



SECTION III: COURT PROFILE



DISTRICT PROFILE

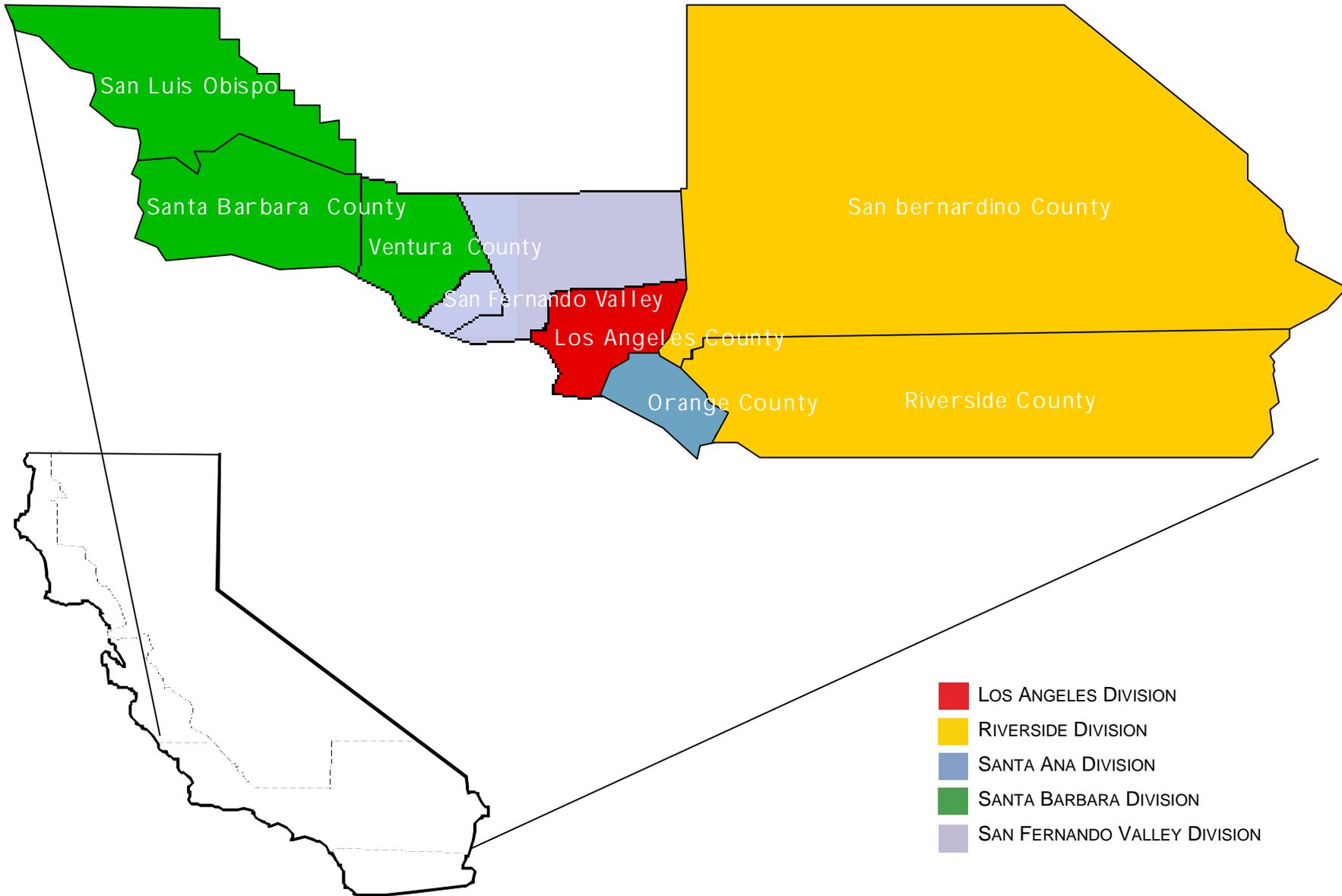
The Central District of California is the largest Bankruptcy Court in the United States. Presently, the district holds court in Los Angeles, Riverside, Santa Ana, Santa Barbara, and the San Fernando Valley.

Covering approximately 40,000 square miles, the Central District 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 Territory of Guam, and the Commonwealth of the Northern Marianas 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, a court of appeals, and a bankruptcy appellate panel.

UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA



- LOS ANGELES DIVISION
- RIVERSIDE DIVISION
- SANTA ANA DIVISION
- SANTA BARBARA DIVISION
- SAN FERNANDO VALLEY DIVISION

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. Some other 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 Southern District of California into two divisions: 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 Southern District. The designation of Los Angeles was changed from Southern to 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.
- 1986 Bankruptcy Judges, United States Trustees, and Family Farmer Act passed.
- 1992 Congress passes act establishing three divisions in the Central District of California.
- 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.
- 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.

POPULATION SERVED

With a population of more than 17 million people, the Central District represents approximately 58% of California's population of nearly 34 million people. Based on the 2000 census, the Central District of California is home to four of the five most populous counties in California (Los Angeles, Orange, San Bernardino and Riverside) and two of the five most populous counties in the United States (Los Angeles and Orange).

The following table details changes in population for the Central District of California from 1990 to 2000 compared to the number of bankruptcy cases filed in 1990 and 2000.

Table 17
Change in Population and Bankruptcy Filings: 1990 vs. 2000

CENTRAL DISTRICT OF CALIFORNIA COUNTIES	POPULATION*			BANKRUPTCY FILINGS		
	1990	2000	% Chg	1990	2000	% Chg
Los Angeles	8,863,164	9,519,338	7.4%	38,742	51,391	32.6%
Ventura	669,016	753,197	12.6%			
Santa Barbara	369,608	399,347	8.0%			
San Luis Obispo	217,162	246,681	13.6%			
Orange	2,410,556	2,846,289	18.1%	9,342	9,715	4.0%
Riverside	1,170,413	1,545,387	32.0%	11,045	18,795	70.2%
San Bernardino	1,418,380	1,709,434	20.5%			
District Total	15,118,299	17,019,673	12.6%	59,129	79,901	35.1%

*Source: United States Census Bureau, April 2000 Census (Internet release date April 2, 2001)

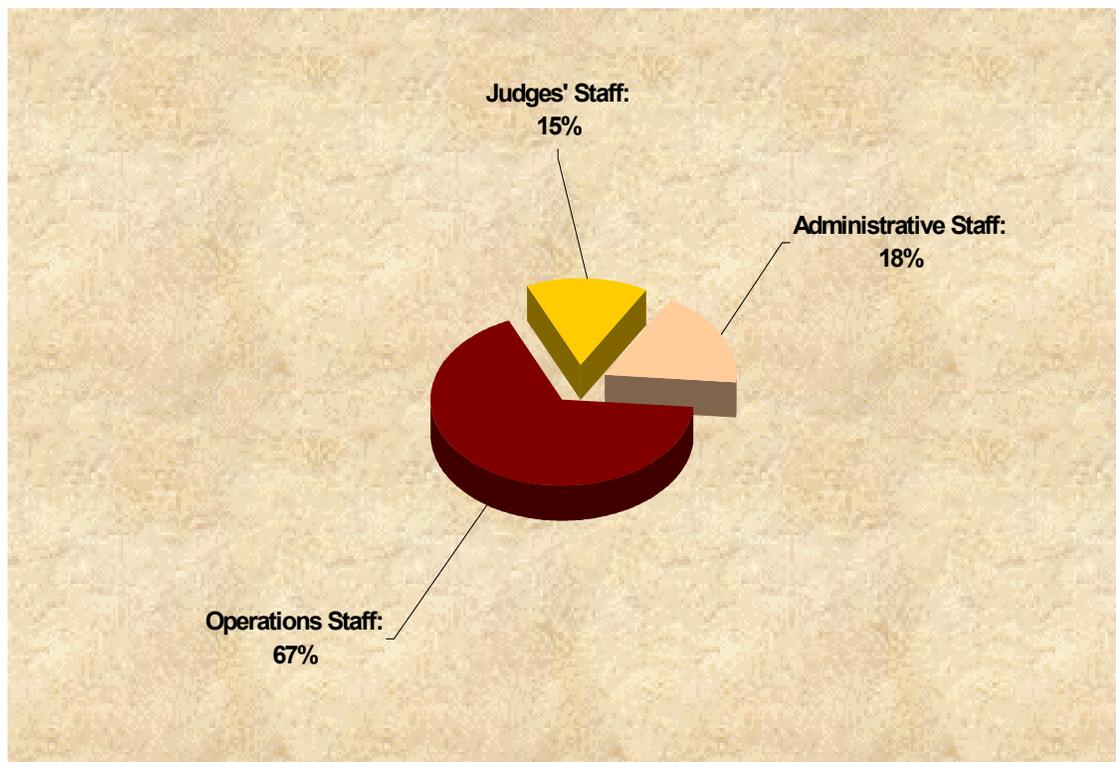
PERSONNEL

A total of 472 full-time equivalent employees (including judges, judges' staff, and the Clerk's Office) were on the payroll of the Bankruptcy Court in the Central District of California as of December 31, 2000.

The following chart displays the allocation of Central District personnel. The majority of staff work in Clerk's Office operations (67%). Operations includes the staff of the Case Initiation, Courtroom Services, and Analysis & Information departments. Another 18% of the Court's personnel 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 15% of the total.

The majority of employees work in Los Angeles (55%), followed by Riverside (16%), Santa Ana (14%), the San Fernando Valley (11%), and the Northern Division (4%).

Figure 15
Central District of California - Bankruptcy Court
Personnel
(December 31, 2000)



OPERATING BUDGET

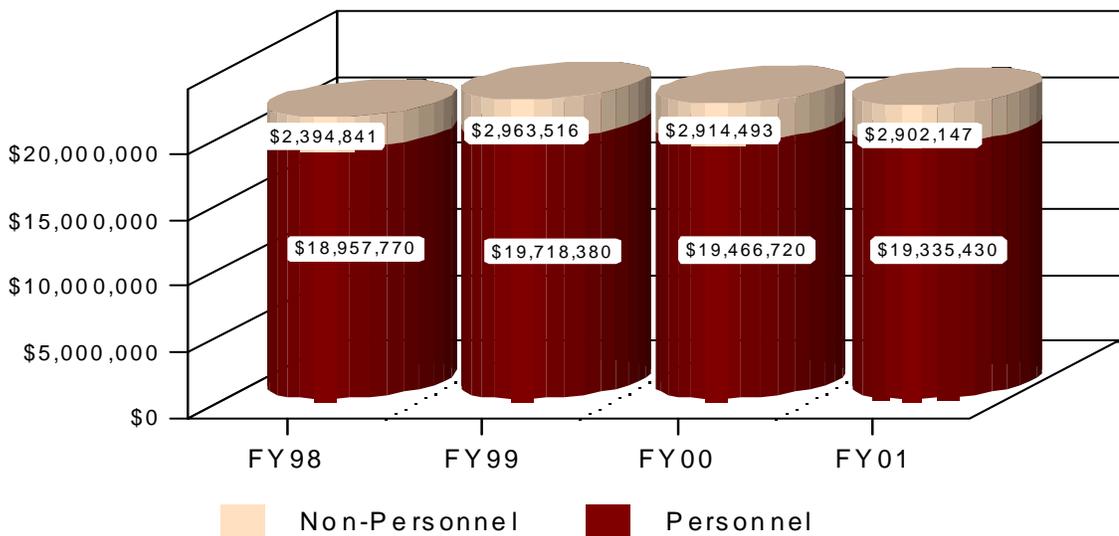
In 1994, the Judicial Conference approved the expansion of budget decentralization to all federal courts. In accordance with the budget decentralization policy, the Court adopted the Appropriated Funds Financial Management Plan. This plan delineates the roles and responsibilities for the receipt, budgeting, and disbursement of funds provided to the United States Bankruptcy Court for the Central District of California by the United States Congress, via the Judicial Conference and the Administrative Office of the United States Courts (AO).

Each year the AO provides the Court with budget allotments in three general accounts: salary, operating expense, and automation. The budget allotments are determined by formulas that are based upon variables such as the number of bankruptcy filings, current authorized judgeships, judicial staffing, and Clerk's Office staffing levels.

At the beginning of each fiscal year, the Court develops a spending plan to implement its operating objectives. The plan is an extensive breakdown of the Court's operations by project and cost account, including the status of expenditures to date and sources of potential additional funding. This internal budget tool allows the Court to prioritize projects and monitor expenditures.

In fiscal year 2001 (FY01), October 1, 2000 through September 30, 2001, the Bankruptcy Court for the Central District of California was allocated a budget of \$22,237,577. Although FY01 funding was only \$111,290 less than FY00 funding, it was \$1,311,152 (7%) less than necessary to maintain 1999 service levels. The funding difference results from cost of living increases and within grade promotions which needed to be accommodated in the FY01 budget. Furthermore, this shortfall necessitated staff reductions.

Figure 16
Central District of California - Bankruptcy Court
Operating Budget: FY98-FY00



RECEIPTS

In fiscal year 2000 (FY00), the Court collected \$22,343,390 in fees, compared to \$25,741,401 collected in FY99 and \$27,429,315 collected in FY98. The Court collects fees in 13 fund areas including: filing fees; bankruptcy noticing fees; unclaimed funds fees; copying fees; and fees for other services rendered. The 13.2% decrease in fees collected during FY00 from the prior fiscal year can be attributed to the reduction in the number of bankruptcy filings. The following table compares the money collected in the seven largest funds between FY98 through FY00.

Table 18 Monies Collected in the Seven Largest Funds FY98-FY00				
FUND NAME	FY98	FY99	FY00	% Change FY00 vs. FY99
Funds Associated with Filing Fees:				
Filing Fees (086900, 086901)	\$3,771,453	\$3,509,902	\$2,948,299	-16.0%
Fees for Bankruptcy Notices (092037)	\$3,579,561	\$3,205,075	\$2,543,023	-20.7%
Fees for Bankruptcy Oversight (507311 and 5073XX)	\$3,858,295	\$3,437,714	\$3,546,295	3.2%
Bankruptcy Escrow Account (6855TT)	\$6,071,312	\$5,380,150	\$4,174,217	-22.4%
Fees for Judicial Services (510000, 510001)	\$7,382,941	\$6,612,692	\$5,899,472	-10.8%
Payment of Unclaimed Monies (6047BK)	\$2,054,518	\$3,254,480	\$2,932,277	-9.9%
Remaining Funds	\$711,235	\$341,388	\$299,807	-12.2%
TOTAL	\$27,429,315	\$25,741,401	\$22,343,390	-13.2%

SPACE & FACILITIES

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 rooms, and miscellaneous space (which includes restrooms, hallways, and storage space).

Figure 17
Square Footage By Division
 Central District of California - Bankruptcy Court (2000)

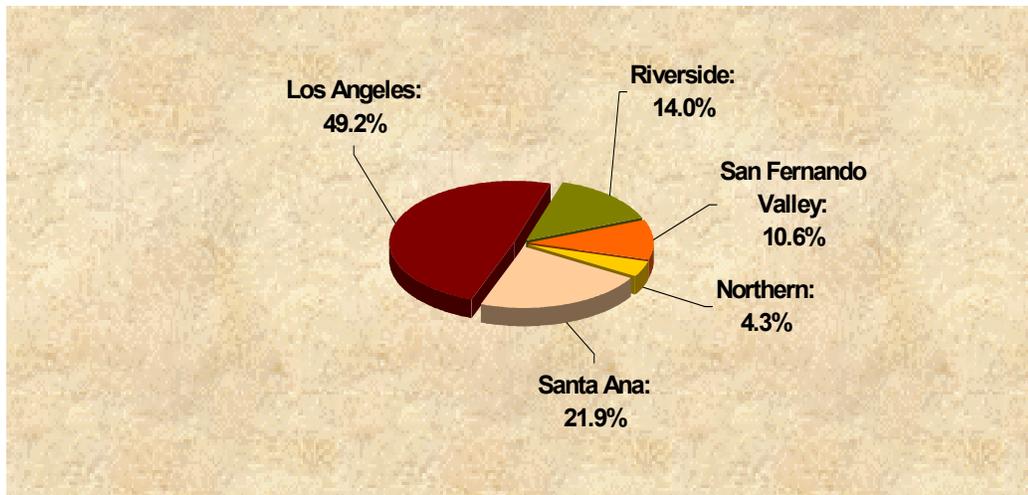
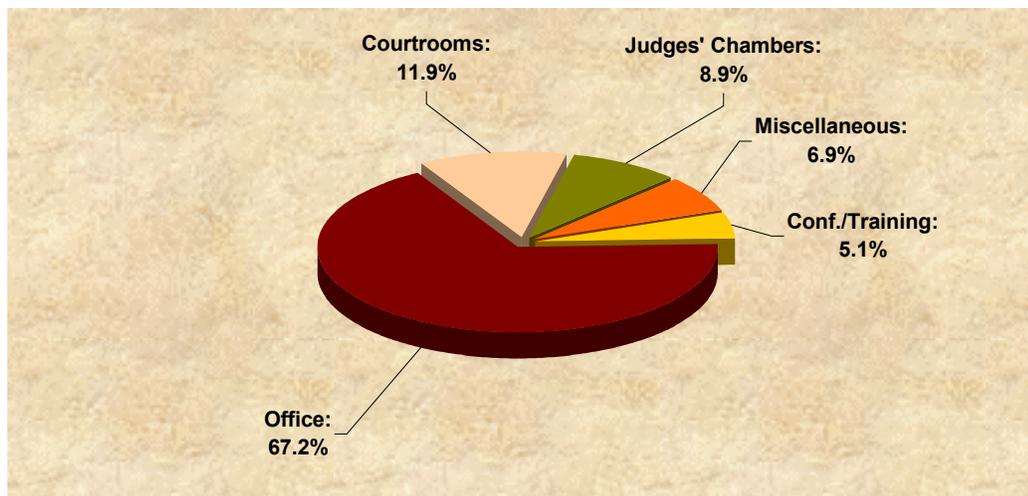


Figure 18
Facilities Make-up
 Central District of California - Bankruptcy Court (2000)



ORGANIZATIONAL STRUCTURE

Board of Judges

The Board of Judges consists of all of the bankruptcy judges in the Central District. The purpose of the Board of Judges is outlined in the Court Governance Plan and includes establishing overall administrative policies for the Court.

Chief Judge

The Chief Judge serves a three-year term, limited to two consecutive terms. The Chief Judge has many diverse duties that include:

- Monitoring the management of each judge's assigned cases
- Monitoring the case management system, identifying problems, and initiating change
- Serving as spokesperson for the Court
- Calling regular meetings of the bankruptcy judges in the Central District
- Creating judicial committees

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

The Clerk's Office is organized into three functional areas: 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, including the acceptance of case filings and subsequent documents; docketing of cases; tracking of cases; sending notices; responding to inquiries from the public; imaging selected case documents; retrieving, maintaining, and archiving case files; 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 of the divisions, is the Analysis & Information Department.

- **Analysis & Information**

Analysis & Information (A&I) performs a wide range of administrative tasks, including district-wide quality control. Some of these tasks include: developing and assessing procedures, operating methods, and work flow; making recommendations for improvements to existing procedures; establishing and monitoring performance for operations; compiling statistical information regarding filings, closings, and case management; and providing information to the public. The quality assurance area of A&I analyzes data, makes recommendations for improving quality control, and coordinates district-wide quality control programs. A&I also prepares a wide variety of reports, as well as a wide range of public and internal documents.

Court Resources

The Court Resources Division is responsible for the administration of the Court's personnel, training, communications, and budget.

- **Human Resources**

Responsibilities of Human Resources include: recruitment; selection; classification; compensation; benefits administration; processing of all personnel actions, including appointments, promotions, and separations; maintenance of all personnel records including time, attendance, and leave records; development and enhancement of personnel policies and procedures; 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; ensuring adherence to the tenets of the Court's Employment Dispute Resolution (EDR) Plan and Equal Employment Opportunity (EEO) policies; and preparing the Court's annual EDR report.

- **Staff Development**
This department is responsible for creating a broad Court Training Plan, in addition to offering a regular schedule of training courses. Under the plan, comprehensive technical and professional training is offered to employees to help them succeed in their current job duties and to ensure that the Court's future staffing needs will be met.
- **Communications**
The Communications Department is responsible for district-wide publications, forms, judicial support, public relations, telephone "on-hold" messages, the Court's web site, and the coordination of special events.
- **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.

Administration

The administrative functions of the Clerk's Office are managed in the following areas: Information Technology, Financial Management, and Space Planning. The services provided by each administrative area are outlined below.

- **Information Technology**
The Information Technology Division provides automation support for the Court and the Clerk's Office and develops and maintains the Court's automated systems, including: the case management system (NIBS); the cashiering and case opening system (ICS); the case file inventory system (RMS); public access to automated case information and other data; the network; imaging software and hardware; telephone systems; video conferencing systems; fixed asset tracking software (Intellitrack); personnel tracking software (Abra); financial accounting software (FAS₄T); webPACER; and the kiosks and computers in public areas.
- **Financial Management**
The Financial Management Division includes the Financial Services Department and the Offices Services Department, and is responsible for the district-wide financial and procurement functions of the Court.
- **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 and paid by the Court, as well as all accounts payable.

- **Office Services**

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

The Space Planning Department is responsible for all leased office and judicial space occupied by the Bankruptcy Court, including ensuring that the current space adequately meets the needs of staff. The department also monitors all phases of the Court's facility-related projects, from conceptual design and development to the completion and review of construction documents.

