

THE WHITE HOUSE
WASHINGTON

September 30, 1975

The Speaker of the
House of Representatives

Sir:

I ask the Congress to consider proposed supplemental appropriations for fiscal year 1975 in the amount of \$1,800,000, for fiscal year 1976 in the amount of \$4,411,000, and for the transition quarter in the amount of \$1,447,000 for the Judiciary.

The details of these proposals are set forth in the enclosures, one of which is a letter from the Director of the Administrative Office of the United States Courts. As required by law, these proposals are being transmitted without change.

Respectfully,



The Honorable
The Speaker
U.S. House of Representatives
Washington, D.C. 20515

- #1-9/17

ADMINISTRATIVE OFFICE OF THE
UNITED STATES COURTS

SUPREME COURT BUILDING
WASHINGTON, D.C. 20544

LAND F. KIRKS
DIRECTOR

LIAM E. FOLEY
DEPUTY DIRECTOR

September 17, 1975

Honorable James T. Lynn
Director, Office of Management
and Budget
New Executive Office Building
17th & Pennsylvania Avenue, N.W.
Washington, D.C. 20503

Dear Mr. Lynn:

Pursuant to the provisions of Section 605, Title 28 of the United States Code, I submit for your consideration and transmittal to the Congress requests for supplemental appropriations for the Judiciary for the fiscal year ending June 30, 1976, and for the transitional period, July 1 through September 30, 1976, for "Representation by Court-Appointed Counsel and Operation of Defender Organizations" and for "Salaries and Expenses of Referees" as indicated on the attached schedules.

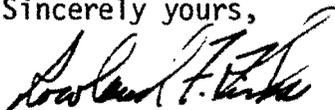
With regard to the appropriation for "Representation by Court-Appointed Counsel and Operation of Defender Organizations," the sum of \$1.8 million is required to effect settlement of claims by private panel attorneys appointed during fiscal year 1975. In 1975 there were over 46,000 persons represented under the Criminal Justice Act compared with 42,000 represented in 1974. This increase of almost 10 percent in appointments, which had not been anticipated, creates a deficit situation. As of August 31, 1975, there were over 10,000 outstanding claims by attorneys appointed in fiscal year 1975. Based on the current and projected average cost per case, we estimate that an additional \$1.8 million will be required to liquidate these outstanding claims. We are also projecting the need for an additional \$2.7 million for fiscal year 1976 based on an estimated 48,000 persons being represented; 45,000 in the United States district courts and 3,000 in the United States courts of appeals. Naturally, a corresponding adjustment is necessary with respect to the appropriation for the transition period.

The supplemental request for "Salaries and Expenses of Referees" will permit the employment of 280 additional clerical employees by bankruptcy judges to cope with the present and projected increase in bankruptcy case filings. The estimate contemplates that these clerks will be employed, on the average, for six months during fiscal year 1976.

In fiscal year 1975 there were 254,484 bankruptcy cases filed compared with 189,513 in 1974, an increase of 34 percent. We are currently projecting 300,000 bankruptcy case filings in fiscal year 1976, an increase of almost 60 percent over the number filed in 1974. We expect that there will be approximately 36,000 business bankruptcies in 1976 compared with only 20,746 in 1974. This is a significant factor as it relates to the workload of referees. Business cases generate far more work for bankruptcy judges and their supporting staffs than consumer no-asset cases due to a greater creditor interest and involvement and to the more complex litigation control and disbursement procedures. Despite recent tax rebates and other measures which have been taken to stimulate the economy, there is no evidence of a leveling off of bankruptcy cases. At this point in time, we estimate that approximately 345,000 bankruptcy cases will be filed in fiscal year 1977. It is imperative that additional clerical personnel be authorized for bankruptcy offices at the earliest possible date if the referees are to be expected to expedite the disposition of these cases and keep their dockets reasonably current.

Your early attention to these matters would be greatly appreciated.

Sincerely yours,



Rowland F. Kirks
Director

Enclosures

THE JUDICIARY

COURTS OF APPEALS, DISTRICT COURTS,
AND OTHER JUDICIAL SERVICES

Representation by Court-Appointed Counsel and
Operation of Defender Organizations

For an additional amount for "Representation by court-appointed counsel and operation of defender organizations", \$4,500,000, of which not to exceed \$1,800,000 shall be available for the liquidation of obligations incurred in fiscal year 1975.

For an additional amount for "Representation by court-appointed counsel and operation of defender organizations", \$675,000 for the period July 1, 1976, through September 30, 1976.

Salaries and Expenses of Referees

For an additional amount for "Salaries and expenses of referees", \$1,711,000.

For an additional amount for "Salaries and expenses of referees", \$772,000 for the period July 1, 1976, through September 30, 1976.