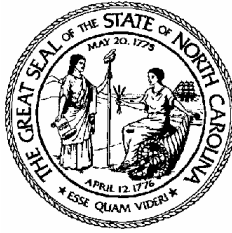


ADMINISTRATIVE OFFICE OF THE COURTS



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December 31, 2007

Senator Marc Basnight, President Pro Tempore, and
Representative Joe Hackney, Speaker of the House, Co-Chairs,
Joint Legislative Commission on Governmental Operations

Senator John Snow and Representative Phillip Haire, Co-Chairs,
Justice and Public Safety Subcommittee
of the Joint Legislative Commission on Governmental Operations

Senators Walter H. Dalton, Linda Garrou, and Kay R. Hagan, Co-Chairs,
Senate Appropriations Committee

Senators Eleanor Kinnaird and John Snow, Co-Chairs,
Senate Appropriations Committee on Justice and Public Safety

Representatives Henry M. Michaux, Jr., Alma Adams, Martha B. Alexander, James W.
Crawford, Jr., R. Phillip Haire, Maggie Jeffus, Joe P. Tolson, and Douglas Y. Yongue,
Co-Chairs, House Appropriations Committee

Representatives Alice L. Bordsen and Jimmy L. Love, Sr., Co-Chairs,
House Appropriations Subcommittee on Justice and Public Safety

Re: Report on Court System Performance Measures

Dear Senators and Representatives:

This letter is the interim report of the Administrative Office of the Courts regarding court performance measurement, pursuant to the 2007 Budget Bill, SL 2007-323, Sec. 14.18. Our final report pursuant to that section will be submitted by May 1, 2008.

That section directs the AOC as follows:

"The Administrative Office of the Courts shall develop and implement a system to measure the impact of the funding provided in this act on the operation of the courts. The system shall include uniform performance measures and standards for caseload management and resource allocation, including funding, personnel, technology, and equipment at district and county levels."

The Judicial Branch is very grateful for the fiscal and other support that the legislature was able to provide in the 2007 budget. In the presentation of our substantial budget requests in recent years, and in our requests for the authority and flexibility necessary for the Judicial Branch to manage resources in the most efficient and effective way, we remain fully cognizant of the need for accountability to the General Assembly.

Over the last few years, the AOC has been working to implement a measurement system similar to the one that this legislation directs. Specifically, through the State Judicial Council, the AOC has implemented a web-based system of performance measures intended to provide tools for caseload management and to assess court operations. In addition, with direction from the National Center for State Courts (NCSC), the AOC has developed workload formulas to provide an objective measure of certain personnel needs.

We construe this legislation as contemplating the taking of such workload and performance measurement systems to a next, more comprehensive level -- as a uniform, integrated system not just for caseload measurement and management, but in addition, directly tied to the budgetary process, for appropriating and allocating funds. As a long term objective, the AOC has been working toward such an integrated system. We have just contracted with the NCSC for technical assistance both to continue and expand our existing workload projects, and for help developing the comprehensive measurement system described in this legislation.

There has been a movement among court systems nationwide for implementation of performance measurement systems, and North Carolina has progressed well on that route. However, no state has yet integrated performance standards directly into the process for funding and resource allocation. The NCSC has been working toward that goal with at least two other states (California and Minnesota). We are advised that it is an ambitious, long-term, and in some ways a path-breaking project.

Over the next few months, with assistance from the NCSC, the AOC will continue and expand its work in that direction. We will report on our progress and results when the second report is due next May. For now, following is a status report on two principal ingredients to this undertaking, our performance measurement system, and the development of our workload formulas.

(With regard to the impact that the funding provided in 2007 may have had on court operations, as requested in the legislation, even with a comprehensive measurement

system fully in place, it would be too early to tell. The budget was enacted in August and with recruiting and hiring beginning then, it is too early for there to be a measurable impact on court operations, or on what some consider the ultimate measure, public satisfaction. The two AOC positions provided in the 2007 budget, apparently in part to help implement measurement systems for this legislation, have not been filled pending organizational considerations.)

Court Performance Management System

Through the State Judicial Council, and with assistance of an expert consultant, the AOC has implemented a web-based Court Performance Management System (CPMS). It can be accessed via the court system web site, www.nccourts.org (click on Performance Management and Survey in the "Quick Site Index").

Modeled on a Performance Standards and Measurement System and a subsequent CourtTools project developed under leadership of the NCSC, our CPMS provides caseload data updated each month, statewide and for any county or district, accessible to every court official and the public, on three performance measures:

Case clearance: cases disposed as a percent of cases filed (if the courts cannot dispose of the cases that are filed, then a backlog will result, and this measure will so indicate);

On-time processing: the percentage of cases disposed within time-guidelines; and

Aging case index: a measure of cases that are older than times in the guidelines.

The CPMS includes a web-based survey that people who use our courts can complete. The survey is an implementation of what some call the most important measure, public trust. Based on results from a manual (and very labor-intensive) public survey that was conducted in every courthouse in 2003, a majority of respondents reported satisfaction with court courtesy, respect and fairness; major areas of dissatisfaction related to timeliness and parking (which is a county responsibility).

Plans for Phase II of the CPMS (subject to AOC staff resources) include its integration with the comprehensive measurement system contemplated by this legislation and, among other things, the following major areas:

- Expansion to additional case types, for example, to expand reporting from just superior court felonies to specific types of crimes, or civil domestic cases to subtypes of domestic cases (particularly for family courts);
- Implementation of additional measures, including two adopted by the Judicial Council but for which automation system improvements are needed: calendar date certainty (the number of times a case is put on a calendar before being

disposed), and recovery of restitution for crime victims compared to the amounts ordered;

- Enhancing and improving existing time guidelines and adopting guidelines for case types that do not have them now; and
- Establishing user groups and other approaches to promote practical use of the CPMS in local case management, and to systematically evaluate and report trends and results.

Development of Workload Formulas

For the 2007 Legislative Session, with direction from the National Center for State Courts, the AOC developed and presented to legislative committees workload formulas to measure certain personnel needs. The most solid formulas that resulted were for clerk of superior court offices and district court judges. Substantial work was also devoted by the AOC to formulas for magistrates, and by the Conference of District Attorneys for prosecutorial needs.

Heretofore, the court system has only had *relative* workload formulas. These compared caseload to staff ratios in one district, to those in other districts, to identify districts that seem most in need of additional staff. But these just compared districts to each other. We had no measure of absolute need -- we did not know, for example, how many district court judges are needed for a specific caseload volume. The workload formulas project is designed to provide an objective, absolute measure of personnel needs, that can be adopted in a statutory, formulaic approach to establishing positions as workload grows, as is done for some other units in state government.

The AOC has just contracted with the NCSC for Phase II of the workload formulas project. This will review and as needed tweak the formulas for clerks and district court judges, and produce new formulas for magistrates, prosecutors, judicial support personnel, and program staff (such as for family courts). The project will likely include time studies administered by the NCSC, within which court personnel will report the time they devote to various case types and other duties, and provide solid information by which to measure their workload, and changes in staffing needs as workload changes.

For each court component, this project will also include review with the NCSC into how the workload formulas can be integrated with the data, performance measures, and other features of the integrated funding and measurement system that the 2007 General Assembly directed the AOC to develop.

That system is a very important and ambitious undertaking. Once accomplished, we expect it to place our court system in the forefront nationally, perhaps standing alone, in the integrated use of court workload, budgetary, and performance measurement systems.

It is a project to which we are committed and for which we are enthusiastic. It will help address the court system's need for adequate and timely resources, with improved, demonstrable accountability to the General Assembly, and ultimately it will benefit the citizens we all serve.

As always, please feel free to contact me at any time if you have any questions.

Respectfully yours,

Judge Ralph Walker

Cc: Honorable Sarah Parker, Chief Justice