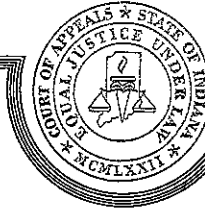


COURT OF APPEALS



OF INDIANA

JOHN G. BAKER, CHIEF JUDGE
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INDIANAPOLIS 46204-2733

September 21, 2010

TO: State Budget Agency
Adam M. Horst
Director

RE: Court of Appeals Transmittal Letter
2011 - 2013 Biennial Budget Request

The mission of the Court of Appeals of Indiana is: **To Serve All People By Providing Equal Justice Under Law.** The following objectives are sought to accomplish this mission:

1. To operate an independent, accessible, and responsive appellate judicial system for the just resolution of disputes.
2. To develop a stronger organization to meet the needs of the bench, bar and public.
3. To enhance the understanding of the law, legal system and the administration of justice through judicial education.
4. To further the establishment of the Court's presence in Indiana communities.
5. To ensure the efficient use of public resources in the administration of the appellate justice system.

This Biennial Budget request is designed to enable the court to achieve these objectives and, by doing so, accomplish its mission. The funding requested is necessary and required.

With no increase in personnel and a significant budget reduction in the 2009 – 2011 Biennial Budget the Court has continued to timely dispose of cases it receives each year. The average age of cases pending in the Court has dropped to one month and the 252 cases pending at the end of 2009 are the fewest cases pending at year end in 25 years. The Court is extremely proud of this record and intends to maintain this pace if funded as requested.

The original budget guidance was to use as our base the amount of funds appropriated for us by the legislature for the current budget year, 2010-2011. We now understand that this guidance has been changed and we are to use as our base what we actually expended in the budget year 2009-2010 that ended June 30, 2010. This creates a significant problem because we expended \$146,000 less in Point 1 for budget year 2009-2010 than the legislature appropriated for us. This happened because we had 5 employees who lost substantial time because of illness or maternity leave and we had 7 employees leave the Court during the year and we did not replace them immediately. The 5 employees are now back at work full time or have left the Court and have been replaced and the seven positions that were vacant at times are now filled. We will not have the funds to pay these employees if we receive less Point 1 money than the legislature appropriated for our use in 2010 – 2011. Based on your guidance we have included in this budget a change package for \$146,000 to have our Point 1 fund equal the amount appropriated by the legislature for the Court for 2010 – 2011.

The Court understands the impact the current recession has had on state finances and we have frozen our employees' wages for the last three years, including this year. The concern is that in reality the wages of our employees have not been frozen, but they have been cut because of the steady increase in the amount each employee must contribute to his or her health benefits to retain the same medical coverage. In order to raise our employees' salaries to the level they were frozen in 2009 we are requesting as a change package that \$132,012 be added to our Point 1 funds to cover the increase in the amount an employee had to increase his or her contribution to health benefits to retain the same medical coverage.

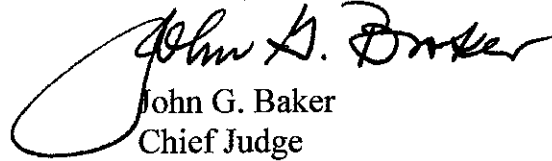
In order to reduce costs and improve administrative efficiency this Court shares with the Indiana Supreme Court and Tax Court automation costs and the same local area network. The contracts for the maintenance of the IBM domino server and the IBM iSeries disaster recovery server, and for the management of the firewall and network are shared by the three courts and are new expenses that will be incurred the first time in FY 11/12 and 12/13. Our share of these costs will be \$6,421 in each fiscal year and are included in this budget request as a change package.

The Court leases space in the PNC Center for six of our judges, their staffs, and most of the court's administrative staff. The annual rent for this space is based on a lease and will increase by \$10,000 for FY 11/12 and an additional \$ 20,000 for FY 12/13. These increases are included in this budget request as current services change packages.

Court personnel use extensively an electronic data base to conduct research. The Court contracts for this service and the annual cost for FY 11/12 will increase by \$3,225 and for FY 12/13 the annual cost will increase an additional \$3,387. These increases are included in this budget request as current services change packages.

In sum, this budget request provides the funds needed by the Court of Appeals to accomplish its mission in a timely and efficient manner. We believe it is reasonable and necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "John G. Baker". The signature is fluid and cursive, with a large initial "J" and "B".

John G. Baker
Chief Judge