



## **SECTION III: COURT PROFILE**





## District Profile

The Central District of California is the largest bankruptcy court in the United States. Presently, the district holds court in Los Angeles, Riverside, Santa Ana, Santa Barbara, and the San Fernando Valley.

The Central District of California covers approximately 40,000 square miles and stretches from the Central Coast area of the state eastward to the Nevada and Arizona borders. The Court has jurisdiction in the seven-county region, comprised of Los Angeles, Orange, Riverside, San Bernardino, Santa Barbara, Ventura, and San Luis Obispo Counties.

The Central District is part of the Ninth Circuit, which encompasses the federal courts of nine states: Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, and Washington. The Ninth Circuit also extends appellate services to the Territory of Guam and to the Commonwealth of the Northern Mariana Islands. The Ninth Circuit is the largest of the 12 federal circuits in size, population, number of federal judges, and volume of litigation. It includes 15 federal district courts, 13 bankruptcy courts, and a court of appeals.



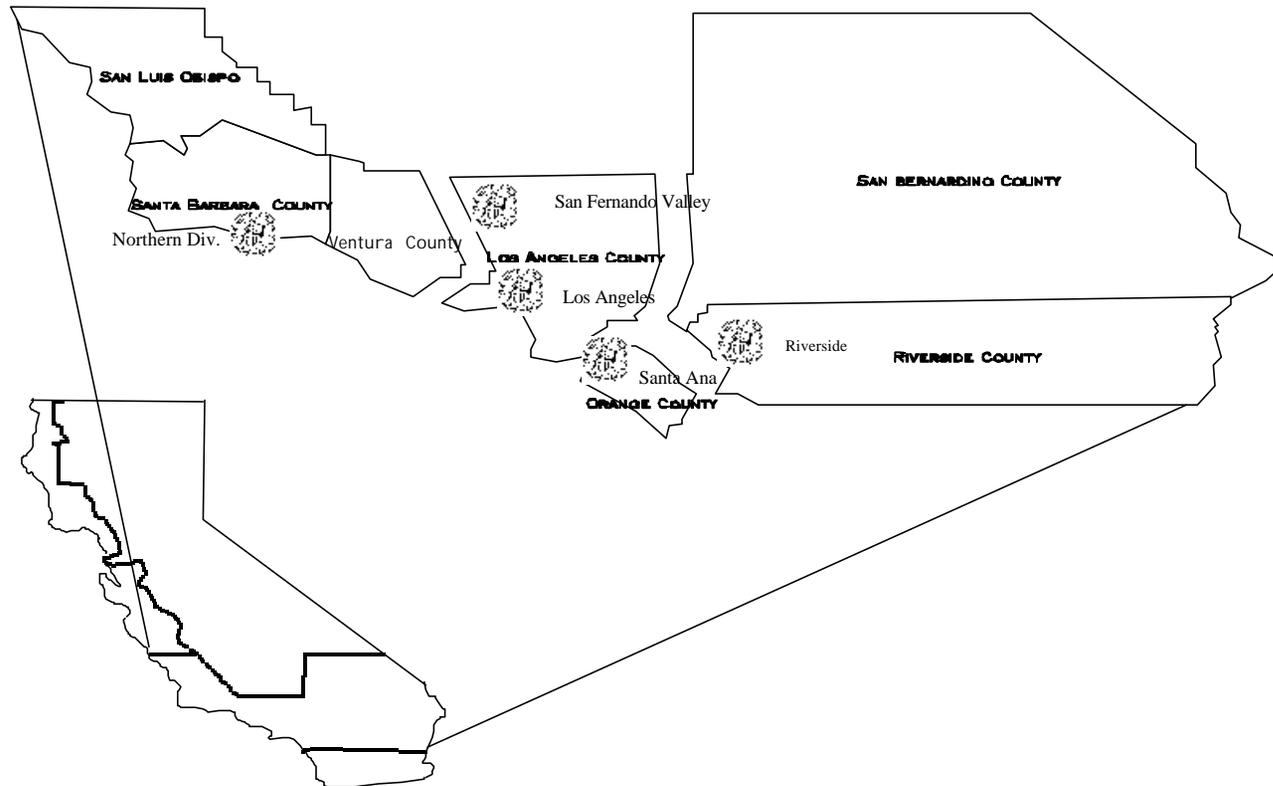
## A Brief History of the Bankruptcy Court in California

The first system of federal courts west of the Rocky Mountains was created with the establishment of the Ninth Circuit in 1848. Other significant milestones are listed below.

- 1850** The State of California was admitted to the Union.
- 1850** The Southern and Northern Districts of California were created.
- 1898** The Bankruptcy Act of 1898 gave district courts exclusive jurisdiction over bankruptcies.
- 1900** Congress divides the Southern District of California into two divisions: the Northern Division, meeting in Fresno, and the Southern Division, meeting in Los Angeles and comprised of the counties of San Luis Obispo, Santa Barbara, Ventura, San Bernardino, Los Angeles, Riverside, Orange, Imperial, and San Diego.
- 1929** Congress adds a third division to the Southern District. The designation of Los Angeles was changed from the Southern to the Central Division, and the San Diego court is designated the new Southern Division of the Southern District.
- 1957** A divisional bankruptcy office was opened in San Bernardino.
- 1959** A divisional bankruptcy office was opened in Santa Ana.
- 1966** California was divided into four judicial districts: the Central Division in Los Angeles becomes the Central District; the Southern Division in San Diego becomes the Southern District; the Northern Division in Fresno become the Eastern District; and the Northern District remains in San Francisco.
- 1978** The Bankruptcy Reform Act of 1978 passed by Congress.
- 1984** The Bankruptcy Amendments and Federal Judgeship Act becomes law.
- 1992** A divisional bankruptcy office was opened in Santa Barbara.
- 1992** The Los Angeles Division begins moving into the newly constructed Roybal Federal Building and Courthouse. (Move completed in 1993)
- 1994** Bankruptcy Reform Act of 1994 enacted.
- 1996** A divisional bankruptcy office was opened in the San Fernando Valley.
- 1997** The San Bernardino Division becomes the Riverside Division by relocating to a new courthouse in that city.
- 1999** The Santa Ana Division relocates to the new Ronald Reagan Federal Building and United States Courthouse.

**UNITED STATES BANKRUPTCY COURT**

**CENTRAL DISTRICT OF CALIFORNIA**





## Population Served

The population in the Central District is estimated to be more than seventeen million people and represents approximately one-half of California's population of more than thirty-three million. Two of the five most populous counties in the United States (Los Angeles and Orange, based on the 1990 Census) lie within the Central District.

The following table details population changes in the Central District from January 1989 through January 1999 compared to the changes in bankruptcy filing numbers for the similar period of December 1989 through December 1999.

### ESTIMATED CHANGE IN POPULATION AND BANKRUPTCY FILINGS: 1989 vs. 1999

CENTRAL DISTRICT of CALIFORNIA COUNTIES	POPULATION ESTIMATES*			BANKRUPTCY FILINGS		
	1989	1999	% Chg	1989	1999	% Chg
Los Angeles	8,706,200	9,757,500	12.1%	33,911	67,028	97.7%
Ventura	653,500	742,000	13.5%			
Santa Barbara	359,800	409,000	13.7%			
San Luis Obispo	205,800	241,600	17.4%			
Orange	2,344,200	2,775,600	18.4%	8,306	12,813	54.3%
Riverside	1,057,200	1,473,300	39.4%	11,392	21,631	89.9%
San Bernardino	1,311,100	1,654,000	26.2%			
<b>District Total</b>	<b>14,637,800</b>	<b>17,053,000</b>	<b>16.5%</b>	<b>53,609</b>	<b>101,472</b>	<b>89.3%</b>

\*Population estimates compiled by the State of California, Department of Finance, Demographic Research Unit



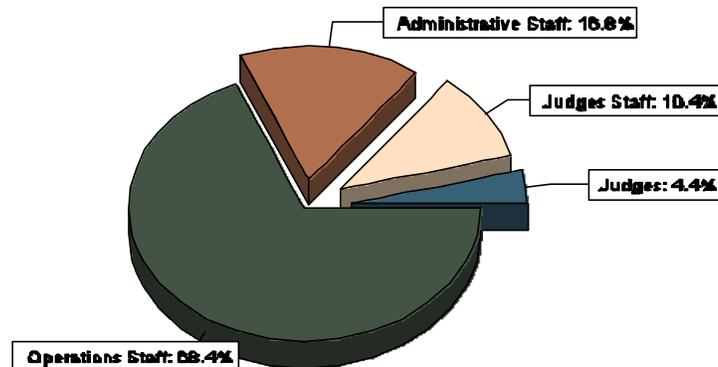
## Personnel

On December 31, 1999, the total number of Full-Time Equivalent employees (including judges, judges' staff, and the Clerk's Office) on the payroll of the Bankruptcy Court in the Central District of California was 480. This is virtually unchanged from the 480.5 staff reported at the end of 1998.

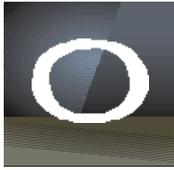
The majority of staff works in Clerk's Office operations (68%). Operations includes the staff of the Intake, Records, Case Initiation, Courtroom Services, Analysis & Information, and Quality Assurance/Training Departments. Nearly 17% of the Court consists of Administrative Staff which includes the Executive Office, Court Resources, Financial Services, Information Technology, Office Services, and Space Planning. The judges' staffs, including law clerks and judicial assistants, comprise 10% of the total.

### Bankruptcy Court Personnel

(December 1999)



The majority of employees work in Los Angeles (55%), followed by Riverside (16%), Santa Ana (13%), the San Fernando Valley (12%), and the Northern Division (4%).



## Operating Budget

As part of the budget process, an analysis of the historical expenditure rate over the past three years is conducted to determine a budget level necessary to maintain court operations. Any special one-time projects that require additional funds are also identified and transmitted to the Administrative Office for its planning needs and to determine the budget allotment for the Court.

At the beginning of every fiscal year, the Court develops a spending plan to implement those items outlined in the budget call. The plan is an extensive breakdown of the Court's operations by project and cost account, including the status of expenditures to date and potential additional funding. The plan is an internal budget tool that allows the Court to prioritize projects and to monitor expenditures. This is particularly important in fiscal years when the budget allotment does not fully meet the Court's requirements.

Internal and external events influence the Court's spending plans. For example, the scope of projects may change over the course of their implementation; natural events, such as earthquakes and floods, may raise new priorities; or a changing political environment may result in additional regulations and legal obligations. Therefore, the plan must be adaptable and flexible enough to meet these challenges.

In fiscal year (FY) 1999, the Bankruptcy Court for the Central District of California received \$22,681,899 as its share of the funds appropriated by the United States Congress for the Judiciary for operations. This represents a 2.5% increase from the FY 1998 amount of \$22,138,450 (excluding the one time allotment for the Santa Ana relocation project). Of this amount, \$19,718,383 (86.9%) was allotted for personnel salaries and \$2,963,516 (13.1%) for non-personnel operations and supplies.



# Receipts

In fiscal year (FY) 1999, the Court collected \$25,741,401 in fees compared to \$27,429,315 collected in FY98 (a 6.2% decrease) and to \$26,871,710 collected in FY97. The Court collects fees in thirteen fund areas including: filing fees, bankruptcy notice fees, unclaimed funds fees, copy fees, and fees for other services rendered. The decrease in fees collected during FY99 is attributed to the reduction in the number of bankruptcy filings during this fiscal year. The following table compares the money collected in the seven largest funds between FY97 and FY99.

<b>Monies Collected in the Seven Largest Funds FY97 - FY99</b>				
<b>FUND NAME</b>	<b>FY97</b>	<b>FY98</b>	<b>FY99</b>	<b>% Change FY99 vs FY98</b>
Funds Associated with Filing Fees:				
Filing Fees (086900, 086901)	\$3,697,647	\$3,771,453	\$3,509,902	-6.9%
Fees for Bankruptcy Notices (092037)	\$3,415,239	\$3,579,561	\$3,205,075	-10.5%
Fees for Bankruptcy Oversight (507311 and 5073XX)	\$3,811,558	\$3,858,295	\$3,437,714	-10.9%
Bankruptcy Escrow Account (6855TT)	\$5,823,137	\$6,071,312	\$5,380,150	-11.4%
Fees for Judicial Services (510000, 510001)	\$6,905,432	\$7,382,941	\$6,612,692	-10.4%
Payment of Unclaimed Monies (6047BK)	\$2,466,075	\$2,054,518	\$3,254,480	58.4%
Remaining Funds	\$752,622	\$711,235	\$341,388	-52.0%
<b>TOTAL</b>	<b>\$26,871,710</b>	<b>\$27,429,315</b>	<b>\$25,741,401</b>	<b>-6.2%</b>

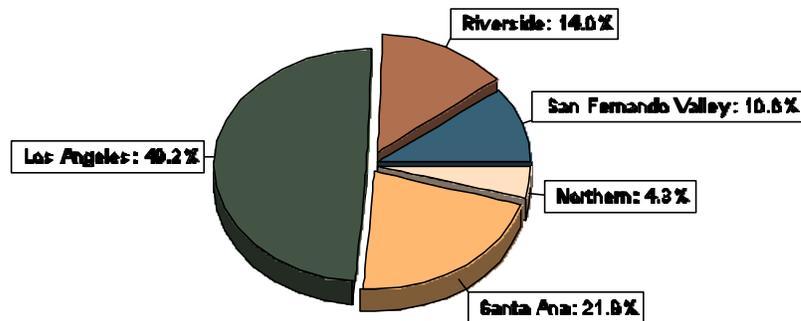


## Space Planning

The Bankruptcy Court rents approximately 459,064 square feet of space from the General Services Administration (GSA). (GSA is the landlord for all government owned and leased space.) GSA's responsibilities include rent negotiations, lease awards, tenant improvements and alterations, and daily maintenance. The graphs below delineate the square footage of space rented for each division and the percentage of space district-wide used for courtrooms, judges' chambers, office space, conference and training facilities, and miscellaneous uses (which includes restrooms, hallways, and storage space).

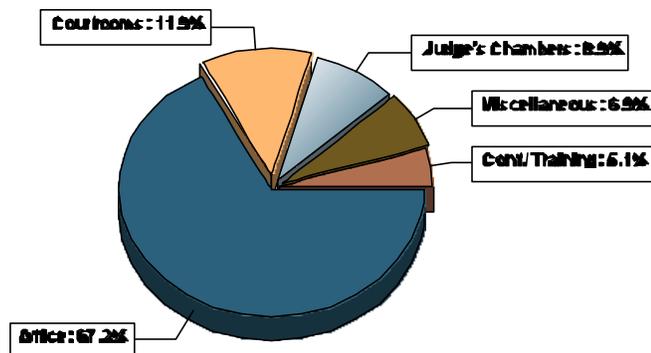
### Square Footage By Division

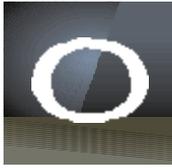
Central District of California (1999)



### Facilities Make-Up

Central District of California (1999)





## rganizational Structure

### Board of Judges

The Board of Judges consists of all the bankruptcy judges in the Central District of California. The purpose of the Board of Judges, as outlined in the Court Governance Plan, is to set Court policy.

### Chief Judge

Currently, the term of the Chief Judge is three years with two consecutive terms allowed. The Chief Judge, appointed by the District Court, has many diverse duties that include:

- ! Monitoring case management systems, identifying problems, and initiating changes (with consultation of the appropriate committees) as required to facilitate the effective and expeditious handling of Court business
- ! Serving as spokesperson for the Court
- ! Calling regular meetings of all the judges
- ! Creating judicial committees
- ! Supervising the actions of the Clerk of Court

### Office of the Executive Officer/Clerk

The Clerk of the Bankruptcy Court is appointed by the bankruptcy judges in the Central District and serves an indefinite term. The Clerk has many diverse duties that include:

- ! Directing all aspects of the Clerk's Office, including the development of policies and procedures
- ! Formulating and executing the Court's budget

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- ! Providing case administration support
  - ! Managing space, facilities, automation, and other resources of the Court
  - ! Recruiting, hiring, and discharging personnel in the Clerk's Office
  - ! Advising the Board of Judges and the Chief Judge on administrative and policy matters
  - ! Acting as the office liaison with civic, community, and professional organizations

The Clerk's Office is organized into three divisions: Operations, Court Resources and Administration.

### **Operations**

In each of the five divisions, Operations is responsible for the day-to-day case management activities of the Clerk's Office and support for judges' hearings. Operations handles: the acceptance of case filings and subsequent documents, docketing and imaging of filed documents, tracking of cases, sending notices, responding to inquiries from the public, retrieving and archiving case files, as well as interfiling documents into them, calendaring hearings, electronic recording of hearings, support of courtroom activities including video conferenced hearings, support for the general management of the Court's caseload, and closure of cases. Also part of Operations, but performing administrative functions in support of all the divisions, are the Analysis & Information Department and the Quality Assurance/Training Department.

### **Analysis & Information**

Analysis & Information performs a wide range of administrative tasks. Some of these tasks include: developing and assessing procedures, operating methods, and work flow; making recommendations for improvements to existing procedures; establishing performance standards and monitoring performance; compiling statistical information regarding filings, closings and case management; and providing information to the public. Analysis & Information also prepares a wide variety of reports, as well as a wide range of public and internal documents in the district.



## Quality Assurance/Training

The Quality Assurance/Training Department analyzes data and makes recommendations for improving quality control, conducts training in selected areas, and coordinates district-wide training.

## Court Resources

Court Resources is responsible for the administration of the Court's personnel through the Human Resources Section, as well as formulating and monitoring the Court's budget.

### Human Resources

Responsibilities of Human Resources include: recruitment; classification; compensation; benefits administration; processing of all personnel actions and maintenance of all personnel records; providing guidance to management and staff in the interpretation and administration of personnel policies; coordination and monitoring of employee performance evaluations; updating and maintaining the Court's *Personnel Handbook* and other Human Resources publications; coordination of special ceremonies and awards; and ensuring adherence to the tenets of the Court's Employment Dispute Resolution (EDR) Plan and Equal Opportunity Employment (EEO) policies and preparing the Court's annual (EDR) report.

### Budget

The Budget section develops budget estimates to fund all operating costs of the Court, prepares the overall budget summary justification, develops and monitors the Court's budget and spending plan, prepares justifications for supplemental requests of additional allotments, prepares and oversees the preparation of recurring reports of obligations and expenditures, and monitors the fiscal and procurement activities that affect the budget process.



## **Communications**

The Communications Department is responsible for district-wide forms, publications, judicial logistics, public relations, electronic communications, call management, the Court's web site, and coordination of special events.

## **Administration**

The administrative functions of the Clerk's Office are handled by the following areas: Information Technology, Systems Integration, Financial Services, Office Services, and Space Planning. The services provided by each Division are outlined below.

### **Information Technology**

The Information Technology Division provides automation support for the Court and the Clerk's Office, such as maintaining and developing the Court's automated systems, including: the case management system (NIBS); the cashiering and case opening system (ICS); the case file inventory system (VRMS); and the systems providing public access to automated case information and other data, such as webPACER, kiosks, and computers in public areas.

### **Systems Integration**

The Systems Integration Division was created to integrate new technology into existing functions. The Division now handles the network, imaging software and hardware, telephone systems, video conferencing system, fixed-asset tracking software (IntelliTrack), and personnel tracking software (Abra).

### **Financial Services**

The Financial Services Department is responsible for the fiscal and audit functions of the Court and the Clerk's Office. This includes such activities as maintaining all financial records of funds received into the Court, as well as accounts payable.





## **Office Services**

Office Services is responsible for the purchasing of all supplies and services required for the operation of the Court and the Clerk's Office, including consumable supplies, furniture, equipment, forms, and services. For the Los Angeles Division, Office Services also handles the distribution of interoffice mail. The Department is also responsible for maintaining the inventory of all fixed assets owned by the Court. In addition, Office Services coordinates all daily maintenance of court facilities with GSA.

## **Space Planning**

Space Planning is responsible for all of the leased office and judicial space in the Central District. This includes ensuring that the current space is adequate for the needs of the staff and monitoring all phases of new Court projects from conceptual design and development to the completion and review of construction documents.

**United States Bankruptcy Court**  
Central District of California

**Jon D. Ceretto**  
Executive Officer/Clerk of Court

