

## MESSAGE FROM THE CHIEF JUSTICE



### HONORABLE MYRON T. STEELE

On behalf of the Delaware Supreme Court, I am pleased to present the FY 2009 Annual Report of the Judiciary. Our theme of “Courts and Communities” focuses on the vital role that the courts play in our communities. Whether the case is a simple debt action in the Justice of the Peace Court, a complicated corporate case in the Court of Chancery, or a case handled by one of our problem-solving courts, such as our drug courts, mental health courts or truancy courts, our courts touch the lives of the many individuals, from a variety of communities, who interact with our courts each year. In FY 2009, individuals and entities filed more than 518,000 cases in Delaware courts, representing a 29% increase over a five year period. In addition to the demands caused by expanding caseloads, the State’s fiscal challenges are impacting the courts’ ability to provide core services to our communities.

Since the beginning of the fiscal challenges in 2008, the Judiciary has worked in partnership with the other branches of government to address these problems. As a part of that effort, in FY 2009, the Judicial Branch adopted a three-pronged approach to coping with the budget situation, which included: 1) cutbacks in non-fixed costs, 2) a hiring freeze, and 3) creative options for enhancing revenues. First, \$1 million in cutbacks were taken from the small fraction of the Judicial Branch FY 2009 budget that represents non-fixed costs (funding which is not allocated for “mandatory” expenses, such as personnel and energy). These cutbacks have sliced deeply into the courts’ budgets, since only \$7.3 million, or 8% of the Judicial Branch’s \$90.3 million budget, was appropriated for non-fixed costs in FY 2009. Second, the Judicial Branch implemented a hiring freeze beginning in March 2008, which has precluded the filling of all but the most critical vacant positions – those related to security and case processing. Through the implementation of this painful, but necessary, hiring freeze, the Judiciary saved \$2 million in FY 2009. Finally, the Judicial Branch implemented creative approaches to increase State revenues, through fee increases, collections efforts, and other sources. During the past year, the combined efforts of the courts and the AOC generated \$2.8 million in new State revenue. One new initiative was the Office of State Court Collections Enforcement (OSCCE) program to maximize collections of outstanding Department of Correction supervision fees. That program, combined with OSCCE’s other initiatives, brought in \$4.2 million in collections in FY 2009 – an 11% increase over the previous year.

We are grateful that, even given the bleak fiscal outlook, three critically important Judiciary projects were included in the State budget in FY 2009: 1) two New Castle County Superior Court judges and staff, 2) the Kent County Court Complex construction project, and 3) the newly created court security fund, which enhances the safety of courthouse visitors and employees by providing additional security personnel and improvements. Although continuing fiscal problems prevented the filling of the Superior Court judgeships and staff positions during this year, it is critical that the new judgeships be filled in FY 2010. With the funding appropriated for the Kent County Court Complex in FY 2009 and anticipated for FY 2010, if additional funding is awarded in FY

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2011, the first phase of the project – the new courthouse – is expected to be completed in 2011, with the renovation of the historic courthouse to follow.

Despite the dire fiscal situation, FY 2009 was not without its highlights. The Judicial Branch remains highly regarded on a national and international basis, as evidenced by the Delaware courts and individual judges' recognition for their leadership roles. The Delaware courts, particularly the Superior Court, were named the premier court system in the country for the seventh consecutive year by the United States Chamber of Commerce Institute for Legal Reform, and individual Delaware judges were again ranked in the top 10 of the *Directorship's* most influential players in corporate governance, and were named high on the list of the 100 most influential persons in business ethics by *Ethisphere Magazine*. A June 2009 article in the *Lawdragon* legal magazine praised Delaware's judiciary as "the finest bench, pound for pound, in the United States," concluding that the "excellence of [Delaware] judges in terms of rigor, devotion, intelligence, and scrutiny have made Delaware the forum of choice for the nation's corporations for more than 200 years." Also in FY 2009, the Securities and Exchange Commission, for the first time, certified questions of Delaware law to the Delaware Supreme Court, under jurisdiction created through a recently enacted Delaware constitutional amendment. The SEC's decision to use the new certification process demonstrated the importance of Delaware corporate law on a national level, as well as the compelling benefits, including financial, that flow to the State as a result of our preeminence in corporate law. In addition, the Delaware Supreme Court co-sponsored, along with the Mid-Atlantic Conference of Chief Justices and the National Center for State Courts, a conference on business courts in the fall of 2008.

Significant work on system-wide improvements was performed in FY 2009, through the efforts of the Supreme Court Mental Health/Criminal Justice Task Force and the Delaware Courts: Fairness for All Task Force, along with other initiatives. The Supreme Court Mental Health/Criminal Justice Task Force was established through a competitive grant from the Council of State Governments' Justice Center and functions, under the leadership of Justice Henry duPont Ridgely, to develop solutions to problems that individuals with mental illness face within the criminal justice system. The Fairness Task Force, created by the Supreme Court and led by Chief Magistrate Alan G. Davis and State Court Administrator Patricia W. Griffin, conducted public hearings, and surveyed the public, attorneys, judges and court staff during the past year, in order to develop recommendations on promoting fairness in the courts.

Looking ahead to FY 2010, the Judicial Branch will face additional painful fiscal budget reductions, including a 2.5% pay cut for Judicial Branch employees. Although the Delaware State Constitution precludes the reduction of the salaries of judges, commissioners, and justices of the peace while in office through a budget pay cut, 100% of Delaware judges, commissioners, and justices of the peace have agreed to share in the sacrifice felt by State employees, by volunteering to take a similar reduction in pay, either through a voluntary reduction in pay or contributions to charitable organizations, without regard to deductibility. Many of the charitable organizations receiving contributions from members of the Delaware judiciary provide services to those accessing the courts and also face State funding cuts for FY 2010.

In closing, I am extremely grateful for the cooperation and dedication of my colleagues on the Bench, and court staff, who worked under difficult circumstances during this past year, while remaining committed to providing first quality public service, regardless of the hardships. We look forward to a future time – and we are not yet sure when that will be – when the struggle is less daunting because the Judicial Branch's resources will be more commensurate with its needs.

Respectfully,



Myron T. Steele