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FEDERAL JUDICIARY
SPACE

Long-Range Planning Process
Needs Revision

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FEDERAL JUDICIARY SPACE:
LONG-RANGE PLANNING PROCESS NEEDS REVISION

SUMMARY OF STATEMENT BY
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ISSUES

GAO's recently released report, Federal Judiciary Space: Long-Range Planning Process Needs Revision (GAO/GGD-93-132, Sept. 28, 1993), shows that the judiciary's process for projecting long-range space needs should be revised to produce results that are more accurate for Congress to use to authorize and fund judiciary projects. GAO identified three key problems that impaired the accuracy of the judiciary's projections of space needs: (1) all judicial districts were not treated consistently, (2) existing space plus unmet needs for authorized staff was accepted as a baseline without questioning whether it was appropriate in light of a district's current caseload, and (3) projection methods were not statistically acceptable and involved a high level of subjectivity.

The judiciary was one of the first government organizations to develop a planning process for anticipating long-range space needs. The basic assumption of the planning process was that caseloads should determine staff needs, which in effect should define space needs. GSA uses the 10-year space projections provided by the judiciary as the basis for requests to Congress for new construction and expansion of court space in existing facilities.

To assess the overall reliability of the judiciary's process, GAO developed 10-year projections of space needs for the judiciary's 94 districts using a standard acceptable statistical method. This analysis showed that the judiciary's projections of caseloads were higher in 76 districts and lower in the remaining 18 districts. Overall, the judiciary's projections were 16 percent higher than GAO's estimates. Using a GAO estimate of \$31 per square foot, which represented the judiciary's average cost of all court space for the period 1988 to 1992, the judiciary's projections represented an overestimate of approximately \$112 million annually or \$1.1 billion over a 10-year period.

GAO recognizes that it is difficult to project future space needs with precision. Space estimates are particularly challenging for the judiciary because there are numerous factors that cause changes in the workload, and therefore, space needs, which are beyond its control. However, with revisions to the process, the judiciary could obtain more reliable estimates of future space needs and thus provide a better basis for decisionmaking.

Mr. Chairman and Members of the Subcommittee:

We welcome this opportunity to discuss our recently released report that focuses on the judiciary's process for projecting its future space needs.¹ The report was prepared in response to the request of James M. Inhofe, ranking Minority Member of the Investigations and Oversight Subcommittee, Committee on Public Works and Transportation, who asked us to evaluate the reasonableness of the judiciary's process in projecting long-range space needs.

In 1988, to anticipate future space requirements, the Judicial Conference of the United States, the policymaking body of the judiciary, directed each of the 94 district courts to develop a long-range plan for its space needs. It also directed the Administrative Office of the U.S. Courts, the administrative body of the judiciary, to provide the districts with the necessary planning guidance. By establishing a long-range planning process, the judiciary became one of the first government organizations to develop a mechanism for anticipating space needs.

GSA uses the 10-year space projections provided by the judiciary as the basis for requests to Congress for new construction and expansion of court space in existing facilities.

¹Federal Judiciary Space: Long-Range Planning Process Needs Revision (GAO/GGD-93-132, Sept. 28, 1993).

To evaluate the judiciary's process and to determine whether the results produced were reasonable indicators of future space needs, we (1) determined whether the methods used by the judiciary were applied consistently from district to district, (2) assessed the baselines (current space needs) to which the judiciary added future space projections, and (3) evaluated the judiciary's approach to projecting long-term space needs. The basic assumption of the planning process was that caseloads should determine staff needs, which in effect should define space needs. In order to determine the estimated total impact of the judiciary's planning process, we projected the judiciary's findings for the completed districts to all 94 districts. Our projection indicated that for all 94 districts the total space requirements for courts and related agencies would increase to about 36.9 million square feet over a 10-year period, a 97-percent increase.

Our report shows that there were problems in each of the three areas we examined. The judiciary's process should be revised to produce results that would serve as a better basis for Congress to authorize and fund construction and renovation projects. I would like now to discuss our findings in each area.

DISTRICTS HAVE RECEIVED INCONSISTENT TREATMENT

The judiciary's method for projecting space needs has treated districts inconsistently. The process began in 1989 and as of September 1, 1992, the judiciary had projected space needs for 60

of the 94 districts. All districts are not scheduled for completion until 1994. Since the process began, the judiciary has made a number of changes in the way space is allocated but has not routinely revised the completed plans to reflect the changes. Consequently, those districts whose plans were completed early received lower space allocations than those that were completed later. We understand that the judiciary has begun now to update the completed plans to eliminate these inconsistencies.

Also, the period used to project caseloads was not the same for all districts. The judiciary used 40 years of historic data to project future caseloads. Depending on when it estimated a district's space needs, a different 40-year period was chosen. For example, some early districts' projections were based upon historic data for 1949 through 1989, others from 1952 through 1992. The increase in the number of bankruptcy filings that occurred during 1990 and 1991 was not reflected in the first set of projections, thereby comparatively underestimating the space needs for bankruptcy courts. This problem should be mitigated, however, when the judiciary reduces its planning cycle from 5 years to 2 years, as we understand it will do beginning next year.

Finally, when the judiciary developed the ratio of personnel-to-caseload in order to determine future staffing needs, it gave equal weight to all cases. These ratios ignored differences among districts' caseloads, such as case complexity and length of

trials that could directly affect space needs.

JUDICIARY BASELINES HAVE NOT REFLECTED CURRENT NEEDS

The judiciary used the districts' current amount of space plus any unmet space needs for its authorized staffing levels to calculate the baseline to which future needs would be added. Consequently, when a district occupied more space or had more staff authorized than its caseload warranted, projections of future space needs were overstated.

To calculate the effect of this practice on projections, we tested two alternative methods for determining baselines. The first alternative used the amount of space that would be indicated by the districts' current caseloads; the second alternative used the amount of space indicated by the authorized staffing levels. Both of these alternatives assumed that additional space was not added until the caseload increased to the level that more staff was needed. Both alternatives indicated that the baselines for about one-third of the districts were understated, while for the remaining two-thirds the baselines were overstated.

PROJECTION METHODS HAVE NOT PRODUCED RELIABLE RESULTS

The long-range planning process used by the judiciary has not produced reliable estimates of future space needs. First, the methodology used to make initial caseload projections was

statistically flawed. The judiciary averaged the results of different regression analyses to develop its projections of future caseload. As a consequence, the accuracy of these projections could not be measured statistically.

In addition, the high level of subjectivity in the process made it likely that if the process were repeated for the same district the final estimate would be different. Subjectivity occurred at two points in the process. First, when initial caseload estimates were made, if the estimate seemed too low, it was arbitrarily increased. Second, because the local representatives did not have available caseload projections when they provided their input, the final estimates of needs were based primarily on their subjective experiences.

To assess the overall accuracy of the judiciary's process, we developed 10-year projections of space needs for the judiciary using a standard acceptable statistical method. Our analysis indicated that the judiciary's 10-year projections of court space needs were higher than our estimates in 76 districts by about 5 million square feet and were lower in 18 districts by 1.4 million square feet. Overall, the judiciary's estimates were about 16 percent higher than our estimates. Using our estimate of \$31 per square foot, which reflected the judiciary's average cost for all court space for the period 1988 to 1992, the judiciary's projections could represent an overestimate of about \$112 million per year or \$1.1 billion for the 10-year planning period.

In summary, the judiciary's long-range process has problems that impair the accuracy of its estimates. We recognize that it is difficult to project future space needs with precision. However, the judiciary could obtain more reliable estimates of future space needs by modifying its process to (1) treat all districts consistently, (2) use baselines that reflect current caseloads, and (3) use a statistically acceptable method to project future caseloads. As a result, Congress could then have a better basis for its decisionmaking.

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Mr. Chairman, this concludes my prepared statement. My colleagues and I will be pleased to answer any questions.

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