



Judicial Council of California

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REPORT TO THE JUDICIAL COUNCIL

Item No.: 24-031

For business meeting on July 12, 2024

Title

Judicial Branch Budget: 2025–26 Budget Change Proposals for Supreme Court, Courts of Appeal, Superior Courts, Habeas Corpus Resource Center, Judicial Branch Facilities Program, and Judicial Council

Rules, Forms, Standards, or Statutes Affected

None

Recommended by

Judicial Branch Budget Committee
Hon. Ann C. Moorman, Chair

Agenda Item Type

Action Required

Effective Date

July 12, 2024

Date of Report

June 18, 2024

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Executive Summary

To balance responsible investment in core programs and services provided by the judicial branch in the context of the state’s multiyear projected deficit, the Judicial Branch Budget Committee recommends submitting eight budget change proposals to the Department of Finance for consideration in the fiscal year 2025–26 Governor’s Budget.

Recommendation

The Judicial Branch Budget Committee recommends that the Judicial Council, effective July 12, 2024, approve the following fiscal year 2025–26 budget change proposals (not in priority order) for submission to the Department of Finance in September 2024:

1. Inflationary Adjustment for Trial Courts (Consumer Price Index)—\$64.5 million General Fund;
2. Trial Court Equity Funding to Statewide Average—\$43.4 million General Fund;
3. San Diego Hall of Justice Facility Modification—\$9.5 million General Fund;

4. Facilities Program Support—\$6.4 million General Fund;
5. Trial Court Physical Security Assessment and Evaluation—\$2.7 million General Fund;
6. Capital Outlay Funding, fiscal years 2025–26 through 2029–30—\$2.4 billion General Fund and Public Buildings Construction Fund;
7. Supreme Court and Courts of Appeal Court-Appointed Counsel Programs—\$25 million General Fund; and
8. Litigation Management Program—\$3 million General Fund.

Relevant Previous Council Action

Under California Rules of Court, rule 10.101(b)(3), the Judicial Council must develop the budget of the judicial branch based on established priorities of the branch and the needs of the courts. As part of the state’s annual budget development process, the council submits budget change proposals (BCPs) on behalf of the Supreme Court, Courts of Appeal, superior courts, Habeas Corpus Resource Center, Judicial Branch Facilities Program, and Judicial Council to the California Department of Finance. The recommendations in this report are consistent with the council’s past practice under this authority.

In July 2016, the Judicial Council established the Judicial Branch Budget Committee (Budget Committee) to assist the council in exercising its duties under rule 10.101 with respect to the judicial branch budget. The council assigned the committee the responsibility of reviewing and recommending BCPs for the judicial branch and ensuring that they are submitted to the council in a timely manner.

Analysis/Rationale

This recommendation is consistent with the purpose of the Budget Committee to assist the Judicial Council in exercising its duties under rule 10.101 with respect to the judicial branch budget.

Following are descriptions of each request listed above:

- ***Inflationary Adjustment for Trial Courts (Consumer Price Index)***: Proposes \$64.5 million General Fund ongoing beginning in fiscal year (FY) 2025–26 to address general inflationary cost increases for trial courts based on the Consumer Price Index (CPI) published by the Department of Finance. The FY 2025–26 CPI is currently estimated at 2.5 percent. The cost adjustment will be allocated according to the methodology established by the Judicial Council to benefit all 58 trial courts.
- ***Trial Court Equity Funding to Statewide Average***: Proposes \$43.4 million General Fund ongoing beginning in FY 2025–26 for trial courts below the statewide average of 92.9

percent of their Workload Formula need to bring them up to the statewide average. This will increase funding stability for the courts and support equal access to justice for court users.

- ***San Diego Hall of Justice Facility Modification:*** Proposes \$9.5 million one-time General Fund to supplement previously approved funding for the state’s contribution and commitment to support facility modification repairs at the San Diego Hall of Justice to ensure the longevity of this state asset, while supporting safety and access to justice for users of this facility.
- ***Facilities Program Support:*** Proposes \$6.4 million (\$6.2 million ongoing General Fund and \$250,000 one-time General Fund) to support court facilities planning studies for facility modifications and capital projects, conversion of outdated building information modeling, implementation of a web-based project management tool, and space planning for new judgeships.
- ***Trial Court Physical Security Assessment and Evaluation:*** Proposes \$2.7 million (\$2.0 million one-time General Fund and \$713,000 ongoing General Fund) to support in-depth assessments, evaluations, and identification of physical security deficiencies in trial court facilities across the state, with a focus on building security enhancements.
- ***Capital Outlay Funding, FY 2025–26 through FY 2029–30:*** Proposes \$2.4 billion (\$174.4 million one-time General Fund and \$2.2 billion one-time Public Buildings Construction Fund) for 10 capital outlay projects. A total of \$6.5 billion is proposed over five years of initial and/or continuing phases for 21 capital projects. This request is based on projects in the Judicial Council’s latest plan for capital outlay and will be updated once the *Judicial Branch Five-Year Infrastructure Plan for Fiscal Year 2025–26* has been approved by the Judicial Council.
- ***Supreme Court and Courts of Appeal Court-Appointed Counsel Programs:*** Proposes \$25 million General Fund ongoing beginning in FY 2025–26 to support California’s requirement to provide indigent defendants’ counsel in the Courts of Appeal and Supreme Court. This includes \$17.5 million to support an hourly rate increase of \$40 per hour for non-capital appeal appointments and capital appeals cases and \$7.5 million to fund a 30 percent increase in the appellate projects’ annual contracts and the annual Capital Court Appointed Counsel Project Office contract.
- ***Litigation Management Program:*** Proposes \$3 million General Fund to address rising costs for the Judicial Council Litigation Management Program. The program manages litigation and provides for the defense and indemnification of all judicial branch entities, bench officers, and employees. Litigation costs have steadily increased and the current funding level is insufficient to meet the statutory obligation to defend and indemnify the judicial branch for litigation.

The Budget Committee opted not to prioritize the BCPs because the committee pared down the list to the highest-priority requests given the state’s fiscal condition. This strategy provides

greater flexibility to the Chief Justice and the Administrative Director in their budget advocacy efforts to support core programs and services provided by the judicial branch.

Policy implications

An essential part of the BCP process involves identification of funding needs within the judicial branch. Consistent with that process, the following advisory bodies and other entities submitted proposals to the Budget Committee: the Supreme Court, Administrative Presiding Justices Advisory Committee, Court Facilities Advisory Committee, Court Security Advisory Committee, Habeas Corpus Resource Center, Litigation Management Committee, Trial Court Budget Advisory Committee, Trial Court Facility Modification Advisory Committee, and Tribal Court–State Court Forum.

During the FY 2025–26 BCP review process, other funding needs within the judicial branch were identified but not recommended for submission given the state’s projected budget deficit. As these proposals have merit, the Budget Committee deferred consideration of them to a future budget cycle.

Comments

This proposal was not circulated for public comment. However, this recommendation was considered at meetings that were open to the public and public comment was received and circulated to the members for their consideration.

Alternatives considered

The Budget Committee was presented with a list of 23 budget change concepts, which represented funding requests from various judicial branch advisory committees and other requesting entities. The Budget Committee had the option to recommend any number of these requests—in any priority order—to develop into BCPs for submission based on the priorities of the judicial branch.

The recommended list of eight BCPs represents the action of the Budget Committee following a review of the proposals and information from Judicial Council staff, including updated FY 2024–25 budget information and the estimated General Fund budget deficit. This list represents a budget package that acknowledges competing priorities for limited state resources while balancing the judicial branch’s primary goal to increase equal access to justice for all Californians.

Fiscal and Operational Impacts

The operational and fiscal impacts of approving the BCPs for submission to the Department of Finance for consideration in the FY 2025–26 Governor’s Budget are minimal.

Attachments and Links

None.