

NATIONAL CONFERENCE OF BANKRUPTCY JUDGES

Second Supplemental Report on Bankruptcy Cost Sharing Efforts November 26, 2012

On May 23, 2012, the NCBJ Cost Containment Task Force submitted a compendium of summaries of cost-saving initiatives from courts around the country. Those summary reports described shared administrative service arrangements currently in force and being contemplated. The Task Force issued an amended and updated report on cost sharing dated July 3, 2012 that contained summaries of how 68 districts already share administrative services. We now issue our second supplemental report that includes updated summaries of how seven districts share administrative services with other court units.

As shown in our first two reports, these sharing arrangements run the gamut of ways that units can cooperate. One bankruptcy court shares a single human resources specialist with the Probation Services in its district while two geographically contiguous districts' bankruptcy courts share a single full-time employee to perform information technology support. Another bankruptcy court partnered with another district in its state to host training programs for bankruptcy courts around the country. Two other courts share automation infrastructure, telecommunications, courtrooms and videoconferencing, and other services with their district courts. One bankruptcy court, Utah, maintains and supports the CHAP court calendaring program which it developed and which is in use in many bankruptcy and district courts and leads CHAP training sessions nation-wide.

With the addition of these 7 courts' updated reports, we have accumulated accounts of how more than 70 of the 90 districts' bankruptcy courts voluntarily and creatively share services with each other, their district courts, and other units. Many involve combining human resources, audit, and training functions while others relate to sharing information technology and other resources, not only with district courts in-district, but also with sister bankruptcy courts in other districts.

These courts' efforts reflect the willingness of an overwhelming majority of the bankruptcy courts to cooperate and share services with other court units while maintaining the separate and independent governance that Congress intended them to have. The diversity of the ways that courts share also shows that "one size doesn't fit all" – and that courts should continue to be encouraged to share services in ways that are cost-efficient, locally designed, and compatible with their cultures.

Respectfully submitted,

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**Summaries of Supplemental/New District Reports
as to Bankruptcy Court Administrative and
Cost Sharing**

1) Southern District of Alabama

The Bankruptcy Court and Probation Services have entered into a Memorandum of Understanding re Administrative Shared Services, as of August 27, 2012, to employ a single Human Resources Specialist to deal with human resources issues.

2) Southern District of Illinois and Eastern District of Missouri

Effective October 1, 2012, the Bankruptcy Courts for the Southern District of Illinois and the Eastern District of Missouri have entered into a Memorandum of Understanding concerning sharing a single full-time employee to perform Information Technology support services. The agreement will achieve cost savings in that an IT position at one of the subject courts will not need to be filled.

3) Northern District of New York

The District and Bankruptcy Courts are committed to working together, both formally and informally, to develop and implement shared services arrangements. Court unit executives meet regularly to discuss these efforts. Collaboration between the court units includes sharing of automation infrastructure; telecommunications costs, upgrades and maintenance; courtrooms and videoconferencing equipment; and a training room. The District Court, Bankruptcy Court and Probation Services also share FAS4T security and vendor maintenance services.

In addition, the Bankruptcy Court provides audit services to the Bankruptcy Court for the Western District of New York and vice versa; has a Memorandum of Understanding with the Bankruptcy Court for Vermont for COOP program services; and supports 150 court units using the ELMO time and attendance program.

4) Eastern District of North Carolina

The Bankruptcy Court has partnered with the Bankruptcy Court for the Middle District of North Carolina to host an ADI training program for representatives from the following bankruptcy courts: TNWB, PAWB, FLNB, NCEB, NCWB, OHNB, and LAWB.

5) Western District of Oklahoma

Court unit executives meet quarterly to discuss and collaborate on issues of mutual interest. The District and Bankruptcy Courts share DCN access through common infrastructure and FAS4T security and vendor maintenance services. The District Court also provides backup automation services for the Bankruptcy Court and shares space with the Bankruptcy Court to conduct video conference hearings. All court units share telephone service; joint training

programs; and joint workout facilities; and provide temporary backup services and telephone/counter coverage for one another. Likewise, all court units collaborate on COOP and OED related topics and procedures.

All Bankruptcy Courts in the state of Oklahoma share audit responsibilities and oversight by conducting annual internal audits for one another.

6) Western District of Pennsylvania

Effective May 4, 2012, the District Court and the Bankruptcy Court entered into a Memorandum of Understanding with respect to sharing administrative services in the following areas: procurement; space and facilities; human resources; education and training; finance and budget; and information technology services.

7) District of Utah

The Bankruptcy Court historically has been a leader in developing programs to cut costs and improve efficiencies in bankruptcy courts throughout the country. Perhaps the best known innovation is the CHAP calendaring program, which was selected by the IT Committee of the Judicial Conference to be the nationally supported court calendaring system for bankruptcy courts. The IT staff of the Utah Bankruptcy Court devised and has continued to work on innovations to the CHAP program. In addition, the Bankruptcy Court has hosted CHAP training for more than 25 bankruptcy courts.

The District Court and Bankruptcy Court share chambers and courtroom space and courtroom deputy services in St. George, Utah at an estimated annual cost savings of \$12,000-\$15,000. In addition, the District Court and Bankruptcy Court share a special projects/HR employee, who deals with human resources issues for both court units.

All court units collaborate on a variety of initiatives, including joint health fair programs; benefits seminars; building safety training; annual training on subjects such as avoiding sexual harassment and diversity training; and EDR. In addition, the respective IT staffs work together to avoid duplication of services. Court units also cooperate in performing annual internal audits for one another. The Bankruptcy Court has performed similar services for the District of New Mexico.