

NCSC
KF
8732.5
T64
c.2

Court Management Library Series

Trial Court Budgeting

Robert W. Tobin

Library
National Center for State Courts
300 Newport Ave.
Williamsburg, VA 23187-8798

A Publication of the



National Center for State Courts
Williamsburg, Virginia

recl'd
8-8-96

Copyright 1996

National Center for State Courts
300 Newport Avenue (21385)
P.O. Box 8798
Williamsburg, Va., 23187-8798.

ISBN: 0-89656-164-X

Library of Congress Catalog Card Number: 96-69027

This monograph originally appeared as Section 10.0 of the *NACM Trial Court Financial Management Guide*, which was developed jointly by the National Center for State Courts and the National Association for Court Management with funding from the State Justice Institute.



Table of Contents

Introduction	v
Chapter 1 The Budgeting Framework	1
Nature of Trial Court Budgeting	1
Legal Basis of Trial Court Budgeting	5
The Budget Cycle	6
The Judicial Budget Process	7
Organization of Budgetary Responsibilities	8
Degree of Budgetary Centralization	10
Types of Budgets	12
Budget Structure and Classification	17
Budget Policy and Guidelines	21
Chapter 2 Development of a Court Budget	29
General Budgetary Considerations	29
Requests for Personnel Appropriations	32
Requests for Nonpersonnel Appropriations	46
Revenue Estimates	56
Indirect Costs and Intergovernmental Charges	59
State and Federal Grants	60
Chapter 3 Review of a Court Budget	65
Purpose and Objectives of the Budget Review Process	65
Procedural Compliance	67
Relationship of Budget to Workload and Performance	67
Priorities and Reallocation	69

Chapter 3 cont.	
Justification of Expenditure Increases	72
Checking Revenue Sources	74
Long-Range Implications and Financial Planning	75
Chapter 4 Budget Presentation	79
The Agencies to Which the Budget Is Presented	79
Informal or Formal Contact	79
Techniques of Presentation	82
Budget Materials as a Means of Effective Communication	85
Chapter 5 Budget Monitoring	97
Purposes of a Monitoring System	97
Relationship of Budget Monitoring to Cash Budget and Preaudit	98
Monitoring Progress Toward Objectives/Formal Midyear Review	101
Supplementary Appropriations and Transfers	101
Index	105

Introduction

This monograph deals with the subject of trial court budgeting and is a condensed version of Section 10.0 of the *NACM Trial Court Financial Management Guide*. The guide was developed with grant funds from the State Justice Institute and was prepared by staff of the National Center for State Courts under the auspices and direction of the National Association for Court Management. The guide is a loose-leaf compendium of information on court financial management, but experience has shown that the information contained in it can be made more useful by breaking down the guide into smaller publications that are more streamlined, more focused, and less costly. For this reason the National Center for State Courts has funded the monograph *Trial Court Budgeting*, which extracts the most generally useful sections of the guide section on budgeting and makes them available in compact form.

The monograph is intended for public administrators, court managers, and judges who have the responsibility for preparing or reviewing court budget requests. Chapter 1 of the monograph provides an overview of trial court budgeting and goes into the principles and theory of government budgeting as it applies to court systems. The rest of the monograph follows the chronology of the budget process, being at all times court-specific. Chapter 2 describes the development of a trial court budget from the perspective of the officials who initially put it together; Chapter 3 describes the process of internal budget review; Chapter 4 addresses budget presentation; and Chapter 5 describes the monitoring process. At the conclusion of each chapter there are checklists that permit managers to evaluate their budget process by answering the questions in the list.

The monograph serves three basic purposes: (1) it describes the fundamentals of court budgeting from a court perspective; (2) it provides court managers with reference points by which to evaluate their budget process; and (3) it helps executive branch officials of state and county government to understand some of the unique features of court budgeting. The monograph is one of a series of court financial publications that will focus on some aspect of court financial management, using the guide as a source. This monograph on trial court budgeting not only initiates the series but provides a seminal work in court administration.

The Budgeting Framework

Nature of Trial Court Budgeting

Trial courts, like all public entities, operate within a budget adopted by an appropriating body to control expenditures and to allocate resources. The trial court budget process can be viewed in five ways:

- It is political in that it involves a complex set of intergovernmental relationships and resolves a number of policy and priority issues.
- It is adversarial in that it involves some tension between those seeking and justifying budget resources and those determining the allocation of budget resources.
- It is cooperative in that it requires a good set of ongoing informal relationships within a trial court and between representatives of a trial court and external agencies.
- It is educational in that it provides an opportunity to explain trial court operations and needs to external agencies.
- It is managerial in that it is an instrument of internal accountability and control, as well as an adjunct of planning.

Although trial courts fit generally into the governmental budget process, they differ in many ways from other public entities in their purposes, structure, and needs. It is important for court managers to cope with these differences.

Occasional Lack of Administrative Cohesion

Many trial courts do not meet public administration norms of internal administrative cohesion. Trial court functions may be performed by a loose coalition of organizations and agencies, each of which has sufficient autonomy to prepare its own budget. This lack of internal cohesion can often be seen in the submission of two or more court-related budgets to the same appropriating body, each budget reflecting the management views of an organization or agency engaged in some aspect of trial court operation. The most common reasons for multiple budget submissions are the existence of (1) elected officials, such as clerks and sheriffs; (2) special jurisdiction courts, most commonly juvenile courts; and (3) administratively separate probation agencies.

These separate budgets are subject to varying degrees of judicial control, even though each of these budgets affects the judiciary in an important way. This problem tends to be greater in locally funded systems but also exists in state-financed court systems.

Mixed Sources of Trial Court Funding

Trial courts are financed from a variety of sources: state, county, municipal, or a mixture of these sources. An essential aspect of any budgetary system is the definition of these sources and the mix of governmental financial responsibility for courts (see Table 1).

■ Table 1

Funding Sources for Trial Courts

State general fund	This is the principal source of support in most states and accounts for some part of the trial court operating budget in any state.
State special funds	Occasionally, items of court expenditure are paid from earmarked state funds, most commonly judicial retirement funds or fees collected for some specific purpose.
County general funds	Before the advent of state funding, this was the main source of trial court funding. It is still the major source of funding in 21 states and provides about 1/2 of the \$10-12 billion spent annually on state courts.
County special funds	General legislation or county-specific legislation sometimes establishes an earmarked fund fed by particular fees and dedicated to a particular purpose (for example, a law library). These funds normally supplement general fund appropriations.
State or county capital funds	Trial courts may have access to capital funds fed by bond revenues or to specially appropriated capital funds.
Municipal general/special funds	Municipal funds are analogous to county funds in their use for trial courts; there are still a number of municipally funded courts, many of which are largely self-supporting through revenue collection.
Grant funds/reimbursements	Trial courts may be eligible for state or federal funds (for example, IV-D funds), categorical grants, or block grants. These funds enhance general fund appropriations and may require some matching funds.
Officer fees	Though dwindling in importance, there are court agencies supported in whole or in part by fees earmarked for support of elected court officers, most commonly clerks or sheriffs.
Private funds	Increasingly, courts are receiving contributions from private sources, most commonly nonprofit organizations committed to some program under court aegis.

Because trial courts may have mixed funding sources, they may be subject to more than one budget process, meaning that a trial court may have to prepare both a state and a local government budget. State and local governments often have different fiscal years, further complicating the problem. In those systems where the state pays for only a few basic trial court expenditures, such as judicial salaries, trial courts may not have to make a state budget submission because these items may be handled as a statewide budget item in the state judicial budget.

Trial court financing cannot be viewed entirely in terms of general fund appropriations, because courts may have access to other funding sources; for example, special funds earmarked for a specific purpose. This fact may be considered by appropriating agencies in determining the level of general fund appropriations.

Court Systems Are a Branch, Not a Department

Because courts are a separate branch of government, they have a different budgetary status than executive branch agencies. This fact, which is often challenged by officials of the other branches, may be made explicit in case law, the state constitution, or statute, or it may be regarded as implicit, pending an open assertion of judicial independence.

The power relationships among the three branches necessarily affect the way a trial court finances its operations. There are states where the state budget for trial courts is not submitted to the executive branch or is not subject to executive branch reduction (in West Virginia, the court budget is not even subject to legislative reduction). Short of these rather unusual circumstances, found primarily at the state level, there are a variety of gradations in judicial budgetary independence, ranging from more or less *pro forma* acceptance of the court budget all the way to total domination of trial court budgeting by the other branches. This domination may take the form of executive branch preparation of the court budget or an extremely restrictive budget format with detailed line items and limited transferability of funds. The problem exists under both state and county financing.

Ultimately, the success of the budgeting process is judged by the resources received in relation to objectives to be achieved rather than by the power relationships among the branches. When the budget process fails to provide the funding necessary to operate the court, the judiciary can resort to the ultimate weapon—invocation of inherent powers. This amounts to an assertion that the judicial branch, as a function of its independence, has the inherent authority to order the other branches to supply the resources required by the court.

Invocation of inherent powers is only a last resort, because it involves a test of strength between branches. It is usually directed against local governments rather than

state governments because the opposition of a governor or state legislature is more formidable. Where a confrontation involves the state supreme court and the other branches of state government, resort to the federal judiciary can occur as, for example, in New York, when the chief justice attempted to force the governor and state legislature to fund the court at a level determined as sufficient by the judiciary. Trial courts may win an inherent power struggle, although state supreme courts have not always sided with the trial court judiciary, but the long-range implications are seldom favorable for the courts because the other branches have the power to retaliate. In any event, an inherent powers suit is a unique judicial prerogative and not a management option.

Revenue Capability

Trial courts, particularly trial courts of limited jurisdiction, produce substantial revenue for government treasuries. In some trial courts, revenues exceed expenditures. Therefore, is not uncommon for appropriating bodies, both state and local, to pressure courts to cover their costs by raising more money. Courts are peculiarly subject to this pressure and have to fight to avoid linkages between revenues and expenditures, which can undermine judicial independence.

Judges as Expense Items

It is perhaps trite to state that courts are made unique by the existence of judges, but this is true. Judges are highly paid officials who require a supporting cast and considerable space to perform their role. Judges, by the nature of their position, become a cost center for budgeting purposes, so court budgeters think in terms of what it costs to support one judgeship. Block grant programs to defray some county expenditures on courts are sometimes organized around this concept (California, Pennsylvania, and Oregon have at various times used this approach).

Courts as a Social Agency

Outside observers tend to equate spiraling court expenditures with crime and civil litigation, but the major growth area of many courts is in family and juvenile cases where the effects of familial disintegration are being felt. These cases inevitably involve many costs not associated with civil and criminal litigation, such as juvenile detention facilities, counselors, case workers, child support enforcement offices, and other services traditionally performed by social service agencies. Courts often find it hard to win support for this emerging aspect of court operations because it does not conform to the traditional stereotype of courts.

Mandated Expense Items

Certain court expenses arise from constitutional or legal mandates. Among these are the costs of indigent defense (often included in court budgets), the costs of witness fees,

jury costs, guardian ad litem costs, and medical exams for sanity. These items tend to make court budgets somewhat unpredictable, much to the chagrin of officials in the other branches of government.

Facility Needs

Courts need a large amount of space in relation to the number of court employees. This often irritates local government officials, even in state-financed systems. Local governments may ask courts to pay for building maintenance costs, debt service, building security, and utilities, but very often, local governments provide space to courts without a rental fee or other charges to the court budget.

Variable Workload

The workload of courts can be influenced by legislation creating new causes of action, by changes in law enforcement and prosecutorial policies, by economic factors influencing the incidence of litigation, and by social problems that spawn court actions. A trial court must hear the cases before it but has little control over the amount of work required for these cases. Court budgeters live with this situation.

Scope of Trial Court Budget

Because courts sometimes lack administrative cohesion, it is not always clear what organizational units or programs should be included in the trial court budget. Therefore, it is not unusual to find that the scope of a trial court budget is poorly defined (see Checklist 1).

Legal Basis of Trial Court Budgeting

The starting point for trial court budgeting is a definition of its legal basis. These legal provisions may include sections of the state constitution, statutes, case decisions, local ordinances, charter provisions, administrative directives, and regulations or rules of court. These provisions should be cited in budget manuals but usually are not. Administrators, finance officers, and budget officers should have a compilation of the relevant statutes, budget ordinances, and regulations governing the budget process, specifically those pertaining to

- legal responsibility of state and local governments for trial court funding with specific objects of expenditure, organizational units, and programs
- responsibilities of specific officials for the budget
- the laws pertaining to legally mandated expenses, such as indigent defense and juries
- the budget calendar
- requirements for the budget document and the accompanying budget support

- format for both capital and operating budgets, including multiyear projections
- budget preparation process
- legal requirements for public hearings on budget
- any linkages between expenditures and anticipated revenue
- requirements for revenue estimates
- certification of budget
- duties of chief financial officer for the executive branch, executive branch agencies, and judicial branch
- form and distribution of budget summary
- use of fund balance or surplus
- encumbrances
- allotment process
- transfer of appropriations
- emergency appropriations
- reporting requirements

The Budget Cycle

The governmental budget process is driven by a series of tightly scheduled events that take place with inexorable regularity. The lead time for budget submission can be anywhere from six months to more than a year. Capital budgets have their own sequence of events at any level of government. Trial court budgeting is organized around these scheduled events, which typically include

- formulation of budgetary guidelines by the executive branch, perhaps also by the judicial branch
- distribution of worksheets, instructions, and guidelines to court organizational units
- preparation of revenue estimates
- compilation of budget requests into a request for the trial court (if the court has a composite budget)
- internal review of court budget
- submission of the budget to the executive branch, if required, otherwise directly to appropriating body
- public hearings before appropriation
- budget adoption and passage of appropriation bills
- adopted budget recorded in accounting records with notification to the trial court of its resources for the upcoming fiscal year

The implications for court managers are clear. Budget tasks must be scheduled backward from the key milestones in the budget process.

The Judicial Budget Process

There should be a judicial budget process, not just a routine compliance with the budget process established by the other branches. Below, in rough chronological order, are the basic budget functions performed by any governmental agency interspersed with the functions integral to a judicial budget process:

- establishment of court budgetary priorities and policy
- communication of this policy to court agencies
- development of any forms, procedures, and schedules by which the judiciary supplements the basic budget process
- development of budget requests and revenue estimates within the court system ✓
- oversight of the court budget process and assistance in budget development
- internal review of court budget requests
- court management recommendations to the court on the budget
- final budget decision by the court
- presentation of court budget to external agencies
- negotiation with external agencies
- management of any reductions in force, furloughs, or freezes as the result of budget cutbacks
- allocation of funds among court agencies
- regulation and preaudit of court expenditures
- authorization of expenditures ✓
- provision for management reports on expenditures and revenues in relation to appropriations and revenue estimates
- amendment of work plans or internal allocation of funds to reflect changed priorities or changed circumstances
- decision on administrative request to transfer funds between line items
- decision on supplemental appropriations
- preparation of supplemental appropriation requests

Some of the above functions are integral to a court budgetary process (see Table 2).

■ **Table 2**
Major Functions in a Judicial Budgetary Process

Type of Procedure	Possible Procedural Steps
1 Development of an internal budget policy	<ul style="list-style-type: none">• Formulating and promulgating special budgetary requirements for court divisions or units.• Developing and promulgating budget priorities for the court and setting budget objectives.
2 Internal review of budget submissions	<ul style="list-style-type: none">• Identifying key budget issues facing the court.• Analyzing budget submissions to determine: justification of budget requests in the light of performance justification for increases the substantive and procedural adequacy of the budget• May include opportunity to make oral presentation to the internal review body.
3 Development of a court financial strategy	<ul style="list-style-type: none">• Resolving budgetary policy issues.• Formulating a strategy for funding courts, including funds from sources other than the operating budget.
4 Budgetary presentation	<ul style="list-style-type: none">• Determining the general tactics of presentation.• Determining the presentations of specific budgetary items (for example, jury costs, capital expenditures).• Presentation to other branches, normally by court managers rather than by judges.
5 Budgetary monitoring	<ul style="list-style-type: none">• Instituting monitoring systems.• Monitoring expenditures (may be centralized in some state-funded systems).

Organization of Budgetary Responsibilities

Budgetary functions must be assigned. How they are assigned will vary according to the size and administrative complexity of a court or court system and whether the trial courts are financed by the state or local government. In general, these responsibilities can be divided into two areas: policymaking and administrative.

Assignment of Policymaking Responsibility

In any court or court system, the setting of policy and priorities, as well as the ultimate budget decisions, will involve a judge or a group of judges (nonjudicial officials will

also be involved in some jurisdictions). The main variant is the method of trial court financing. If the funding is provided by a local government, the budget policy is made by the presiding trial judge, or more commonly the trial court en banc. If the state is the funding source, the policy is made in one of three ways: by the chief justice, by the highest court en banc, or by a judicial council.

The degree of budgetary authority accorded a chief justice in a state-financed system and presiding judges in a locally financed system varies. Some chiefs or presiding judges speak for their court in budgetary matters, even though this may involve consultation and ratification by fellow judges. This permits a more orderly judicial budget process and is analogous to the leadership model in an executive branch agency. More commonly, however, budget decisions are made in a collegial fashion, minimizing the power of the chief or the presiding judges. Moreover, the chief or the presiding judges may have little or no authority over major components of the court budget, such as the budgets submitted by elected court officials. In this environment, a judicial budget process is very difficult.

Assignment of Administrative Budgetary Functions

The assignment of administrative budgetary roles is much more complex than the assignment of policymaking roles. A large court or large court system, could have court administrators, finance officers, budget officers, or perhaps even division heads with fiscal aides. In a small court, one manager might personally perform all the budgetary functions. But the key administrative role is that of *budget officer*, whether this role is played by an official bearing that title or by some court manager serving as a jack-of-all-trades. The responsibilities of a budget officer may include:

- **Budget Developer** personally responsible for initial and final budget preparation. This is almost inevitable in a small court and may be necessary in any highly centralized court.
- **Budget Coordinator** responsible for (a) developing the budget calendar or schedule, (b) designing budget forms, (c) issuing instructions and procedures, (d) reviewing budget submissions for accuracy and procedural compliance, (e) preparing or assembling revenue estimates, (f) preparing those expenditure estimates that transcend any particular organizational unit, (g) presenting budgetary materials to the legislative body for review, and (h) generally coordinating meetings and activities pertaining to the budget. This role does not involve evaluating budget requests and consists largely of pulling together budget materials and ensuring their clarity, accuracy, and procedural correctness.

- **Budget Policy Guide** assuming such functions as (a) issuing budgetary guidelines, (b) evaluating requests for conformity to guidelines, (c) balancing expenditure requests with available revenues, and (d) making recommendations for budget action. In this role, the budget officer becomes involved in all the programmatic and financial issues related to the budget, although the ultimate decisions are made by others.
- **Budget Implementation Manager** directly responsible for (a) conducting periodic projections of expenditures and comparing them to available resources to ensure that court agencies do not exceed budget limits; (b) maintaining centralized position control to ensure that a person is hired only in an authorized position at a salary no greater than the amount specified in the budget; (c) reviewing and approving all requests to transfer from one budget item to another; (d) maintaining and updating the manual of budget procedures; (e) preparing reports on budgetary performance for the use of the legislative body, chief judge, or administrator; and (f) closely monitoring departmental performance to discover potential trouble spots. An official who performs this implementation function, in addition to the guidance function, provides an invaluable focal point and can tie together the whole budget process, giving it management follow-through.

Degree of Budgetary Centralization

State Financing

All trial courts receive some state funding; many are almost totally state funded. Where the level of state funding is high, trial court budgeting necessarily becomes state oriented, meaning that the court may be subject to the budget procedures of both the state executive branch and the state supreme court or judicial council, acting through the state court administrator.

State control may diminish the managerial autonomy of local courts, but there are state-financed systems where budget procedures and budget implementation are quite decentralized. In a decentralized state-financed system, the trial court budgetary process proceeds in some respects as it would under local government financing except that the state administrative office of the courts becomes the recipient and reviewer of the budget package, and the court of last resort or judicial council is the ultimate policymaker. Another difference in a state-financed system is that trial courts find themselves competing with other trial courts. But even in a decentralized budget system, state-financed trial courts do not present their own budgets to the legislature. This is done by a state-level official of the judicial branch, normally the state court

administrator. (There are several exceptions to this practice, primarily in states where the legislature prefers to deal with individual trial courts directly.)

State-financed trial court systems differ in the degree of budgetary centralization. There are five basic models: (1) The *centralized model* involves the state court administrative office in developing and managing budgets and limits trial court participation to providing information. (2) The *horizontally unified model* features one trial court tier that is centrally administered at the state level and has an administrator and presiding judge who develop a statewide budget for the particular court and present it to the state court administrator for review. (3) The *regionally decentralized model* features a multicounty administrative district around which budgets are developed and implemented. Under this model, trial courts and trial court agencies deal with a presiding judge and court administrator for the region and do not deal directly with the state court administrative office. This model provides more local participation than the first two models but transcends county and circuit lines. It does require some trade-offs at the regional level before submission to the state and is characterized by the authority to freely move budgeted resources within the region. (4) The *circuit-based or county-based decentralized model* is the ultimate in decentralized budgeting because the budgeting unit is smaller than a region; however, this model tends to reduce flexibility in the allocation of resources and requires that the state administrative office look more closely at individual trial court agencies because there is no intervening level of administrative review. This model also assumes that trial court administration exists at the circuit or county level to implement decentralized budgeting. (5) The *California model* has evolved out of the increased state responsibility for trial court funding, which, in California, takes the form of a partial reimbursement to counties for their expenditures on courts. The state appropriations are reviewed by a trial court budget commission made up of representatives of the trial court judiciary throughout the state with state appropriations made to individual counties, based largely on the commission's recommendations. Trial courts have to reconcile changing state budget priorities with their county budget requests, so the involvement of trial court judges in the state budget process is important.

Local Government Financing

Locally financed trial courts also differ in the level of budgetary centralization. At one extreme, a court may put all budgetary matters into the hands of the judiciary, with the court acting as its own budget officer. At the other extreme, trial court agencies may bypass the court entirely and deal directly with the appropriating agencies. Generally, the degree of central budget control lies somewhere between these extremes (see Table 3).

■ Table 3

Gradations in Central Budget Control

Centralized budget preparation	Each court component submits needs to a central official who puts together a budget for all court components. The budget then goes to the court for approval; court agencies have limited opportunity to intervene in the process. This is particularly appropriate for small courts where one person can maintain a pretty good overview of court needs and informal communication can be relied on. This model can also be used in any court where law and tradition have placed great central authority in a chief judge and administrative staff.
Centralized budget review	Major court components prepare their own budgets and submit them to an administrator who reviews them and passes them on to the judiciary. This model is particularly appropriate where many court units are included in the budget, and some of them are large enough to have their own administrators.
Partially decentralized budgeting	There is no central budget office, but budgeting is centered in a few major court divisions, which deal directly with the judiciary. Court-related budgets are compiled centrally and submitted together, but they are cleared through the court without staff analysis. This model is most common where court agencies are somewhat independent of the court in financial matters (usually because elected officials are involved) and choose to deal with the court on a peer basis rather than through some central budget office.
Decentralized	In a totally decentralized budget process, various court components present their needs directly to the appropriating body without intervening court review or staff analysis.

Types of Budgets

Court managers have little control over the type of budget process used in a particular governmental setting, and they have to make the best of the existing system. However, they may, on occasion, have the opportunity to influence the choice of a budgeting system, or at least the way it applies to the courts.

Line-item Budgets

Most trial courts are in jurisdictions that use traditional line-item budgets, which aggregate proposed expenditures by object of expenditure—personnel, supplies, equipment, travel, etc.

This time-honored process is well regarded by appropriating bodies because it lends itself to item-by-item analysis and the identification of reducible expenditures. However, line-item budgeting is so input oriented that it has very little management utility and tends to fall short in the following areas:

- it does not lend itself to analysis of alternatives and setting of priorities
- it focuses on incremental increases rather than the total budget request
- it does not provide a multiyear horizon or financial projections (which must be done in terms of programs or activities)
- it does not relate budget requests to performance because it is not output oriented
- it provides no framework for measuring the effect of expenditures on related activities (for example, the effect on courts of adding new policemen)

The deficiencies of line-item budgeting have led many state and local governments to institute more-sophisticated budgeting systems, such as PPBS (Planning, Programming, Budgeting System), PMS (Performance Measurement System), MBO (Management by Objective), and ZBB (Zero Base Budgeting). Consequently, some courts find themselves operating within one of these systems.

PPBS (Planning, Programming, Budgeting System)

The precursor of many contemporary budget systems is PPBS (Planning, Programming, Budgeting System), instituted at the federal level in the early 1960s. This method of financial management was initially used for defense budgeting, where outlays are enormous, interservice competition keen, and choice of alternatives very crucial, both strategically and economically. The essence of PPBS is the analysis of alternative methods to achieve some defined set of goals and objectives. PPBS features trade-off analysis, quantification of targets or outputs, and long-range programming. It calls for preparation of multiyear budgets relating expenditures to the various programs for achieving goals and objectives. Basically, PPBS is a planning and analytical tool.

PPBS is not particularly well suited to trial courts with relatively small budgets, few options, and a clear mandate to perform certain functions. Moreover, courts are rarely organized in a way that permits programmatic budgeting. A typical program budget for a trial court might be broken into such categories as disposition of civil cases, disposition of criminal cases, and disposition of juvenile cases (see Table 4).

With the advent of heavy court responsibilities in the family and juvenile area, as well in the areas of mental health and protection of the infirm and aged, courts increasingly need to coordinate their budget requests with those of related social agencies. There also have to be close ties with defender and prosecution agencies in such areas as domestic violence. It is almost impossible for a court to explain its piece of the activity in these areas without stating its needs programmatically in conjunction with other

■ Table 4
Illustrative Program Budget Structure for a Trial Court

Purposes	Subpurposes
To adjudicate criminal cases	To adjudicate felony cases To adjudicate misdemeanor appeals To adjudicate misdemeanors
To adjudicate civil cases	To adjudicate major civil cases To adjudicate minor civil cases
To adjudicate family cases	To adjudicate domestic relations cases To adjudicate juvenile cases To adjudicate crimes against juveniles
To provide alternatives to formal adjudication	To divert adult offenders To divert juvenile offenders To arbitrate civil disputes To mediate domestic relations disputes
To provide social and rehabilitative services	To provide adult probation To provide juvenile probation
To provide security	To provide prisoner transportation To provide courtroom security To provide building security To provide juvenile detention
To provide clerical support to adjudication	To provide records management To provide courtroom services To account for money received
To provide administrative support to adjudication	To provide court administrative services To provide data-processing support

agencies. Budgetary networking and joint presentations are a natural feature of program budgeting.

Budgeting for each of the above programs would require a court to allocate all recordkeeping and other support services to the appropriate program and judges and their immediate support staff to allocate their time among programs. Because most judges rotate from one subject area of a court to another, allocation of their time and their staff's time by program can be very cumbersome. It is very difficult for a general jurisdiction trial court to ascertain exactly how much of its resources go into criminal case dispositions, much less how much of these resources are devoted to felony, misdemeanor, and traffic adjudication. The same weakness would apply to civil-case-processing expenditures.

■ **Table 5**
Trial Court Expenditures by Object of Expenditure Within Program

Program	Personnel	Contractual	Materials/ Supplies	Equipment	Other
Adjudicate criminal cases					
Adjudicate civil cases					
Adjudicate family cases					
Provide litigation alternatives					
Provide social/ rehabilitative services					
Provide security					
Provide administrative support					
Provide clerical support					

Understandably, courts have been reluctant to adopt program budgeting in its full dimensions and have tended to equate *programs* with organizational units; for example, designating superior court, district court, and juvenile court as programs. This is one reason why courts have not used program budgeting effectively. Some courts compromise by designating organizational units as program areas but break down program appropriations and expenditures by activity to permit some degree of productivity quantification and analysis of resource distribution. Thus, for example, the program *Superior Court* could be broken into the following activities: (1) administration, (2) case disposition, (3) case processing (that is, clerical support function), (4) computer services, (5) juries, (6) law libraries, (7) probation, (8) rehabilitation services, and (9) training and education.

A court can use a programmatic budget in two ways: as a personal management tool for the presiding judge or court administrator or as the basic budgeting format. In the former case, the program structure provides a means to cross-walk budget line items into a programmatic format so that managers can relate budget resources to program objectives of the court (see Table 5). In the latter case, the program structure is the actual budget format and should be developed with a high degree of employee partici-

pation as it embodies the budget priorities of the court. Procedures for this type of program budget should be set forth in a court policy guideline.

This format preserves line items but provides some ability to analyze resource allocation by court objective. Line items must be adapted to a program format (referred to as *cross-walking*). In the final analysis, objective-oriented or performance-oriented budgeting depends on the managerial complexity of a trial court system and how seriously top administrators take their budgetary responsibilities.

PMS (Performance Management System)

Closely related to PPBS is PMS (Performance Management System). This system draws heavily on cost accounting and detailed analysis of work units to be performed for each budget dollar. PMS, like PPBS, requires that budget dollars be related to management objectives, but its principal emphasis is ensuring productivity. Such systems are often accompanied by detailed information systems to measure work productivity; for example, cases disposed, people under supervision, cases entered into the record-keeping systems, number of trials, etc. In such a system, expenditure reports are linked to estimated outputs so that managers are always confronted with productivity in relation to money expended.

MBO (Management by Objective)

Some public agencies use MBO (Management by Objective), which features management participation in the definition of organizational objectives and the relationship of budget requests to these objectives. A principal characteristic of this system is detailed planning to ensure that the work performed for dollars received achieves the organizational objectives. MBO is geared to management of tasks and reporting on progress. It is less oriented to cost accounting than PMS.

ZBB (Zero Base Budgeting)

A recent favorite of budgeters is ZBB (Zero Base Budgeting). This system requires a periodic rejustification of a total budget request in terms of stated organizational objectives. The system features alternative budget submissions stating how an organization would function at various levels of funding. Courts involved in ZBB will find that every few years they will have to justify their total budget request, not just the increments.

PPBS, PMS, MBO, and ZBB vary in detail, but they have some common practical elements:

- their insistence that a budget should be based on a defined set of management goals or program objectives

- their emphasis on quantification of the work to be accomplished
- in general, their emphasis on a rational, well-justified budget request

Budget Structure and Classification

The budget classification structure forms the framework around which budgets and requests are prepared and presented. It also becomes the structure within which actual expenditures and revenues are classified and reported. In general, trial courts have little control over budget structure, yet some courts have been successful in persuading the other branches to use budget classifications that are relevant to court operations. Some automated executive branch budgeting systems allows users to break out expenditures at a greater level of detail than that required by the basic budget system. This permits courts in some states to develop their own subclassifications so that they can track expenditures in a more detailed, court-specific way.

Major Budget Classifications

A relatively sophisticated budget classification structure might include the following eight classifications, but even a relatively simple structure would normally include the first four.

- **Fund:** an accounting-related entity that controls and accounts for funds from various sources.
- **Organizational Unit:** the department and any departmental subdivision responsible for a particular expenditure.
- **Object of Expenditure:** a specific category of cost designed to provide detail on the types of commodities or services purchased by a court.
- **Source of Revenue:** The type of revenue received, such as real property taxes, fines and fees, etc.
- **Program:** a broad category of services provided by a court.
- **Activity:** a subdivision of an organization or program; identifies a specific service or function performed.
- **Project:** a special classification for capital outlays and sometimes for federal grant activities.
- **Case Type:** classifies expenditures by such categories as civil, criminal, and family.

Some budgets will use *cost center* as a classification. The term can include any organizational unit, program, or activity to which costs are allocated and, thus, transcends the above classifications.

Fund. A fund is an accounting concept used to control and account for revenues received from various sources, such as taxes, fees, user charges, and grants. Use of accounting funds is required by generally accepted accounting standards. The standards set forth eight classes of funds, some of which (or sometimes all of which) are applicable to trial courts: (1) general fund, (2) special revenue funds, (3) special assessment funds, (4) trust and agency funds, (5) capital projects funds, (6) internal service funds, (7) enterprise funds, and (8) debt service funds.

By definition, most trial court expenditures will be classified as *general*. Those activities funded from earmarked funds for a special purpose are most commonly classified as *special revenue funds* but are sometimes treated as *trust and agency funds*. Registry funds are most commonly classified as *trust and agency funds*. Courts may use *internal service funds* in jurisdictions where there are a number of interdepartmental charges, requiring the court to budget for charges imposed by other agencies. Rarely do courts use *enterprise funds* but may do so if they maintain a self-supporting service; for example, a juvenile detention facility, which charges governmental entities for the lodging of juveniles. Courts occasionally participate in *capital projects funds*, but not often.

Organizational Unit. Court budgets do not, on the whole, do a good job of reflecting court organizational structure; that is, the budget categories do not make it possible to ascertain what each organizational unit is receiving in the way of appropriations or what they are producing or working on in return for these appropriations. This may not be a significant problem in a small court with a simple structure. It can be a serious management problem in a large trial court or trial court system. This problem arises, in part, from the fragmentation of court organizational structure; however, it sometimes arises because no court manager has redefined the organizational units specified in the budgetary format. Before accepting the existing structure, a court manager might ask these basic questions:

- Do the organizational categories in the budget permit assignment of responsibility for managing and implementing specific parts of the budget?
- Do the organizational categories accurately define the organizational limits of the court or do they overlap with noncourt agencies?
- Are some appropriations managed by the courts simply buried in larger budget items (for example, assigned counsel fees)?
- Do the organizational categories in the budget help the judiciary and its managers to understand the financial operations of the court?

In large trial courts, expenditures cannot be controlled unless they are monitored at a detailed organizational level, well below the broad departmental level. This does not

necessarily mean that appropriations have to be made at a similarly detailed level, only that the court have its own extended budget categories supported by the accounting system. In this way the court can make informed decisions on reallocation of resources and detect incipient expenditure problems.

Objects of Expenditure. Objects of expenditure are used to classify the types of goods and services a court purchases during its operations. As with the other organizational components, objects of expenditure may be classified at different levels of detail. At the most general level, expenditures can be classified by *major object*, typically

- personal services (salaries and wages)
- contractual services (purchased goods and services)
- supplies and materials
- equipment (computer hardware, courtroom furnishings)
- miscellaneous

If further refinement is required, these major objects can be broken into their individual components, called *minor objects*. For example, contractual services might be broken down into (1) juror fees, (2) medical fees, (3) interpreter fees, (4) legal fees, (5) consultants, (6) transcript fees, (7) witness fees, and (8) other contractual services.

Minor objects allow greater precision in budgeting and ensure better monitoring and expenditure control. Obviously, the level of detail is a function of the size of the budget.

Source of Revenue. Most trial court budgeting processes require some projection of revenues. The general fund revenues collected by courts may be regarded by appropriating bodies as an offset to the general fund expenditures of courts—a “net cost” outlook. Some local governments actually compute this “net cost” to ascertain how much the court budget will affect their tax levies. Some court-collected revenue goes into special funds that may be used for certain types of court expenditures. These supplemental general fund expenditures do not affect the tax levy.

Program. A program is distinguished from an activity by its breadth. A program normally encompasses a number of activities.

A program is distinguished from an organizational unit because it aggregates resources around a broad objective rather than a department. “Adjudication of civil cases” states a programmatic objective, whereas the “Circuit Court of X County” describes an organizational unit. The former term may transcend an organizational unit or, more likely, deal with only part of the unit’s operational responsibility. The majority of trial court budgets are not programmatic in any meaningful sense of the word.

Activity. The budget classification structure should make it possible to identify the amounts budgeted and expended on each court activity or service. The simplest way to come up with an activity structure is to identify the functions performed by court organizational units. These activities are best defined by the personnel responsible for their performance, but it is also important to work from an activity checklist to ensure that some activities are not being omitted.

These activities may or may not coincide with organizational units. In fact, one purpose of activity definition is to ascertain whether organizational structure actually reflects the court's activities or whether activities overlap organizational units or are performed redundantly. Activity definition also lends itself to matching resources with workload or productivity, because any one organizational unit will have a variety of functions, each with a specific quantifiable output or workload. For example, a probation department could define its activities as (1) general supervision of probationers, (2) preparation of presentence reports, (3) conduct of sentence violation proceedings, and (4) conduct of special programs, such as high-intensity supervision or diversion. Another reason for identifying such activities is that one of them may be the subject of a state or federal grant.

Project. Perhaps the lowest level of detail is *project*. Very few jurisdictions get to this level except as a requirement of a grant in which funds received must be accounted for separately. However, this object of expenditure is also useful for tracking the resources of a short-term pilot project, particularly where the project involves participation by more than one organizational unit. This tracking permits informed budget decisions if the pilot project becomes permanent. It also minimizes budget distortion if the particular project fails, because the project is clearly segregated from the regular ongoing budget and does not affect it.

Case Type. Court systems do not generally attempt to classify expenditures by case type (civil, criminal, etc.) because court personnel often work on various types of cases. Some courts (for example, New York) do make case type part of their classification structure.

Coding

After the major classification structure has been defined, each component must be assigned a numbered code for purposes of accounting. The most complex coding schemes are generally those for objects of expenditure and revenues. The coding structure provides the ultimate level of detail and can be easily summarized upward.

To achieve the desired level of detail, most jurisdictions use a multiple-digit code, starting with a digit or digits to identify each general area of classification (typically

fund, organizational unit, and object of expenditure) and then adding digits to add specificity. Thus, for example, the general object of expenditure *Personal Services* might be coded as 10, and then made more specific by adding the following minor object codes: (1) 10-01 Judicial Salaries, (2) 10-02 Salaries of Elected Officials and Their Employees, (3) 10-03 Salaries and Fees of Court Reporters, (4) 10-04 Salaries of Probation Officers and Their Administrative Personnel, (5) 10-05 Salaries of Employees in Trial Court Administration, (6) 10-06 Salaries of Other Judicial Employees, (7) 10-07 Employee Benefits, (8) 10-08 FICA, and (9) 10-09 Retirement Contributions. Expenditure and revenue codes are usually linked to organizational codes and may occasionally be linked to program or activity codes.

Using Budget Classifications

The budget classification structure forms a full budget picture. For any proposed expenditure, a court should be able to show the fund, department, and object of expenditure, perhaps a program or activity. For all revenues, the court should be able to identify fund and source, perhaps associating the revenues with specific organizational units. Sometimes, appropriating bodies emphasize some component of the budget structure to the detriment of others; for example, emphasizing the fund at the expense of organizational units or targeting the object of expenditure without considering the overall effect of their action. The more complete the court budget structure is, the more likely it is that the court can fend off budgetary actions that are distortions of the budget picture.

Budget Policy and Guidelines

Budget policy has several meanings. In its broadest sense, it refers to the way a court organizes management responsibilities for the budgeting function. In a more detailed way, it may refer to the court's position on execution of management responsibilities for the budget and the timing of the court's internal budget process. At the most detailed level, it refers to the court's position with respect to the current budget and its priorities. The responsibility for budget policy depends on how trial courts are financed and administratively organized. The policy may originate at the local level in some jurisdictions, at the state level in others.

Judicial Policy on Assignment and Organization of Budget Responsibilities

The first step in any management process is to fix responsibility. Any trial court or trial court system should have a written statement of responsibility for all persons with

a managerial role in the court budget. Specifically, there ought to be (1) a manager responsible for each segment of the court budget, whether by program or by organizational unit; (2) an assignment of responsibility for each major step in the budget process; and (3) an assignment of responsibility for management of budgeted resources.

Judicial Policy on Budget Process

A court or court system can place its own imprint on the budget procedures promulgated by the other branches. Thus, the judiciary may go beyond the assignment of responsibilities for participation in the budget process, actually defining how these responsibilities are to be exercised and specifying the timing of each step in the budget process.

Judicial Policy on Current Budget/Budgetary Guidelines

Quite frequently, a court conducts its budget process subject to some external expenditure constraints laid down by the other branches. Such constraints sometimes take the form of budgetary guidelines setting ceilings or reductions. Similarly, a court or court system may internally impose its own budget policy and priorities on court agencies, thus setting its own guidelines.

Because the funds realistically available to a trial court may not reach the level of funds requested by various trial court components, the budget process demands that courts set some priorities. Some courts formally state their priorities to the various court components engaged in budget development so that the court budget comes to them in an acceptable form. Ideally, priorities are set forth in a plan for the court, but more commonly, the court sets priorities on an *ad hoc* basis fairly late in the budget process. If a court chooses to pronounce its views on money constraints and priorities, it may issue budget guidelines reflecting these views.

If the relationship between the court or court system and other branches is strained or highly confrontational, public statement of court priorities may not be prudent. In this situation, the judiciary may find it advisable to assert its optimum budget request without openly revealing its priorities. There also may be situations where local practice demands an overstatement of need followed by a ritual budget cut. Generally, however, a well-managed court sets budgetary priorities.

Checklist 1

Checklist to Determine the Scope of the Court's Budget

Court Expenditure Item	In-court Budget	Funding Source			
	Yes/No	State	Local	Mixed St./Loc.	Other
1. Judges <ul style="list-style-type: none"> • salaries • travel • education • benefits • retirement 					
2. Judges recalled to service					
3. Quasi-judicial officials <ul style="list-style-type: none"> • masters • commissioners • hearing officers • referees • magistrates • arbitrators/ conciliators/mediators 					
4. Law clerks/staff attorneys					
5. Court reporting <ul style="list-style-type: none"> • reporters • monitors • transcription • travel 					
6. Judicial secretaries					
7. Trial court administration					
8. Clerk's office <ul style="list-style-type: none"> • courtroom clerks • other judicial support 					
9. Juries <ul style="list-style-type: none"> • administration • juror payments 					
10. Indigent defense <ul style="list-style-type: none"> • public defender • court appointed • other (e.g., contract) 					
11. Witness fees <ul style="list-style-type: none"> • ordinary • expert 					

continued

Checklist 1 cont. **Checklist to Determine the Scope of the Court's Budget** =====

Court Expenditure Item	In-court Budget	Funding Source			
	Yes/No	State	Local	Mixed St./Loc.	Other
12. Guardian ad litem/ mental health representation					
13. Interpreters					
14. Sanity exams/ medical services					
15. Alternative dispute resolution • arbitration/mediation • other					
16. Court attendants/ bailiffs					
17. Courtroom security					
18. Building security					
19. Prisoner transportation					
20. Service of process					
21. Adult probation • presentence investigation • supervision					
22. Pretrial release					
23. Juvenile intake/ counseling					
24. Juvenile probation					
25. Child support enforcement					
26. Family counseling					
27. Community corrections					
28. Law libraries					
29. Data processing • internal • external system					
30. Facilities					
31. Employee travel					
32. Court equipment and furnishing					

Checklist 2

Checklist to Clarify and Characterize the Nature of Trial Court Budgeting

A. Scope of Trial Court Budgeting	YES	NO
<p>1. Is it clear from checklist 1 what expenditures are included in the trial court budget?</p> <p>2. Are a substantial majority of the expenditure items encompassed by the trial court budget?</p>		
B. Interbranch Relations		
<p>1. Is the trial court budget treated more favorably than executive branch budgets in any of the following ways:</p> <ul style="list-style-type: none"> ✓ receipt of a lump sum budget • sum sufficient budgeting • use of vacancy savings to cover nonpersonnel costs • retention of unexpended funds for use in next fiscal year • submission of budget directly to appropriating body without executive branch review • requirement for impact statement in connection with laws affecting workload • transfers between line items • supplemental appropriations to cover mandated expenses <p>2. Is there statutory or case law supporting the proposition that a trial court can mandate appropriations necessary to operate the courts?</p> <p>3. At any time in the last five years has there been a judicial attempt to mandate appropriations? If so, was it successful?</p> <p>4. Does the appropriating body link revenues and expenditures in the sense that courts are explicitly expected to offset their expenditures by generation of revenue? If so, has the court resisted this?</p> <p>5. Has the court had problems with the principal appropriating body in regard to expenditures on the following:</p> <ul style="list-style-type: none"> • indigent defense • juries • witness fees • guardians ad litem • data processing • medical costs • court reporters • facilities • sudden unanticipated workload <p>6. Has the court budget been criticized by external agencies in the last five years for</p> <ul style="list-style-type: none"> • incompleteness or lack of supporting detail • failure to adhere to procedural requirements • frequent budget adjustments 		

continued

Checklist 2 cont. Checklist to Clarify and Characterize the Nature of Trial Court Budgeting

C. Legal Basis for Budgeting	YES	NO
<ol style="list-style-type: none"> 1. Do court managers have an accessible compilation of the statutes, ordinances, and rules that govern the budget process? 2. Are these provisions reflected (if not actually cited) in a budget manual? 		
D. Budget Cycle		
<ol style="list-style-type: none"> 1. Is there a PERT or comparable milestone system available to managers to monitor the tasks in the budget cycle? 2. Does the court have an internal budget cycle complementary to the external budget process? 		
E. Degree of Budget Centralization		
<ol style="list-style-type: none"> 1. Does the court budget submitted to the principal appropriating body encompass all court functions financed by that body? 2. If not, does the judiciary have control over the budgets submitted for the other functions in the sense that a judicial sign-off is required? 3. If the answer to E.2 is negative, does the court at least compile and forward all court-related budgets together? 		
F. Internal Court Budget Process		
<ol style="list-style-type: none"> 1. Does the court have a judicial branch budget process that supplements the normal budget procedure? 2. Does the court use special forms or budget justification procedures just for its constituent agencies? 3. Is there a written set of court objectives that guides the allocation of resources? 4. Does the court issue its own budget guidelines to implement court budget objectives? 		
G. Budget Officer		
<ol style="list-style-type: none"> 1. Is there a court manager designated as budget officer? If so, does this officer <ul style="list-style-type: none"> • actually develop budgets for various court agencies • review the budgets submitted by court agencies for compliance with budgetary procedures and, perhaps, court objectives • have the authority to reject or alter a budget proposal • provide a budget analysis to the court or presiding judge • make recommendations to the court or presiding judge 2. Does the court deal directly with its constituent units in budgetary matters or through a court manager responsible for the budget? 3. Does the court hear oral presentations on budget matters from constituent units? 		

Checklist 2 cont. Checklist to Clarify and Characterize the Nature of Trial Court Budgeting

H. General Assignment of Responsibilities	YES	NO
<p>1. Is there a clear written assignment of budgetary responsibilities, specifically for</p> <ul style="list-style-type: none"> • initial budget development • coordinating the budget process • formulating budget guidelines, if any • budget analysis • approval of final budget • budget presentation to external agencies • budget monitoring • formulating supplemental budget requests and requests for transfers between line items 		
I. Form of Court Budget		
<p>1. Does the trial court budget come under one of the following budgetary disciplines:</p> <ul style="list-style-type: none"> • Zero base budgeting • Planning, programming, and budgeting • Management by objective • Performance measurement system <p>2. Does the trial court budget link expenditures to outputs, workload measures, or some quantifiable objective?</p> <p>3. Does the trial court budget use genuine programs or activities?</p> <p>4. Does the trial court budget process contain a mechanism for estimating the total cost of a new judge?</p> <p>5. Does the trial court budget contain a mechanism for estimating indirect costs?</p> <p>6. Has court-specific detail been added to the budgetary coding or categories to accommodate the management needs of the court?</p>		

General Budgetary Considerations

Some fundamental factors determine the adequacy of any governmental budget request:

**Allowance for new positions
and transferred positions**

The budget should reflect salary cost at the appropriate pay grade for newly authorized positions. If authorized positions are being transferred from one cost center to another, both the new and old centers have to be checked for accuracy.

**Allowance for in-grade
salary increases**

This allowance is usually taken care of by an automatic computation based on anniversary dates but requires a more painstaking approach if the increases cannot be handled by automation. Such increases should be a routine budget inclusion.

Allowance for fringe benefits

Governments vary markedly in how they budget for fringe benefits, such as retirement and health insurance. Some treat fringe benefits as an overhead item financed from one fund covering all agencies, but many governments require that budgets of operating agencies contain fringe benefits. When an agency must budget for fringe benefits, there must be a check to determine if the computation accurately reflects the required percentage of total salaries estimated for the budget period (including increases in salaries and numbers of positions). Some computations are not by percentage of salary and may vary substantially by individual (for example, health and life insurance, separate judicial and nonjudicial retirement programs).

Allowance for temporary, part-time help and for vacation time

It is necessary to budget for the right mix of full-time and part-time employees so that the agency is adequately staffed at peak periods and in vacation periods.

Vacancy savings

Some governments assume vacancy savings and require that the final budget reflect these savings. More commonly, vacancy savings constitute a budget cushion, but it is unwise to fund extra positions since the lapse of a lot of money indicates poor budgeting and invites closer scrutiny by budget review agencies.

Overtime

There are times of the year when employees may have abnormally high workloads. If the work to be performed is complex, the best solution is to pay overtime to experienced employees rather than to use temporary and part-time help because the former provide higher quality work in less time. However, high use of regular overtime indicates staffing weaknesses and should be avoided since it can become very costly.

Allowance for contractors

Often, the full-time staff is supplemented with contractors. The budget should include money to cover any task that cannot be performed in-house. The amount allocated should reflect the reality of the task or tasks to be performed and prevailing contractor rates.

Intergovernmental services/indirect costs

In-house personnel may be supplemented by personnel of other governmental agencies, a common arrangement for data processing. If local budgeting practice makes each agency pay for these services by a charge against its operational budget, then these charges must be included in the budget based on the formula or negotiated rate used by the particular government. Charges may also be made for space, central administrative services, security, utilities, central supplies, insurance, vehicle fleets, etc.

Increase in the cost of goods	It is important to ascertain whether allowance has been made for inflationary increases in supplies, equipment, utility costs, travel costs, and other services and whether the selected inflation factor is adequate.
Impact of major system development	It is important to ascertain whether the cost impact of major new management systems (for example, an information system) has been fully anticipated. Almost invariably, such changes involve a set of new expenditures for personnel, space, and equipment.
Impact of normal workload increases	It is important to ascertain whether the impact of upward trends in workload have been reflected in the budget.
Impact of changes in laws or rules	Any government agency occasionally finds that legal changes affect the workload of the agency and that no provision has been made by the legislative body to provide the necessary additional funds. Any budget request should anticipate the need for additional resources as the result of legal changes.
Impact of new facilities or new administrative office	Construction of a new court building or creation of a new administrative office produces a series of related personnel, furnishing, and equipment needs, which must be anticipated in a budget.
New programs	The cost of new programs is often underestimated. Failure to anticipate start-up costs (that is, initial outlays) is especially common. If the program is funded by a grant, it may be necessary to budget for matching funds and to establish a special budget category.
Fiscal notes	Many governments, particularly state governments, require fiscal notes assessing the economic impact of legislation and the cost of implementing it. If the case is well made, a supplemental appropriation may be made.

Anticipation of highly variable costs

Certain cost items are by their nature somewhat unpredictable. To avoid major errors, it is important to identify the factors that cause variance in these costs and to make contingency plans with regard to these cost areas.

Contingency fund

Budgeting is, at best, an inexact science. Prudence suggests that there be some contingency funds, perhaps placed in a line item of a “soft variety” and running roughly 2 percent of the total budget. This result can also be achieved by realistic line-item budgeting, yielding a cushion of sorts without getting into a “slush fund” mentality.

Central allocation fund

In state-financed systems and highly decentralized county-funded systems, it is sometimes wise to have a portion of some appropriations under central control to facilitate allocation to points of greatest need. Thus, for example, 80 to 85 percent of the appropriations for assigned counsel fees may be in trial court budgets with 15 to 20 percent held in central administrative accounts for allocation as needed.

For a more complete list of factors, consult Checklist 3.

Requests for Personnel Appropriations

General Personnel Considerations

Personnel expenditures represent the major item in a court budget. Normally, local and state executive and legislative branches determine how to develop budget requests for personnel. There are, however, some general issues that transcend prescribed budgetary formats and that should be taken into account in preparing any budget request.

Number of Positions (FTEs). Personnel budgeting turns on the number of positions authorized by the appropriating agency. Positions are normally linked to job classifications and job titles, which fix the rate of pay. Positions are not necessarily full-time, and so it is common to translate positions into full-time equivalent positions (FTEs). Occasionally, a position is split among cost centers, meaning that the position is part-

time in relation to a particular cost center and must be translated into FTEs to manage the allocation of personnel appropriations. Thus, on occasion, the budget process results in fractional position totals (for example, 10.5 FTEs).

Types of Positions. Typically, employee positions are categorized as permanent full-time, permanent part-time, and temporary, the last category normally being outside both the position control scheme and the fringe benefit system. Thus, budgets for temporary personnel may be generic and not position-specific. However, some courts that make extensive use of temporary personnel classify them as part-time and full-time.

Position Control. Position control ensures that each permanent employee added to the payroll is hired for a position that has been approved and budgeted pursuant to an officially adopted pay plan. Such pay plans take many forms, but most often take the form of a grid, which establishes a schedule of ascending salary grades with in-step increases within each grade. Commonly, each authorized position is assigned a number. This permits the identification of positions that are unfilled, particularly those that are unfilled for long periods. Supporting worksheets for a budget request will generally require that each position be accounted for by number so that inactive positions can be eliminated or left unfunded. In such a budget system, managers run the risk of losing positions by failure to fill them. This is the balancing factor that must be weighed against the practice of aggregating funds accumulated through vacancy savings.

Unfunded and Vacant Positions. The fact that a position is authorized does not mean that it is included in the budget request. Some jurisdictions have no position control so that a manager can hold positions in reserve, leaving them unfunded because of some budgetary constraint or because funding depends on some contingency, which has not occurred.

Normally, a small percentage of the money appropriated to cover authorized positions will remain unexpended at the end of the budget year. This unexpended amount may run 5 percent or more of total personnel appropriations and is referred to as *vacancy savings*. It should be noted that the amount of vacancy savings is substantially increased if fringe benefits are included in the agency budget.

If judicial salaries are placed in the same major object of expenditure category as nonjudicial personnel expenditures, the vacancy savings can be very high because judicial salaries are high and the filling of judicial positions slow. Whether a court can use these unexpended funds for the purposes of its choice is determined by the budgetary policies of the local government. This policy may be very permissive—freely allowing transfer of these savings to other expenditure categories; on the other hand, the policy may be very strict—a reversion of these savings to the general fund or, as is increasingly the case, forcing each agency to deduct anticipated savings from its budget

request. Obviously, budgets in the stricter jurisdictions must be very precise to prevent either a crisis on the personnel line or such a sizable amount of lapsed funds that the agency will have a tough time justifying its appropriation level in the next budget cycle.

New, Transferred, and Reclassified Positions. Just about any budgeting system requires that new positions be specified and justified. The mechanics of creating such positions are, in large part, a function of personnel management and the appointment process, but a position amounts to nothing unless an appropriating body incorporates it into the adopted budget. Not uncommonly, the budget process demands that each new position be justified on an individual basis, normally on one of four grounds: (1) increased workload, (2) creation of a new program, (3) automatic allocation based on some statutory prescription (for example, each new judge is entitled to a bailiff and reporter), or (4) a new facility, which must be staffed.

Transfer of positions involves some reshuffling of authorized positions, normally from one cost center to another. Such transfers may occur simply because certain cost centers are being consolidated, broken up, or otherwise rearranged. More important, transfers may occur because personnel are being reallocated from a cost center that has an excess of personnel to a cost center that is understaffed. Transfers of this type are the ultimate test of a unified system, because they represent the efficient use of resources and management awareness of workload demands.

Reclassification of a position is often the result of a study and report by a personnel department or consultant and arises out of the personnel management process. Reclassification can have very important budgetary implications, as, for example, when it affects a large group of positions in a way that raises the pay scale for the employees whose jobs have been reclassified. For purposes of budget preparation, it is not normally necessary to rejustify the new classifications, but it is necessary to take them into account and perhaps to prepare some backup documentation.

Temporary Help and Overtime. Some courts make relatively large requests for temporary and overtime help. Temporary personnel tend to be used in peak workload or vacation periods, when the work involved does not require a very high level of skill or a detailed knowledge of operational procedures. (Obviously, the existence of a pool of very experienced temporary workers would permit more flexibility in temporarily replacing or supplementing existing staff.) Use of temporary workers cuts down fringe benefit costs and is, in a strictly financial sense, preferable to overtime. Moreover, temporary workers are often paid an hourly wage and are not on the salary scale, so budgeting for temporary help is quite different from budgeting for overtime by existing employees.

There are, however, some situations where overtime may be the best option. Certain complex or important tasks cannot be left to temporary employees, and yet the

time demands for performing these tasks may be such that the only alternative is using existing personnel on an overtime basis. Moreover, a court operating in off hours may be forced by collective bargaining agreements or local practice to pay overtime rates. Other common justifications for overtime are trials that run beyond the normal working day or security for sequestered juries. On the whole, however, overtime is a very costly alternative since it normally involves premium pay. Heavy use of overtime often indicates a failure by management to cross-train employees or to fill vacancies in a timely fashion.

Volunteers. Many government organizations make extensive use of volunteers. This is particularly true of courts where volunteers may assist with probation supervision, foster care supervision, and a variety of other labor-intensive social functions. Normally, the court must make a budget allocation for administration of the volunteer program. Placing volunteers in the budget may be used to illustrate how government-paid positions are being held in line without compromising work output. There also may be special health and liability insurance needs for protecting both volunteers and the government entity employing them.

Basic Personnel Expenditures. Most personnel expenditures arise from the baseline budget carried over from the previous budget year. They may not have to be rejustified (except in a Zero Base Budgeting environment), but they will have to be documented.

Fringe Benefits. Fringe benefits may or may not be included in the budget requests of operating agencies, depending on local budget practice. Generally, they are included and amount to 25 to 35 percent of the budgeted salaries. Fringe benefits are normally an automatic computation and typically include health insurance (one benefit that usually cannot be computed as a percentage of salary because coverage varies by employee option and because there may be a flat rate per employee), retirement (normally different for judges), perhaps social security, worker's compensation, unemployment insurance, and life insurance. Some jurisdictions include fringe rate leave for holidays, vacations, and sickness. The main problem presented by fringe benefit budgeting is computing it correctly based on guidelines from the budget office.

Cost-of-Living Increases. Cost-of-living increases, like fringe benefits, tend to be automatic inclusions because they are often reflected in the basic pay grid from which salaries are computed. Thus, they become part of the budgetary baseline, as opposed to a one-shot increment. How such increases are computed varies a lot. National indices, such as the Consumer Price Index, may be consulted, but the ultimate increase is often influenced by local fiscal and political considerations.

Salary Increments. Salary increments may or may not be discretionary. In-grade increases tend to be automatic, even though in theory they are discretionary. These are

generally tied to length of service and can be determined more or less automatically from an anniversary date. More problems arise from promotions and from increases determined by merit because they can only be estimated based on historical patterns or very definite criteria for granting such increases in the current budget year. In times of fiscal austerity, such increases tend to get delayed, and it is not uncommon for agencies to be told that any increases in salary must be paid from vacancy savings, which is another way of stating that the appropriating body will not fund any increases.

Salary Differentials. Differentials in pay rates complicate budgeting because there are certain employees who are given preferential treatment in rates of pay, usually some percentage increment based on residence in a metropolitan area with a high cost of living, longevity in service, inconvenience in service, and exercise of certain key responsibilities. This type of salary increment requires that the relevant data on each affected employee be entered into the system and made part of the payroll and budget systems. Invariably, these variations cause problems because they create a system within a system and add a layer of complexity.

Collective Bargaining. Very often, differentials result from collective bargaining agreements. Such agreements obviously have budgetary implications and require that budget requests reflect the existing agreements and that the pendency of contract negotiations be taken into account in developing a budget. When a court has a mix of unionized and nonunionized employees, personnel budgets may be skewed in favor of unionized employees, creating some imbalances in the budget and the possibility of an occasional quick increase to permit unrepresented employees to catch up.

Court-Specific Personnel Considerations

The personnel component of a court budget has some unique characteristics, including (1) the centrality of judges, (2) the interplay with court-related agencies that may provide court personnel whose salaries are not covered by the court budget, (3) the existence of positions that have no counterparts outside the court system, and (4) unusual measures of performance to determine personnel needs (for example, the number of jury trials). The key differentiating feature of court personnel budgeting is the dominant role of judges.

Judges. The number of judges is normally set by law and is not a negotiable budget item. Most states have some rough caseload formula for determining the number of judgeships, but the legislature may or may not adhere to some relatively automatic formula of determining the need for judges. In any event, the number of judicial positions is a given for a budget officer.

Judicial salaries are high in relation to the salaries of other court employees, so years ago local governments started switching the financial responsibility for

paying judges to the state. Thus, judicial salaries are a state expense in practically every state, even those where the local governments still bear the brunt of trial court expenditures.

Judges very often are not included in the basic fringe benefit packages for other government employees, requiring a separate set of computations by budget officers. Frequently, for example, judges are in separate retirement programs funded out of a special fund. Because judicial retirement programs are rarely actuarially sound, the judicial budget may have to include appropriations to the judicial retirement fund. This is a critical item, which sometimes falls between the cracks if the administration of the retirement fund is separate from the court administration system.

However, the key consideration is that each judge position is a cost center around which is built a whole series of expenditures for personnel, space, and equipment. Any court budget officer faces the question, "What does it cost to add a judgeship?" The answer will vary by jurisdiction, but the mechanics of estimation are essentially the same. The budget officer must determine how many people must be added to the staff to support one judge, the space requirements of a judge, the start-up equipment and renovation costs to support a judge, and the normal operational budget for a new office. The personnel costs will vary, depending on local practice. Some jurisdictions permit each judge a number of personal employees; other jurisdictions are less magnanimous, requiring judges to share or pool certain types of employees or do without certain categories of employees, such as judicial secretaries. More difficult to ascertain is the effect of a new judge on the cost of assigned counsel or indirect support, such as the performance of clerical record functions. Judges in high-volume courts of limited jurisdiction generally require more recordkeeping support than judges in general jurisdiction courts, but the former may not require certain types of courtroom support, such as court reporters. Some list of cost factors is required to make these determinations (see Table 6).

The list of factors in Table 6 does not include probation officers assigned to courts or the personnel of a public defender or prosecutor. On the other hand, this list assumes that not every judge requires new courtroom space, although it is not uncommon for judges to share courtrooms. It should be noted that some of the costs in this list are divided between the state and local governments, so the list would be used differently by a state-level budget officer than by a budget officer in a locally funded court system.

Many courts rely heavily on retired judges and allocate a substantial portion of their budget for this purpose. These judges may be used for some very specialized purpose (for example, settlement conferences), but they often play a general judicial role and require the same support as an active judge.

■ **Table 6**
Factors in Estimating Cost Per Judge

PERSONNEL	Personnel	FTEs	Annual Salary	Fringe Benefits	Added Costs
	Court Reporters				
	Court Attendants				
	Secretaries				
	Law Clerk				
	Minute Clerks				
	Indirect Support				
	Subtotal				

SPACE NEEDS	Space	Gross Square Feet	Cost per Foot	Total Cost
	Court Chambers			
	Courtroom			
	Adjunct Courtroom Facilities			
	Subtotal			

OPERATIONS	Equipment/Operations	Costs
	Computer Equipment	
	Office Furnishings	
	Library	
	Courtroom Furnishings	
	Office Operations	
Subtotal		

Some jurisdictions still use judges pro tempore—attorneys temporarily assigned a judicial role. Attorneys provide this service pro bono in some jurisdictions; in jurisdictions where judges pro tempore are paid, budget officers must estimate the use of such temporary judicial officials. The number of temporary judge days is often tied to estimated absences and vacations of sitting judges; compensation is usually fixed by law at the daily salary of judges in the court to which the judge pro tempore is assigned.

Quasi-judicial Officers. Many judicial functions are being performed by quasi-judicial officers operating under various titles: magistrates, commissioners, masters, arbitrators, mediators, conciliators, and hearing officers. The state may establish and

allocate such positions by law throughout the state, but more commonly, these positions are discretionary and dependent on the needs of a particular court. Quasi-judicial positions are not necessarily funded by the government that funds judicial positions; for example, a county may end up funding a quasi-judicial position even though judges are paid by the state.

The rationale for employing quasi-judicial officials is normally that they relieve judges of more or less routine functions, provide off-hour services, or provide services in a remote area infrequently visited by judges. These positions are supposed to increase public service in an efficient way because they enhance judicial manpower without incurring the costs associated with a judgeship. Obviously, trade-off analysis is involved.

Quasi-judicial officers may turn out to be fairly expensive cost centers requiring very much the same support as judges. Consequently, it cannot be assumed that they are cheaper. Moreover, a county might prefer a state-supported judgeship to a quasi-judgeship supported by county funds.

Courts must, therefore, include in the budget all the support costs associated with a new quasi-judicial position and anticipate questions on the need for it. If need is justified on the grounds of off-hour service or geographical remoteness, there has to be a description of the service (for example, warrant issuance), the anticipated level of effort, and the cost for a judge to provide this service, if, in fact, a judge is available. In general, this rationale depends on establishing a need for public service, not volume. More commonly, a quasi-judicial position is created to handle high-volume work and must be justified by work unit analysis, showing that it would be cost-beneficial to transfer certain functions from a judge to a quasi-judicial officer (for example, uncontested domestic relations, juvenile, or traffic cases).

Not all quasi-judicial functions are performed by officials on the court payroll. For example, arbitrators may be attorneys who serve part-time and receive an hourly rate or a flat cost per case for their work. This can quickly get out of hand if the arbitrators are paid from public funds. Quite commonly, the court only pays for coordinating the program, and the parties pay the arbitrator. A middle position is for the court to pay the arbitrators and collect from the parties, a technique that has not worked well.

Clerical Personnel. Clerical personnel may be budgeted through the budget of an elected clerk, a trial court, or a mixture of both. Regardless, budgeting for clerical positions involves costing out functions that tend to be labor-intensive (see Table 7). Some jurisdictions (for example, Utah) have developed caseload formulas to determine clerical needs and have won legislative acceptance of this formula for budgeting purposes.

Bailiffs, Security Personnel. Budgeting in this area is complicated because courts may not include bailiffs or security personnel in their budgets but may, nonetheless,

■ Table 7

Clerical Workload Measures

Function	Work Measures	Budget Considerations
Calendar	<ul style="list-style-type: none"> • No general purpose measure, except perhaps frequency and size of calendars 	The personnel need depends on whether calendaring is more or less automatic or is a relatively sophisticated management system requiring specialized personnel and computer support. A second factor is whether there is an individual judge calendar, in which case there may be no central calendaring function.
Financial	<ul style="list-style-type: none"> • Cash transactions • Checks processed • Amount of money processed • Checks disbursed 	The cash-intake and cash-control system can become quite labor-intensive. Trade-off considerations are the use of bank lockbox systems, computerized cash registers, and fiscal agents for disbursement. A distinction must be made between cash-intake and book-keeping functions, which have different measures.
Records	<ul style="list-style-type: none"> • Cases filed, disposed of • Counter transactions • Inquiries processed • Updates and filing transactions 	Within the general category of recordkeeping there are a number of specific functions, each with its own resource needs: counter and initial filing, updates, closed-case processing (usually low priority), and inquiry processing.
Typist	<ul style="list-style-type: none"> • Depends on type of output, which may be orders, correspondence, presentence reports, new docket pages 	There are usually some standard outputs for clerk-typists, even though these may vary from court to court. These determine the workload per clerk and the personnel need. It could be that clerk-typists are not used for typing at all.
Data entry	<ul style="list-style-type: none"> • Transactions 	This may be a specialized function or one of several functions by one employee in which the measure must be translated into FTEs and combined with measures of the other work performed by the employee.
Courtroom	<ul style="list-style-type: none"> • Court days • Record updates • Trials/court proceedings 	Much depends on whether judges routinely have a courtroom clerk. If so, the need for clerks is largely a function of judicial court time. Courtroom clerks vary in their ancillary functions, which may include updating case records and data entry, typing orders, marking calendars, and handling issuance of court process ordered from the bench. These ancillary functions may require additional measures.
Child support enforcement	<ul style="list-style-type: none"> • Support payments processed • Pending support cases (IV-D, non-IV-D) 	This is a fast growing area, one which has important budgetary implications because there is an opportunity for federal reimbursement as well as federal incentive payments.
Supervisor	<ul style="list-style-type: none"> • Employees supervised 	This is essentially a "span of control" issue. From a budgetary viewpoint, expenditures for supervision should bear some ratio to persons supervised, roughly 8-1, assuming that the supervisor is more highly paid.

have a lively interest in how other agencies budget for these crucial services. Some law enforcement agencies provide security services to courts and charge the courts an intragovernmental service charge, so the court must negotiate for the services, which will appear in the court budget as a charge. Another common situation is for courts to have court attendants or bailiffs on the court payroll but not to budget for the more security-oriented functions, such as prisoner transportation and building security.

Certain basic budgetary considerations govern budgeting for bailiffs, such as:

- Q** Does each judge need a personal bailiff who is assigned permanently to the judge, or should bailiffs be pooled and supplied as needed?
- A** From a budgetary viewpoint, the latter is preferable since it makes more efficient use of bailiffs and reduces the need for bailiffs.
- Q** Are full-fledged armed deputies needed, or can civilian attendants meet the need?
- A** Courts answer this question differently, sometimes deciding that civilian attendants are suitable in certain types of courts, such as civil courts, but not in other courts. From a dollar viewpoint, civilian court attendants represent a great savings, because deputies are usually senior employees drawing salaries anywhere from \$5,000 to \$15,000 more than civilian attendants.
- Q** Do civil courts really need bailiffs, other than for jury monitoring?
- A** Again, the answer varies by court.
- Q** Can part-time bailiffs be hired to avoid overhead and fringe benefit costs?
- A** Many courts in nonpopulous areas use this approach.
- Q** Should courts use contract security personnel who tend to be paid much less than armed deputies?
- A** Where courts are budgeting for building security, it is often cost-beneficial to have contractors operate detection devices at the entrances.

Costs of security are escalating rapidly, forcing jurisdictions to rethink security expenditures and how to economize without sacrificing adequate protection. Some jurisdictions are coping with this expense by imposing a fee to help cover bailiff costs. Generally, this fee goes into the general fund.

Some courts use law clerks, who are second-year or third-year law students attending night school, as bailiffs. This adds a slightly different dimension to the job because the law students may be used for legal research when not serving as bailiffs.

Jury Personnel. In most jurisdictions, this expenditure is minor, usually consisting of payments for a few clerical personnel or, perhaps, for a jury manager. In jurisdictions

where there is extensive use of jury questionnaires and investigative screening, staff costs may shoot up. Some jurisdictions also have jury commissions, sometimes part-time, sometimes full-time.

The only problem here is to prevent patronage-type hiring or excessive use of manual systems in an area where automation has become commonplace. There has to be some ratio between the number of jurors processed and called and the jury management staff. Similarly, there should be some guiding ratio between payments for jurors and jury management costs. These ratios are hard to fix generically because of the great differences in jury practices and the volume of jury trials.

The standard measures of jury staff workload (both administrative and juror payments) are jury questionnaires processed (if used), jurors summoned, jurors qualified, juror days, juror payrolls, and jury trials. Again, costs should bear some defensible ratio to jury activity. Some jurisdictions collect fees to finance jury costs, so any ratio must reflect net cost. Ultimately, the best measure is cost per juror day.

In general, jury management expenditures are fairly easy to justify if the efficiency in the jury system reduces payments for jury services. Jury management has perhaps the clearest cost-benefit rationale in the judicial branch.

Chamber Support. Judges may or may not be permitted to have personal employees, such as secretaries or law clerks. If law or an established budget process specifies that each judge is entitled to a secretary, law clerk, or both, these positions are automatically included in the budget. Commonly, however, judges must rely on pools of secretaries and law clerks, if they have any support at all. The use of pools is usually adequate, depending on the nature of the judges' workload. Obviously, a judge with an appellate workload has different needs than a trial judge. Increasingly, judges are using PCs and changing their use of secretaries, a factor that will soon be recognized in court budgeting. In short, a judge's need for a secretary must be demonstrated, not assumed. The same applies to law clerks, who often end up in roles that have little to do with legal clerking.

It is still fairly common for court reporters to provide secretarial services to trial judges, a practice that is often not defensible because court reporters are much more expensive than secretaries. In jurisdictions where reporters are in short supply, there is absolutely no budgetary rationale for such specialized employees performing secretarial services.

Social Services. Expenditures for social services have increased significantly in trial court budgets in the last decade. This has arisen not only because courts are becoming more involved in family problems but because social service personnel are on a much higher salary scale than many other court employees. The range of social services is

now so broad that it is hard to deal with them individually. The primary types are listed below with typical measures to determine need.

Juvenile intake	Cases, referrals handled
Investigators (criminal)	Bail reports, presentence reports
Counselors	Cases initiated, active cases
Supervision of defendants	Probation caseloads, pretrial release caseloads, sentence violations
Investigators (social)	Domestic relations caseload, child custody investigations
Supervision of social service personnel	Span of control, ratio of supervisors to probation personnel

The extent to which social service personnel are included in court budgets varies greatly. The key budget questions concern whether some functions can be performed by an employee who does not have educational credentials in the social service area. Do investigators have to have high educational credentials, or could experienced justice system personnel do the job? Do juvenile detention facilities (a frequent inclusion in court budgets) have to be staffed by juvenile social workers or are custodial skills adequate? (Normally, some mix of social and custodial workers is necessary.)

The nature of defendants also affects the budget. Can budgets be stretched further by distinguishing between probationers who need maximum supervision and those who need minimal contact?

As in many aspects of trial court budgeting, judicial needs affect expenditures. Some jurisdictions make extensive use of preadjudication probation, misdemeanor probation, and presentence reports for relatively minor crimes. Moreover, some probation departments station officers in criminal courts for intake purposes, meaning that budget requirements for probation officers become, in part, a function of the number of criminal courtrooms.

Administrative Support. Many trial courts now have a trial court administrator. Some of these trial court administrators have staffs, which include employees with specialized administrative or technical skills: finance and budget officers, personnel administrators, records managers, facility managers, data-processing experts, caseload management specialists, and managers who run various discrete special programs, which tend to be located under the aegis of trial court administrators. Because many of these positions are relatively well compensated and because they represent new types of positions within the judicial branch, they often are hard to create and attract criticisms of extravagance and empire building.

■ **Table 8**
Budgetary Justification for Administrative Specialists

Function	Work Measures	Budget Considerations
Personnel managers	<ul style="list-style-type: none"> • New employees processed • Interviews, tests administered • Total personnel transactions 	<p>Many trial courts depend upon the executive branch for all personnel administration. Some trial courts maintain a separate personnel system, which is normally sufficient justification for a personnel officer. The size of the personnel office depends on the volume of transactions.</p>
Finance and budget officers	<ul style="list-style-type: none"> • Preaudits • Accounting transactions • Financial reports • Purchasing transactions • Cash collection transactions 	<p>The justification for a budget officer depends on the budget practice of the particular government. If the process is relatively decentralized and the court budget is sizable, there is sufficient justification for a budget officer. Justification for funding of other financial functions depends on whether such functions are performed at the agency level in the particular jurisdiction and upon documentation of financial transactions.</p>
Internal auditors	<ul style="list-style-type: none"> • Number of persons involved in financial transactions • Dollar volume of transactions 	<p>Large court systems creating internal audit staffs require staff with the appropriate auditing credentials. The justification rests on the size and complexity of court financial operations.</p>
Electronic data-processing functions	<ul style="list-style-type: none"> • Size and frequency of outputs: reports, inquiry responses 	<p>Trial courts are often served by a local data-processing system under local government control or by a state judicial branch EDP system. In such cases the court can only justify systems analysts who interact with the central EDP system. If the court runs its own system, the personnel needs change and may include programmers and more systems analysts.</p>
Caseflow managers	<ul style="list-style-type: none"> • Tends to be justified in terms of case-processing time spans, not work units 	<p>This function is not present in many courts. It may be subsumed under the calendaring function of the clerk, but it is commonly found under a trial court administrator. Case manager positions may be justified in terms of faster case-processing times, but they may depend for their existence on administrative directives of a state supreme court.</p>
Special program administrators	<ul style="list-style-type: none"> • Program workload (arbitration cases, volunteers supervised, etc.) 	<p>Trial court administrative offices become the natural repository for new court programs that do not fit within the traditional court support agencies, such as alternative dispute resolution programs, volunteer programs, or programs to help <i>pro se</i> litigants. Obviously, these programs need some administration, so the salary of the principal administrator may not be too difficult to justify, provided workload can be documented. Additional positions are created as a function of workload analysis.</p>

Relatively few trial court administrators will have the full panoply of positions mentioned above, but such positions are no longer uncommon, and each has its own type of budgetary justification (see Table 8).

Court Reporters. Budgetary disputes often center on court reporters because their salary is supplemented by various fees for transcript preparation and possibly for reimbursing them for the costs of stenographic equipment and travel. Moreover, their salary rate often appears high to persons outside the court system (and sometimes to persons within the court system). Quite often, a court manager has little or no control over reporter compensation because it is set by statute.

Some jurisdictions use per diem reporters on a large scale, which requires considerable management control to keep costs from rising. The use of per diem employees saves money on fringe benefits and downtime but can usually be justified only as a temporary or emergency measure for shortages in the number of official reporters. However, some jurisdictions essentially farm out court reporting in civil cases, relying on the parties to arrange and pay for court reporter services.

Traditionally, there has been a close link between judges and reporters, and some jurisdictions still provide every judge with a personal reporter, sometimes two reporters (this is very hard to justify). The use of reporter pools is by far and away the most efficient method of assignment, but arguments are made that judges need continuity in work relationships to prevent disruptions and misunderstandings in court operations. If a court uses a pool arrangement, some personnel time must be allocated for administering the pool.

There are obvious alternatives to stenographic or shorthand recording of testimony and manual transcription. Electronic recording devices are now widely used, particularly in limited jurisdiction courts. These devices need some employee to monitor their use in court, so they do not entirely replace the human element. But these monitors are paid much less than court reporters. Automated transcription of tapes and use of clerk-typists to transcribe testimony from recording devices represent possible alternatives to reporter transcription of tapes. Video records of trials are also a possibility. In short, court reporter budgets are subject to considerable cost-benefit analysis, specifically:

- salaried reporters versus per diem reporters
- reporter costs versus use of recording devices with monitors
- reporter transcription costs versus automated transcript preparation or clerk-typist preparation from voice recording

The ultimate justification for court reporters is the preparation of transcripts on appeal. The production of transcripts is, therefore, a fundamental measure of reporter need. Other measures are the number of trial judges and judge days in court. If reporters are assigned to individual judges, there tends to be a lot of reporter downtime.

It should be noted that even where reporters are assigned to individual judges, there may be backup reporters to fill vacancies due to illness, vacations, or unexpected terminations or to help a reporter who has a high volume of transcripts to prepare.

Miscellaneous Professional Positions. Trial courts increasingly require an array of professional services. Normally, these services are obtained as contract services, particularly those for doctors and psychiatrists. There are, however, some instances where courts have salaried employees performing specialized professional services; for example, staff attorneys (very common in appellate courts), psychologists, and interpreters. The budgetary rationale for such positions is usually that it is cost-beneficial to handle the professional services in-house because the volume is such that it would be unduly expensive or otherwise impractical to use contract services. Thus, for example, if the principal interpretive need is Spanish, it may be cost-beneficial to have some full-time Spanish interpreters who understand the court and court procedures, reserving contract interpretation for less-common languages. Where the volume of cases requiring interpretation is large, there may be a need for a coordinator.

Some positions, such as law librarians, are usually salaried positions because the functions do not lend themselves to contractual services. Some law librarians perform legal research and may, in fact, be attorneys. Generally, however, librarian positions are justified in terms of library size, number of accessions, requests handled, library use, and hours of operation. Frequently, law libraries are budgeted through special revenue funds, which are administratively separate from the court budget and fed by earmarked court costs.

Requests for Nonpersonnel Appropriations

The nonpersonnel items in a court budget are not, for the most part, different from the items found in any public agency budget: contractual services, material and supplies, equipment and furnishings, travel, facility maintenance, communications, and operation. However, some nonpersonnel expenditures assume a different form in a court budget and may even be unique to a court budget. Some nonpersonnel items deserve special comment.

Contractual/Professional Services. Courts use a variety of special services, often obtained by court order. Attorney services are usually the biggest but by no means the only item (see Table 9).

Jury and Witness Fees. Sometimes, the payments made to jurors and witnesses are classified for budget purposes with contractual services. Juror fees are set by law, as are ordinary witness fees. Similarly, travel allowances for witnesses and jurors are set

■ Table 9

Budgetary Justification for Contractual and Professional Services

Contractual and Professional Services	Comments
Medical, psychiatric	The range of medical services financed by courts has increased continually in recent years. Typically, the court budget pays for those consultations or examinations done pursuant to court order, such as sanity exams or services provided to wards of court. The maximum fees may be set by law or rule of court, but they may also be relatively open-ended. Budget officers normally rely on historical data but may have to estimate the impact of new legislation expanding the use of medical witnesses.
Indigent defense	<p>Except in jurisdictions where costs of assigned counsel are carried in a noncourt budget (for example, the budget of a public defender who budgets for conflict attorneys), court budgets carry funds to compensate lawyers assigned to represent indigents. The fees may be prescribed by law or court rule and are sometimes based on a flat cost per case, but more often are based on hourly rates, requiring audit and control. Flat rate fees discourage dilatory tactics and are probably less costly to treasuries, but they may lead to hasty pleas. This budget item is among the most volatile and controversial in a court budget, so the budget officer not only must look at historical trends, changes in allowed costs, and audit practices but must ascertain how judges will manage the system. If indigent defense is paid for by special court costs, the budget officer will have to measure expenditures against likely receipts.</p> <p>Many jurisdictions control costs by contracting with law firms or legal aid groups. This has become an increasingly popular alternative to use of individual assignments of defense counsel.</p>
Civil commitment defense	Very often, legal representation of persons being committed to mental institutions is funded through the court budget. The fees for such representation are normally set by law or court rule, so the budget officer need only ascertain the likely volume of commitment cases based on the current legal requirements.
Arbitrators/mediators	Arbitrators and mediators may receive a salary, be paid by the parties, or be treated as contractors and paid by the court in proportion to the time they spend or by the case. In a court where arbitration is required, or otherwise very popular, this can be a large expense.
Guardians ad litem	A large, emerging item of expenditure is the amount of fees being paid to guardians ad litem, many of the appointments being for representations of juveniles in domestic cases. Although the fees are usually prescribed by law or court rule, this is an area where budget officers have had great difficulty in estimating the costs, because in a single case there may be a number of attorneys (one for each child). If a number of attorneys are appointed to defend different members of the same family, the costs per case are quite high, and there may be scheduling complications, which run up costs computed on an hourly basis.

continued

■ **Table 9** cont. **Budgetary Justification for Contractual and Professional Services**

Contractual and Professional Services	Comments
Investigation	Some investigation costs are found in the budgets of public defenders who hire outside investigators, but courts may appoint outside investigators in child custody cases and a variety of other situations. This tends to be a temporary item and may be displaced if volume warrants full-time investigators.
Interpreters	Interpreter services take two forms: (1) skill in a language that is commonly used by persons appearing in court; (2) skill in a language for which there is a rare interpretive need. Usually, contract interpreters are needed for the second situation. Interpreters are sometimes used to translate written materials or to interpret for people with hearing impairments.
Per diem reporters/transcripts	Per diem reporters tend to be used for proceedings that may fall outside the normal trial routine; for example, depositions taken by a public defender. Where per diem reporters are used often for regular court reporting, there is usually a management problem or a difficulty with the funding agency or with the official reporters themselves. The cost of transcripts prepared for indigents is, however, a routine budget inclusion based on the rate of indigent appeals and the size and costs of transcripts in the particular jurisdiction. Some indigent appeals are more or less pro forma, and various appellate courts have taken steps to reduce the need for full transcripts and, thus, their costs.
Janitorial	Courts generally do not have responsibility for management of the building where they are located. If they have the responsibility, they may find it cost-beneficial to compare the cost of contract janitorial services to the costs of using salaried personnel. Such services are increasingly being farmed out.
Security	Contract security guards are now a fixture in many public buildings, particularly those using security devices. This remains an option for courts that have the responsibility for the building they occupy or at least the court section of the building. In general, contract security guards are less costly. There are, of course, considerations other than cost.
Laboratories	Some courts budget for lab testing in paternity cases, but this is normally in a prosecutor's budget.
Management consultants	Courts may use consultants to study court operations or provide technical advice on facilities, computers, records management, or other subjects requiring specialized expertise. These expenditures tend to be one-time contractual obligations, which have to be anticipated by management before the development of the budget. The budget officers should inquire about possible use of consultants.
Accountants	Courts may use accountants for auditing purposes or to set up an accounting system, but in general, the other branches of government budget for accountants. More commonly, courts will use accountants to examine complex financial records, in effect making them special masters to produce a finding of fact on financial matters. Some courts will carry an accountant item in their budget each year, the amount determined by historical usage and current professional fees.

by law. Costs for meals and costs of sequestered juries are more open-ended, as are expert witness fees.

Estimating jury costs is one of the most difficult aspects of budgeting, because a few major trials can throw a budget into chaos. Changes in prosecutorial strategy and changes in jury or caseload management techniques can also have profound effects, as can changes in juror compensation. Historical patterns, though helpful, are not always a good predictor, particularly if a jurisdiction alters some aspect of its system, such as going to a one-day, one-trial concept of juror service or changing voir dire practices. The bane of jury systems is the tendency to call too many jurors, leaving many sitting idle and running up the juror costs per trial. The two key indications, often unavailable, are paid juror days in relation to number of jurors actually impaneled and cost per juror day. Ignoring these statistics can lead to over budgeting and can encourage inefficiency. Basically, a budget officer has to elicit sound estimates on jury trials and the number of jurors necessary to produce a jury, an inexact science at best. Travel payments and meals are usually a function of the number of jurors. Grand jury calls involve different factors but are usually not monetarily significant.

Ordinary witness fees and travel allowances usually go to those persons subpoenaed to testify in criminal trials. There being little else to go on, estimates are usually based on historical patterns. The real problem lies with expert witness fees, which are often high and perhaps not statutorily controlled. These fees are often paid in criminal cases in some juvenile, civil commitment, and guardianship cases. Much depends on the prosecutor and defenders, whose tactics must be understood and anticipated. On the civil side, budget estimates are often shaped by caseload figures in the relevant areas of law, by knowledge of the legal requirements for expert witnesses and by awareness of the way local attorneys use expert witnesses. If attorney tactics are ignored or misunderstood, there can be major underestimates. Some states, Utah, for example, have put a cap on expert witness fees.

Many courts now try to pay jurors on the same day they serve. This is easier to accomplish in a locally funded system, but it can also be accomplished in a state system by having the state issue bearer checks to the courts.

Space and Facilities Items in the Operating Budget. Trial courts occupy considerable space in relation to the number of their employees. Traditionally, trial courts were given space by local governments and did not budget for it. This practice is ending for a number of reasons: (1) some states have assumed the responsibility for financing facilities, requiring that the space costs of courts be identified and separated from other facility and space costs in buildings shared with noncourt agencies; (2) local governments are budgeting in more sophisticated ways and requiring courts to include space costs in their budgets as an intragovernmental charge; and (3) the increasing use of

court facility standards is forcing more specificity on the amount of money being spent on operations, maintenance, and renovation of court facilities. Facility standards are most often thought of in relation to renovation and construction, but some standards also apply to operational expenditures of such items as maintenance and security and should be consulted by budget officers.

Budgeting for space facilities requires that there be some existing inventory of facilities being used for court purposes. The principal facility is the courthouse, but court functions are performed in many types of facilities, among them courthouse annexes, government administrative buildings, privately owned buildings, facilities housing juvenile detainees or juvenile programs, and various branch office buildings used by geographically diffused courts. Even within these buildings, courts occupy space under a variety of different arrangements, each of which has special legal and financial implications:

- courts may own the buildings they occupy, a fairly common situation for appellate courts
- courts may occupy a local government facility at no cost to the court, a not uncommon arrangement for trial courts located in county courthouses
- courts may occupy a government-owned facility based on some sort of a charge-back arrangement to cover the court's share of facility operating costs
- courts may be tenants paying a regular rental, the normal arrangements for the rental of commercial space
- courts may occupy a building lease-purchase agreement under which the court pays the capital costs of the building plus interest in the form of an annual rental over a period of years (when the building cost is paid, the court takes title)

Responsibility for financing trial court facilities still rests primarily with local governments. Regardless of which level of government finances court facilities, the executive branch tends to control facility financing, because court facilities are perceived as part of the general building inventory of the government and, thus, within the administrative purview of the executive branch agency that oversees government facilities. A trial court may, therefore, have to urge the executive branch to include funds to meet facility needs, both for operating and capital budget purposes.

If a trial court has to budget for space in government buildings, the key items are utilities (other than telephone), maintenance and custodial costs, insurance, security, and perhaps even debt service in proportion to the space occupied by the court. The court may use various factors to estimate these costs: historical expenditures, inflation and planned increases, current salaries of custodial and security personnel, contracts for maintenance, cost of maintenance supplies, current insurance premiums, and debt service schedules. If the court does not occupy the whole building, the estimates will

■ Table 10

Estimates of Facility and Space Costs That May Appear in an Operating Budget

Type of Facility-financing Need	Description of Facility-financing Need	Estimate
Direct operational budgeting for minor capital expenditures on facilities	This would typically be a small renovation of a courthouse and would not require long-term financing. Thus, it might be financed through the operating budget.	Normally based on bids; bid price later incorporated into contract of a successful bidder.
Facility planning and design	These are the front-end costs for engineering and architectural help. These costs are normally paid out of the operating budget, special revolving fund, or line of credit. These costs may later be capitalized when long-term financing is arranged.	If the study is done by a consultant, there is normally a contract based on competitive bids. If the study is done by a government agency, there may be an intergovernmental charge, which is sometimes hard to estimate unless there is a prior firm agreement.
Debt service	This is the repayment of the interest and principal to holders of a government's debt instruments for facility construction. These costs are reflected in the operating budget, special revolving fund, or line of credit.	This is automatic, based upon the debt schedule incurred from bond issuance.
Interest on line-of-credit loan	A line of credit permits a government to incur construction costs and then seek long-term financing based upon the actual cost, as opposed to an estimated cost.	The interest is specified in the loan document.

continued

have to be adjusted proportionally. Sometimes, the state will reimburse these costs to the local government, which makes the initial outlay. In this case, the original budget request must anticipate the state requirements and the types of audits that will be conducted. Sometimes, space and facility costs will appear in the court's budget as intragovernmental transfers, meaning that the executive branch budgets centrally for all facility costs and then assesses operating agencies for their share. These charge-backs to operational agency budgets are usually based on some formula employing the factors noted above, but these formulas should be subject to question and negotiation, rather than arbitrarily imposed.

■ **Table 10** cont. **Estimates of Facility and Space Costs That May Appear in an Operations Budget**

Type of Facility-financing Need	Description of Facility-financing Need	Estimate
Rental on a lease-purchase	With many governments at the legal debt limit, facility construction is often accomplished by lease-purchase agreements. A public authority or single-purpose nonprofit corporation advances the capital funds, which are paid back with interest by rental payments, ultimately leading to transfer of title.	There are no problems of estimation, since rental payments are computed for the length of the lease. However, some jurisdictions use variable rate lease-purchase bonds requiring annual adjustments, usually with the option to go to a fixed rate.
Construction/site acquisition	Actual construction costs and site acquisition are usually paid from bond money on a drawdown, although they are occasionally paid from annual appropriations, line-of-credit loans, or money accumulated from special purpose taxation or court-collected fees.	Construction costs are normally set by contract according to a payment schedule.
Reimbursement of capital costs	This method is used in some states to compensate local governments for court facility construction based on bond issues and long-term debt service. State budgets may include money to defray locally paid debt service.	Reimbursement (whether partial or total), is tied to the established bond repayment schedule and is fairly clear.

In some cases, courts budget for space outside governmental buildings, usually the rental of commercial space. If the lease is a renewal, the budget estimate is automatic. If, however, the lease is new or renegotiated, some estimate must be made of existing commercial rates. An executive branch agency may conduct the negotiations.

Capital expenditures on court facilities are usually paid through a capital budget fund fed by bond proceeds, but this is not always the case. Small renovations may be paid from the operating budget; even large-scale construction may be sometimes paid on a pay-as-you-go basis. There are, in fact, a variety of facility-oriented expenditures funded through the operating budget (see Table 10).

Miscellaneous Nonpersonnel Items. Court budgets contain basic nonpersonnel items, such as material, equipment, and travel, along with some distinctively judicial items, such as legal resources, law libraries, judicial education, and the costs of visiting judges. Table 11 lists typical inclusions in the nonpersonnel sections of court budgets and provides observations on the court-related characteristics of these items.

■ **Table 11**
Standard Nonpersonnel Items in a Trial Court Budget

Expenditure Area	Comments
Legal research/libraries	<p>The legal research area consists of personal libraries for judges, law libraries, and automated legal research. Personal libraries for judges may be paid for in part by state appropriations, even in locally funded court systems, but these appropriations rarely cover more than the state code and supreme court reports. The general law library may not be specifically a judicial library but usually provides the basic legal materials needed by judges. Budgets for law libraries may be determined in various ways: by the bar, a board on which judges are represented, or the judges themselves. Library budgets are largely devoted to acquisitions and periodicals and are rarely well funded unless the law library is financed in whole or in part by special court costs earmarked for its operation. Increasingly, computerized legal research through LEXIS or Westlaw and CD-ROM technology is supplementing library research, adding a new and expensive element to court budgets. Sometimes, automated legal research is best provided by a statewide arrangement negotiated by the AOC on behalf of trial courts throughout the state.</p>
Security	<p>If a trial court budgets for security services, it may have to budget for such nonpersonnel items as uniforms, weapons, security devices, and overtime meals.</p>
Travel/lodging	<p>Travel expenses can escalate rapidly if not controlled, particularly if judges are not under the prevailing per diem regulations and can charge actual costs. A distinction should be made between recurring mandated travel and discretionary travel; the latter is more subject to control. A distinction should also be made between in-state and out-of-state travel. Travel expenses can take many forms, each with its own control mechanisms: (1) travel expenses of judges and other court employees to attend in-state and out-of-state educational sessions, some of which are mandatory and can be automatically budgeted; (2) travel expenses of itinerant judges and court reporters in multicounty districts; (3) travel expenses of judges and other court employees to attend national conferences or various in-state committee meetings or conferences, some of which require attendance and can be automatically budgeted.</p> <p>Rules of court quite often set forth detailed travel regulations, incorporating relevant statutes and administrative regulations. These rules may require that reservations be made through some central system or that fleet cars of the government be used, if possible. These rules may also set forth vouchering procedures, which have occasionally been a little sloppy in courts. A key element is the treatment of travel advances, which may lead to problems unless strictly monitored.</p>
Visiting judges	<p>In some jurisdictions, the host county of a temporarily assigned judge must budget for the judges, meaning that meals and lodging costs must be paid, as well as travel to and from a judge's home base, on a weekly basis.</p>

continued

■ **Table 11** cont. **Standard Nonpersonnel Items in a Trial Court Budget**

Expenditure Area	Comments
Automation	<p>From a budgetary viewpoint, a basic issue is whether computer use is controlled by the trial court or by some agency outside the court, typically a county or city system or a statewide judicial branch system. If EDP services are provided by an external agency, the next question is whether these costs are entirely borne by this agency or charged back to the court budget. In the latter case, courts are simply told what their share is and may have little or no control over the amount that they must include in their budget.</p> <p>If a trial court has its own computer system or contracts out for computer services, the nonpersonnel costs are fairly standard: (1) purchase of services for production runs, customer engineering, system engineering, consulting, etc.; (2) rental or purchase of equipment and maintenance (there is federal money for computer development for child support enforcement, the Brady Act, criminal justice information, and traffic safety); (3) rental, licensing, purchase, maintenance, and update of software; and (4) supplies and ancillary equipment, such as tapes, disks, decollators, bursters, storage racks, binders, etc.</p> <p>Personnel computers are common now and have to be allocated on some rational basis. The use of such equipment may lead to re-configuration of office functions and may be linked to office networks or electronic mail (the latter is quite useful in appellate courts if the judges are in different locations). It can be assumed that PCs will be in every judicial office before the end of the decade, whether for judges, their secretaries, or both.</p>
Education	<p>This item must be considered in conjunction with travel to attend educational and training sessions. Some training sessions have a tuition fee; others require the production of training materials, audio-visual aids, recordings, slides, and films. The tuition costs are normally for external training sessions, the other costs for in-house training sessions.</p>
Communications	<p>In past years, communications costs consisted of telephone bills. This is no longer the case, but telephone bills still constitute the major element in a communications budget. Some jurisdictions budget for telephones centrally but most require that agencies budget for their own phone service. In an era when peripheral telephone equipment can be purchased separately and adapted to agency use, telephone budgets are considerably more complex than they used to be. Added to the complexity is the use of fax machines and answering machines and the sometimes heavy costs of telephonic lines, modems, multiplexors, and data sets. In short, the budget options are much more varied than they used to be and require some analysis of the communications network and some controls over long-distance calls, random use of fax machines, and use of overnight mail services.</p> <p>Increasingly, mail expenses are seen as a part of communications. Once, the mail budget was essentially for postage, but greater use of expedited mail services and bulk mailings have changed this pattern. Postage is not, however, an inconsequential item; it mounts annually. The service of process by mail in lieu of in-person service has also affected costs.</p>

■ **Table 11** cont. **Standard Nonpersonnel Items in a Trial Court Budget**

Expenditure Area	Comments
Printing/reproduction/records management	<p>Some courts have very high costs for reproduction, printing, and microfilming. It may be cheaper to contract out some of this work, and this should always be a consideration. Microfilming equipment is normally purchased and may include, in addition to filming equipment, a variety of readers. Use of this equipment should be viewed as a space trade-off to reduce filing space and as a cheap alternative to record access by computer. Copying machines in clerical offices are normally high-volume, speedy machines with collating and binding capacity. Courts also require very simple tabletop copiers at various locations. Some courts, normally appellate courts, have internal printing capability, but it is a rare court that can justify this cost. Printing is most commonly contracted out.</p>
Equipment	<p>In addition to the equipment listed above under various functional headings, there are many other types of equipment in a typical court budget; for example, office furnishings and courtroom furnishings, perhaps even vehicles. Several basic questions arise with respect to equipment budgeting: (1) At what point is equipment considered a capital item? (2) How are new acquisitions justified? (3) What is the replacement cycle and at what point does an allowance for repair give way to replacement? (4) What types of equipment require routine maintenance, and what contracts exist to provide this service? Most budget systems specify that any item above a certain value is considered a capital item and treated as such for budget, inventory, and replacement purposes. Any capital item has an expected life cycle, so that a budget officer, in conjunction with operating agencies, plans to replace certain items each year, particularly those with high repair rates (usually quite obvious if the court maintains vehicles but also applicable to less complex equipment). New equipment may be justified as more of the same; for example, a PC for a new judge or security equipment for new bailiffs. Original purchases require some cost-benefit explanation in terms of labor saving, error reduction, speed, or simple coping with increased volume.</p> <p>Maintenance is an important and sometimes neglected aspect of budgeting. If maintenance contracts exist, as they often do for communications equipment, computers, and office equipment, budgeting is fairly easy, but there are many maintenance and repair needs that are not covered by such contracts; for example, office furniture, upholstery, carpeting, and drapes.</p>
Material and supplies	<p>By and large, courts have material and supply needs similar to other public agencies. There are, of course, some special items, such as jury badges and legal forms, but the main issues are usually (1) whether there is a central supply system so that one government agency charges user agencies for actual use, and (2) whether agencies can make purchases without going through some preaudit, because most purchases in this category are small. In state-funded systems, local courts may be given a revolving fund for purchasing supplies and material, with the fund being replenished periodically on the basis of a voucher.</p>

Revenue Estimates

An integral part of any budget process is an estimate of revenues. These revenue estimates, when matched against the planned expenditures, determine the tax needs of the government. Revenue estimates are used to open up the books of account for revenue at the beginning of a fiscal year and are usually updated at some point in the fiscal year because revenues are often affected by unforeseen events or circumstances.

Courts generate a lot of revenue; the revenue of some of limited jurisdiction courts may even exceed their expenditures. Some appropriating bodies see courts as potentially self-sustaining and attempt to tie appropriations to the courts' money-raising potential. Thus, courts are often put in the difficult position of having a monetary interest in the cases before them, yet they find it politically necessary to document their contributions to the general fund. Moreover, many budget formats require that expenditure requests by a cost center be presented in tandem with the revenues generated by that cost center, for example:

Fund: General		Cost Center: 4501		
Permanent Positions				
Major Object Categories	Actual FY1990-91	Actual FY1990-91	Estimated FY1991-92	Budget FY1992-93
Personnel Services				
Operating Exp.				
Capital Outlay				
Total				
Revenue Sources				
Fees				
State Social Welfare				
Grant (#2007)				
Total				

There are certain basic revenues collected in almost any court. Each has special characteristics (see Table 12).

Revenue estimation in courts is more of an art than a science because it requires knowledge of how the justice system operates. There are numerous sophisticated methods for projecting governmental revenue collections, but on the whole, these

■ Table 12

Basic Revenues Collected by Courts

Expenditure Area	Comments
Fines and forfeitures	<p>These revenues are usually sizable in a court with traffic jurisdiction. They may be divided between the state and local governments and usually go into general funds, although there are jurisdictions where they go into fine and forfeiture funds earmarked for schools or other governmental purposes. The amount of fines generated is largely a function of anticipated convictions and the schedule of fines, but a variety of other factors may affect volume: (1) police and prosecutorial policy, (2) court policy on permitting deferred or installment payments, and (3) changes in substantive or procedural law, for example, passage of laws raising fines.</p>
Fees and costs (general fund)	<p>Courts collect a broad variety of costs and fees in connection with cases. Most fees and costs go into the general fund of the government, which finances court operations, although some of the fees and costs are placed in earmarked funds. Criminal costs and fees are related to the criminal conviction estimates used to estimate fine revenues. Civil filing fee estimates depend on civil estimates; estimated fees for ancillary civil proceedings (for example, garnishment) require separate volume estimates, which may not bear any relation to filings.</p>
Fees and costs (earmarked)	<p>The costs and fees earmarked for various special funds may not be of interest to an appropriating body, except to the extent a special fund relieves pressure on the general fund, for example, special fees to finance libraries or data-processing development.</p>
Grants and reimbursement	<p>Certain locally funded court functions may receive state grant funding or reimbursement for such items as jury expenses, indigent defense, or probation. Child support enforcement functions are reimbursable through the federal IV-D program. Categorical grants are tough to predict, but regular grant funding should be noted to indicate the actual net cost of a particular function. Moreover, grant regulations may require much specificity.</p>
Interest on court accounts	<p>The amount of money flowing through the courts is high, so that at any one time there may be considerable money in court bank accounts. The interest on these accounts may be payable to persons for whom the court is acting as a custodian, as is usually the case on registry accounts, but it may also augment the court contribution to general fund revenues.</p>
Charges for court services	<p>Courts collect a number of service fees, such as those for processing support payments, handling registry accounts, providing copies of documents, and performing a whole series of other services, which are not case related and, thus, require a different basis for projection. These revenues often go into the general fund.</p>

methods are not very useful for projecting court revenues, which are primarily a function of caseload. It may be appropriate, for example, to use regression analysis to predict the caseload, and having determined the caseload, it becomes relatively easy to project revenues. There are some revenues that are not case related, but generally, they are not a major part of court revenues.

While caseload will provide the best revenue predictor, this should be balanced by some simple trend analysis. This method involves using the historical collection pattern of each revenue source over a period of five or six years, tempering the data by other factors that tend to affect collection, and predicting revenues for the coming year.

An example of trend analysis might be the pattern of civil filing fees.

Multiyear Record of Civil Filing Fees

<u>FISCAL YEAR</u>	<u>AMOUNT</u>
FY 1989	\$1,000,000
FY 1990	\$1,200,000
FY 1991	\$1,300,000
FY 1992	\$1,500,000
FY 1993	\$1,900,000
FY 1994	\$2,100,000
FY 1995	(To be predicted)

The prediction of 1995 revenues is determined by figuring the average rate of change over the past five years and applying this to the 1994 figure to arrive at the 1995 figure. The computation is relatively straightforward:

$$\frac{\text{FY 1990-FY 1989}}{\text{FY 1989}} = 20\%$$

$$\frac{\text{FY 1991-FY 1990}}{\text{FY 1990}} = 8\%$$

$$\frac{\text{FY 1992-FY 1991}}{\text{FY 1991}} = 15\%$$

$$\frac{\text{FY 1993-FY 1992}}{\text{FY 1992}} = 26\%$$

$$\frac{\text{FY 1994-FY 1993}}{\text{FY 1993}} = 10\%$$

Total = 79% 79% divided by 5 = 15.8% average rate of change

If the average rate of change is applied to the 1994 revenues (\$2,100,000), the result is \$331,800. This amount added to the 1994 revenues produces a 1995 revenue estimate of \$2,431,800.

Obviously, this type of estimation is simplistic and must be balanced by changes in the fee structure, changes in jurisdiction that will affect caseload, and aberrational patterns in previous years. However, this type of analysis provides some balance to revenue projections based on caseload.

Increasingly, courts are discovering that their revenues are being diminished by failure to collect money due the court, such as lack of follow-up on fines being paid in installments, failure to claim forfeited bail, and failure to enforce recorded liens for services of court-assigned counsel, just to name a few leakages in the system. Moreover, court fine and fee structures sometimes become so complex that administrators lose control over the system. Therefore, courts should periodically conduct a revenue analysis to determine if they are collecting what they are due, if their revenue predictions are accurate, and if the revenue systems could be made simpler and more efficient.

Indirect Costs and Intragovernmental Charges

The indirect costs of trial court operations are very seldom determined and even more rarely charged back to the trial court budget. Indirect costs are, nonetheless, very important in ascertaining the true cost of court operations, typically running somewhere between 20 and 25 percent of court-operating costs.

Accountants may dispute exactly what costs are indirect, but there is general agreement that the following costs can be termed indirect: (1) building use charges, (2) charges for centrally supplied equipment and central equipment maintenance, (3) cost of annual audit and costs of internal auditing, (4) utilities, (5) costs of property management, (6) custodial and security expenditures, (7) building maintenance, (8) central telephone service, (9) civil service and personnel administration expense, (10) financial management and budget office expense, (11) expenses of chief administrative officer, (12) central duplicating services, (13) mail room, (14) staff legal services, (15) purchasing, (16) insurance and bonds, (17) centralized electronic data processing, (18) retirement, (19) accounting administration, (20) payroll, (21) treasury functions, and (22) planning.

Governments with sophisticated budgeting systems will assess some or all of these charges to the court budget. These assessments require that some analysis be made of the overhead support required by each operating agency. These costs cannot be evenly allocated because each agency has a unique relationship to central management. For example, courts will have unusually high space needs and will incur high charges for building use.

Some accounting firms specialize in doing indirect cost studies because these studies involve a very complex methodology. Many governmental bodies contract for

such studies to meet federal grant requirements, because the establishment of an indirect cost rate permits grantees to recover these costs.

The computation of indirect costs is also relevant for state-local negotiations about relative responsibilities for court financing. Sometimes, the negotiation has specific reference to space use, but a broader problem occurs when there is a transition from local to state financing. Legislatures very often ignore the fact that the state must assume the overhead costs underwritten by local governments, and unless these costs are documented, they tend to be ignored in state budgets, with the result that state agencies, such as a state court administrative office, acquire a lot of administrative support responsibilities without any additional funding.

A third reason for the computation of indirect costs is its relevance to decisions on whether the judicial branch should assume some administrative support functions internally; for example, personnel administration. Sometimes, indirect cost figures show that it is cheaper for the court to leave this function with the executive branch. There may, of course, be some nonmonetary reasons for assuming the function.

State and Federal Grants

General fund appropriations may be supplemented to some degree by block or categorical grants or by reimbursement programs (for example, the federal IV-D program). Reimbursement programs, by definition, require that the grantee agency budget for a program “in toto” and then request reimbursement. The reimbursement is generally treated as general fund revenue normally recoverable in quarterly installments. The reimbursement may be treated as revenue in the fiscal year in which it was received, rather than in the fiscal year when the reimbursable expenditures were made.

Categorical grants are usually one-shot grants for a particular project to be performed within a specific time period and may not require any general fund appropriation, except perhaps cash match. The moneys received will be carried as revenues in the accounting records of the recipient. Since grant years do not always coincide with the fiscal years of the grantee, grant revenue may be split among several fiscal years. Quite often, mistakes are made on estimating grant revenues because the budget officers ignore the fiscal year problem and the chronology of grant distribution.

State block grants, unlike categorical grants, tend to be distributed annually and may not be project-specific or require a cash match. Some block grants for courts are intended to compensate localities for supporting courts, but they usually go into the local general fund. The key question is whether these grants are displacing or enhancing existing appropriations. When court agencies participate in federal block grant

funds, it is usually through some state coordinating agency for a specific purpose that supplements rather than displaces basic appropriations.

It is important to identify and isolate grant funds in the accounting records. In fact, grant regulations often require that grant proceeds go into a special fund. It is also important to integrate grant funds into the overall budget request for the court because the appropriating agency should know the sum total of court-related expenditures and revenues. This can be accomplished in two ways:

- a grant-funded activity could be identified as a completely separate activity within the court budget request
- grant funds could be combined into an activity along with other funds, and the amount supported by the grant could be separately summarized.

The latter approach encourages more unified planning and budgeting for all local funds, while the former facilitates clear accountability.

State and federal grant programs are not very stable. It may be unwise to use grant funds to expand or provide new services, except perhaps on a pilot basis, because the consequences of stopping such a program can be very adverse. Certain points should be reviewed before proceeding:

- How large will the grant be in the current year and in future years if funding is continued?
- How many employees will it add, and what is the likelihood of transferring these employees to the payroll of the recipient government when the grant money runs out?
- What is the responsibility of the recipient government associated with operating and maintenance costs of the program?
- Who will be served by the program and how?
- What is the management and monitoring capability?
- What is the likelihood of grant continuation?

Grants always carry a plethora of regulations, which may be more onerous than the recipient expected. Certain questions should be asked on this point:

- How will matching requirements be handled?
- Will any existing procedures have to be changed to meet grant requirements?
- What problem or need will go unmet if the grant is not accepted?
- What is the precise time period in which the funds can be used, and does this conform with the plans of the grantee?

Checklist 3

Composite Checklist for Budget Development

A. General Personnel Considerations	YES	NO
<ol style="list-style-type: none"> 1. Has allowance been made for in-grade salary increases? 2. Has allowance been made for new and transferred positions? 3. Has allowance been made for cost-of-living increases? 4. Has fringe-benefit computation for judicial and nonjudicial personnel been done accurately? 5. Has provision been made for temporary or part-time help? If so, is the provision defensible? 6. Have vacancy savings been estimated? If so, is there a plan for use of these savings by the court? 7. Has overtime been estimated and documented? Is the amount defensible in the light of requests for regular and temporary personnel? 8. Does it appear that personnel have been thrown at some problems without adequate justification? Has consideration been given to automation of functions and comparisons with other courts? 9. Have collective bargaining agreements, existing and pending, been taken into account? 10. Has there been any analysis to determine if it would be cost-beneficial and cost-effective to use contractors for certain functions now performed by in-house personnel? If contractor use is proposed, are there costs rooted in a realistic assessment of contractual costs? 		
<p>B. Tactical Considerations</p> <ol style="list-style-type: none"> 1. Has allowance been made for contingencies? If so, is this defensible or clearly heavy padding? 2. Has allowance been made for highly volatile items, such as <ul style="list-style-type: none"> • jury costs • indigent defense • guardian ad litem • expert witness • sanity exams • defense in incompetency hearings • indigent transcripts 3. Can the budget office document the cost per judge? Can the budget office document the cost per quasi-judge? 4. Does the budget office have backup alternatives and show ability to adjust flexibly to budgetary vicissitudes? 		

Checklist 3 cont. **Composite Checklist for Budget Development**

	YES	NO
C. Obtaining Goods		
1. Does the budget for purchase of items reflect current prices and the rate of inflation?		
2. Are there available lists reflecting prices on commonly purchased items?		
D. Historical Lessons		
1. Does the budget reflect that any or all of the following weaknesses in past budgets have been addressed: <ul style="list-style-type: none"> • a history of shortages and overages • a history of supplemental appropriations or heavy lapse of funds • failure to detect and change faulty methods of estimating revenues and expenditures • clinging to traditional programs simply as a reflex "turf protection" • continued failure to adequately explain problems and performance • failure to detect problems during the budget year through faulty monitoring 		
E. Quantifiable Supporting Data		
1. Does every component of the court budget have supporting workload data? If so, have these data been accurate? Have these data been used to make budget decisions?		
2. Do court activities have performance measures (for example, cases disposed) by which to demonstrate the cost-effectiveness of the courts and their related agencies? If so, have these data been used to make budget decisions?		
F. Effects of Change and Innovation		
1. Have new programs been properly costed, in particular start-up costs?		
2. Has the impact of new facilities on the budget been analyzed?		
3. Have the collateral effects of major systems development been properly analyzed and costed?		
G. Projections		
1. Have revenue estimates been done with care, producing a historical record of accuracy?		
2. Have expenditures been projected over a multiyear period for planning purposes?		

continued

Checklist 3 cont. Composite Checklist for Budget Development

G. Projections cont.	YES	NO
<p>3. Have estimates of variable expenditures been done with care, producing a historical record of accuracy?</p>		
<p>H. Intergovernmental Services/Intragovernmental Services</p>		
<p>1. Does the budget demonstrate that grant programs have been integrated with the basic budget?</p>		
<p>2. Does the court budget reflect charge-backs by noncourt agencies for administrative services, technical services, space, utilities, vehicles, or supplies? If so, does the amount represent a figure with which the court agrees after the analysis of the computation? If not, does the court have an accurate picture of indirect costs and what it truly costs to operate the court?</p>		
<p>I. Space and Facilities</p>		
<p>1. Does the operating budget reflect the impact of front-end costs, furnishings, and transition in connection with facility renovation or construction?</p>		
<p>2. Does the court maintain or have access to a revolving fund to defray front-end costs for facility construction or renovation?</p>		
<p>3. If the court pays commercial rentals or intergovernmental charge-backs for space, are these defensible in the light of prevailing rental costs?</p>		
<p>4. If the court is paying a lease-purchase rental or debt service, does the court have to have to cannibalize the operating budget to make the payments?</p>		
<p>5. Could the court operating budget benefit from refinancing of court facility debt?</p>		
<p>J. Procedural Compliance Checks</p>		
<p>1. Has the court established a record of producing the budget according to the established requirements for inclusions and supporting documentation?</p>		
<p>2. Has the court established a record of timely compliance with budget requirements?</p>		

Chapter Review of a Court Budget

Purpose and Objectives of the Budget Review Process

Purpose of the Budget Review Process

Except in very small courts, there is usually some form of internal budget review before submission of the budget to noncourt agencies. This review is necessary to ensure that the court budget meets the following tests:

- that each component of the court budget meets the procedural norms established by the budget process
- that the court budget has some overall coherence and reflects the budget policy of the court and externally imposed budget priorities
- that the budget is sufficient to meet the workload and performance requirements of the court
- that the budget fits into some long-term strategy pursuant to a court financial plan
- that possible budget busters are detected, most commonly volatile costs that are hard to anticipate accurately
- that increases in expenditures are detected
- that alternative revenue sources are considered

Budget preparation and budget review greatly overlap. But although the same items may be considered in each process, the emphasis is considerably different. *Budget review* is more a critique and involves a broad overview in which policy considerations and long-term implications may be given priority over the perceived short-term needs of a particular court component. Budget review is an important intermediate step, which is necessary in large court systems to mold a budget that reflects the programmatic objectives and allocation priorities of the court. Budgeting and programming are closely related, but they are distinctly different.

- A budget is a plan expressed in monetary terms.
- The budget is supposed to be a “fine tuning” of a program for a given year, incorporating the final decisions on the amounts to be spent for each program and making it clear who is responsible for carrying out each part of the program.

The purpose of the programming (or planning) process is to make decisions about programs. The purpose of the budgeting process is to decide on the actual operating plan for the year. The budgeting process requires careful estimates of costs and revenues, and the budget must be constructed within a ceiling that represents estimated available resources.

- The budget provides a basis for control of the various court agencies; the program or plan does not.
- The approved program is a starting point in preparing the budget. It provides a framework for making budget estimates. However, even with an excellent programming/planning process, budget estimates will differ from amounts shown in the program/plan for any number of reasons. Prices of input factors may have changed since the program estimates were prepared. Budget analysts should scrutinize estimates more carefully than is necessary in order to reach program/planning decisions, and this leads to revisions of the amount shown in the program/plan. Furthermore, conditions change, and a need for changing the program/plan itself may become apparent during the budgeting process.

Organization of the Budget Review Process

Budget review may be a one- or two-step process. In state-funded systems, the latter is common because there is usually a regional- or district-level review before the administrative office of courts, acting on behalf of the court of last resort or, perhaps, the judicial council conducts a final state-level review. In locally funded systems, a one-step review process may suffice. Not uncommonly, trial courts receive substantial funding from both the state and the county and are, therefore, involved in two budget review processes. In some states (for example, Missouri), the presiding trial court judge reviews both the state and county submissions.

Because review agencies normally are authorized to recommend cuts and reallocations, an appeal process is often provided. In a state-funded system or very large locally funded system, this appeal may be to the court administrator, who may, in fact, conduct budget hearings where differences are aired. There may even be an appeal to a court if there is a large gap between the requested budget and the recommendations of the administrative officer.

In general, judges do not conduct budget hearings themselves but are privy to the issues and may receive documentation of divergent views. The ultimate decision lies with the presiding judge, a budget committee of the court, or the full court. In a few states, the decision is made by a judicial council. Not uncommonly, constitutional officers will submit their own budgets independently of any court review process. This bypass of judicial budget scrutiny is particularly common in locally funded

systems. Ultimately, the review process produces some analysis of budget requests and provides some documentation on which the ultimate judicial authority can base its budget request to external agencies

Procedural Compliance

Any budget process has a number of formal requirements prescribed by the executive branch agency that administers the budget. These requirements are first dealt with at the time of budget preparation but must be reviewed later by some court agency to ensure that the court budget meets the basic procedural requirements. Failure to do so is seldom fatal but does little to enhance the credibility of the judicial budget, particularly if the omissions and mistakes occur regularly. Consequently, the first step in budget review is almost invariably a review of a procedural checklist to ensure that the budget package is complete.

The content of budget review checklists varies by jurisdiction, but there are certain standard categories common to just about any budget process:

- a check to ensure that every organizational component of the court has submitted a request
- a check to see that every request conforms to the requirements for forms and supporting worksheets
- if the process is automated, a check to see if diskettes and spreadsheets are included and properly identified
- a check to see that forms have been completed
- if numerical totals are not generated automatically, as they are in most computerized spreadsheet systems, a check for mathematical accuracy
- a check to ensure that the requests are properly certified

Relationship of Budget to Workload and Performance

Purpose of Performance Measurement. A requirement that budget requests be justified in terms of work performance can be a major management feature of a budget process. The requirement is based on the premise that budgetary resources should produce tangible results in the form of products, services, or other work units.

Relatively few governmental budget processes require quantification of work performance, because the principal budget focus is on marginal budget increments. Consequently, few trial courts require a linkage between money requested and work

■ Table 13

Typical Performance Measures

Type of Performance Measurement	Description of Performance Measurements	Examples of Performance Measures
Need/demand	Measures of client population that require services from or provide work for various court divisions.	<ul style="list-style-type: none"> • Juvenile population • Number of probationers • Number of attorneys
Work input	Measures based on amount of work units to be handled.	<ul style="list-style-type: none"> • Case filings
Work output	Measures reflecting goods and services produced.	<ul style="list-style-type: none"> • Opinions written • Cases disposed of
Effectiveness	Measures describing the relationship between the work requirements imposed on the court and those performed.	<ul style="list-style-type: none"> • Filing/Disposition ratios • Pending cases • Time from filing to disposition
Productivity	Measures describing outputs per worker or per time period.	<ul style="list-style-type: none"> • Presentence investigations per officer or per week
Efficiency	Unit cost or program cost of output.	<ul style="list-style-type: none"> • Dollar cost per disposed case

to be performed. Yet this requirement offers an important means for trial court leaders to exercise their management responsibility for performance and to review a total budget request, not just proposed increases.

Types of Performance Measurement. There are six principal categories of performance measurement (see Table 13). Of these, four are particularly relevant to trial courts:

- work input measures
- work output measures
- effectiveness measures
- efficiency measures

Courts have traditionally favored work input measures (typically case filings) over output-oriented measures. Case filings provide a large and gross picture of workload and do not offer much of a target for criticism. Work input measures are not, however, entirely risk-free, because case filings may decline for a variety of reasons—population loss, changed patterns of police activity, or innovations in civil

Table 14
Illustrative Performance Measures for Basic Adjudication Functions

Budget Area	Input Measures	Output Measures	Effectiveness Measures	Efficiency Measures
Adjudication of criminal cases	<ul style="list-style-type: none"> • Indictments filed • Misdemeanor appeals filed 	<ul style="list-style-type: none"> • Indictment, misdemeanors disposed of • Trials, hearings; court days 	<ul style="list-style-type: none"> • Average case time • Dispositions per judge • Pending cases 	<ul style="list-style-type: none"> • Average cost per criminal case
Adjudication of civil cases	<ul style="list-style-type: none"> • Filings, cases set for trial 	<ul style="list-style-type: none"> • Trials held; court days • Cases disposed of • Pending cases 	<ul style="list-style-type: none"> • Dispositions per judge 	<ul style="list-style-type: none"> • Average cost per civil case
Adjudication of juvenile cases	<ul style="list-style-type: none"> • Referrals; petitions' 	<ul style="list-style-type: none"> • Informal dispositions • Adjudications • Dispositions per judge, formal and informal • Pending cases 	<ul style="list-style-type: none"> • Average time for adjudicated case 	<ul style="list-style-type: none"> • Average cost per juvenile case

litigation procedure, such as the introduction of mandatory arbitration. Despite the possibility of a decline in filings, courts are generally more comfortable with this measurement of the adjudication function than with the efficiency, effectiveness, and output measures (see Table 14 in which various measures of the adjudication function are compared).

For some time, courts have been under pressure from appropriating bodies to use output-oriented measures, not only for adjudication, but for various support functions (see Table 15 listing performance measures for the principal court support functions). Courts will probably move cautiously in this direction, seeking to strongly develop performance measures that reliably reflect court resource needs.

Priorities and Reallocation

Internal Budget Priorities

Internal budget priorities for the court system are desirable under all circumstances but absolutely necessary in three situations: (1) allocation of "new money," (2) equitable distribution and reallocation, and (3) cutbacks. In an expanding budget situation, pri-

■ **Table 15**
Performance Measures for Various Trial Court Components and Programs

Trial Court Component/Program	Measure	Comment
Social programs	<ul style="list-style-type: none"> • Persons screened • Persons interviewed • Persons under supervision • Reports to court • Court days 	<p>Probation, diversion, and various social programs often involve staff contact with the court, staff attendance upon the court, or written submissions to the court. In addition, these programs involve contact with a client population. These two roles are reflected in the measures.</p>
Clerical functions	<ul style="list-style-type: none"> • Pending cases • New cases processed • Filing transactions • Case closings • Cash transactions handled • Clerk courtroom days • Scheduled trials 	<p>These measures deal with the financial, recordkeeping, calendaring, and courtroom activity of clerks.</p>
Court reporting	<ul style="list-style-type: none"> • Courtroom days • Transcripts 	<p>The percentage of cases appealed is a key workload factor. In other respects, court reporters are linked to judicial activity.</p>
Juries	<ul style="list-style-type: none"> • Jury questionnaires processed • Jurors summoned • Jurors qualified • Juror days • Jury trials • Sequestered trial days • Cost per juror day 	<p>There are two aspects to these measures: (1) jury administration and (2) the costs of the jurors themselves.</p>
Clerk-Typists	<ul style="list-style-type: none"> • New docket pages prepared • Presentence investigation reports typed • Correspondence typed 	<p>The examples may not be germane to each court, but there are invariably some standard work outputs for clerk-typists.</p>
Electronic data processing	<ul style="list-style-type: none"> • Reports generated • Machine time 	<p>Various other measures could be used, such as inquiries, special searches, etc.</p>
Personnel administration	<ul style="list-style-type: none"> • New employees processed • Interviews • Tests administered • Total personnel transactions 	<p>Frequently, personnel administration is a function of a noncourt agency and, thus, not an item in the court budget, unless there is an administrative charge-back mechanism in the budget process.</p>
Microfilm	<ul style="list-style-type: none"> • Records microfilmed 	<p>This item is frequently related to costs of files and floor space, which the microfilm function supposedly reduces.</p>

ities usually take the form of favored enhancements or favorite new programs; in a cutback situation, priorities become more defensive, focusing on functions or programs to be protected. Redistribution can occur in either situation. In any event, a budget review agency must apply the priorities to the budget requests and, if appropriate, recommend reallocations.

Priorities take many forms, too many to list successfully. There are, however, certain types of priorities that recur with some frequency and cause particular problems in a budget review. In an expanding budget situation, courts have often stressed automation and alternative dispute resolution programs and facilities, setting aside any additional money for these purposes. In cutback situations, courts have had to set priorities based on a worst-case scenario. Typical of these hard choices are

- relying on vacancy savings and attrition rather than layoffs
- spreading the pain of reduction rather than eliminating whole programs
- giving the criminal court budget priority over the civil court budget
- taking cuts in the capital budget rather than the personnel budget
- reducing hours of operation rather than closing any facility

One of the most difficult priorities to apply is reallocation, the shifting of funds from one organizational unit, object of expenditure, or program to another. This can take the form of shifting resources from one division of a court to another or from one geographic area to another. These decisions must have some basis in workload analysis or resource allocation ratios (for example, ratio of support personnel to judges). Statement of a general priority of equitable distribution is not enough.

Reduced to essentials, the role of a budget review officer is (1) to understand the court's budget priorities; (2) to evaluate proposed increases and decreases in the light of these priorities; (3) to inform the court on the observance of priorities; and (4) to recommend cuts, increases, or reallocations necessary to bring budget proposals into line with the court's priorities.

External Budget Priorities

Courts must deal with the budgetary priorities established by the external agencies that provide the principal support for the courts. Sometimes, these priorities may require the judiciary to participate in centralized administrative functions, such as a central computer system. More commonly, the priorities impose some restraints on levels of spending, such as (1) an order to hold budgets at the previous year's level and absorb automatic increases, (2) an order to keep increases within prescribed percentage levels, or (3) an order to hold authorized positions at existing levels and to create vacancy savings by not filling positions. Sometimes, the courts are ordered to reduce the level of spending by a certain percentage and are permitted to allocate the cuts.

The court must develop an internal position on how to deal with these external priorities and communicate that position to its constituent agencies either informally or through guidelines. The internal budget review process of the court must ascertain whether budget requests reflect the court's policy for dealing with the external budget priorities.

The options of a trial court in a freeze or cutback situation are fairly limited: (1) they can comply with the external policy and communicate to court agencies the appropriate directives; (2) they can comply in part and attempt to avoid further cuts by negotiation (perhaps by enhancing revenues in lieu of making cuts or by deferring needed increases); or (3) they can simply take a hard-line "separation of powers" stance. In any event, a budget review agency must analyze the budget requests to see how they conform to the court's policy and communicate to the court the results of this analysis. Occasionally, a court will have second thoughts about its policy when it sees such an analysis because the hard numbers convert a "policy" into an operational reality, which may be difficult to accept.

Justification of Expenditure Increases

Proposed budget increases are quite naturally the subject of trial court budget review. The purposes of this type of review are

- to exercise management responsibility over requested expenditures of public funds
- to detect areas where requesting agencies have failed to provide for some area of expenditure
- to test the validity of justifications so that the court preserves its credibility with external agencies
- to ascertain whether proposed increases are consistent with court priorities

Normally, each proposed increase should be justified in writing, and, in fact, most governmental budgeting systems require this. The level of detail varies with

- the newness of the funded item and the lack of a track
- the complexity of the program being funded
- the amount of the increase
- the future implications for even greater increases

The typical justifications presented to budget review agencies are:

Annualization. This involves expanding to full-year funding the cost of a program funded for only part of the previous budget year. This budget issue is normally settled in the year when partial funding is allowed, in which case annualization should be *pro forma*.

Salary Increases. Salary increases may occur as the result of cost-of-living increases, merit increases, or promotions. Merit increases are, in some systems, quite automatic and can be computed by reference to eligible employees and anniversary dates. In a system where merit increases are not *pro forma*, an estimate must be made of the number of employees who will receive such increases based on past experience. Promotions involve a different problem. Many public agencies, to avoid guessing, try to time promotions so that they coincide with a new budget year and may actually include promotion justifications as part of their budget submission. It should be noted that promotions do not constitute a budget problem in any court where there is a fixed amount of authorized positions in each pay grade, but promotions do raise a budget problem if they result in more employees in higher grades. This is a very sensitive area of budget review because various court agencies may have different approaches to personnel compensation, requiring that some central body apply standards of equity.

Costs of Operating or Maintaining a New Facility. A new facility is usually paid for out of capital funds, but new facilities always have a significant impact on the operating budget and require new expenditures. The tendency is to underestimate these costs, so the role of a budget review may be to ensure that custodial, security, maintenance, and utility costs are properly estimated.

New Legal Obligations. Allowances must be made to carry out a new obligation mandated by court rule or statute; for example, a speedy trial rule. These costs (often referred to as *legislative impact* costs) are very hard to estimate without a special implementation plan. Often, they are budgeted for after the fact, using experience to justify future costs. Budget review may separate guesswork from reality, but it may also detect areas of the budget where no allowance has been made for legislative impact.

Allowing for Inflation. A budget review is more likely to detect a failure to reflect inflation in costs of goods than it is to discover a serious overestimate. In a budgetary cutback situation, public agencies usually absorb the normal increment in the cost of goods, but barring such austerity, budget reviewers routinely check budgets for indications that inflation has been factored in.

Workload. A common justification for increases is greater workload. This justification must be supported by documentation, such as judge-caseload ratios or probation officer-caseload ratios. The most difficult aspect of workload justifications is showing how workload increases in court-related agencies affect courts; for example, how an upsurge in police activity translates into court caseload. Budget reviewers must insist that there be standard staffing norms appropriate for the particular court. Otherwise, the justifications cannot be evaluated.

Program Improvement or Upgrading. This type of increase relates to quality of service and is based upon some preestablished standard, such as time-to-disposition goals or presentence reports for every criminal conviction. Like legislative impact increases, program improvement is hard to justify with hard data. Even if standards exist, it is hard to establish an exact financial correlation between the standard and the need for more operational resources. Budget reviewers have to be a bit skeptical in this area.

New Capital Expenditures. Acquisitions other than replacements require a special justification because a new capital item is being added to the court's inventory. Most governments require an item-specific justification for acquisitions that exceed a certain dollar amount, usually somewhere between \$200 and \$500. Budget reviewers within the judicial branch not only may check these requests against an overall dollar figure but may decide if capital expenditures are being equitably distributed.

New Program. Budget increases to either start a new program or assume the cost of a program initiated with grant funds require a special justification. In the latter situation, there is a track record and possibly an agreement with the funding agency that the program will be continued. In the case of a new program, the burden of proof is considerably higher, particularly for a complex or technical program. Many budgeting systems have a special format for new programs. Even if such specificity is not required, a special format should be employed internally by court budget reviewers so that they can determine whether the program has intrinsic merit, whether the requested resources are commensurate with the program objectives, and whether the program has built-in expansionary features that will break the court's budget in future years.

Checking Revenue Sources

Revenues are inextricably interwoven with expenditures and must be included in the budget analysis in several ways:

- checking the revenue estimates provided by court agencies to ascertain if they have historical validity and conform to caseload trends and recent changes in fine and fee schedules
- computing the net cost of court operations, a task unpleasant to many courts because it suggests that courts should be self-supporting, but nonetheless a necessary defense mechanism in dealing with appropriating bodies
- ascertaining whether there are additional revenue sources that have been neglected

Requesting agencies may or may not be particularly attuned to the revenue aspects of budgeting, so some budget officers may have to concentrate heavily on revenue during a budget review. This role may include alerting the judiciary to additional sources of revenues where this seems essential to either developing new programs or preventing serious retrenchment due to budgetary shortfalls. In some instances, this advice might go beyond suggesting legal changes to create new revenue for the general fund and might extend to

- suggesting establishment of collections and accounts receivable systems to maximize the amount of revenue taken in
- recommending earmarked (special revenue) funds, which could be used for certain items of court expenditure, such as library expenses or data processing
- recommending simplification of revenue schedules to enhance the efficiency of collection

The above roles might, at first glance, appear to go beyond the traditional role of a budget review office, but they are becoming increasingly important and urgent because of endemic budget squeezes in many jurisdictions.

Long-Range Implications and Financial Planning

Budget review becomes a picayune and technocratic effort if divorced from the long-range perspective of a financial plan keyed to the operational objectives of the court. A court rarely has such a plan; however, a financial plan has important policy implications because it becomes the means for shaping court budget strategy and establishing the financial posture of the courts in relation to external agencies.

The key to such a plan is to integrate all funding sources (not just general fund revenues) into a multiyear program for meeting court goals. This means relating capital funds for facilities, operating budget funds, grant funds, and special revenue funds into an overall plan for focusing resources on court needs. This type of blueprint is seldom achieved in full, but it provides a rational framework for determining internal priorities. It also guides negotiations with external agencies and provides a basis for participation in capital improvement planning, an agenda for legal steps to change the revenue structure, and an agenda for grant applications.

In short, budget review is more than a nit-picking exercise. It is, or should be, the fulfillment of the plan incorporating the financial policy of the court and a means for feeding back information, which might lead to changes in court plans and policies.

Checklist 4
Budget Review

A. Programs	YES	NO
1. Have work programs been defined?		
2. Have the objectives of new and expanded programs been clearly defined and explained?		
3. Have all increases or decreases been explained?		
4. Has attention been given to long-run costs?		
5. Have new sources of revenue been suggested to support new and expanded programs?		
6. Have efforts been made to reduce costs through improved work methods, mechanization, or better personnel utilization?		
7. Have priorities been assigned to new and expanded programs and to equipment?		
8. Have the fees for rendering services been compared to the cost of rendering the service or enforcing the regulations?		
9. Have major fiscal problems encountered during the year been explained?		
10. Have economies achieved during the past year by improving work methods been explained?		
11. Are there any recommendations for further reducing costs and increasing the efficiency of the operation?		
12. Are there any recommendations regarding changes in the level of services (in either mandated or nonmandated services)?		
13. What were the effects of budgetary limitations last year?		
B. Personnel		
14. To what extent do the requested positions relate to defined activities and programs? Does an understanding or evaluation of duties and responsibilities warrant the need for new or existing positions?		
15. Have provisions been made if there is delay in filling new and vacant positions?		
16. Does the opening of new capital facilities justify the need for the personnel in the operating budget?		
17. Have employee turnover, overtime, seasonal personnel, leaves of absence, and the need for related appropriations been considered?		

Checklist 4 cont. Composite Checklist for Budget Development

C. Service	YES	NO
<p>18. Regarding contractual services, have expenditures and workload data of previous years been carefully examined?</p> <p>19. For each specific service to be rendered, is the need and manner of pricing explained? Has the level of service been examined to evaluate present methods?</p> <p>20. Are payments to companies and agencies for their services supported by detailed information about the service being provided? Has the effectiveness of such services been evaluated?</p>		
<p>D. Materials and Supplies</p> <p>21. Is an analysis of the expenditures and consumption of previous years included with requests for materials and supplies?</p> <p>22. Have price increase and supplies required by additional personnel been considered? Does the need for additional supplies relate to increased workload or new and expanded programs? Have inventories been reviewed?</p> <p>23. Are there inventory or other controls over the use of supplies? Have work methods been evaluated along with the type and quality of supplies?</p>		
<p>E. Equipment</p> <p>24. Has equipment been identified as replacement or new? Has the condition of the equipment being replaced, as well as its potential trade-in value, been reviewed? Have inventories of existing equipment been checked to determine the need for new equipment?</p> <p>25. Have work methods, as well as the experience of others in using special types of equipment, been reviewed? Are requests for new equipment compatible with expanded work programs or to possible savings?</p> <p>26. Have equipment needs of new personnel been considered?</p> <p>27. Have repair costs, along with the advantages of leasing or renting, been analyzed?</p>		

The Agencies to Which the Budget Is Presented

Ultimately, a court budget will be presented to nonjudicial agencies. In locally funded systems, court staff may deal with a county or city executive or an executive branch budget officer; court staff may also have to deal with a local appropriating body. Sometimes, one of the two other branches so completely dominates the budget process that for all practical purposes the court has to deal with only one branch.

In an administratively unified state-funded system, the contact of trial court staff is usually with a budget officer on the state court administrator's staff or with the state court administrator directly. The state court administrator is normally the budget spokesperson for the trial courts at the state level and may, in turn, have to establish informal contacts with legislative staff members or budget officials in the state executive branch (in some states the governor has very little or no control over the court budget). If the court budget process is centralized, the only realistic opportunity for a trial court to influence budget decisions may be through contact with the state administrative office of the courts, whether through informal discussion, intrajudiciary budget hearings (if such are held), or the budget document itself.

It is not unusual for a trial court to be involved in both the state and local budget process. This may occur simply because funding sources are mixed or because the method of state financing is by block grant to local governments. In the latter case, courts must deal with local appropriating bodies but are affected in their bargaining position by the level of state payments to counties and the extent to which block grants are earmarked for court use.

Informal or Formal Contact

Informal Contact

Many administrators feel that informal budget discussions between trial court managers and budget officials of external agencies are the key aspect of the budget process.

Although this appears to be a generally accepted viewpoint, it is hard to generalize about informal dealings because local political cultures and government organizational structures vary so widely. For the most part, these preliminary contacts are at the staff level, sometimes taking the form of explanatory memos on certain aspects of the court budget. This does not necessarily preclude informal contacts by judges, but this is not the norm and may be inappropriate. Among the advantages of informal budget discussions are

- viewpoints can be frankly interchanged without any tests of power
- many issues can be more or less resolved, and intractable issues can be identified
- the court's public budget position can be rendered more realistic
- court budget officials can develop a pretty good idea of where the court budget is vulnerable and prepare themselves accordingly
- key players can be identified and, if necessary, approached

Formal Presentation

In dealing formally with external agencies, courts make their case in two basic ways: (1) in the budget document itself and (2) in public hearings. Budgetary hearings may be conducted by the executive branch budget office, the appropriating body, or both. In state-funded systems, they may be conducted by the state administrative office of the courts. Sometimes there are no hearings at all or, at the most, relatively brief ceremonial hearings, usually in jurisdictions where (1) the distinctions between branches are a little vague (for example, a county commission exercises both legislative and executive functions); (2) certain court officers are involved in county financial management (for example, clerks or judges perform financial functions for a local government); or (3) the government structure is very simple and informal. Where interbranch relations are fairly well structured, as they usually are at the state level and in populous counties or cities, formal budgetary presentations are the norm. These presentations tend to follow two patterns: (1) a relatively *pro forma* public ritual to ratify previously arranged decisions or (2) a full-scale budget hearing with considerable questioning.

Within the same jurisdiction, a trial court may find that its presentation to the executive branch is a hard session, while its presentation to the appropriating body is only a ritual appearance. But in some jurisdictions, the reverse may also be true.

Not uncommonly, the court budget is presented as part of the executive court budget and may escape serious scrutiny because it usually constitutes a small percentage of the total budget request. In such situations, the trial courts often find it advisable to assume a low profile.

In jurisdictions where the courts deal directly with the appropriating body and undergo no serious executive branch review, it is more likely that court budgets will be

closely scrutinized in legislative budget hearings. Standard appropriations for obviously judicial functions may slide through without serious comment. Legislative concerns tend to focus on volatile items (for example, indigent defense, guardians ad litem, jury costs, or per diem court reporters), expenditures for automated systems, costs of administrative offices, and costs of those items that appear to be outside the basic adjudication function.

The Persons Representing the Court

A key consideration is selection of the official or officials who will present the court budget. At the state level, the task tends to fall to state court administrators assisted by division heads or budget officers; at the local level, there is more variety. Where a trial court must deal with a local appropriating body, the responsibility for presentation might fall upon the trial court administrator. However, in a very decentralized trial court, there might be no spokesperson, resulting in separate presentations by various court officials on behalf of their respective organizational units. In such jurisdictions, clerks may play the most important role in presentation, because they usually have a major share of the overall court budget.

The role of judges in formal budget hearings varies widely and is hotly debated. In general, it is not prudent for judges to make budget presentations. In locally funded courts, budget presentations by judges may involve a conflict of interest because judges must often sit in judgment on the public actions of the officials before whom they appear. There are, however, many courts where a presiding judge either appears to actively advocate the judicial budget or makes a ceremonial appearance while the administrator makes the presentation. The latter type of appearance places the prestige of the judiciary behind the budget request without directly involving the judge. In the final analysis, only a few general ground rules can be advanced on the roles of court officials in the presentation process:

- the role of the presiding judge, if any, should be largely ceremonial unless there is serious interbranch confrontation, which requires an assertion of judicial branch prerogatives
- the administrators or clerks familiar with budget detail should be present but should advance no more information than that required
- court representatives should be prepared to defend vulnerable sections of the budget, if necessary
- court representatives should try and work out controversial areas of the budget before hearings because public hearings provide a poor forum for consideration of complex financial issues

Techniques of Presentation

Not all budget issues can be resolved without public defense of the court position in either budget hearings or written justifications. Defenses against cutbacks in court budgets usually turn on whether courts can continue to perform legally mandated services of fundamental social importance. Justifications of increases in court budgets can take an infinite variety of forms but are generally based on certain standard affirmations:

- increases in workload require that the court have more resources
- increases are required because new judges have been added
- legal enactments, rules, or case law impose mandatory requirements that can be met only with additional resources
- the proposed budgetary increases will yield benefits that largely offset the increased expenditures
- the increases are required to meet changed conditions in the economy
- the increases are required to meet contractual or other commitments to court employees

Increases in Workload. Increased workload is among the most common justifications for seeking budget increases. Workload increases are usually presented in the form of a workload-personnel ratio, such as judge-caseload or judge-disposition ratios, probation officer-caseload ratios, and clerk-filing ratios. Such ratios are often refined with data that show the maximum or average number of work units that can be achieved by each employee in a particular class (for example, a probation officer can handle only fifty probationers).

This traditional form of presentation has the advantage of simplicity and can be effective if the ratios are regarded as valid by appropriating bodies. However, such ratios usually do not reflect the real costs of increased work output because they tend to focus on individual categories of employees rather than the aggregate costs of disposing cases—the fundamental work unit of any court.

To remedy this deficiency, trial courts may keep documentation on cost-per-case so that they can demonstrate the added costs of processing more cases. This technique permits a court to state that it takes \$1,000 or \$2,000 to dispose of each case and that an estimated increase in active cases will require a commensurate increase in the budget. Cost-per-case data, to be useful, must be maintained over a multiyear period so that cost patterns can be validated by experience. Costs can be computed several ways:

- by dividing case dispositions into total operating costs
- by dividing case dispositions into those costs directly related to adjudication (juror costs, witness costs, judicial salaries, and salaries of personnel closely related to the adjudication function)

- by refining the above approach to compute cost-per-case for each major type of case (civil jury, civil nonjury, juvenile, etc.)

Most courts do not have the accounting capability necessary to handle anything but a gross computation of cost-per-case. There is, however, merit in seeking a more sophisticated computation of costs, one that distinguishes between the direct and indirect costs of adjudication and establishes a fixed relationship between the two types of costs. This makes it clear to appropriating bodies that the direct cost of adjudication gives only part of the picture and that there are additional related costs for various clerical, social, and administrative support services.

This educational task requires that trial courts document such facts as the following:

- that it costs \$X to adjudicate a case
- that there is an indirect cost of X% to adjudicate a case

Increases in Judges. Court budgets are judge driven. The addition of judges, or for that matter the addition of quasi-judicial positions, causes a chain reaction in a budget. In a trial court where judges are added with some degree of frequency, there should be some unit cost formula for the start-up costs of a new judgeship. Such a formula provides an accepted rationale for budget increases related to the addition of a judgeship.

Typically, the unit cost per judgeship is composed of some or all of the following items:

- salaries of confidential employees (for example, secretaries, law clerks, bailiffs, court reporters)
- additional judicial travel costs
- initial and continuing education costs
- facility space (chambers and courtroom) based on cost-per-square-foot-per-judge, with an allowance for renovation
- equipment costs (for example, typewriter or PC, recording equipment, and law books)

Response to Legal Requirements. Trial courts must respond to a broad variety of legal requirements. This response requires budgetary resources, but it is hard to explain the nature of these requirements in easily understood quantitative terms to an appropriating body. Almost annually, trial courts are required to handle new legal obligations, some of them too minor for budgetary consideration, some of them so demanding that they impose costly new functions on trial courts and their related agencies.

The two most common forms of additional legal requirements are (1) a speedy trial rule or law and (2) case law or statutes requiring that some new or additional legal protections be provided.

■ **Table 16**
Budget Justifications Based on Offsetting Benefits

Budget Item	Benefit
Microfilming equipment	Microfilming is commonly justified by savings in floor space and in file space, both of which can be quantified.
Front-end magistrate positions	It can be maintained that the addition of a quasi-judicial position at the warrant-issuing stage can reduce the flow of marginal cases into the trial courts. The reduction in judicial caseload can be quantified as savings of judicial time translated into dollars.
Recording equipment in courts	Recording equipment is being justified in terms of savings in court reporter costs, most commonly the difference between the salary of a person who monitors the recording machine and the higher salary of court reporters.
Creation or enlargement of bail agency	Pretrial release programs are most commonly justified as a means to reduce the cost of pretrial detention. The cost benefit is the difference between supervision of a released defendant and the cost-per-day of institutional maintenance.
Addition of accounts receivable clerks	Where the function of an employee is to enhance revenue collection, the new position can be justified as a net gain for the government.

A speedy trial rule involves a concentration of resources in a reduced time span and is very hard to cost out without some empirical data on actual operation of the caseload management system. In theory, the reduction of the average time to process a case will increase the case costs, because work output is concentrated in a shorter time period. In actual practice, the cost increase may be marginal due to reduction in slack time, improved procedures, and a higher rate of cases disposed without trial. The one certain extra cost is the expense for clerical and information services to monitor the time deadlines and provide case management data.

Legal requirements for procedural fairness are usually not popular with appropriating bodies. Speedy trial rules may produce a tangible public benefit, but steps to improve justice for the indigent or disadvantaged tend to be costly without producing any offsetting political benefit. Thus, budget increases to meet these requirements of fairness are best presented in the context of utmost frugality. For example, if a trial court must budget for indigent defense, the budget should document how the court will maintain a low cost-per-case by such means as rigorous voucher checking, a limit on fees, if possible, and stringent criteria of indigence. Budget requests can be presented on a cost-per-case basis where this demonstrates economy.

Offsetting Benefits. Courts often can explain increased expenditures in terms of benefits to be derived. These benefits may be soft; for example, the social good to be achieved by a family-counseling program or the public convenience provided by having a night traffic court. They may also be more tangible (see Table 16).

Changes in the Economy. Occasionally, economic changes have an effect on the court; for example, creation of a major housing development or development of a transportation system, which create major lien problems or lead to large-scale condemnation. A depression may cause many foreclosures. In short, there may be economic changes that sharply alter the workload of the court and require additional resources.

Increase Required by Personnel Commitments. Sometimes by union contract or local personnel policies, courts commit themselves to courses of action in regard to personnel compensation. Some of these increases may be formal commitments in rules or contractual provisions, but they may also be traditional policies, which have been followed for years without any written statement of policy. A key question is whether this commitment is an overall policy of the government that funds the courts or whether it is specifically a judicial branch policy. In the former case, the court is pretty well tied to the budgetary posture of the funding body, but in the latter case, the court must defend its own personnel policy. Many appropriating agencies are more concerned with keeping faith with employees or with honoring collective bargaining agreements than with elaborate justifications. In the final analysis, the best presentation may simply be one based on honoring commitments.

Budget Materials as a Means of Effective Communication

Understanding of courts and their activities is usually quite limited. Courts face an ongoing communication problem, not only with appropriating bodies and executive branch budget offices but also with the public. The budget process can provide the court a means to explain and, if necessary, justify its programs.

Given the complexity of court operations, written communication is usually more effective than oral communication. The written support for a budget is not confined to the budget document but also includes supporting documentation, summaries built around graphic displays, and cover letters that hit key budget issues. Some of the common budget enhancements are described below.

Judicial Cover Letter. Courts often feel neglected and put upon, but the judiciary does carry a special prestige in most jurisdictions. It is often effective for a presiding judge to submit the court budget with a letter that is a brief summation of the court's budget posture and principal needs, not just a routine cover letter.

Intergovernmental Aid Explanations. A complicated aspect of any budget is the relationship of the court budget request to various grant and reimbursement programs. It is often helpful to prepare descriptions of these programs; for example, the federal IV-D Program, which reimburses a portion of child support enforcement costs and also provides incentive payments for efficiencies. Members of appropriating bodies often do not clearly understand that certain expenditures are reimbursable under state or federal programs or that expenditures must sometimes be made to supplement a grant or to qualify for a grant. Failure to obtain intergovernmental aid can often be traced to a failure to explain the need for it.

Giving Basis for Revenue Estimates. Many budgets contain raw revenue estimates based on unstated assumptions. These revenue estimates are relied upon to determine tax rates and appropriation levels, so if they prove false, the political repercussions can be substantial. If a court explains in writing the assumptions underlying its revenue estimates, it can both insulate itself from criticism if the estimates prove too rosy and increase the credibility of its overall budget package if the estimates prove reliable.

Explaining New Position Requests. Practically any budget process requires some justification of new positions. Quite often, this justification is made on prescribed budget forms according to a prescribed budget formula. Not uncommonly, these various requested positions are in different parts of the budget and not explained in the aggregate. This suffices as formal compliance but may add little to the understanding of why these positions are needed. It is often effective to present a special capsule summary that relates each new position to implementation of some program or policy.

Relating Budget Requests to Performance. If the budget does not require that performance goals be included as part of the budget package, it is often effective for courts to fill this void by preparing special informative memos that show workload in relation to budget requests in a multiyear time frame. This provides appropriating bodies with some rational basis for allocating more general fund money to courts.

Relating Expenditures to Revenues. It is sometimes dangerous to link court-generated revenues and expenditures because appropriating bodies can start to think of courts as relatively self-sufficient entrepreneurial agencies. There are, however, situations where it is in the best interest of a trial court to point out that its net cost of operation is not terribly high. This can be done by a variety of graphic devices; for example vertical bar charts juxtaposing annual expenditure and revenue data or pie charts showing the percentage of operating costs offset by revenue.

Citizen Information. Courts, on the whole, are not particularly effective in informing the public of their resource needs or enlisting public support. Very simple graphic dis-

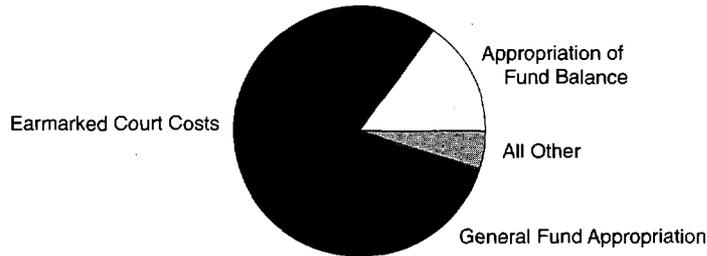
plays in handouts or in local papers can help dispel some illusions about courts, the major one being that they consume a substantial portion of governmental resources.

Use of Simple Graphics. Graphic displays can convey information simply and convincingly. Any professional budget presentation will involve the use of graphics. Figures 1-7 are examples of some of the standard graphic presentations.

Figure 1: Pie Chart Presentation

Law Library Budget

Revenues: \$3,052,000



Expenditures: \$3,052,000

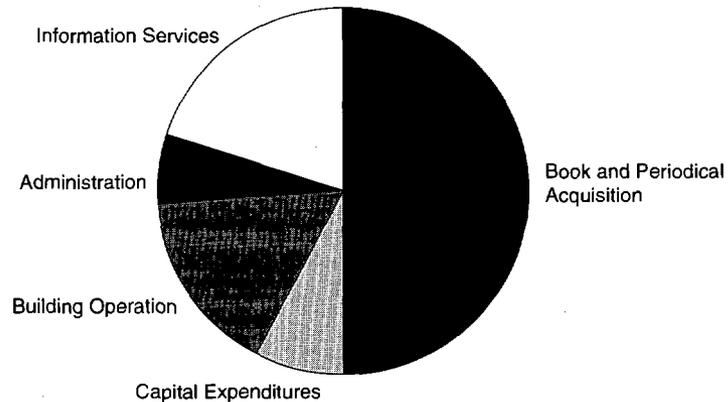
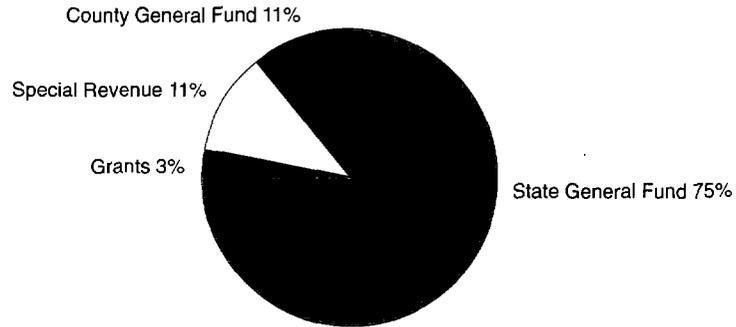


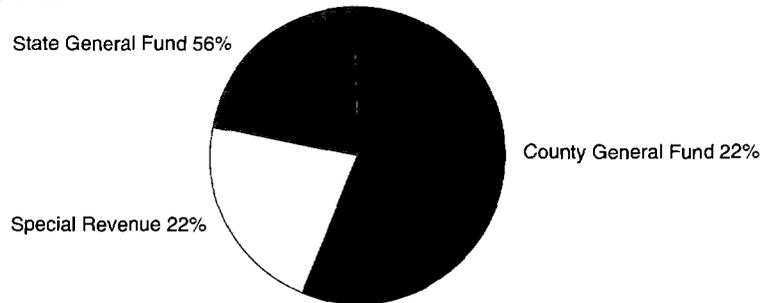
Figure 2: Pie Chart Presentations

Court Funding by Source

Circuit Court



County Court



All Trial Courts

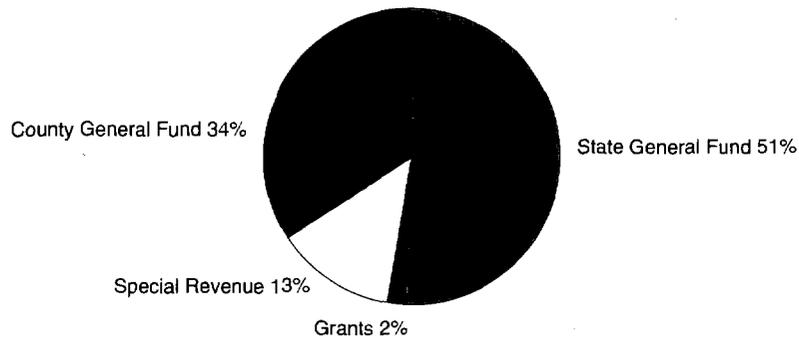
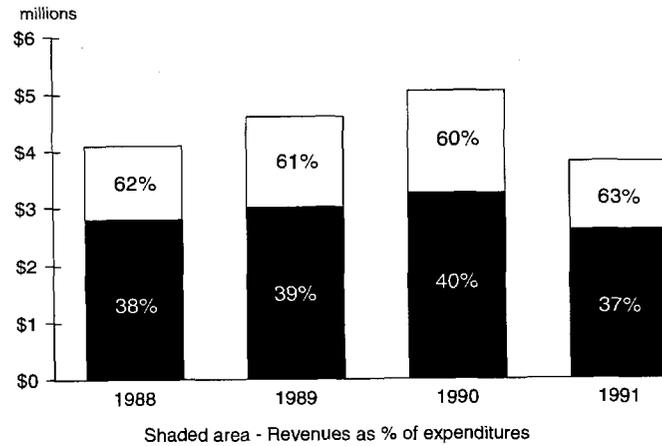


Figure 3: Bar Chart & Trend Line Presentations

Comparison of General Fund Expenditures and Revenues

Bar Chart



Trend Line

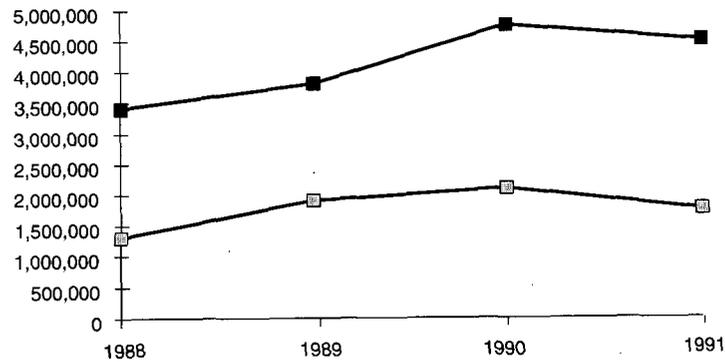
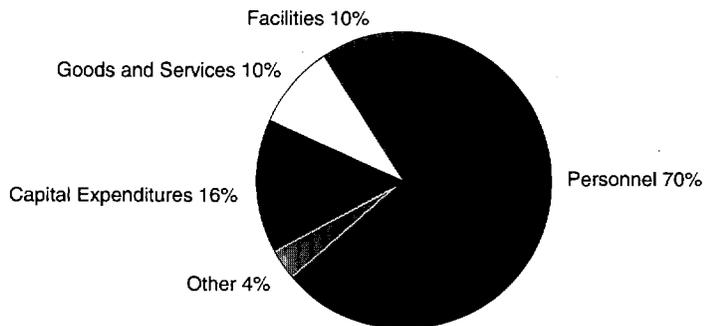


Figure 4: Pie Chart & Bar Chart Presentations

Distribution of Expenditures by Object of Expenditure

Pie Chart



Bar Chart

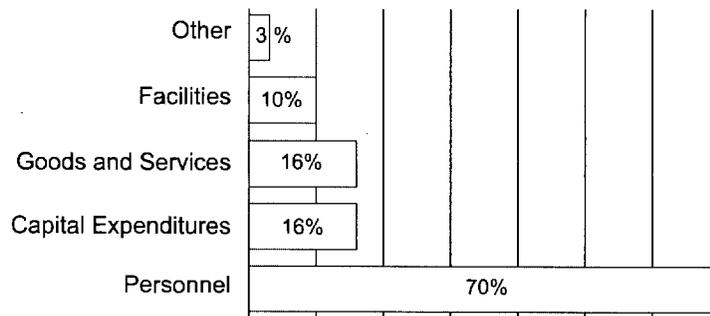
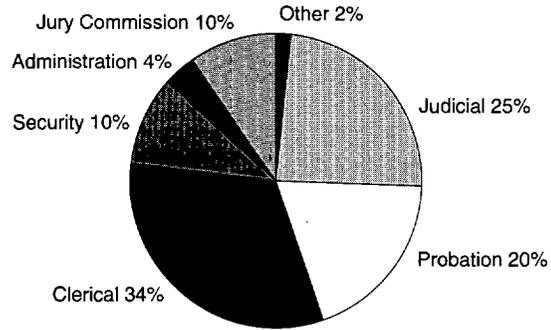


Figure 5: Pie Chart & Bar Chart Presentations

Distribution of Expenditures by Program

Pie Chart



Bar Chart

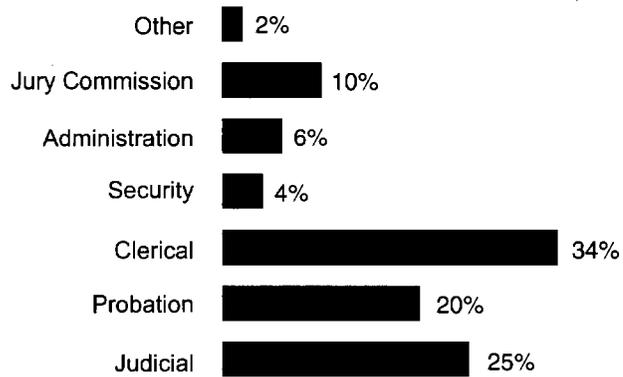
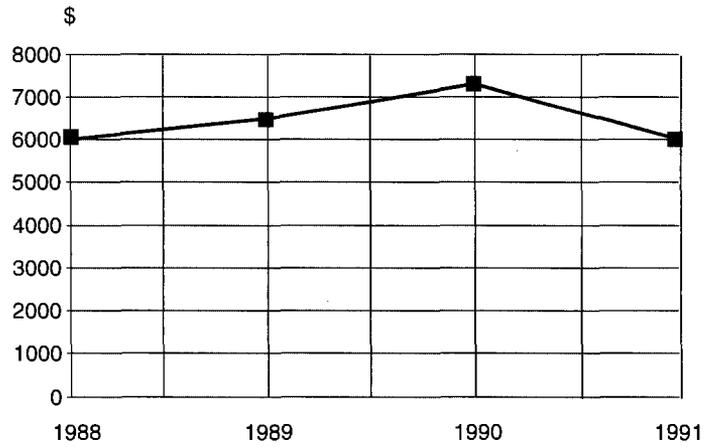


Figure 6: Trend Line & Bar Chart Presentations

Cost per Judge

Trend Line



Bar Chart

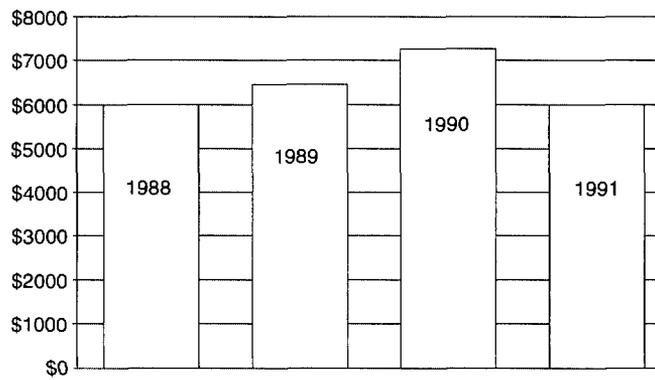
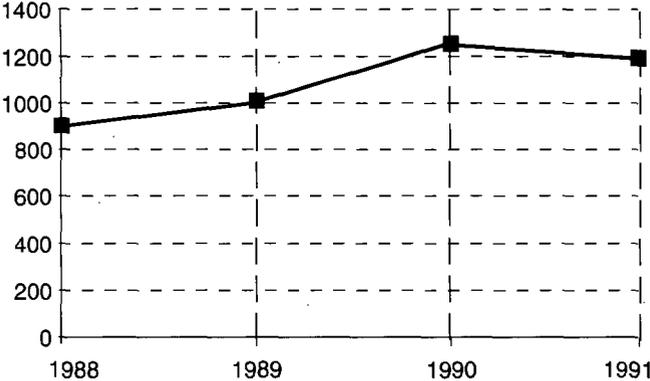


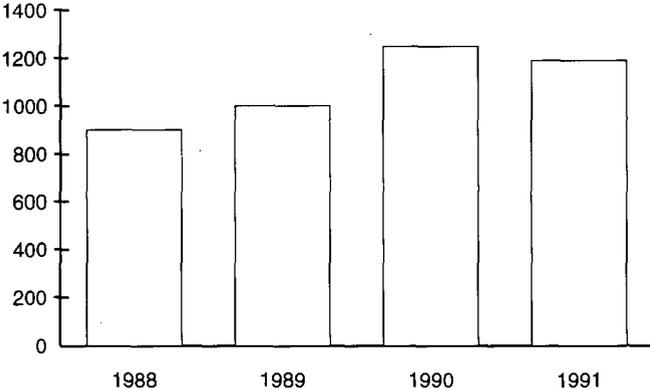
Figure 7: Trend Line & Bar Chart Presentations

Cost per Case Disposed

Trend Line



Bar Chart



Checklist 5

Budget Presentation

	YES	NO
1. Have court budget officials identified key employees in the budget process and established close contact with them?		
2. Have informal presentations to key budget officials been used to identify and ameliorate problems with the court budget?		
3. Has the role of judges in the budget process been defined so that judges are not placed in ethically difficult positions but are employed, within the permissible limits of the jurisdiction, to provide their prestige in support of the court budget?		
4. Has the court had a single major spokesperson for the budget? If the answer to the above question is negative, has there been a coordinated budget approach on the part of court officials involved in presenting various parts of the court budget?		
5. Has the trial court had a record of successful budget presentation? If not, have the reasons for lack of success been identified? If the reasons for lack of success are identified as weaknesses in the court's presentation, have steps been taken to eliminate these weaknesses?		
6. Has the court experienced difficulty with obtaining adequate appropriations for volatile cost items, such as: <ul style="list-style-type: none"> • indigent defense • guardians ad litem • medical examinations • jury operations • per diem court reporters • witness fees If the answer to any of above is affirmative, has the court developed special explanations to enhance its presentation?		
7. Has the court enhanced its presentation by use of personnel-workload ratios?		
8. Has the court developed a cost-per-judge analysis, which clarifies and simplifies the budget process when a new judge or para-judicial official is added?		
9. Has the court developed a method of quantifying the costs of caseflow management, particularly in response to the imposition of time deadlines for disposing of cases?		
10. Has the court used cost-benefit analysis to present budget items that have important offsetting benefits?		

Checklist 5 cont. Budget Presentation

	YES	NO
11. Has the court made effective use of judicial cover letters to make key points with respect to the court budget?		
12. Has the court, where applicable, provided special explanations of grant programs that supplement court resources?		
13. Has the court adequately explained how its revenue estimates were derived?		
14. Has the court gone beyond the <i>pro forma</i> budget requirements to explain each new position request?		
15. Has the court related its budget request to its performance?		
16. Has the court made effective use of graphics to make its budget request clear to external agencies?		
17. Has the court made an attempt to inform the general public about its resource needs and to communicate these needs in an understandable form?		

Chapter **5** Budget Monitoring

Purposes of a Monitoring System

Budgeting is a form of estimating and is, therefore, rarely precise. Constant oversight is required to ensure that actual expenditures and revenues generally conform to the appropriations and revenues approved in the budget. This oversight is referred to as *monitoring* and is a normal feature of most budget systems.

Monitoring may take the form of simple monthly reports that compare actual expenditures and revenues to those contained in the budget and project the rate of expenditures and of receipts. At a more complex level, monitoring may be a fairly sophisticated exception-reporting system and a preaudit system, which are closely tied to the financial management of the court. A fully developed monitoring system should serve the following purposes:

- management control to ensure that spending stays within budget limitations
- advance discovery of possible overspending problems, which may require supplemental budget requests or management changes to effect savings
- advance discovery of misestimates of revenue, which may indicate some problem that can be rectified
- investigation of underspending to determine if there have been serious misestimates of costs or failures to perform certain functions
- if funds are centrally pooled for allocation as needed, alerting of managers to the need for allocation
- development of a database on which to gauge money flow and on which to base budget decisions
- perhaps in an advanced system, link age of expenditures with workload reporting so that the court can detect if performance is consistent with the data submitted to justify the budget

It should be noted that the purpose of monitoring is not to correct the problems detected but to direct the attention of management to these problems and to ensure that the court complies with the appropriation statutes or ordinances.

Relationship of Budget Monitoring to Cash Budget and Preaudit

Preaudit is basically a check to ascertain if a budget category contains sufficient unspent funds to permit a requested purchase of goods, equipment, or services. In a large court system, with decentralized budget management, divisions or departments may perform preaudit checks. Often, however, preaudit is performed centrally and may be assigned to the same individual or office with responsibility for budget monitoring. There is a natural, although not necessary, link between preaudit and budget monitoring so that if the two functions are joined, the preaudit aspects ought to be considered in constructing the monitoring database and in delegating functions.

The cash budget is, in a certain sense, the real budget because the flow of cash determines the actual ability of a government to make disbursements. Court managers do not normally have much of a direct role in managing the cash budget, which is an executive branch projection of cash receipts and disbursements anticipated during a given time period (usually a year, but it can be broken down into months and weeks). Patterns of expenditures and receipts are sometimes erratic, so considerable sophistication in historical data analysis and statistical projection is necessary to create and update a cash budget.

Although court managers do not usually have much of a role in managing the cash budget, they are affected by it in various ways:

- the timely collection of money due the courts affects the cash flow into the general fund, as does the management of court accounts containing money due to the general fund
- failure to control volatile costs may affect the cash position of the government
- courts may find themselves temporarily inhibited from making disbursements due to the cash flow problems of the government that funds them

A budget-monitoring system within a court cannot ignore cash flow considerations. There ought to be, at the least, some model of the expected expenditure and receipt patterns, rather than reliance on straight-line projections.

Instituting a Monitoring System

Standard steps to institute a monitoring system include

- requiring that court agencies plan expenditures indicating by month, or at least by quarter, the pace at which they plan to expend funds
- determining the scope of the monitoring system because court managers often do not find it necessary to monitor certain routinely predictable expenditures
- determining the types of information required for monitoring purposes and the sources of such information

- determining the best means for obtaining required information, including the development of any special forms or procedures
- linking the process to a system of preaudit or expenditure approval so that expenditure data passes through some control point, perhaps two points
- delegating the administrative responsibility for monitoring to some individual or office, commonly the court budget officer
- defining the types of reports to be made by the designated individual or office
- incorporating the above in a court directive

The key decision is the creation of the administrative structure for monitoring. Most courts select and authorize a central monitor, but in a complex or decentralized court, monitoring responsibility may be decentralized. A natural choice for the role of monitor is the budget officer, who has the best overview of court expenditures and revenues and the most familiarity with the legal constraints of the budget process.

Information for Monitoring

Executive Branch Information Systems. Most courts rely on executive branch reporting systems for monitoring purposes. These reports may suffice, but sometimes they are not timely and they arrange data in a manner that has limited utility for court managers. In courts where it may be necessary to monitor only a few troubling items, court managers may find little use for reports that lump these few items into broad categories and are outdated when they arrive. As a result, some trial courts may find it useful to maintain a simple internal system of budget monitoring, which supplements the executive branch reports by providing

- current data on expenditure items so that a preaudit system for expenditure approval can be effective
- focus on the expenditures items of special concern to trial court managers
- a cross-check on executive branch figures

Data Requirements. Most monitoring systems require that certain types of information be routed to the monitor. A monitor may keep track of all expenditures and revenues in relation to projected expenditures and receipts, but not uncommonly, the monitor is limited to overseeing certain items, typically costs of indigent defense, jury expenses, or capital expenditures. The types of information that might be routed to the monitor are

- copies of the payroll
- reports on unfilled positions
- requests for permission to purchase goods and services
- requests for permission to start a formal process of procurement for major contract services

- proposed contracts for goods and services
- copies of executed contracts, purchase orders, and requisitions
- executive branch reports on court expenditures and encumbrances (and judicial branch reports if such exist)
- executive branch reports on receipts from the court (and judicial branch reports if such exist)

The fact that the monitor receives the above information does not mean that the monitor is involved in purchasing, contracting, fund accounting, or even preauditing. However, the monitor may be authorized to sign off on purchases and contracts because the monitor usually will have the most current data necessary to make such a decision.

Reports. Monitoring reports tend to focus on the following expenditure items:

- appropriations for budget category being monitored
- transfers (that is, transfers of funds from or to the particular fund being monitored)
- expenditures to date and possibly expenditures to date within quarters if the court is on a quarterly system
- encumbrances, normally contractual obligations to expend budgeted funds
- balance of unexpended, unencumbered funds
- percentage of budgeted funds remaining

The above monitoring information can be recorded for a number of small line items or for major budget categories only. This information can also be broken down by organizational unit or compiled for a court as a whole. In most large courts, aggregation of data by organizational unit is more useful. Historical perspective is crucial. For example, what might appear to be overspending may simply reflect a long-standing pattern of making purchases early in the budget year. Thus, monitoring reports should contain the previous year's data to place analytical reports in the proper historical context.

The monitoring system exists to inform management, but there is no point in deluging managers with monitoring reports or data. A principal purpose of monitoring is to detect and report problems at an early stage. Exception reports are more efficacious for reporting problems than standardized reports because an exception report focuses on a specific problem and indicates aberrational patterns. The monitor's role is not to deal with the problem indicated by the erratic pattern of expenditure or receipt but to alert managers to an incipient problem.

Monitoring Revenues. Revenues as well as expenditures should be monitored in relation to the budget. Actual receipts to date should be compared to estimated amounts for

the same period. If receipts are lagging behind, revenue estimates should be readjusted for the rest of the year. A parallel adjustment in budgeted expenditures might also be necessary to avoid a deficit or excessive surplus.

Like expenditures, revenues can be monitored against plans. Revenue projections can be developed for each revenue source by using a similar approach to that used for expenditures. The procedure might be as follows:

- obtain the actual collections by quarter for the last five years for each revenue source
- compute the average percent by quarter and adjust for obvious trends
- apply quarterly percentages to the annual revenue estimate
- adjust quarterly estimated revenue flows for major anticipated deviations
- report actual revenues in relation to projections to spot possible problem areas

Monitoring Progress Toward Objectives/Formal Midyear Review

Performance measurement systems of budgeting place great emphasis on productivity in relation to budgeted resources, but any budgeting system should include this feature. That a court lives within its budget means little if the case disposition rate drops sharply. There has to be some connection between expenditure and achievement. Consequently, the monitor, normally the budget officer, should collect work statistics to ensure that expenditures are analyzed in their full context.

For the monitoring process to be seen as realistic, the court should conduct some formal midyear review of expenditures and revenues. This permits time for reallocations, as necessary, and forces managers to take their budgets seriously. Such reviews promote accountability as well as fiscal prudence.

Supplemental Appropriations and Transfers

During a budget year, there may be reason to alter the way funds are spent and to seek changes in the approved budget. It is a function of monitoring to detect the need for such changes, which may include (1) transfers among budget items, (2) increases in budgets resulting from the appropriation of additional funds, and (3) decreases in budgets to avoid budget deficits due to lack of anticipated receipts or unforeseen obligations.

Transfers. Budget transfers may be required for several reasons. First, it may be necessary to transfer funds to the court-operating budget from reserves or contingency

funds or from central accounts budgeted for salary adjustments. Second, transfers may be needed to move funds from one department or activity to another to reflect some changes in priorities or objectives. Third, transfers among major objects of expenditure may be needed to adjust budget estimates to meet actual operating realities.

Most of these transfers should be reviewed and approved by the budget officer before they become effective. In some cases, these transfers may also require legislative approval or approval of some official of higher rank than the budget officer. Thus, for example, transfers among items specified in the appropriation law would require legislative approval but should go to the legislative body with a recommendation from the budget officer or finance officer. On the other hand, transfer of funds between minor object categories within the same major object category can be approved by the budget officer or may be generally permitted without such review. This process is sometimes too informal and could encourage relatively sloppy initial budgeting. Transfers should not always be approved *pro forma* because they sometimes indicate a circumvention of the budget process rather than a genuine need.

The court should use standard format to transfer funds among budgeted items. In most instances, the court unit involved will determine the form of the transfer. If approval is granted, there should be an appropriate entry in the accounting and budget records because the approved amounts have been officially altered and should be reflected in subsequent financial reports.

Increasing and Decreasing the Budget. Increases and decreases to the budget should be reviewed and approved by the court budget officer, the ranking administrative official in the court agency (usually the chief judge), and the appropriating body. Increases generally involve a supplemental budget request and may occur to fulfill some special need (for example, compliance with some new obligation imposed by the legislature) if revenues exist to cover the need. When such an increase is granted, the budget should be adjusted at the appropriate level of detail (that is, program, department/activity, or object) for the budget unit affected.

Lapsed Appropriations/ Reappropriations. At the end of a budget year, unobligated appropriations usually revert to the general fund and are sometimes reappropriated to provide an opening balance in the next fiscal year, an exercise that rarely benefits the agency with the lapsed funds. For an operating agency, lapsed funds may indicate either frugality or some problem of management or budgeting; for example, an inability to fill vacant positions. A budget monitor should be able to anticipate lapses and forewarn the court if it appears that the failure to spend arises from neglect rather than efficiency.

Checklist 6

Monitoring Checklist

	YES	NO
1. Is there a system for monitoring the trial court budget? If so, is it contained in a written directive, which establishes the scope of the system?		
2. Is there a clear designation of budget-monitoring responsibility? If so, is this responsibility assigned to the budget officer?		
3. Is monitoring responsibility linked with preaudit? If so, does the monitor receive a flow of information related to this responsibility; specifically, information on requisitions, purchases, contracts, and encumbrances?		
4. Does the executive branch information system provide in a timely fashion adequate information to monitor the court budget? If not, has the court created a supplemental information system that provides court-specific detail and current information?		
5. Does the monitor make regular reports to court managers on the rate of expenditures in relation to appropriations? Does the monitor provide exception reports and analytical comment to point out special problems with expenditures?		
6. Does the monitor make regular reports to court managers on receipts in relation to budget estimates? Does the monitor provide exception reports and analytical detail to point out aberrational patterns in receipts?		
7. Do court agencies make an annual projection of expenditures and revenues, which shows the anticipated variations by month? If so, is this projection used by the budget monitor for purposes of comparison?		
8. Does the monitoring system include a formal midyear review of expenditures and receipts by court managers?		
9. Does the monitoring system provide feedback into the budget development process to refine budget requests?		
10. Does the budget monitor identify underspending and provide analysis of lapsed funds?		
11. Is the budget monitor knowledgeable about cash flow problems affecting court spending and investment?		

Index

B

- budget centralization, degree of, 10-12
- budget classification structure,
 - coding of, 20-21
- budget classification structure, items
 - in, 17
 - activity, 20
 - case type, 20
 - fund, 18
 - list of, 17
 - objects of expenditure, 19
 - organizational unit, 18-19
 - program, 19
 - project, 20
 - revenue, source of, 19
- budget classification structure, use of, 21
- budgeting, legal basis for, 5-6
- budgeting, responsibility for, 8-9
 - administrative functions, 9-10
 - chief/presiding judge, authority of, 9
 - court financing, impact of, 9
 - See also* budget officer,
 - responsibilities of
- budget officer, responsibilities of, 9-10, 37
 - See also* budgeting, responsibility for
- budget policy, judicial policy on, 21
 - budget process, 22
 - guidelines for, 22
 - responsibilities, assignment and organization of, 21-22
- budget, presentation of
 - enhancements to, 85-87
 - formal presentation of, 80-81
 - graphics, use of, samples, 87-93
 - informal contact, 79-80
 - presenters, selection of, 81
 - techniques for, 82
- budget priorities
 - external, 71-72
 - internal, 69, 71
- budget process, events of, 6-7
 - table of, 8
- budget process, nature of, 1
- budget request adequacy, factors
 - determining
 - central allocation fund, 32
 - contingency fund, 32
 - contractors, 30
 - costs of goods, increase in, 31
 - facilities, new, 31
 - fiscal notes, 31
 - fringe benefits, 29
 - indirect costs, 30
 - intergovernmental services, 30
 - laws or rules, changes in, 31
 - overtime, 30
 - part-time help, 30
 - positions, new, 29
 - programs, new, 31
 - salary increases, in-grade, 29

- system development, 31
- temporary help, 30
- transferred positions, 29
- vacancy savings, 30
- vacation time, 30
- variable costs, anticipation of, 32
- workload increases, 31
- budget review process
 - organization of, 66-67
 - procedural compliance of, 67
 - purpose of, 65-66
- budget submissions, multiple, causes of, 1-3
- budget, types of, 12
 - comparison of, 16-17
 - line item, 12-13
 - MBO (Management by Objective), 16
 - PMS (Performance Management System), 16
 - PPBS (Planning, Programming, Budgeting System), 13-16
 - expenditures by object of
 - expenditure, table of, 15
 - program budget structure, table of, 14
 - ZBB (Zero Base Budgeting), 16
- E**
 - expenditure increases, justification of, 72
 - annualization, 72
 - capital expenditures, new, 74
 - facilities, new, 73
 - inflation, 73
 - legal obligations, new, 73
 - program, improvement or upgrading of, 74
 - programs, new, 74
 - salary increases, 73
 - workload, increase in, 73
 - expenditure increases, presentation techniques for, 82
 - economy, changes in, 85
 - judges, increase in number of, 83
 - legal requirements, response to, 83-84
 - offsetting benefits, 85
 - budget justifications based on
 - offsetting benefits, table of, 84
 - personnel commitments,
 - increase of, 85
 - workload, increase in, 82-83
 - expenses
 - facilities, 5
 - family and juvenile cases, 4
 - judges, 4
 - mandated, 4-5
 - workload, impact of, 5
- F**
 - financial planning, long-range implications of, 75
 - financing, local, 11
 - financing, state, systems of
 - California model, 11
 - centralized, 11
 - horizontal unified model, 11
 - regionally decentralized, 11

funding, sources of, 2-3
 table of, 2

G

grants, 60-61
 categorical, 60
 state block, 60-61

I

indirect costs, 59-60
 inherent powers, used in budget
 process, 3-4

J

judges, personnel considerations for
 as cost center, 36-37
 fringe benefits for, 37
 salaries, 36-37
 judges pro tempore, reliance on, 38
 jury fees, 46, 49
 estimates of, 49

M

monitoring system
 information for
 data requirements, 99-100
 executive branch information
 systems, 99
 reports, 100
 revenues, monitoring of, 100-101
 instituting, 98-99

purposes of, 97
 relationship to cash budget and
 preaudit, 98
See also performance measurement

N

nonpersonnel appropriations, 46
 facilities, 49-52
 estimates for, table of, 51, 52
 jury fees, 46, 49
 estimates of, 49
 miscellaneous, 52
 table of, 53-55
 professional services, contractual, 46
 budgetary justifications, table
 of, 47-48
 standard items, table of, 53-55
 witness fees, 49

P

performance measurement
 midyear review, 101
 purpose of, 67-68
 types of, 68-69
 typical measures
 basic adjudication measures,
 table of, 69
 standard items, table of, 68
 See also monitoring system
 personnel appropriation request, consid-
 erations for, 32
 new, transferred, and reclassified
 positions, 34

- number of, 32-33
- overtime, 34-35
- position control, 33
- temporary help, 34
- unfunded and vacant positions, 33-34
- volunteers, 35
- personnel expenditures, basic
 - cost-of-living increases, 35
 - fringe benefits, 35
 - salary differentials, 36
 - salary increments
 - from promotions, 36
 - in-grade, 35
 - merit, 36
- table of budgetary justifications
 - for, 44
- bailiffs and security, 39, 41
- chamber support, 42
- clerical, 39
 - workload measures, table of, 40
- court reporters, 45-46
- jury support, 41-42
- professional positions, miscellaneous, 46
- quasi-judicial officers, 38-39
- social services, 42-43

R

- retired judges, reliance on, 37
- revenue capability, 4
- revenue, estimates for, 56, 58, 59
 - basic revenues, table of, 57
 - trend analysis, use of, 58-59
- revenue sources, checking of, 74-75

S

- supplemental appropriations and transfers, 101
 - budget changes, 102
 - lapsed appropriations/reappropriation, 102
 - transfers, 101-102
- support employees, personnel considerations for
 - administrative, 43, 45

About the Author

Robert W. Tobin is a senior staff associate with the National Center for State Courts (NCSC), where he has specialized for many years in court finance. He has conducted major statewide studies of court finance in Alabama, Arkansas, Illinois, Louisiana, Ohio, and other states. He has also conducted finance studies at the county level, most recently in Orleans Parish, Louisiana, and Pinellas County, Florida. He has written numerous articles, monographs, and reports on court administration and court finance, among them: *Planning in State Courts: Trends and Developments, 1976-78* (1978); *The Administrative Role of Chief Justices and Supreme Courts* (1979); *The Transition to State Financing of Courts* (1981); *Status of State Court Financing 1989* (1989); *NACM Trial Court Financial Management Guide* (1993); *Managing Budget Cutbacks* (1994); and *Internal Control of Court-collected Funds* (1995). He has also conducted many projects in general areas of court administration, such as caseflow and calendaring analysis. Prior to his service with NCSC, he was a professor of government at the University of Miami, a trial lawyer with the Department of Justice, and a management consultant. He holds B.S.S. and LL.B. degrees from Georgetown University, LL.M. and J.S.D. degrees from Columbia University, and an M.A. from the University of Miami.

About the NCSC Court Management Library Series

The National Center for State Courts' Court Management Library series is essential reading for any state or local court administrator. This series of books and monographs, many of which will be updated regularly, will tell you what you need to know to run your court more efficiently and effectively. Books in this series will tackle such topics as organizational discipline, jury management, and court facility financing, among others. Watch for more publications in the Court Management Library series.