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UNITED STATES COURTS

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*Not sent
Potok advised*

June 25, 1990

MEMORANDUM FOR MR. MECHAM
MR. MACKLIN

THROUGH RAY KARAM

SUBJECT: Judicial Impact Statement for S. 2648, The Judicial Improvements Act of 1990

Attached for your information is the Judicial Impact Statement for an amendment to Title 1, of the United States Code, S. 2648, the Judicial Improvements Act of 1990. This proposed legislation requires the courts to take a number of significant steps in identifying and reducing delays in adjudicating civil cases. The impact statement addresses the requirements of S. 2648 that are beyond the requirements of the Judicial Conference 14-Point Program.

The bill may have significant resource impacts on the Judiciary in the areas of: (1) differential treatment of civil cases; (2) pretrial procedures; (3) discovery-case management conferences; (4) alternative dispute resolution programs; (5) District Court assessments; (6) advisory groups; (7) automated systems; and (8) administrative support. The terms used within the bill are somewhat vague, and the courts will have some discretion in the level of resources that can be applied to meet the requirements of the bill. Therefore, precise values could not be developed and these estimates represent a "worse case" scenario, except where noted, in which all courts implement a maximum level of activity. Given these limitations, the bill would cost the Judiciary \$42 million and 308 staff years or FTEs in 1991 and \$37 million and 308 FTEs annually for following years. This compares to a first-year cost of \$111 million and 764 FTEs for the original draft Civil Justice Reform Act S. 2027.

Nancy
Nancy Potok

Attachment

cc: Peter McCabe Dewey Heising
Larry Stoorza Don Chamlee
Karen Siegel Charlotte Peddicord
Bob Feidler Abel Mattos

*Ralph
This has
some errors.
We should
not use it.
Jim
OH*

JUDICIAL IMPACT STATEMENT

S. 2648

JUDICIAL IMPROVEMENTS ACT OF 1990

PREPARED BY:

**THE ADMINISTRATIVE OFFICE OF THE
U.S. COURTS**

JUDICIAL IMPACT STATEMENT
JUDICIAL IMPROVEMENTS ACT OF 1990 S. 2648

Title I of S. 2648 addresses the delay in the processing of civil cases in the United States District Courts and requires that the courts take a number of significant steps in identifying and reducing the delays. Several of the requirements of the proposed legislation were recently addressed by the Judicial Conference of the United States through the adoption of a 14-Point Program designed to improve civil case management in the trial courts. To the extent that the 14-Point Program mandates actions similar to the requirements of S. 2648, the impact of the proposed legislation has been minimized. However, this bill requires several activities not required by the 14-Point Program that may have a financial impact on the Judiciary. These items include: (1) a detailed review and classification of cases at the time of filing; (2) a requirement that judicial officers be involved in the pretrial process and other significant events occurring in the pretrial period; (3) scheduling discovery-case management conferences for complex cases; (4) an authorization to refer appropriate cases to alternative dispute resolution programs; and (5) undertaking several new automation activities.

Impact on the Judiciary

To implement S. 2648, the Judiciary would be required to expend an estimated \$42.1 million and 308 staff years or full-time equivalents (FTEs) during the first year and \$36.9 million and 308 FTEs during each successive year. Of this total, automation of the courts would cost \$5.2 million and 9 FTEs during the first 12 months, although the funds for the equipment would probably not be expended during the first year. The details of each significant provision that require a resource commitment by the Judiciary are shown below:

	<u>First Year</u>		<u>Recurring</u>	
	<u>\$ in M</u>	<u>FTEs</u>	<u>\$ in M</u>	<u>FTEs</u>
<u>Provisions</u>				
District Court Judges....	10.3	19	10.3	19
Magistrates.....	14.4	35	14.4	35
Support Staff (JSP-11)...	7.2	161	7.2	161
Support Staff (JSP-7/8)..	2.5	74	2.5	74
Admin. Staff (GS-7/9)....	.1	2	.1	2
Fees for Arbitrators.....	1.3	0	1.3	0
Contract Court Reporters.	.6	8	.6	8
Subtotals	36.4	299	36.4	299
 <u>AUTOMATION</u>				
Analysts (GS-12/13).....	.5	9	.5	9
Equipment.....	5.2	---	0.0	---
Subtotals	5.7	9	.5	9
	====	====	====	====
Total Costs	42.1	308	36.9	308

Analytical Assumptions

The impact of the proposed legislation will vary according to the extent to which the courts are already engaging in the practices and procedures contained in the bill and the final interpretations of the bill's requirements. This analysis did not attempt, except where noted, to quantify current resource expenditures for those courts which are now engaging in the activities specified in the proposed legislation. Therefore, these estimates represent a "worse case" scenario in which all courts implement a maximum level of activity. The actual cost could be lower than those projections made within this analysis.

The cost figures assume that no new judges or magistrates would be authorized, appointed or hired. However, both judges and magistrates are now working at full capacity, and their time would necessarily be diverted from other work, which would be deferred, in order to handle the additional workload. If new judgeships were established to handle the increased workload created by the bill, the costs would far exceed those estimated in this analysis due to the high cost of establishing new judgeships. The salary estimates used for both judges and magistrates are based on the levels that become effective in 1991.

Staff costs for court support personnel and court reporters are based on 1990 salary rates. For the contract services of the court reporters, salaries were based on high cost of living areas.

The current long-range plan for automating the District Courts calls for a rate of orderly expansion of 30 courts per year for the next three years with the remainder being completed in 1993. The analysis developed for the automation section assumed that the equipment funds would be placed in the Judiciary Automation Fund in the first year and would be expended in accordance with the Long-Range Automation Plan. However, the automation estimates presented in this analysis were not adjusted to exclude all the automation requirements within the Judicial Conference's 14-Point Program. Therefore, parts of these automation expenditures would be utilized to support both activities.

If the automation plan is accelerated and the automation equipment is purchased within the first year of implementation of this bill, several impacts would occur. These include:

- (1) disruption of current procurement contracts for hardware;
- (2) a probable reduction in the ability to service existing court users because of the need to focus on acceleration;
- (3) the possible need of bypassing procurement regulations to allow sole

source purchases in order to meet procurement schedules;
 (4) revising the Long-Range Automation Plan, which may be
 contrary to Congress' intent when it established the Judiciary
 Automation Fund.

DETAILED COST ASSUMPTIONS ON THE IMPACT OF S. 2648

The following summary details the significant annual costs
 of S. 2648. All costs are anticipated to reoccur annually with
 the exception of the automation equipment.

Provision: Differential treatment of civil cases

This section requires a detailed review and classification
 of cases at the time of filing by an employee at a grade 11.
 This estimate does not include the extra work of classifying
 cases in divisional offices when there is only one employee
 assigned to the task in the District. If this factor is to be
 considered, it may be necessary to fund additional positions to
 meet the requirements of divisional offices.

	<u>\$ in M</u>	<u>FTEs</u>
Support Staff (JSP-11).....	1.5	33

Provision: Additional pretrial procedures

Judicial officers and support staff would be involved in the
 pretrial process and other significant events occurring during
 the pretrial period. Current estimates suggest that 65 percent
 of the judicial officers' new workload will be performed by
 Magistrates and the remainder by District Court Judges.

	<u>\$ in M</u>	<u>FTEs</u>
District Court Judges.....	8.7	16
Magistrates.....	11.9	29
Support Staff (JSP-11).....	2.0	45
Subtotals	22.6	90

Provision: Discovery-case management conference

Complex cases would require at least one discovery-case
 management conference, which would require the skills of both
 judicial officers and courtroom deputies. Current estimates
 suggest that 65 percent of the judicial officers' new workload
 will be performed by Magistrates and the remainder by District
 Court Judges.

	<u>\$ in M</u>	<u>FTEs</u>
District Court Judges.....	1.6	3
Magistrates.....	2.5	6
Support Staff (JSP-11).....	<u>.4</u>	<u>9</u>
Subtotals	4.5	18

Provision: Alternative dispute resolution programs

This requires that each court have more than one alternative dispute resolution program in place. The estimate assumes that each District court chooses to develop two types of dispute resolution programs. This provision also grants authority for payment of arbitrator fees. The resource estimate for this provision has made adjustments for the 20 Districts which already possess alternative dispute resolution programs.

	<u>\$ in M</u>	<u>FTEs</u>
Support Staff (JSP-11).....	3.3	74
Support Staff (JSP-7/8).....	2.5	74
Arbitrator fees.....	<u>1.3</u>	<u>0</u>
Subtotals	7.1	148

Provision: Periodic District Court assessment

This provision requires that each District Court assess the delay reduction effort at least once every two years while the Judicial Conference Plan requires an assessment once every three years. This proposed legislation will require one additional assessment every six years. This section will have a minimal resource impact on the Judiciary.

Provision: Advisory groups

The proposed legislation differs from the Judicial Conference Plan's requirements that an advisory group be formed in that it requires the services of a court reporter for each District. Since the advisory group would meet for only short periods during the year, a full-time reporter would not be required. The most cost effective means of implementing this provision would be hiring court reporter contractors.

	<u>\$ in M</u>	<u>FTEs</u>
Contract Reporters.....	.6	8

Provision: Automated case disposition information

Courts will require additional computer capacity not only for this provision, but to support the activities of other

sections. The equipment cost includes both hardware and software. The proposal would probably increase the: (1) use of modeling tools in the Integrated Case Management Systems installed in the Courts; (2) need for new reports and reporting requirements, and (3) participation from the chambers.

	<u>\$ in M</u>	<u>FTEs</u>
Analysts (GS-12/13).....	.5	9
Equipment.....	<u>5.2</u>	<u>--</u>
Subtotals	5.7	9

General: Administrative support

Implementation of the proposed legislation would require on-going administrative support to hire and maintain the additional employees required by the bill.

	<u>\$ in M</u>	<u>FTEs</u>
Admin. Staff (GS-7/9)...	.1	2