

Cost Per Case

Measure

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Definition: The average cost of processing a single case, by case type.

Purpose: Monitoring cost per case, from year to year, provides a practical means to evaluate existing case processing practices and to improve court operations. Cost per case forges a direct connection between how much is spent and what is accomplished. This measure can be used to assess return on investment in new technologies, reengineering of business practices, staff training, or the adoption of “best practices.” It also helps determine where court operations may be slack, including inefficient procedures or underutilized staff.

Method: A primary responsibility of courts is efficient processing of cases. Efficiency within the context of case resolution means to use resources in their most productive fashion to produce the most of what a court system values. Gauging efficiency, then, requires careful examination of how courts can best use their personnel, procedures, and technology to achieve desired outcomes such as access, fairness, and timeliness.

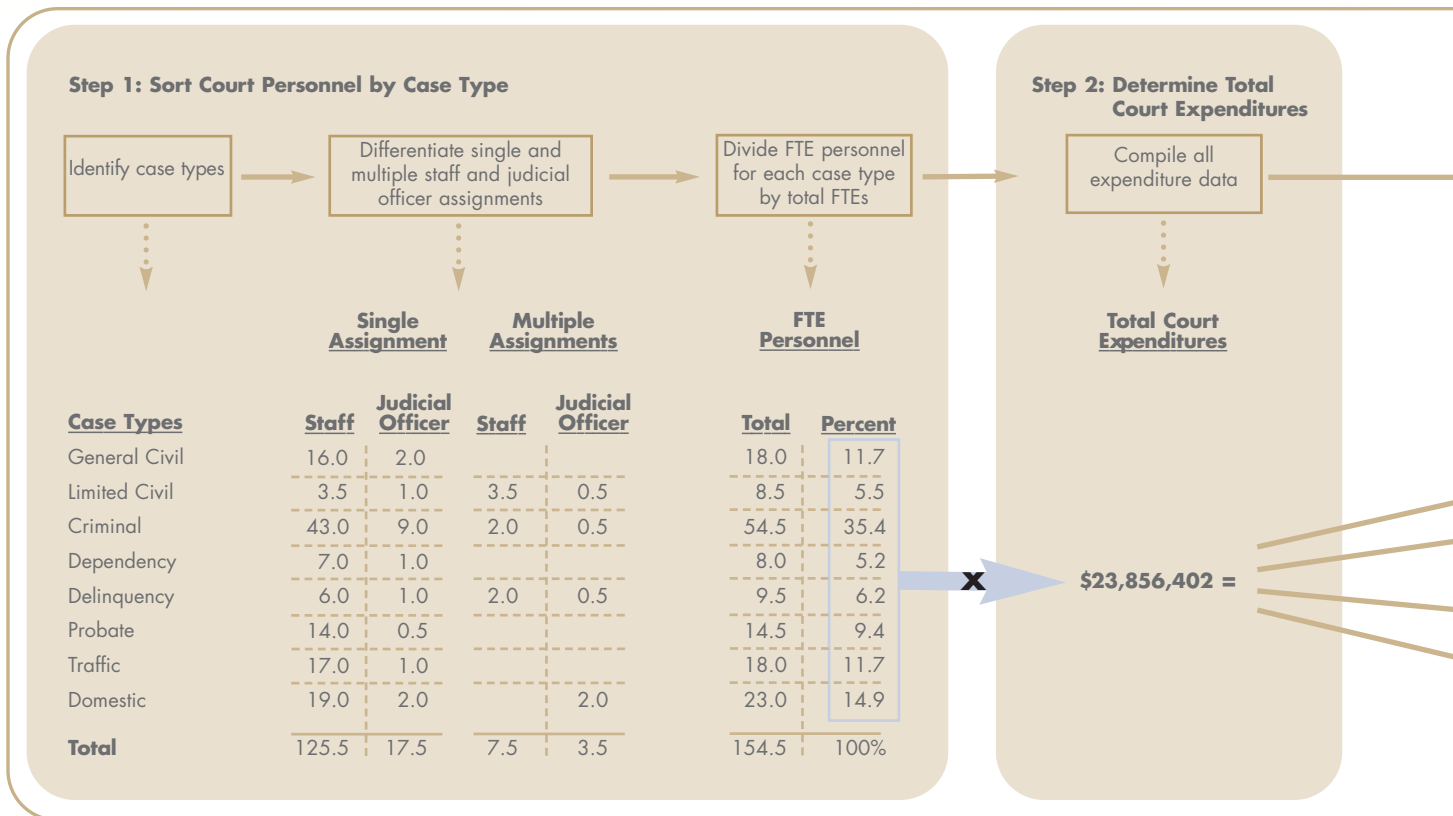
This measure provides important insight into the management of a court's limited resources. Cost per case requires the following data for a given time period (e.g., a year):

- total court expenditures
- case dispositions (or filings) by major case type
- a complete inventory of all judicial officers and court staff

The court's allocation of personnel across case types is used to distribute the court's total expenses across case types. This method is used because the vast majority of court expenditures are personnel related, and courts generally allocate their judicial and staff resources rationally to accommodate their workload. Total costs by case type are then divided by the total number of cases in each relevant case type to obtain the cost of a single case.

The primary use of this measure is within a court, over time. The utility of cost per case increases when it can be linked directly to other elements of court performance (i.e., other CourTools measures) as it provides an important perspective for interpreting the relationship between cost and outcomes. Once a court determines how it is currently performing in different case type areas, court managers can make more informed decisions regarding the level of resources to devote to each case type.





Step 1: Sort Court Personnel by Case Type

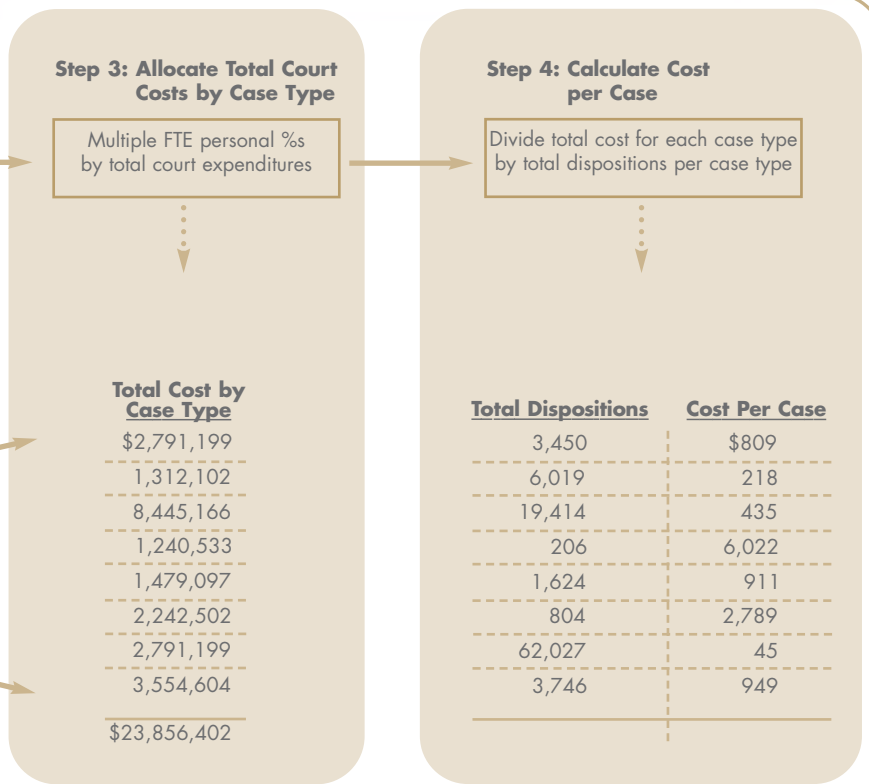
First, identify the primary case types handled by the court. The example above uses 8 major case types, but the actual number and type will vary based on court jurisdiction. The goal is a manageable number of distinct, important case types that cover the gamut of judicial work.

Using information about work assignments and job responsibilities, classify all full-time and part-time judicial officers and staff by the selected case types. Compute the percentage of total full-time equivalent (FTE) judicial officers and court staff for each of the major case types. This distribution of personnel by case type will be used to allocate costs in subsequent steps.

A classification scheme similar to the one below works well:

1. Single assignment. Judicial officers and staff with formal case-type-specific assignments (e.g., juvenile court judges or traffic court staff) are classified and counted by case type.
2. Multiple assignments. When judicial officers and staff work across several case types on a regular basis, the court will need to estimate (using FTE) the proportion of each staff and judicial officer's time devoted to the different case types (e.g., courtroom support staff with responsibility for criminal and delinquency cases). This category also includes regular court staff working in areas such as jury management or court interpretation. For example, if jury trials are limited to specific case types (e.g., criminal and civil), jury management staff will be proportionately allocated to those specific case types. Likewise, court interpreter staff might also be assigned to specific case types. While precise FTE estimates by case type are encouraged, approximations are sufficient, say within 5% to 10% of the actual.

3. Overhead assignments. This category of staff supports the common objectives of the court and therefore cannot be identified readily and specifically with case-related work (e.g., human resources, information technology, fiscal). These staff members do not need to be individually allocated by case type: all non-case-type-specific costs will be applied proportionately across all case types in Step 3 below. For example, the steps above show 9.4% of the case-type-specific judicial officers and staff work in probate cases; thus, 9.4% of the total court expenditures will be allocated to the probate case type.



Determine FTE by Case Type

Sum the total number of court employees attributed to each case type across the two assignment categories. In this example, 16 staff and 2 judicial officers have specific case type responsibilities for General Civil cases. In Domestic, the court employs several part-time judicial officers, whose combined time equals 2 FTE judicial officers. The court also has staff who split their time between Criminal and Delinquency. Once total court personnel are allocated, the percentage of personnel can be calculated for each case type.

The effort to allocate personnel by case-type-specific assignments will be simplified if the court has developed case-specific workload standards; measured workload can be easily translated into judicial officers and staff need by case type. Regardless of the way Step 1 is calculated, its methods and decision-making rules should be documented for future reference and refinement.

Step 2: Determine Total Court Expenditures

Expenditures are used (rather than budget) as they document how funds were actually spent. A complete list of court expenditures will include categories such as:

- salaries and benefits (e.g., for staff and judicial officers)
- goods and services to run the courthouse (e.g., supplies and equipment)
- facility expenses (e.g., rent, maintenance, insurance)

No matter how the court classifies its expenses, for the purposes of this measure all the court's expenditures should be included. For example, personnel and expenditures related to administrative overhead, such as staff in the executive office, should be included as well as building rent and other fixed costs associated with keeping the courthouse doors open. In the most basic approach, the goal of this step is to produce an estimate of total expenditures, which can be allocated across the case types.

Although assembling all expenditure data can be labor intensive at first, once the initial classification scheme is defined and completed, systems can be set in place to capture the necessary information on a routine basis.



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Step 3: Allocate Total Court Costs by Case Type

Using the results of Step 1 and Step 2, compute the percentage of total expenditures for each of the major case types by applying the percentage of court personnel by case type to the total court expenditures.

This distribution relied on an important simplifying assumption that all overhead (i.e., non-case-type-specific) costs are applied proportionately across all case types. To the extent that a court can accurately attribute certain expenditures, e.g., nonpersonnel jury costs, to specific case types, the measure will be more precise. For example, the payment of juror fees can be applied to those case types making use of jury trials (e.g., civil and criminal). If total juror fees and payments are \$400,000 and 75 percent of jurors are summoned for trials in criminal cases, then allocate 75% of the \$400,000, or \$300,000, to the criminal case type.

As another example, if court interpreter services are handled by contract rather than regular court staff, these contract costs can be allocated to specific case types in proportion to the use of interpreters. As with the cost of jury management, interpreter services are generally provided in only a limited number of case types. Any information that is available to determine the proportions of costs that are incurred across, say, criminal and juvenile cases, should be used to apportion these costs to the appropriate case type. Once again, precision is not critical; rough accuracy is sufficient.

An additional step is required when select overhead costs, such as juror fees or interpreter contracts, can be apportioned to specific case types. These costs would be removed from the total expenditure amount prior to allocating the total expenditures across case types in Step 3, then added back in to the relevant case types for which the court provides interpreter services prior to Step 4.

Clearly, what is and is not included in total costs will have a major impact on measured cost per case. For example, jurisdictions that include probation services as part of the court budget will appear to have higher costs per case than jurisdictions that do not. The point here is to be consistent, and to avoid comparisons with courts whose expenditures and staff allocation are not based on the same decision rules or case types.

Step 4: Calculate Cost per Case

Cost per case is derived by taking aggregate costs by case type and dividing this figure by the total number of cases disposed in the year. If the reliability of disposition data is suspect, filings data may be used.

Analysis and Interpretation

The cost per case measure can be a powerful stimulus and a practical tool for court improvements. It can measure current cost levels (baselines), show important trends over time, pinpoint problems, and support court improvements.

To compare costs over time, it makes sense to control for inflation by using an established economic index (e.g., Consumer Price Index). Once cost per case has been calculated at two different points in time, one of the calculations can be adjusted to account for changes in the cost of living. This step enhances comparison by focusing on how the “real cost” of court services is changing over time.

$$\begin{array}{ccc}
 \text{Consumer Price Index, 2004} & & \text{Cost in 1999} \\
 \downarrow & & \downarrow \\
 \text{188.9/166.6 = 1.134} \times \$704 = \$798 & & \\
 \uparrow & & \uparrow \\
 \text{Consumer Price Index 1999} & & \text{Cost in 2004 Dollars}
 \end{array}$$

The formula above shows how the Consumer Price Index (CPI) can be used to adjust and express a 1999 cost in 2004 dollars. For example, a General Civil cost per case of \$704 in 1999 adjusted for inflation is equivalent to \$798 in 2004.

CPI-adjusted dollars take inflation into account...

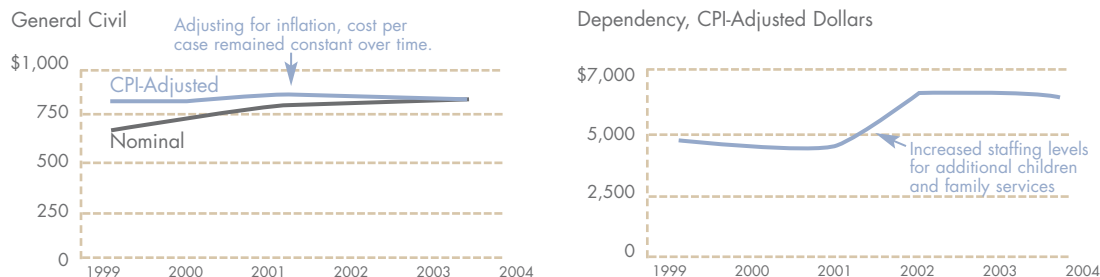
Case Types	1999 Cost per Case		
	Nominal Cost 1999 Dollars	CPI-Adjusted 2004 Dollars	2004 Cost Per Case
General Civil	\$704	\$798	\$809
Limited Civil	\$198	\$225	\$218
Criminal	\$428	\$485	\$435
Dependency	\$4,069	\$4,614	\$911
Delinquency	\$796	\$903	\$2,789
Probate	\$2,418	\$2,742	\$2,789
Traffic	\$55	\$62	\$45
Domestic	\$848	\$962	\$949

The table above compares CPI-adjusted changes in cost per case from 1999 to 2004, with all costs expressed in 2004 dollars. Note that without adjusting for inflation, the court might wrongly conclude that costs per case rose in all case types except Traffic. However, in adjusted dollars, cost per case changed very little or even declined slightly in General Civil, Limited Civil, Criminal, Delinquency, Domestic, and Probate.

This is the point at which the quantitative data compiled in Measure 10 can be combined with the other information known to the court to begin interpreting the meaning of these numbers. For example, the cost in traffic may have dropped due to fewer in-court appearances because the court shifted customers to Web-based scheduling and payments. Work processes were reengineered in the criminal division, with the result that some staff were transferred to the dependency division to support a new initiative to provide more extensive services to abused and neglected children and their families. Measuring cost per case provides some evidence of the financial consequences of these changes.



Tracking changes in CPI-adjusted costs over time . . .



Cost analyses are critically important for deciding how to allocate funds within the court and for understanding the link between costs and outcomes. The figure above left illustrates that the cost in General Civil cases, when adjusted for inflation, has remained almost constant over time. The figure on the right shows that as the court shifted more resources to Dependency cases, cost per case rose significantly, even when adjusting for inflation. It would be good to know if the higher cost per case is associated with more effective services, such as expanded court oversight, improved information, tighter timelines, and enhanced child health and safety. A higher cost per case need not mean the court is inefficient; in fact, it may indicate that the court is now providing higher quality service than it did before. Understanding the relationship between dollars spent and outcomes achieved is key. If a strategy is dubbed "cost-effective," it does not mean that the new strategy saves money; rather, it means that the strategy is a good value.

Knowledge of the court's cost structure allows a manager to allocate scarce resources more effectively to where they are most needed—and to justify those decisions to funding bodies. Measuring cost per case builds the court's capacity to measure effectiveness and cost-effectiveness of court operations.

Terms You Need to Know

Consumer Price Index (CPI): Measures the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

CPI-Adjusted Cost: The cost of goods and services expressed in inflation-adjusted dollars, also known as real cost.

Full-Time Equivalent (FTE): A measure of a job associated with a full-time position, used for budgeting or personnel management purposes.

Judicial Officer: A judge, commissioner, referee, magistrate, or hearing officer.

Nominal Cost: The cost of goods and services expressed in current (actual) prices.

