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from THE NATIONAL CENTER FOR STATE COURTS

State courts brace for budget hit

The COVID-19 pandemic forced drastic changes in the way courts operate and function. It also caused many courts to change their budgetary practices. An October 2020 survey of the Conference of State Court Administrators found courts moving to address budget shortfalls while also trying to project how they would fare in the 2021 budgetary cycle.

Fifty-one of 56 jurisdictions completed the survey, providing a robust baseline data set and a comprehensive view of recent actions taken by state court administrative offices. The results highlight the varying impacts of COVID-19 and provide insight into what state court leaders believe the future may hold for their budgets.

Between the onset of the COVID pandemic in March 2020 and the survey in October 2020, most courts instituted a hiring freeze. Beyond that, however, states reported using the same techniques used during the last major financial upheaval – the Great Recession that began in 2008 – with salary freezes, furloughs, and early retirements



listed as common interventions. Table 1 at right shows the various steps taken and the percentage of states that reported using them.

COVID COSTS & FEDERAL REIMBURSEMENT

Eighty percent of states and territories indicated they attempted to track or quantify COVID-related operating costs. Two-thirds of states and territories reported having some COVID-related

costs reimbursed under the CARES Act or other federal funding, with 22 percent reporting full reimbursement.

FORECASTING STATE BUDGET CHANGES

State court administrators were asked to approximate the anticipated percentage increase or decrease in their judicial budgets for their legislature's next budget session. Respondents were asked to provide a best guess, using a scale that permitted a "worst case" of -15 percent to a "best case" of +15 percent. Following is a quick snapshot that clusters responses into categories. It is

worth noting that this section of the survey revealed a very wide range of opinions and forecasts and a high degree of uncertainty.

- 45 percent of states and territories are anticipating possible cuts. These include states in which the best-case scenario includes cuts (nine states and territories), somewhere between

a cut and no budget change at all (seven), or a range between a small cut and small increases (seven).

- 33 percent of states and territories indicate they are anticipating no change in their budget OR failed to respond to the question. Several elaborated that their failure to

respond or their anticipation of no change in the budget is a reflection of the uncertainty given current fiscal conditions.

- 22 percent of states and territories are anticipating either no change in their budget or possible increases.

Table 2 below summarizes respondents' opinions about how likely they will be to engage in a range of cost-cutting options over the next 12 months (October 2020–October 2021). Hiring and salary freezes were the actions considered most likely by the greatest number of respondents; short-term closing of court facilities, reduced hours of operation, and closing facilities entirely were the actions considered least likely.

For more information about the survey and its results, contact William Raftery (wraftery@ncsc.org). For more information on how courts are addressing the budgetary impact of COVID, see the NCSC Budget Resource Center at <https://www.ncsc.org/brc>.

– **William Raftery** is a senior knowledge and information services analyst with the National Center for States Courts.

Table 1: Cost Reduction Measures (March-October 2020)

MEASURE	PERCENTAGE OF STATE COURTS TAKING THIS ACTION
Hiring freeze	61%
Salary freeze	27%
Furloughs	16%
Early retirements	14%
Layoffs	8%
Reduced hours of court operations	8%
Pay cuts	6%
Closed or consolidated facilities	6%
Court closures for financial reasons (NOT due to health/COVID concerns)	4%
Other*	29%

*Including: elimination or delayed filling of vacant positions; delayed capital expenditures; and travel and training restrictions (either due to financial needs or COVID/health-related constraints).

Table 2. Anticipated Cost-Cutting Actions in FY Oct. 2020-Oct. 2021

	HIRING FREEZE	SALARY FREEZE	PAY CUTS	FURLOUGHS	LAYOFFS	EARLY RETIREMENTS	COURT CLOSURES FOR FINANCIAL REASONS (NOT DUE TO HEALTH/ COVID CONCERNS)	REDUCED HOURS OF COURT OPERATIONS	CLOSED OR CONSOLIDATED FACILITIES
Very likely	35%	27%	0%	6%	0%	0%	0%	2%	2%
Moderately likely	20%	18%	6%	14%	8%	12%	2%	6%	8%
Neither likely nor unlikely	18%	25%	29%	31%	31%	35%	25%	27%	14%
Moderately unlikely	14%	14%	22%	18%	22%	14%	12%	20%	22%
Very unlikely	8%	8%	31%	20%	27%	27%	49%	33%	39%
No Response	6%	8%	12%	12%	12%	12%	12%	12%	16%

Tables based on data gathered by NCSC budget survey in October 2020.