



NEWS RELEASE

Administrative Office of the U.S. Courts

November 2, 1999

Contact: Karen Redmond

Strained Bankruptcy Courts Need Additional Bankruptcy Judgeships

Noting that bankruptcy case filings have jumped more than 40 percent in the last seven years, a federal judge today asked a joint House-Senate committee to create 24 new bankruptcy judgeships to address the caseload growth. Congress last created bankruptcy judgeship positions in 1992, when 977,478 cases were filed nationwide. In the 12-month period ending September 30, 1999, nearly 1.5 million bankruptcy cases were filed.

Chief Judge Michael Melloy of the Northern District of Iowa, and chair of the Judicial Conference Committee on the Administration of the Bankruptcy System, appeared at the hearing in support of the Conference's 1999 recommendation for the authorization of 24 additional bankruptcy judgeships. "The need for 24 additional judgeships is more critical than ever to ensure that the bankruptcy courts have sufficient judicial resources to effectively and efficiently adjudicate the rights and responsibilities of parties in bankruptcy cases and proceedings," Judge Melloy told the subcommittees. The House Judiciary Subcommittee on Commercial and Administrative Law and the Senate Judiciary Subcommittee on Administrative Oversight and the Courts heard testimony on S. 1830, a bill introduced late last month by Senator Paul Coverdell (R-GA) that would provide for additional bankruptcy judgeships.

Congress has authorized no new bankruptcy judgeships since 1992 when 35 new judgeships were approved. Since that time, bankruptcy case filings have increased more than 40 percent.

"The Conference believes," Judge Melloy said, "that the addition of 13 permanent and 11 temporary bankruptcy judgeships are justified by the extremely heavy case-weighted filings per judgeship in the districts involved." A list of the 24 requested bankruptcy judgeships is attached.

Six of the requested bankruptcy judgeships have been added since the 1996 judgeship survey and the Judicial Conference's last judgeship request in 1997. Although those courts had relied on judicial management techniques to administer their heavy caseloads, the burden now has become so critical such techniques are no longer effective and additional judgeships are necessary.

Judge Melloy told the subcommittees that the Bankruptcy Committee biennially conducts national judgeship surveys. In assessing a court's request for additional bankruptcy judgeships, the Committee considers the weighted caseload of the bankruptcy court. Generally, it is expected that, in addi-

(MORE)

tion to other judicial duties, a bankruptcy court should have a caseload of 1,500 annual case-weighted filings per judgeship to justify additional judicial resources. Other factors considered are the nature and mix of the court's caseload; historical caseload data and filing trends; geographic, economic and demographic factors in the district; the effectiveness of case management efforts by the court; and the availability of alternative solutions and resources for handling the court's workload.

"The Bankruptcy Committee noted that, in addition to other justifying factors," Judge Melloy told the subcommittees, "the weighted filings per judge in each of the districts requesting additional bankruptcy judgeship positions were above the 1,500 annual weighted case-related filings per judges. . . . The Committee also noted that each of the requesting districts had experienced a sustained period of heavy per judgeship weighted case filings, straining the abilities of its judges to effectively administer its caseload."

"Although the Judiciary has developed creative and innovative techniques to fully utilize its existing judicial resources and manage increasing caseloads," said Judge Melloy, "the bankruptcy courts can no longer operate as effectively as the American public deserves because of the heavy weighted per judge caseloads. Our judicial resources are strained, and the cost to society of an overburdened bankruptcy system is enormous."

###

Recommended Additional Bankruptcy Judgeships

<u>District</u>	<u>Recommendation</u>
Puerto Rico	1 temporary and convert the existing temporary position to permanent*
New York (N)	1 temporary
New York (E)	1 temporary
New York (S)	1 temporary
Delaware	1 permanent and convert the existing temporary position to permanent
New Jersey	1 permanent
Pennsylvania (E)	1 temporary
Pennsylvania (M)	1 temporary
Maryland	3 permanent
North Carolina (E)	1 temporary
Virginia (E)	1 permanent
Mississippi (S)	1 temporary**
Michigan (E)	1 permanent
Tennessee (W)	1 permanent
California (E)	1 temporary
California (C)	3 permanent, 1 temporary
Georgia (M)	Convert the judgeship shared with Georgia (S) to a full-time position for Georgia (M)
Georgia (S)	1 permanent, and convert the judgeship shared with Georgia (M) to a full-time position for Georgia (M)
Florida (S)	1 permanent, 1 temporary

TOTAL: 24 bankruptcy judgeships and convert the existing temporary judgeships in Puerto Rico, Alabama (N) and Delaware to permanent

* At its September 1997 meeting, the Judicial Conference approved transmission of proposed legislation to make permanent the existing temporary judgeship in Puerto Rico

** This position would help in Mississippi (N)