also has allowed several necessary

positions to remain vacant for extended periods of time, despite the need to fill them, which at the close of fiscal year 2010 resulted in a reversion of over \$240,000 from this Fund's personal services account. Many of these positions have now been filled; however, the Court will try to keep other vacant positions unfilled during the upcoming biennium, provided that it can find ways to accomplish the work of those positions in new ways.

The Court understands that the State's current fiscal struggles are not projected to abate during the upcoming biennium. In light of this, the Court, except with regard to the important Appellate Case Management System project discussed in detail below, is not seeking any increased funding in Fund 10210 during the upcoming biennium beyond its FY 2011 current year estimate, even though it knows of contractually mandated rate increases for contracts already entered into that span the next biennium. As it did in the current biennium, the Court will continue to find ways to make do with what it has. The only instance where the Court seeks additional funds for Fund 10210 is to acquire an electronic Appellate Case Management System for Indiana's appellate courts, as discussed below.

#### **D. New or expanded services – *Modern Appellate Case Management System***

Much has been done to make the legal system in Indiana more just, more efficient, and more reflective of and available to the State's diverse citizenry. For the Supreme Court, Court of Appeals, Tax Court, and the Clerk's Office that serves them (hereinafter "the Appellate Courts") to continue such efforts into the next biennium, it has become clear that a modern method of appellate case management and electronic filing and service of documents is required. Accordingly, the Court requests funding for the acquisition and implementation of a modern electronic Appellate Case Management System ("ACMS").

##### *1. Background of Need for Modern Electronic Appellate Case Management System*

Since their inceptions, Indiana's Appellate Courts have been paper-based. The costs of a paper-based system, however, are considerable:

- The obvious and substantial cost to the State's General Fund, in terms of the funds necessary to purchase, print on, and copy paper, and to employ the staff needed to input data from paper multiple times during the appellate process transport the paper to and from the various locations within the Appellate Court system.
- The significant cost to the environment, in terms of the trees needed to create the paper, to the mills needed to produce the paper, the trucks and trains (and the fuel they burn) needed to transport the paper, and the machines and ink needed to print information on the paper.
- And, the significant cost to the limited resource of physical space, since paper must be stored in files maintained on shelves in offices and warehouses – a cost that continues to increase as more and more paper records accumulate each year.

Until now, these costs were necessary because there was no effective alternative to a paper-based system. That, however, is no longer the case. Technological advances over the last two decades have made electronic case management systems a far-superior alternative to antiquated paper-based systems. These new systems, which most state and federal appellate courts around the country have either already

incorporated or are in the process of procuring, maintain court documents in digital format throughout the entire process; allow Internet-based submission of Court filings, and remote access to court records on a variable-permission basis by judges, court and clerk's office staff, attorneys, parties, and the public; automate many functions currently done by human effort, thereby dramatically increasing efficiency, reducing the time necessary at each step in the process, and eliminating human error; and drastically reduce the amount of data-entry duplication required when information is reduced to paper and then must be re-entered by the recipients of the paper into other, disconnected information systems.

Indiana's Appellate Courts have reached the point where the current technology used to manage their cases and court processes is no longer adequate. Each day, case-related thousands of pieces of paper come into the Courts' Clerk's Office through the mail or in person. The Clerk's Office's receipt of these filings must manually be noted on a "green screen" AS400 docketing system that the Courts have been using since the mid-1980s. The paper filings must then be file-stamped, stored, and eventually transported to the appropriate court's offices. The court's administration staff then must manually enter the receipt of the filings on their own internal tracking systems, which often are either in the form of a paper log or a rudimentary electronic database, and then transport the paper filings to judges and chambers staff. Each judge's staff must then record that judge's chamber's receipt of the paper filings in his/her chamber's own internal tracking system, which is also either a paper log or a rudimentary database. When the judge makes his/her decision regarding the filing, court staff and judges must create documents reflecting those decisions (i.e., orders and opinions), which must then be printed out, signed, copied, and transported to the Clerk's Office after, again, having been manually noted on the chamber's and Court's internal document tracking systems. If the opinion or order will be posted to the court's website, then a separate "e-version" of it must also be created and sent electronically to the Clerk's Office. The Clerk's Office must then engage in additional data entry to record the Clerk's Office's receipt and filing of the court's order or opinion, affix a file stamp to the paper version of the order or opinion, and send the order or opinion via e-mail to the parties represented by attorneys and by regular mail to any parties proceeding pro se.

The entire appellate process, from the inception of the appeal through the issuance of a court's opinion, could be dramatically streamlined through the adoption of a modern ACMS.

In addition, events of the last decade have shown the vulnerability of paper-based governmental offices, especially courts, to natural and man-made disasters. Floods and fires have wreaked havoc in many courthouses, including some in Indiana, destroying irreplaceable court records and shutting down court operations for weeks and sometimes months. Earthquakes, hurricanes, pandemics, and terrorist attacks have displaced judges and court personnel, hindering court operations and access to justice for weeks or months on end, since paper-based systems require centrally located court operations. Modern disaster preparedness and continuity of operations planning call for remote access to digital records and redundant servers in multiple locations to back up those digital records. With such redundancy and remote access, court records are never destroyed, and court operations shut down in one location can be set up in another in a matter of hours. With technology readily available that would eliminate the "disaster vulnerability" currently facing Indiana's highest courts, it would be irresponsible for Indiana not to take the steps necessary to eliminate that vulnerability.

In addition, a modern ACMS would give the parties, their counsel, the media, and the general public access to appellate court records to a degree unparalleled in Indiana history. They would be able to view every non-confidential document filed in every non-confidential case, at any time, from anywhere in the world where they have Internet access, for free.

Finally, by eliminating the logistical issues inherent in paper-based systems and automating several functions currently being done by staff, a modern ACMS would eliminate the need for three full-time positions and three part-time position in Clerk’s Office starting in FY 2014, thereby saving taxpayers \$189,754 per year in salary and benefits, and two additional full-time positions in the Clerk’s Office starting in FY 2019, thereby saving taxpayers an additional \$92,558 per year in salary and benefits.

For all of these reasons, the Indiana Supreme Court, on behalf of itself and the Indiana Court of Appeals and the Indiana Tax Court, request funding in the next biennium necessary to procure and implement a new ACMS.

*2. Appellate Case Management System Project Status and Budget*

The Court proposes the following budget for this project:

<b>Description</b>	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>Total Cost</b>
Software - CMS & E-file	896,250	250,000	1,146,250
Professional Services	800,000	488,000	1,288,000
Travel	40,000	25,000	65,000
Computer Servers	30,000		30,000
Other Software	31,953		31,953
Network Equipment	60,000		60,000
Computer Equipment	50,000		50,000
Contingency	230,000	170,680	400,680
Software Maint (1st Year)		201,495	201,495
<b>Total Project Costs</b>	<b>2,138,203</b>	<b>1,135,175</b>	<b>3,273,378</b>
Less: Previous Allocation	(280,000)	-	(280,000)
<b>Total ACMS Budget 2011-13</b>	<b>1,858,203</b>	<b>1,135,175</b>	<b>2,993,378</b>

These stated amounts are derived using one of the proposals received as part of the Court’s recent PNCO bidding process, which concluded on August 20, 2010. The proposal used to develop this proposed budget was neither the highest nor the lowest, but was selected as the most representative example. If the General Assembly appropriates to the Court the requested amounts, but thereafter the Appellate Courts select a proposal that costs less than the amount appropriated, then the Court would return any residual project funds to the General Fund.

Many agencies and arms of Indiana state government have already modernized their business methods in similar ways. For example, the Indiana Bureau of Motor Vehicles has created a modern, Internet-based system that allows many of its key transactions and interactions with its users to occur online. The Indiana Department of Revenue, through its “I-File” system, allows tax payers to file their state tax returns on-line. The Department of Natural Resources has developed an Internet-based system for making state park campground and lodge reservations online and for purchasing hunting and fishing

licenses online. The Secretary of State now provides means for new business entities and voters to register online. The Indiana Professional Licensing Agency (“IPLA”) now permits Hoosiers to renew any IPLA-issued license online. Countless state agencies now allow many of their public records to be viewed on-line. And this recitation of examples merely scratches the surface of all the ways Hoosiers now interact and conduct business with their state government through the Internet. The Appellate Courts are seeking the tools necessary to interact with the users of their services in the same way that much of the rest of state government now does.

#### **E. Conclusion.**

The budget plan submitted is consistent with historical spending. Other than an additional, one-time increase necessary to acquire and implement a modern, Internet-based Appellate Case Management System, the Supreme Court seeks no increased appropriation for Fund 10210 beyond that Fund’s current year estimate (which itself is slightly below that Fund 10210’s Fiscal Year 2010 appropriation), despite the Court’s legitimate need for other increases in Fund 10210 that it has chosen not to seek, due to the State’s current fiscal situation.