The Budgetary Impact of Trial Court Restructuring

New York State Unified Court System

February 2002

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I. Executive Summary

No state in the nation has a more complex court system structure than New York. New York's trial court system consists of eleven separate courts — the Supreme Court, the Court of Claims, the County Court, the Family Court, the Surrogate's Court, the New York City Civil and Criminal Courts, the District Courts on Long Island, the City Courts outside of New York City, and the Town and Village Justice Courts.

Numerous inefficiencies and anomalies exist in this arcane structure, including:

- A single family may be before two or more courts a divorce proceeding is heard in Supreme Court, while a related child custody proceeding and a criminal domestic violence case are heard in Family Court and the local criminal court, respectively.
- A single incident, such as an accident on a state highway or a surgical procedure in a state hospital, can lead to related lawsuits heard in different courts a claim against the State is brought in the Court of Claims, and suits against other state defendants or private parties are brought in the Supreme Court.
- Currently, each of the different court types in each county has its own management structure and each has its own system for the delivery of administrative services, with resulting duplication and economically-wasteful fragmentation.

The Unified Court System's restructuring proposal addresses these problems by reconfiguring the nine State-funded trial courts (*i.e.*, all trial courts except the Town and Village Courts) into a three-tiered structure, consisting of a Supreme Court, a Surrogate's Court and a District Court (See Appendix A, the proposed State Constitutional Amendment). In addition, the Court System's proposal gives the Supreme Court responsibility for presiding over most domestic violence cases, and enhances the Court's ability to hear these cases along with matrimonial and other related cases involving the parties.

Court restructuring is not just good public policy. A simplified and consolidated structure will also result in substantial savings for the taxpayers of the State of New York. This report quantifies those potential savings. The analysis is simple but compelling – it is more efficient and less expensive to run a court system with three trial courts than a system with nine courts, and it is more efficient and less expensive to try related cases before a single judge in a single court than before a number of different judges in a number of different courts.

The analysis, which considers both the savings and costs of the restructuring proposal, identifies a net cost savings potential of over \$131 million in the first five years following the effective date of the restructured court system (See Appendix B).

Specifically, it is estimated that:

- \$128.1 million would be saved from unified treatment of related cases and the resulting reduction in separate trial court filings. Restructuring will significantly reduce the costs to the Judiciary of processing its growing caseload, allowing related matters to be heard before a single judge in the reconstituted Supreme Court. Under the Court System's proposal, it is estimated that 125,580 cases each year would be treated together with other existing related cases. The proposed system would not only be far more convenient and comprehensible to the parties, but would eliminate costly case processing redundancies.
 - \$12.8 million would be saved by cost reductions in court management associated with improved coordinated court oversight and the elimination of administrative fragmentation. A simplified court structure will permit increased efficiency of court operations through coordinated delivery of administrative services and a streamlined trial court management structure. Court management under the current trial court structure requires that there be separate court managers for each of the separate trial courts resulting in administrative fragmentation. Once the Supreme, County and Family Courts are merged, it will be possible to streamline leadership in the consolidated Supreme Court in each county and as a result to reduce, through attrition, the number of court management lines within the trial courts.

The estimated combined savings to the State of almost \$141 million would be offset by an estimated modest cost of \$1.9 million per year (\$9.5 million over five years) for increases to some judicial salaries to eliminate salary disparities which presently exist.

Thus, a consolidated court structure will provide an estimated net savings to the State of over **\$131 million** in the first five years following trial court consolidation with over **\$73 million** of that savings being realized in the first three years following implementation of the proposal.

II. The New York Judiciary and Court Restructuring

A. New York's present court structure

New York's Unified Court System consists of the Court of Appeals; two intermediate appellate courts, the Appellate Division of the Supreme Court in each of the four Judicial Departments and the Appellate Term of the Supreme Court in the First, Second, Ninth, Tenth, Eleventh and Twelfth Judicial Districts; and 11 separate trial courts, including the Supreme Court, the Court of Claims, the County Court, the Family Court, the Surrogate's Court, the New York City Civil and Criminal Courts, the District Courts on Long Island, City Courts outside of New York City, and Town and Village Justice Courts.

By operation of the 1976 Unified Court Budget Act (L. 1976, c. 966), the State has assumed responsibility for paying the full operational costs of all these courts except the Town and Village Justice Courts.

The Court of Appeals. The Court of Appeals is New York's appellate court of last resort. It hears appeals from decisions of the intermediate appellate courts and, in limited instances, from the trial courts. Its seven judges are appointed to 14-year terms by the Governor, with the advice and consent of the State Senate, from among candidates found well-qualified by the State Commission on Judicial Nomination.

The Appellate Division. The Appellate Division is New York's major intermediate appellate court. It is established as four separate courts, one for each of the State's four Judicial Departments. Each of the Departments is headed by a Presiding Justice and hears appeals from orders and judgments of the trial courts within its respective Department. The justices of the Appellate Division departments are designated by the Governor from among the justices of the Supreme Court. Their terms vary, with the Presiding Justices serving for the duration of their terms as justices of the Supreme Court, and the associate justices serving either five-year terms or, where designated on a temporary basis, terms of indeterminate length.

The Appellate Term. The Appellate Term is an intermediate appellate court, established in selected areas of the State (exclusively the downstate region) to hear appeals from courts of limited civil and criminal jurisdiction. It is established as two separate courts, one each for the First and Second Departments. Each Appellate Term is headed by a Presiding Justice who, along with the associate justices, is designated by the Chief Administrative Judge with the approval of the Presiding Justice of the local Judicial Department from among the justices of the Supreme Court residing in the geographical region served by the Appellate Term.

The Supreme Court. The Supreme Court is New York's trial court of broadest general and original jurisdiction. In New York City, it sits both as a civil court, where it presides over matrimonial actions and larger monetary and equitable disputes, and as a criminal court, where it presides over felony cases. Outside New York City, Supreme

Court sits primarily as a civil court. Justices of the Supreme Court are elected to office on a judicial district-wide basis for 14-year terms. Often, their efforts are supplemented by use of acting justices of the Supreme Court, most of whom sit in New York City. These acting justices of the Supreme Court are drawn from the ranks of judges of the Court of Claims, the New York City Family, Civil and Criminal Courts, and the upstate county-level courts. They are designated by the Chief Administrative Judge pursuant to his constitutional powers. The large number of such designations is necessary because, while the Supreme Court workload has steadily increased over the years, the Legislature is prohibited by the Constitution from creating new Supreme Court judgeships in a Judicial District where the number of Supreme Court judgeships will exceed the ratio of one for every 50,000 residents in the District.

The Court of Claims. The Court of Claims is a statewide court. It exercises jurisdiction over claims against the State or by the State against a claimant or between conflicting claimants. Many judges of the Court of Claims, however, are designated as acting Supreme Court justices, primarily to preside over felony parts of Supreme Court.

The County Court. County Court sits in each of the 57 counties outside of New York City. County Court, which has limited civil jurisdiction, is primarily a criminal court in which felonies are tried. Its judges are elected to office countywide for terms of ten years. By act of the Legislature, many County Court judges are elected to serve both in County Court and Family Court, or in County Court and Surrogate's Court, or in all three courts.

The Family Court. Family Court sits in each of the 57 counties outside of New York City and, as a single body, in New York City. Family Court presides over a broad spectrum of matters, including: (1) family offense proceedings; (2) child custody and dependent support proceedings; (3) adoptions; (4) PINS and delinquency proceedings; (5) paternity proceedings; (6) abuse and neglect; and (7) termination of parental rights proceedings. Outside New York City, its judges are elected to office countywide for terms of ten years; in the City, judges are appointed to office by the Mayor for terms of ten years.

The Surrogate's Court. Surrogate's Court sits in each of the State's 62 counties. Surrogate's Court has jurisdiction over all litigation relating to the affairs of decedents, probate of wills, administration of estates and guardianship of the property of minors. It also exercises, concurrently with Family Court, jurisdiction over adoptions. Outside New York City, there are separately-elected Surrogates in 23 counties (in the remaining 34 counties, the local County Court judge presides over Surrogate's Court). They are elected to office countywide for terms of ten years. In New York City, there is one Surrogate in each borough except Manhattan, where there are two. In the City, Surrogates are elected to office countywide for terms of 14 years.

The New York City Civil Court. The Civil Court has jurisdiction of: (1) civil cases where the amount in dispute does not exceed \$25,000; (2) landlord – tenant proceedings; (3) commercial claims proceedings; and (4) small claims proceedings. It

has a special Housing Part, staffed by quasi-judicial housing judges, through which it exercises its landlord and tenant jurisdiction. Civil Court judges are elected to office countywide or district-wide for terms of ten years. Many of these judges are designated as acting Supreme Court Justices and perform long-term service in the Supreme Court in New York City.

The New York City Criminal Court. The Criminal Court is the local criminal court for New York City, exercising jurisdiction over lesser crimes and offenses. Its judges are appointed to office by the Mayor for terms of ten years. As with judges of the Civil Court, many judges of the Criminal Court are designated as acting Supreme Court justices and perform long-term service in the Supreme Court in New York City.

The District Court. The District Court, which now can be established anywhere in the State outside of New York City, has heretofore been established only on Long Island — in Nassau and Suffolk Counties. It serves as the local criminal court for those counties. It also serves as a lower civil court, having jurisdiction of: (1) civil cases where the amount in dispute does not exceed \$15,000; (2) landlord – tenant proceedings; (3) commercial claims proceedings; and (4) small claims proceedings. District Court judges in Nassau and Suffolk County are elected district-wide for terms of six years.

The City Courts outside New York City. There is a City Court established for each of the 61 cities outside New York City. Some of these courts are served by judges who are full-time, viz., they are not permitted to practice law in addition to their judicial duties. Others are served by a mix of full-time and part-time judges; still others, by part-time judges only. Some judges are appointed, some elected. Full-time judges serve for terms of ten years while part-time judges serve for terms of six years. Each City Court is the local criminal court for the city in which it is established. It also is a civil court, having jurisdiction of: (1) civil cases where the amount in dispute does not exceed \$15,000; (2) landlord – tenant proceedings; (3) commercial claims proceedings; and (4) small claims proceedings.

Town and Village Justice Courts. The Justice Courts serve the many towns and villages of the State. Their justices, many of whom are not lawyers, serve part-time. Most are elected to office for terms of four years. With limited exceptions, each Justice Court is the local criminal court for the town or village in which it is established. It is also a civil court, having jurisdiction of: (1) civil cases where the amount in dispute does not exceed \$3,000; (2) landlord – tenant proceedings; (3) commercial claims proceedings; and (4) small claims proceedings.

B. The court system's restructuring proposal

The court system's restructuring proposal would reconfigure the nine Statefunded trial courts into a three-tiered structure, consisting of a Supreme Court, a Surrogate's Court, and a statewide District Court. More specifically:

- County Court, Family Court, and the Court of Claims would be abolished and their functions (and judges and nonjudicial personnel) consolidated with those of Supreme Court. Incumbent judges of these courts on January 1, 2004 would become justices of the Supreme Court for the balance of their terms.
- Surrogate's Court would continue to sit in each county, and the office of Surrogate in the State's 17 largest counties would be retained. In the remaining 45 counties, the duties of the Surrogate would be assumed by a local justice of the Supreme Court.
- The New York City Civil and Criminal Courts, the existing District Courts in Nassau and Suffolk Counties, and the 61 City Courts outside New York City would be reconstituted as courts within a new statewide District Court system. Incumbent judges of these courts on January 1, 2004 would become judges of the District Court for the balance of their terms.

The newly-established statewide District Court system would be configured so that there would be two District Courts in New York City, one exercising civil jurisdiction and one criminal jurisdiction, two District Courts on Long Island corresponding to the existing Nassau and Suffolk County District Courts, and 61 additional District Courts, replacing the existing upstate City Courts. These District Courts would have the same jurisdiction now enjoyed by the separate trial courts they would replace, *viz.*, jurisdiction over lesser crimes and offenses and civil jurisdiction including small claims, commercial claims and landlord - tenant proceedings. There would be two substantive changes, however:

domestic violence offenses that heretofore would have been tried in local criminal courts would, in many instances, now be subject to automatic, post-arraignment removal to Supreme Court; and, in all other instances, subject to discretionary removal,¹ and

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The authority of Supreme Court to transfer to itself matters pending in lower courts would generally be broadened to permit such transfers, in *any* cases, whenever the Court determined they would promote the administration of justice. Moreover, special provision would be included for disposition of criminal domestic violence offenses, as follows:

Where the highest domestic violence offense charged is a violation, the prosecutor would enjoy discretion to direct that, following arraignment in a local criminal court, the case be removed to Supreme Court.

the Legislature would be authorized to increase the maximum monetary amount for which a civil suit could be brought up to \$ 50,000.

Also of note, in New York City, the city-wide District Court of civil jurisdiction would exercise its jurisdiction over housing-related matters in a special housing division of the Court. That would not be so in the District Courts sitting outside the City.

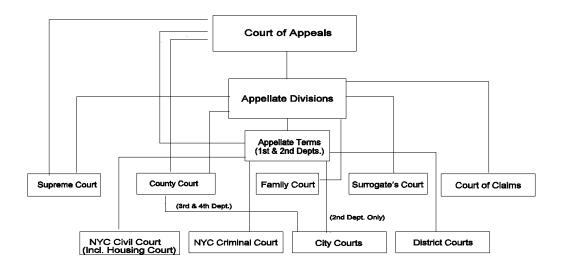
Further, the restructuring proposal should affect current practices regarding the temporary assignment of lower court judges to higher courts - at least outside New York City. There, the consolidation of the county-level courts with Supreme Court would eliminate the need for such temporary assignments almost altogether. In the City, elimination of the Constitution's one-per-50,000 restriction on the number of justices of the Supreme Court that the Legislature may create for a Judicial District *could*, in the long term, reduce dependence upon temporary assignments of lower court judges to Supreme Court.²

Finally, the proposal establishes a process that will produce a Fifth Judicial Department for the State. By this process, the Legislature will have one year, beginning January 1, 2004, during which it can establish a Fifth Judicial Department. Should it not do so, the Chief Administrative Judge will have the period between January 1st and February 28th of 2005 in which to offer the Judiciary's plan for a Fifth Judicial Department. Once the Judiciary's plan is presented, the Legislature would have one year in which to substitute an alternative plan. Failing to do so, the Judiciary's plan would take effect.³

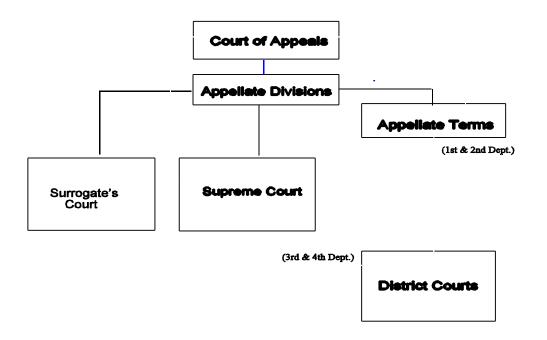
- Where the highest domestic violence offense charged is a misdemeanor and the case is filed in the New York City Criminal Court or in any other local criminal court that sits in a county seat, the case must automatically be removed to Supreme Court following arraignment. Where the case has been filed in any other local criminal court, post arraignment removal would not be automatic but the prosecutor would enjoy discretion to direct that the case be removed to Supreme Court.
- Where a domestic violence felony is charged, the case must automatically be removed to Supreme Court following arraignment, regardless of venue.
- Where, regardless of the offense charged, there already is related litigation pending in Supreme Court involving the defendant, the case must automatically be removed to Supreme Court following arraignment.
- The elimination of the one-per-50,000 restriction on the number of justices of the Supreme Court is a required provision in the Constitutional amendment because the designation of existing County Court, Family Court, and Court of Claims judges as justices of the Supreme Court would otherwise result in a violation of the restriction in certain counties. The proposed amendment, however, does not itself create any additional judgeships. Separate legislative action would be required to create new judgeships, and any resulting potential additional costs have not been factored into the Schedule of Potential Net Savings.
- Any additional potential cost resulting from the creation of a Fifth Judicial District would be as a result of further legislative action and has not been factored into the Schedule of Potential Net Savings.

The following diagrams illustrate the simplified court structure under the proposal:

NEW YORK STATE UNIFIED COURT SYSTEM CURRENT TRIAL COURT STRUCTURE



NEW YORK STATE UNIFIED COURT SYSTEM PROPOSED RESTRUCTURING OF THE TRIAL COURTS



C. The benefits of court restructuring

While this report focuses on fiscal issues, it is important also to recognize the weighty public policy justifications for court restructuring. The benefits of the proposal – to the public generally, to individual litigants, to the court system, and to the State itself – are numerous, and include:

- More Effective Focus on Domestic Violence Cases. By reconstituting the Supreme Court to allow parties embroiled in criminal Domestic Violence proceedings and related Family Court matters (e.g., family offense, matrimonial proceedings, custody, visitation and support proceedings) to be heard by one judge in one court, court restructuring eliminates the need for these litigants to go to more than one court in order to obtain complete relief and will insure greater consistency and equity in judicial decisions.
- Improved Case Management. Court restructuring will enable better case management and implementation of administrative efficiencies not now possible. This will expedite movement of cases through the system, save public tax dollars, and significantly reduce the disposition costs of cases.
- Better Public Understanding of and Respect for the Justice System. A simplified court structure will be more understandable to the public and accessible to self-represented litigants, thereby encouraging greater respect for the rule of law.
- Increased Uniformity of Rules and Procedures. Court restructuring will enable greater uniformity in court rules and procedures. This will simplify the tasks of lawyers, court clerical personnel and judges, and reduce the cost of litigation.
- Elimination of Jurisdictional Disputes. By simplifying New York's trial court structure, court restructuring will eliminate many of the jurisdictional disputes that now arise between courts. This will expedite movement of cases through the system and reduce the cost of litigation.
- Ease the Burden of Matrimonial Litigation. The consolidation of the Family Court function with that of Supreme Court, also will ease the burdens faced by parties to matrimonial litigation, saving time, money and the litigants' emotional energy by allowing them to appear before one judge in one court on all related matters.
- Greater Consistency in Public Claims. By also consolidating the Court of Claims in Supreme Court and eliminating the need for those claimants to go to more than one court in order to obtain complete relief, court restructuring will insure greater consistency and equity in public claims judicial decisions.
- Promotion of Business-Friendly Environment. To the extent court restructuring reduces the cost of litigation and speeds the resolution of disputes, it will make New York a more business-friendly environment encouraging businesses to stay or relocate here. This should provide a significant source of jobs and revenue for the State.
- ▶ Broader Pool of Judges Eligible for Appellate Court Designation. Court

restructuring that merges one or more of the major trial courts into Supreme Court will broaden the pool of judges eligible for designation to the Appellate Divisions and Appellate Terms. This will bring more judges with experience in family and other matters to the intermediate appellate courts. Also, it should enable more women and minorities to become judges of those appellate courts.

A recent study confirms the benefits of a simpler, consolidated trial court structure. That study, while not attempting to quantify the impact of trial court unification, identified the following benefits of unification:

- Provides an environment for more effective utilization of judicial and support resources and reduced duplication of effort;
- Allows for greater cooperation and teamwork between the judiciary, other branches of government, and the community;
- Creates a more efficient structure for governance of the courts;
- Allows for more efficient case processing and timely disposition of cases;
- Allows for redirection of resources towards increased and improved public services;
- Enhances opportunities for innovation; creates an environment for self-evaluation and re-engineering of operations;
 - Provides more coherence to the courts, a single point of entry, an increased understanding by other branches of government and the public;
- Increases uniformity in policies, practices and rules both within a county and throughout the state;
- Provides for greater public access;
- Allows the court to act as a unified entity, speaking with one voice in dealing with the public, county agencies, and the justice system partners;
- Increases focus on accountability and quality of service.¹

American Institutes for Research, "Analysis of Trial Court Unification in California: A Final Report," submitted to the Administrative Office of the Courts (AOC) and the Judicial Council of California, September 28, 2000, page 37. In 1998, the residents of California passed a State constitutional

amendment providing for the voluntary unification of the superior and municipal courts in California's counties if a majority of the two courts' judges within a county voted to create a unified superior court. In November 2000, the AOC released this report which contained the results of a study on the initial impact of 53 trial courts unified as of April 1000 pursuant to the amendment.

of 53 trial courts unified as of April 1999 pursuant to the amendment.

III. The Fiscal Impact of Court Restructuring

A. The savings restructuring makes possible

New York State's current system of nine separate trial courts with specialized jurisdictions inevitably creates inefficiencies and is not conducive to the effective management of the caseload. Court restructuring, specifically – the elimination of the duplicative case processing that is inherent in the present system of multiple courts having related jurisdiction – will eliminate the structural obstacles to efficient management.²

1. Unified Treatment of Related Cases. Restructuring will significantly reduce the costs to the Judiciary of processing its growing caseload by allowing related matters to be heard before a single judge in the reconstituted Supreme Court. Under the Court System's proposal, it is estimated that more than 125,000 cases each year would be treated together with other existing related cases, thereby eliminating case processing redundancies made necessary by the present system of multiple courts with overlapping jurisdiction. As set forth below, the case consolidation contemplated by court restructuring, with the attendant savings realized in general operating expenses and integration of information systems, will save the State a potential total of \$128.1 million from 2004 to 2008.

Under New York's present trial court structure, many litigants are required to be in more than one court at a time to obtain complete relief. Nowhere is this overlap more striking than in the area of family-related matters. Under the current system, a single family might be in:

- Supreme Court in a matrimonial action to dissolve the marriage;
- Family Court in various proceedings relating to custody, support or other issues; and
- Criminal Court in a domestic violence case.

The underlying problems that have brought the family to these various courts are clearly related. However, under the current structure, the problems are considered separately, in different cases, in different courts, before different judges.

For the parties, this system is burdensome and confusing. For the various judges hearing the separate cases, the system is frustrating because the family's problems are not distinct and unrelated, but should be considered by a single judge in a broader context. For the taxpayer, the system is inefficient and wasteful, requiring different courts to undertake substantial duplicative work.

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Regardless of the reduction in duplicative efforts allowed by the implementation of court restructuring, no court employees will lose their jobs or suffer any diminution in pay from the implementation.

The court system's restructuring proposal addresses these issues by simplifying the existing nine trial court system so that a single judge would hear and decide the family's various, but related, problems. Restructuring would permit similar treatment of related cases in other areas as well, such as a medical malpractice case, where the claim against a State hospital must be brought in the Court of Claims, while the claim against the State-paid physician must be brought in Supreme Court. Similarly, petitions involving rehearings on custody, visitation and support orders would be brought in one court for review and determination by one judge, ideally the judge making the original determination.³

This simplified court structure will result in significant cost savings. The reason is simple – it is more efficient and less expensive to try related cases before a single judge in one court, than before different judges in a number of different courts. Simplification of the court structure, and the resulting unified treatment of related cases, will permit efficiencies of scale and the elimination of a substantial amount of redundant work.

A recent study conducted in the Brooklyn courts by the Office of Court Administration found a substantial overlap among Supreme, Family and Criminal court cases. These overlaps occur when cases arising from the same or related circumstances are filed in two different courts. The high overlap rate exists between cases filed in the lower criminal (domestic violence cases) and Family Court. This study found that 130 domestic violence cases matched to 122 original family court cases, a 94% overlap rate. Matrimonial cases filed in the Supreme Court also overlap with family court cases. In this study a sample of 477 matrimonial cases matched to 173 original family court cases, a 36% overlap rate. When these overlap rates are applied to statewide caseloads the total number of annual family court cases overlapping with Domestic Violence and Matrimonial cases is 125,580 (See Appendix C).

These companion cases in family courts involved:

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Restructuring will also result in more efficient handling and disposition of juvenile offender cases, however, no analysis of the fiscal benefit in this regard is reflected in the total savings discussed in this report. These cases, which involve juveniles charged with certain serious designated felonies, can be brought in a criminal court or in Family Court. Such cases often begin in the criminal court, where a trial is held, and then are transferred to the Family Court for sentencing. These cases generally require more time to process than other juvenile delinquency petitions in Family Court because they involve more serious offenses and are more complex. Permitting disposition of these cases by a single judge in a single court — and thereby reducing duplication in the multitude of clerical and procedural processing tasks they entail — will greatly facilitate their processing.

- family offenses,
- custody and visitation,
- child abuse and neglect, and
- support.

Based on these figures, it is estimated that, under the proposed plan, 125,580 Family Court cases per year would be treated together with existing Matrimonial or Domestic Violence cases. This is nearly **20**% of the annual Family Court caseload.

Significant case processing savings result from the unified treatment of these 125,580 cases. For example, the following is a partial list of redundant tasks which, under the current system, are duplicated by court personnel in different courts for related cases:

- Acceptance, dating and reviewing of petition or application and necessary support papers;
- Checking the computer file or master case index card file for existing or previous cases involving the same parties;
- Assigning a docket number;
- Entering data into the computer system to create case file;
- Creating case summary sheet and permanent record of court proceedings;
- Case folder preparation and transmittal for scheduling and calendar preparation;
 - Notifying parties and scheduling case;
- Ensuring that case files and materials are available and complete;
- Managing the calendar;
- Maintaining record of court action and appearances and proceedings;
- Preparing orders, conforming copies to signed order and affixing notice of entry to signed order;
- Certifying copies and distributing copies of the order and its attachments/appendices;
- Assigning hearing dates and preparing and distributing notices of new scheduled dates to parties:
- Transmitting of statistical information;
- Transmitting files, calendar and court action records to appropriate office;
- Updating computer file and case summary sheet, and filing original order and case file.

Under a simplified system, these costly and time-consuming case processing redundancies would be eliminated because the information would only be entered once rather than multiple times at different locations on incompatible information systems. The potential net savings resulting from unified treatment of cases is estimated to be over \$200 per case. Thus, the proposed consolidation of 125,580 cases each year

would result in an estimated savings of \$128.1 million over a five year period.1

Similarly, preparation and recording of court orders and all other relevant case information must be entered into case management information systems. Presently, there are a significant number of different automated case management information systems in Supreme, County and Family Courts. This lack of standardization and the related redundancies in data entry and records management is inefficient and costly. Consolidation will provide the framework for replacing these systems with one robust case management system that will allow the court system to take full advantage of CourtNet, the court system's statewide information network. Additionally, it would allow for streamlining of the court system's computer equipment and employee training techniques which also will allow trial courts to easily share information among divisions and to more readily access information repositories such as the Domestic Violence Registry. Further, uniformity in systems and equipment would facilitate the reassignment of non-judicial personnel from one court to another in an effort to efficiently and justly address increasing caseloads.

2. Administrative Consolidation. Court restructuring also will provide the organizational framework needed to achieve the goal of increasing efficiency of court operations through coordinated, unified court management. For example, under a revised structure a single presiding judge and county-level court administrator could be designated for each county. This management structure would support enhanced judicial coordination and cross-assignment of court personnel to meet caseload demands. A single authority for trial court budgeting, planning and personnel administration across all Supreme Court divisions and District Courts would streamline management control.

Reducing the number of administrative structures can also reduce middle management and supervisory costs. The consolidation of management authority in a single executive position for a county's courts, for example, would gradually reduce the salary costs of the current fragmented court structure. A tighter management structure would also facilitate cross-assignment and cross-training of court personnel allowing for the avoidance of costs for increased staffing as caseload demands change and grow. It is estimated that a minimum of 60 fewer mid-level court managers would be required. The annual savings are projected to increase from \$.51 million in 2004 to \$ 4.6 million in 2008, for a five year cumulative total of \$12.8 million (See Appendix E).

B. The costs of court restructuring

While, as discussed above, court restructuring will result in a significant savings to the public treasury, there will be some limited costs that partially offset the larger savings. Those costs are estimated at \$1.9 million annually.

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The \$128.1 million estimated savings includes \$8.9 million attributable to furnishings and equipment needs eliminated as a result of the proposed unified treatment of related cases (See Appendix D).

These costs will result from the equalization of judicial compensation. In 1977, the State assumed responsibility for the costs of court operations statewide, excluding only those of the Town and Village Justice Courts. See L. 1976, c. 966. Since then, disparities in the pay of judges serving on the same courts and performing like functions have persisted. These disparities have given rise to a significant number of lawsuits, all challenging the constitutionality of the existing pay scheme as it applies to individual judges or groups of judges. These lawsuits, some of which have been successful, are ongoing.

Court restructuring should eliminate many, if not all, of these salary disparities. As has been the case, all justices of the Supreme Court should continue to earn identical wages. Salary parity should produce an estimated net annual increase of \$1.9 million in the Judiciary budget's appropriation request for judicial salaries.

IV. Conclusion

The foregoing analysis demonstrates that restructuring New York's trial courts in the manner proposed by the court system will produce meaningful savings for the State from the day it is implemented. While there will be an annual modest cost of \$1.9 million, attributable to the equalization of judicial salaries in several courts, this cost will be more than offset by a series of economies made possible only in a restructured court system. If the court system's plan is put into effect January 1, 2004, as proposed, the State can expect, in the year 2004 alone, to realize an estimated net savings of \$23.7 million. By the fifth year of the implementation, the annual estimated net savings will increase to \$29.5 million, with an estimated cumulative five-year savings of \$131.4 million.

In undertaking any analysis of the fiscal consequences of restructuring the court system, additional benefits to the taxpayer should not be overlooked: (1) potential for saving litigants the sizeable attorney's fees they now pay to litigate jurisdictional disputes and to venture back and forth between courts where jurisdictional fragmentation prevents one court from disposing of all elements of a dispute; and (2) potential for making New York a more attractive place for business to remain or in which to relocate and thereby create more jobs and greater tax revenues.

V. Appendices

Appendix A Court System's Plan for Court Restructuring

Appendix B Schedule of Potential Net Court Restructuring Savings

Appendix C Overlap Study Between the Supreme Court, Criminal Court

and Family Court in Brooklyn – January 2002

Appendix D Potential Savings from the Unified Treatment of Related Cases

Appendix E Potential Savings from Administrative Consolidation