

1 (2) "Board" means the Board of Directors of the
2 Institute;

3 (3) "Director" means the Executive Director of
4 the Institute;

5 (4) "Governor" means the Chief Executive Offi-
6 cer of a State;

7 (5) "recipient" means any grantee, contractor, or
8 recipient of financial assistance under this Act;

9 (6) "State" means any State of the United States,
10 the District of Columbia, the Commonwealth of Puerto
11 Rico, the Virgin Islands, Guam, American Samoa, the
12 Northern Mariana Islands, the Trust Territory of the
13 Pacific Islands, and any other territory or possession of
14 the United States; and

15 (7) "Supreme Court" means the highest appellate
16 court within a State unless, for the purposes of this
17 Act, a constitutionally or legislatively established judi-
18 cial council acts in place of that court.

19 ESTABLISHMENT OF INSTITUTE; DUTIES

20 SEC. 3. (a) There is established a private nonprofit cor-
✓ 21 poration which shall be known as the State Justice Institute.
22 The purpose of the Institute shall be to further the develop-
23 ment and adoption of improved judicial administration in
24 State courts in the United States. The Institute may be in-
25 corporated in the District of Columbia or in any other State.

1 To the extent consistent with the provisions of this Act, the
2 Institute shall exercise the powers conferred upon a non-
3 profit corporation by the laws of the State in which it is
4 incorporated.

5 (b) The Institute shall—

6 (1) direct a national program of assistance de-
7 signed to assure each person ready access to a fair and
8 effective system of justice by providing funds to—

9 (A) State courts;

10 (B) national organizations which support and
11 are supported by State courts; and

12 (C) any other nonprofit organization that will
13 support and achieve the purposes of this Act;

14 (2) foster coordination and cooperation with the
15 Federal judiciary in areas of mutual concern;

16 (3) make recommendations concerning the proper
17 allocation of responsibility between the State and Fed-
18 eral court systems;

19 (4) promote recognition of the importance of the
20 separation of powers doctrine to an independent judici-
21 ary; and

22 (5) encourage education for judges and support
23 personnel of State court systems through national and
24 State organizations, including universities.

1 (c) The Institute shall not duplicate functions adequately
2 performed by existing nonprofit organizations and shall pro-
3 mote, on the part of agencies of State judicial administration,
4 responsibility for success and effectiveness of State court im-
5 provement programs supported by Federal funding.

6 (d) The Institute shall maintain its principal offices in
7 the State in which it is incorporated and shall maintain there-
8 in a designated agent to accept service of process for the
9 Institute. Notice to or service upon the agent shall be
10 deemed notice to or service upon the Institute.

11 (e) The Institute, and any program assisted by the Insti-
12 tute, shall be eligible to be treated as an organization de-
13 scribed in section 170(c)(2)(B) of the Internal Revenue Code
14 of 1954 and as an organization described in section 501(c)(3)
15 of the Internal Revenue Code of 1954 which is exempt from
16 taxation under section 501(a) of such Code. If such treat-
17 ments are conferred in accordance with the provisions of such
18 Code, the Institute, and programs assisted by the Institute,
19 shall be subject to all provisions of such Code relevant to the
20 conduct of organizations exempt from taxation.

21 (f) The Institute shall afford notice and reasonable op-
22 portunity for comment to interested parties prior to issuing
23 rules, regulations, guidelines, and instructions under this Act,
24 and it shall publish in the Federal Register, at least thirty

1 days prior to their effective date, all rules, regulations, guide-
2 lines, and instructions.

3

BOARD OF DIRECTORS

4 SEC. 4. (a)(1) The Institute shall be supervised by a
5 Board of Directors, consisting of eleven voting members to
6 be appointed by the President, by and with the advice and
7 consent of the Senate. The Board shall have both judicial and
8 nonjudicial members, and shall, to the extent practicable,
9 have a membership representing a variety of backgrounds
10 and reflecting participation and interest in the administration
11 of justice.

12 (2) The Board shall consist of—

13 (A) six judges, to be appointed in the manner pro-
14 vided in paragraph (3);

15 (B) one State court administrator, to be appointed
16 in the manner provided in paragraph (3); and

17 (C) four public members, no more than two of
18 whom shall be of the same political party, to be ap-
19 pointed in the manner provided in paragraph (4).

20 (3) The President shall appoint six judges and one State
21 court administrator from a list of candidates submitted by the
22 Conference of Chief Justices. The Conference of Chief Jus-
23 tices shall submit a list of at least fourteen individuals, in-
24 cluding judges and State court administrators, whom the con-
25 ference considers best qualified to serve on the Board. Prior

1 to consulting with or submitting a list to the President, the
2 Conference of Chief Justices shall obtain and consider the
3 recommendations of all interested organizations and individ-
4 uals concerned with the administration of justice and the ob-
5 jectives of this Act.

6 (4) In addition to those members appointed under para-
7 graph (3), the President shall appoint four members from the
8 public sector to serve on the Board.

9 (5) The President shall appoint the members under this
10 subsection within sixty days from the date of enactment of
11 this Act.

12 (6) The members of the Board of Directors shall be the
13 incorporators of the Institute and shall determine the State in
14 which the Institute is to be incorporated.

15 (b)(1) Except as provided in paragraph (2), the term of
16 each voting member of the Board shall be three years. Each
17 member of the Board shall continue to serve until the succes-
18 sor to such member has been appointed and qualified.

19 (2) Five of the members first appointed by the President
20 shall serve for a term of two years. Any member appointed to
21 serve for an unexpired term arising by virtue of the death,
22 disability, retirement, or resignation of a member shall be
23 appointed only for such unexpired term, but shall be eligible
24 for reappointment.

1 (3) The term of initial members shall commence from
2 the date of the first meeting of the Board, and the term of
3 each member other than an initial member shall commence
4 from the date of termination of the preceding term.

5 (c) No member shall be reappointed to more than two
6 consecutive terms immediately following such member's ini-
7 tial term.

8 (d) Members of the Board shall serve without compensa-
9 tion, but shall be reimbursed for actual and necessary ex-
10 penses incurred in the performance of their official duties.

11 (e) The members of the Board shall not, by reason of
12 such membership, be considered officers or employees of the
13 United States.

14 (f) Each member of the Board shall be entitled to one
15 vote. A simple majority of the membership shall constitute a
16 quorum for the conduct of business. The Board shall act upon
17 the concurrence of a simple majority of the membership pres-
18 ent and voting.

19 (g) The Board shall select from among the voting mem-
20 bers of the Board a chairman, the first of whom shall serve
21 for a term of three years. Thereafter, the Board shall annual-
22 ly elect a chairman from among its voting members.

23 (h) A member of the Board may be removed by a vote of
24 seven members for malfeasance in office, persistent neglect

1 of, or inability to discharge duties, or for any offense involv-
2 ing moral turpitude, but for no other cause.

3 (i) Regular meetings of the Board shall be held quarter-
4 ly. Special meetings shall be held from time to time upon the
5 call of the chairman, acting at his own discretion or pursuant
6 to the petition of any seven members.

7 (j) All meetings of the Board, any executive committee
8 of the Board, and any council established in connection with
9 this Act, shall be open and subject to the requirements and
10 provisions of section 552b of title 5, United States Code,
11 relating to open meetings.

12 (k) In its direction and supervision of the activities of the
13 Institute, the Board shall—

14 (1) establish such policies and develop such pro-
15 grams for the Institute as will further achievement of
16 its purpose and performance of its functions;

17 (2) establish policy and funding priorities and issue
18 rules, regulations, guidelines, and instructions pursuant
19 to such priorities;

20 (3) appoint and fix the duties of the Executive Di-
21 rector of the Institute, who shall serve at the pleasure
22 of the Board and shall be a nonvoting ex officio
23 member of the Board;

24 (4) present to other Government departments,
25 agencies, and instrumentalities whose programs or ac-

1 (b) Officers and employees of the Institute shall be com-
2 pensated at rates determined by the Board, but not in excess
3 of the rate of level V of the Executive Schedule specified in
4 section 5316 of title 5, United States Code.

5 (c)(1) Except as otherwise specifically provided in this
6 Act, the Institute shall not be considered a department,
7 agency, or instrumentality of the Federal Government.

8 (2) This Act does not limit the authority of the Office of
9 Management and Budget to review and submit comments
10 upon the Institute's annual budget request at the time it is
11 transmitted to the Congress.

12 (d)(1) Except as provided in paragraph (2), officers and
13 employees of the Institute shall not be considered officers or
14 employees of the United States.

15 (2) Officers and employees of the Institute shall be con-
16 sidered officers and employees of the United States solely for
17 the purposes of the following provisions of title 5, United
18 States Code: Subchapter I of chapter 81 (relating to compen-
19 sation for work injuries); chapter 83 (relating to civil service
20 retirement); chapter 87 (relating to life insurance); and chap-
21 ter 89 (relating to health insurance). The Institute shall make
22 contributions under the provisions referred to in this subsec-
23 tion at the same rates applicable to agencies of the Federal
24 Government.

1 (e) The Institute and its officers and employees shall be
2 subject to the provisions of section 552 of title 5, United
3 States Code, relating to freedom of information.

4 GRANTS AND CONTRACTS

5 SEC. 6. (a) The Institute is authorized to award grants
6 and enter into cooperative agreements or contracts, in a
7 manner consistent with subsection (b), in order to—

8 (1) conduct research, demonstrations, or special
9 projects pertaining to the purposes described in this
10 Act, and provide technical assistance and training in
11 support of tests, demonstrations, and special projects;

12 (2) serve as a clearinghouse and information
13 center, where not otherwise adequately provided, for
14 the preparation, publication, and dissemination of infor-
15 mation regarding State judicial systems;

16 (3) participate in joint projects with other agen-
17 cies, including the Federal Judicial Center, with re-
18 spect to the purposes of this Act;

19 (4) evaluate, when appropriate, the programs and
20 projects carried out under this Act to determine their
21 impact upon the quality of criminal, civil, and juvenile
22 justice and the extent to which they have met or failed
23 to meet the purposes and policies of this Act;

24 (5) encourage and assist in the furtherance of judi-
25 cial education;

1 (6) encourage, assist, and serve in a consulting
2 capacity to State and local justice system agencies in
3 the development, maintenance, and coordination of
4 criminal, civil, and juvenile justice programs and serv-
5 ices; and

6 (7) be responsible for the certification of national
7 programs that are intended to aid and improve State
8 judicial systems.

9 (b) The Institute is empowered to award grants and
10 enter into cooperative agreements of contracts as follows:

11 (1) The Institute shall give priority to grants, co-
12 operative agreements, or contracts with—

13 (A) State and local courts and their agencies,

14 (B) national nonprofit organizations con-
15 trolled by, operating in conjunction with, and
16 serving the judicial branches of State govern-
17 ments; and

18 (C) national nonprofit organizations for the
19 education and training of judges and support per-
20 sonnel of the judicial branch of State govern-
21 ments.

22 (2) The Institute may, if the objective can better
23 be served thereby, award grants or enter into coopera-
24 tive agreements or contracts with—

1 (A) other nonprofit organizations with exper-
2 tise in judicial administration;

3 (B) institutions of higher education;

4 (C) individuals, partnerships, firms, or corpo-
5 rations; and

6 (D) private agencies with expertise in judicial
7 administration.

8 (3) Upon application by an appropriate Federal,
9 State, or local agency or institution and if the arrange-
10 ments to be made by such agency or institution will
11 provide services which could not be provided adequate-
12 ly through nongovernmental arrangements, the Insti-
13 tute may award a grant or enter into a cooperative
14 agreement or contract with a unit of Federal, State, or
15 local government other than a court.

16 (4) Each application for funding by a State or
17 local court shall be approved by the State's supreme
18 court, or its designated agency or council, which shall
19 receive, administer, and be accountable for all funds
20 awarded by the Institute to such courts.

21 (c) Funds available pursuant to grants, cooperative
22 agreements, or contracts awarded under this section may be
23 used—

24 (1) to assist State and local court systems in es-
25 tablishing appropriate procedures for the selection and

1 removal of judges and other court personnel and in de-
2 termining appropriate levels of compensation;

3 (2) to support education and training programs for
4 judges and other court personnel, for the performance
5 of their general duties and for specialized functions,
6 and to support national and regional conferences and
7 seminars for the dissemination of information on new
8 developments and innovative techniques;

9 (3) to conduct research on alternative means for
10 using nonjudicial personnel in court decisionmaking ac-
11 tivities, to implement demonstration programs to test
12 innovative approaches, and to conduct evaluations of
13 their effectiveness;

14 (4) to assist State and local courts in meeting re-
15 quirements of Federal law applicable to recipients of
16 Federal funds;

17 (5) to support studies of the appropriateness and
18 efficacy of court organizations and financing structures
19 in particular States, and to enable States to implement
20 plans for improved court organization and finance;

21 (6) to support State court planning and budgeting
22 staffs and to provide technical assistance in resource
23 allocation and service forecasting techniques;

24 (7) to support studies of the adequacy of court
25 management systems in State and local courts and to

1 implement and evaluate innovative responses to prob-
2 lems of record management, data processing, court
3 personnel management, reporting and transcription of
4 court proceedings, and juror utilization and manage-
5 ment;

6 (8) to collect and compile statistical data and
7 other information on the work of the courts and on the
8 work of other agencies which relate to and effect the
9 work of courts;

10 (9) to conduct studies of the causes of trial and
11 appellate court delay in resolving cases, and to estab-
12 lish and evaluate experimental programs for reducing
13 case processing time;

14 (10) to develop and test methods for measuring
15 the performance of judges and courts and to conduct
16 experiments in the use of such measures to improve
17 their functioning;

18 (11) to support studies of court rules and proce-
19 dures, discovery devices, and evidentiary standards, to
20 identify problems with their operation, to devise alter-
21 native approaches to better reconcile the requirements
22 of due process with the needs for swift and certain jus-
23 tice, and to test their utility;

24 (12) to support studies of the outcomes of cases in
25 selected subject matter areas to identify instances in

1 which the substance of justice meted out by the courts
2 diverges from public expectations of fairness, consist-
3 ency, or equity, to propose alternative approaches to
4 the resolving of cases in problem areas, and to test and
5 evaluate those alternatives;

6 (13) to support programs to increase court respon-
7 siveness to the needs of citizens through citizen educa-
8 tion, improvement of court treatment of witnesses, vic-
9 tims, and jurors, and development of procedures for ob-
10 taining and using measures of public satisfaction with
11 court processes to improve court performance;

12 (14) to test and evaluate experimental approaches
13 to providing increased citizen access to justice, includ-
14 ing processes which reduce the cost of litigating
15 common grievances and alternative techniques and
16 mechanisms for resolving disputes between citizens;
17 and

18 (15) to carry out such other programs, consistent
19 with the purposes of this Act, as may be deemed ap-
20 propriate by the Institute.

21 (d) The Institute shall incorporate in any grant, cooper-
22 ative agreement, or contract awarded under this section in
23 which a State or local judicial system is the recipient, the
24 requirement that the recipient provide a match, from private
25 or public sources, equal to 25 per centum of the total cost of

1 such grant, cooperative agreement, or contract, except that
2 such requirement may be waived in exceptionally rare cir-
3 cumstances upon the approval of the chief justice of the
4 highest court of the State and a majority of the Board of
5 Directors.

6 (e) The Institute shall monitor and evaluate, or provide
7 for independent evaluations of, programs supported in whole
8 or in part under this Act to insure that the provisions of this
9 Act, the bylaws of the Institute, and the applicable rules,
10 regulations, and guidelines promulgated pursuant to this Act,
11 are carried out.

12 (f) The Institute shall provide for an independent study
13 of the financial and technical assistance programs under this
14 Act.

15 **LIMITATIONS ON GRANTS AND CONTRACTS**

16 **SEC. 7. (a)** With respect to grants or contracts made
17 under this Act, the Institute shall—

18 (1) insure that no funds made available to recipi-
19 ents by the Institute shall be used at any time, directly
20 or indirectly, to influence the issuance, amendment, or
21 revocation of any Executive order or similar promulga-
22 tion by any Federal, State, or local agency, or to un-
23 dertake to influence the passage or defeat of any legis-
24 lation by the Congress of the United States, or by any
25 State or local legislative body, or any State proposal

1 by initiative petition, unless a governmental agency,
2 legislative body, a committee, or a member thereof—

3 (A) requests personnel of the recipients to
4 testify, draft, or review measures or to make rep-
5 resentations to such agency, body, committee, or
6 member; or

7 (B) is considering a measure directly affect-
8 ing the activities under this Act of the recipient or
9 the Institute;

10 (2) insure all personnel engaged in grant or con-
11 tract assistance activities supported in whole or part by
12 the Institute refrain, while so engaged, from any parti-
13 san political activity; and

14 (3) insure that every grantee, contractor, person,
15 or entity receiving financial assistance under this Act
16 which files with the Institute a timely application for
17 refunding is provided interim funding necessary to
18 maintain its current level of activities until—

19 (A) the application for refunding has been
20 approved and funds pursuant thereto received; or

21 (B) the application for refunding has been fi-
22 nally denied in accordance with section 406 of
23 this Act.

24 (b) No funds made available by the Institute under this
25 Act, either by grant or contract, may be used to support or

1 conduct training programs for the purpose of advocating par-
2 ticular nonjudicial public policies or encouraging nonjudicial
3 political activities.

4 (c) The authorization to enter into contracts or any
5 other obligation under this Act shall be effective for fiscal
6 year 1981 and any succeeding fiscal year only to the extent,
7 and in such amounts, as are provided in advance in appropri-
8 ation Acts.

9 (d) To insure that funds made available under this Act
10 are used to supplement and improve the operation of State
11 courts, rather than to support basic court services, funds shall
12 not be used—

13 (1) to supplant State or local funds currently sup-
14 porting a program or activity; or

15 (2) to construct court facilities or structures,
16 except to remodel existing facilities to demonstrate
17 new architectural or technological techniques, or to
18 provide temporary facilities for new personnel or for
19 personnel involved in a demonstration or experimental
20 program.

21 **RESTRICTIONS ON ACTIVITIES OF THE INSTITUTE**

22 **SEC. 8. (a) The Institute shall not—**

23 (1) participate in litigation unless the Institute or
24 a recipient of the Institute is a party, and shall not
25 participate on behalf of any client other than itself;

1 (2) interfere with the independent nature of any
2 State judicial system nor allow sums to be used for the
3 funding of regular judicial and administrative activities
4 of any State judicial system other than pursuant to the
5 terms of any grant, cooperative agreement, or contract
6 with the Institute, consistent with the requirements of
7 this Act; or

8 (3) undertake to influence the passage or defeat of
9 any legislation by the Congress of the United States or
10 by any State or local legislative body, except that per-
11 sonnel of the Institute may testify or make other ap-
12 propriate communication—

13 (A) When formally requested to do so by a
14 legislative body, committee, or a member thereof;

15 (B) in connection with legislation or appro-
16 priations directly affecting the activities of the In-
17 stitute; or

18 (C) in connection with legislation or appro-
19 priations dealing with improvements in the State
20 judiciary, consistent with the provisions of this
21 Act.

22 (b)(1) The Institute shall have no power to issue any
23 shares of stock, or to declare or pay any dividends.

24 (2) No part of the income or assets of the Institute shall
25 inure to the benefit of any director, officer, or employee,

1 except as reasonable compensation for services or reimburse-
2 ment for expenses.

3 (3) Neither the Institute nor any recipient shall contrib-
4 ute or make available Institute funds or program personnel or
5 equipment to any political party or association, or the cam-
6 paign of any candidate for public or party office.

7 (4) The Institute shall not contribute or make available
8 Institute funds or program personnel or equipment for use in
9 advocating or opposing any ballot measure, initiative, or ref-
10 erendum, except those dealing with improvement of the State
11 judiciary, consistent with the purposes of this Act.

12 (c) Officers and employees of the Institute or of recipi-
13 ents shall not at any time intentionally identify the Institute
14 or the recipient with any partisan or nonpartisan political ac-
15 tivity associated with a political party or association, or the
16 campaign of any candidate for public or party office.

17 **SPECIAL PROCEDURES**

18 **SEC. 9.** The Institute shall prescribe procedures to
19 insure that—

20 (1) financial assistance under this Act shall not be
21 suspended unless the grantee, contractor, person, or
22 entity receiving financial assistance under this Act has
23 been given reasonable notice and opportunity to show
24 cause why such actions should not be taken; and

1 (b) The Institute is authorized to prescribe the keeping
2 of records with respect to funds provided by grant or contract
3 and shall have access to such records at all reasonable times
4 for the purpose of insuring compliance with the grant or con-
5 tract or the terms and conditions upon which financial assist-
6 ance was provided.

7 (c) Copies of all reports pertinent to the evaluation, in-
8 spection, or monitoring of any grantee, contractor, person, or
9 entity receiving financial assistance under this Act shall be
10 submitted on a timely basis to such grantee, contractor, or
11 person or entity, and shall be maintained in the principal
12 office of the Institute for a period of at least five years after
13 such evaluation, inspection, or monitoring. Such reports shall
14 be available for public inspection during regular business
15 hours, and copies shall be furnished, upon request, to inter-
16 ested parties upon payment of such reasonable fees as the
17 Institute may establish.

18 (d) Non-Federal funds received by the Institute, and
19 funds received for projects funded in part by the Institute or
20 by any recipient from a source other than the Institute, shall
21 be accounted for and reported as receipts and disbursements
22 separate and distinct from Federal funds.

23

AUDITS

24 SEC. 12. (a)(1) The accounts of the Institute shall be
25 audited annually. Such audits shall be conducted in accord-

1 ance with generally accepted auditing standards by independ-
2 ent certified public accountants who are certified by a regula-
3 tory authority of the jurisdiction in which the audit is under-
4 taken.

5 (2) The audits shall be conducted at the place or places
6 where the accounts of the Institute are normally kept. All
7 books, accounts, financial records, reports, files, and other
8 papers or property belonging to or in use by the Institute and
9 necessary to facilitate the audits shall be made available to
10 the person or persons conducting the audits. The full facilities
11 for verifying transactions with the balances and securities
12 held by depositories, fiscal agents, and custodians shall be
13 afforded to any such person.

14 (3) The report of the annual audit shall be filed with the
15 General Accounting Office and shall be available for public
16 inspection during business hours at the principal office of the
17 Institute.

18 (b)(1) In addition to the annual audit, the financial trans-
19 actions of the Institute for any fiscal year during which Fed-
20 eral funds are available to finance any portion of its oper-
21 ations may be audited by the General Accounting Office in
22 accordance with such rules and regulations as may be pre-
23 scribed by the Comptroller General of the United States.

24 (2) Any such audit shall be conducted at the place or
25 places where accounts of the Institute are normally kept. The

1 representatives of the General Accounting Office shall have
2 access to all books, accounts, financial records, reports, files,
3 and other papers or property belonging to or in use by the
4 Institute and necessary to facilitate the audit. The full facili-
5 ties for verifying transactions with the balances and securities
6 held by depositories, fiscal agents, and custodians shall be
7 afforded to such representatives. All such books, accounts,
8 financial records, reports, files, and other papers or property
9 of the Institute shall remain in the possession and custody of
10 the Institute throughout the period beginning on the date
11 such possession or custody commences and ending three
12 years after such date, but the General Accounting Office may
13 require the retention of such books, accounts, financial rec-
14 ords, reports, files, and other papers or property for a longer
15 period under section 117(b) of the Accounting and Auditing
16 Act of 1950 (31 U.S.C. 67(b)).

17 (3) A report of such audit shall be made by the Comp-
18 troller General to the Congress and to the Attorney General,
19 together with such recommendations with respect thereto as
20 the Comptroller General deems advisable.

21 (c)(1) The Institute shall conduct, or require each
22 grantee, contractor, person, or entity receiving financial as-
23 sistance under this Act to provide for, an annual fiscal audit.
24 The report of each such audit shall be maintained for a period
25 of at least five years at the principal office of the Institute.

1 (2) The Institute shall submit to the Comptroller Gen-
2 eral of the United States copies of such reports, and the
3 Comptroller General may, in addition, inspect the books, ac-
4 counts, financial records, files, and other papers or property
5 belonging to or in use by such grantee, contractor, person, or
6 entity, which relate to the disposition or use of funds received
7 from the Institute. Such audit reports shall be available for
8 public inspection during regular business hours, at the princi-
9 pal office of the Institute.

10

AUTHORIZATIONS

11 SEC. 13. There are authorized to be appropriated
12 \$20,000,000 for fiscal year 1982, \$30,000,000 for fiscal year
13 1983, and \$40,000,000 for fiscal year 1984.

14

EFFECTIVE DATE

15 SEC. 14. The provisions of this Act shall take effect on
16 October 1, 1981.

○