



## JUDICIAL COUNCIL OF CALIFORNIA

455 Golden Gate Avenue · San Francisco, California 94102-3688

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# REPORT TO THE JUDICIAL COUNCIL

For business meeting on: May 18–19, 2017

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Title	Agenda Item Type
Court Facilities: Court Facilities Trust Fund– Reducing Operations and Maintenance Costs, and Utility Costs in Courthouses	Action Required
Rules, Forms, Standards, or Statutes Affected	Effective Date
None	May 18, 2017
Recommended by	Date of Report
Trial Court Facility Modification Advisory Committee	May 11, 2017
Hon. Donald Cole Byrd, Chair	Contact
Hon. William F. Highberger, Vice-chair	Mike Courtney, 916-263-2981 <a href="mailto:mike.courtney@jud.ca.gov">mike.courtney@jud.ca.gov</a> Laura Sainz, 916-263-7992 <a href="mailto:laura.sainz@jud.ca.gov">laura.sainz@jud.ca.gov</a>

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### Executive Summary

The Court Facilities Trust Fund (CFTF) supports two significant trial court expenses including (1) operations and maintenance, and (2) utility expenses. Due to a revenue shortfall, the CFTF is projected to have a funding deficit in fiscal year (FY) 2017–2018 of \$10.3 million. The current action plan to address the CFTF’s funding shortfall is to focus on saving 10 percent of costs for both operations and maintenance and utilities in trial court facilities statewide. In order to affect the FY 2017–2018 shortfall, funding cuts need to be identified quickly. The operations and maintenance cuts are currently being negotiated with onsite service providers, delegated trial courts, and counties. Utility expenses are being addressed in two ways including (1) energy-efficiency projects, and (2) behavioral changes. To address the changes required to quickly impact utility costs, the Trial Court Facility Modification Advisory Committee (TCFMAC) recommends that Judicial Council staff work with the trial courts to implement a series of conservation and energy-efficiency strategies for facilities lighting; heating, ventilation, and air conditioning (HVAC); and plug load. The TCFMAC advocates for quick action on energy conservation and efficiency in order to protect CFTF funds that are critical to the ongoing operations and maintenance of trial court facilities.

## **Recommendation**

The Trial Court Facility Modification Advisory Committee recommends that the Judicial Council, effective May 18, 2017, direct Judicial Council staff to take all actions necessary to (1) reduce utility and maintenance costs, including engaging the local trial courts; and (2) report back on its progress at the September 2017 Judicial Council meeting.

## **Previous Council Action**

On July 13, 2001, as branchwide policy to encourage individual courts to reduce energy consumption, the council adopted a set of guidelines for energy conservation in court facilities (see Attachment A). The purpose of the guidelines was to raise court awareness on energy usage and to encourage reduction in power usage where practicable. To implement the guidelines, the council directed the trial courts to collaborate with their counties and the appellate courts to work with the state Department of General Services or their landlords. The council also directed the courts to report back on the steps taken to reduce energy consumption. The minutes of the July 13, 2001, council meeting are available at [www.courts.ca.gov/documents/min0701.pdf](http://www.courts.ca.gov/documents/min0701.pdf).

## **Rationale for Recommendation**

### **Court Facilities Trust Fund**

In 2002, the CFTF was established by the Trial Court Facilities Act (Sen. Bill 1732, Stats. 2002, ch. 1082, and subsequent modifying language) to fund the ongoing operations, repair, and maintenance of trial court facilities transferred from the counties to the state. Through December 2009, over 500 trial court facilities transferred to the Judicial Council, which included the responsibility to fund ongoing operations, repair, and maintenance costs. The act requires each county that transferred trial court facilities to pay a county facility payment (CFP) to the state. The CFP was determined by the amount the county had expended historically on court facilities operations and maintenance, with the intent that funding needed in excess of these noninflationary CFPs be provided by the state through future state General Fund augmentations. Supplemental funding was last provided from the state General Fund in FY 2010–2011. The supplemental funding was not enough to match inflationary cost increases. Over time, and in an effort to address the revenue shortfall, operations and maintenance have been cut to extremely low levels, while utility costs have increased statewide at a pace faster than inflation.

The CFTF is the only fund available to pay the costs of ongoing operations and maintenance of trial court facilities. Its primary revenue source is CFPs: CFPs comprise approximately 80 percent of the fund's revenue with the balance coming from smaller sources such as rentals of court facilities and parking spaces. Almost 90 percent of CFTF expenditures are to fund utilities (e.g., electricity, gas, water, and sewer) and ongoing operations and maintenance, with the balance paid to lease facilities and facilities' insurance.

### **Funding shortfall**

Due to the CFTF's revenue shortfall, the CFTF will experience a funding deficit in FY 2017–2018 of \$10.3 million: \$7.3 million from the difference between expenditures and revenues, plus \$3 million in reserve funds needed to account for the revenue loss from court space rented in

San Diego. These are funds that would otherwise be used to pay utilities and operations and maintenance. In FY 2018–2019, the shortfall is expected to be \$12.6 million.

### **Action plan**

The current action plan to address the CFTF’s funding shortfall is to focus on cutting 10 percent of operations and maintenance costs and utility costs in trial court facilities statewide. Operations and maintenance costs are currently being negotiated with onsite service providers, delegated trial courts, and counties, with the goal to start FY 2017–2018 with the 10 percent reduction in costs.

The 10 percent utility savings will also need to be identified quickly. Utilities comprise almost 45 percent of CFTF expenses, with 75 percent of utility costs coming from electricity usage. In terms of electricity usage, generally one-third of electricity costs are generated by lighting, one-third by HVAC systems, and one-third by plug load (from any device that plugs into a building’s electrical system such as computers, printers, and copiers).

Quick and effective utility cost reduction cannot be achieved without collaboration with the trial courts. Since electricity makes up 75 percent of utility costs, conservation and efficiency efforts will focus on electricity. The trial courts currently influence all three elements that comprise electricity usage, including lighting, HVAC, and plug load. Unfortunately, and with limited awareness regarding utility costs, there is no incentive to control usage. An analysis was completed on two major electricity providers, Pacific Gas and Electric (PG&E) and Southern California Edison (SCE). PG&E and SCE comprise almost half of all electricity accounts. For Judicial Council accounts, over 54 percent of electricity usage occurs after 5 p.m. and before 8 a.m. This usage is due to lights being left on, HVAC systems running, and plug load within the buildings. With a renewed effort to increase awareness and collaboratively address electricity usage, a 10 percent reduction in utility costs can be realized. This 10 percent reduction translates to an ongoing savings that will reduce ongoing costs with minimal impact on court operations and maintenance.

Given the need for quick cost reductions, Judicial Council staff will be collaboratively working with the trial courts to implement a series of conservation and energy-efficiency strategies, including:

1. Energy-efficiency lighting projects;
2. Energy-efficiency HVAC projects;
3. Controlling plug load<sup>1</sup>;
4. Tracking and reporting utility cost and usage; and

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<sup>1</sup> Plug load is electrical consumption from any device that plugs into a building’s electrical system. It can account for roughly 25 percent of total electricity consumed within office buildings (U.S. General Services Administration, *Plug Load Control* [Sept. 2012]). In addition, plug loads are on the rise, representing one of the fastest growing uses of energy in commercial buildings. As such, reducing plug loads offers significant, cost-effective energy savings potential for state agencies. (State of California, Department of General Services, Management Memo 14–07: *Standard Operating Procedures for Energy Management in State Buildings* [July 31, 2014]).

5. Developing updated energy conservation guidelines for implementation by the trial courts.

Turning off lights and limiting hours for running HVAC are quick and simple means to have a positive effect on costs. The Judicial Council's Sustainability Unit completed a number of energy-efficiency audits on targeted facilities and identified over \$4.7 million in annual utility cost savings. Implementation of these measures will be focused on the faster projects to implement (such as lighting) and behavioral changes (such as HVAC operations and plug load). However, the success of these projects and realizing the projected savings depend on a collaborative effort with the trial courts. Every dollar saved in utility costs is a dollar that can be applied to operations and maintenance.

### **Comments, Alternatives Considered, and Policy Implications**

The advisory committee discussed this topic at its meeting on April 10, 2017. No public comments were received. Moreover, the advisory committee chair and vice-chair presented this topic to the council's Executive and Planning Committee at its meeting on March 23, 2017. This topic was also presented at the April 5, 2017, meeting of the Executive Committee of the Court Executives Advisory Committee (CEAC) and at the May 4, 2017, meeting of the CEAC's facilities working group. At the May 4<sup>th</sup> CEAC facilities working group meeting, feedback on the recommended council action included: generating an updated list of energy conservation guidelines (but not mandates) from those adopted by the council in 2001, to allow trial courts to educate and assist each other; focusing energy reduction efforts on trial court facilities with larger energy consumption; making behavioral changes such as turning off lights and equipment at night; employing building automated systems for lighting and HVAC efficiencies; eliminating servers to reduce building heat load and electricity; gaining education for court leadership and staff through Judicial Council facility operations supervisors; emphasizing that trial court facilities operations and maintenance revenue shortfalls will be ongoing from FY 2017–2018; and tracking energy conservation efforts via website or other media to inform the public of judicial branch progress and achievements.

The implications of not addressing the future CFTF shortfall at this time could result in cutting back in the operation and maintenance of existing trial court facilities—including the termination of maintenance contracts—as early as FY 2017–2018.

### **Implementation Requirements, Costs, and Operational Impacts**

Costs incurred by implementing the recommended council action—to have staff reduce maintenance and utility costs—are still to be determined.

### **Relevant Strategic Plan Goals and Operational Plan Objectives**

The recommended council action supports Goal III, Modernization of Management and Administration; and Goal VI, Branchwide Infrastructure for Service Excellence.

## **Attachment**

1. Attachment A: Judicial Council Report: *Judicial Council Policy on Energy Conservation in the Courts*

**JUDICIAL COUNCIL OF CALIFORNIA  
ADMINISTRATIVE OFFICE OF THE COURTS  
455 Golden Gate Avenue  
San Francisco, California 94102-3660**

**Report**

TO: Members of the Judicial Council

FROM: Robert D. Lloyd, Manager, Facilities Unit  
415-865-7971

DATE: July 3, 2001

SUBJECT: Judicial Council Policy on Energy Conservation in the Courts  
(Action Required)

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Issue Statement

As extensively reported in the media, California is experiencing a persistent power emergency, resulting in increased costs for energy, energy shortages, and occasional rolling blackouts. Governor Davis has called on all Californians to reduce energy usage. The executive branch, local governments, businesses, and residential consumers have implemented, to varying degrees, measures to reduce energy consumption.

Recommendation

AOC staff recommends that the Judicial Council, effective July 13, 2001:

1. Adopt "Guidelines for Energy Conservation in California Court Facilities" as branchwide policy to encourage individual courts to reduce energy consumption;
2. Urge trial courts to work with their counties, and appellate courts with the state Department of General Services or their landlords, to implement the guidelines; and
3. Request that the courts report to the council, within 60 days of the issuance of the request, on the steps they are taking to reduce energy consumption.

Rationale for Recommendation

The recommendation will raise the courts' awareness of energy usage and encourage them to reduce power usage where practicable. It is expected that this step will reduce energy costs for the courts as well as contribute to overall reduction in power consumption within the state. The courts' reports to the council will provide a means by which to assess the courts' contributions to the overall conservation effort.

Alternative Actions Considered

None.

Comments From Interested Parties

None were requested.

Implementation Requirements and Costs

The trial and appellate courts would make efforts to implement the guidelines and report on the energy conservation measures they adopt. Implementation costs were not quantified. Most of the guidelines require little or no cost to implement. Any expenditures are expected to result in long-term savings.

Attachment

## Attachment

### Guidelines for Energy Conservation in California Court Facilities

California faces a statewide energy crisis that requires the cooperation of all citizens, businesses, and government and private entities. The judicial branch is committed to taking all reasonable steps necessary to conserve energy. Therefore, the Judicial Council directs all trial and appellate courts and other judicial branch offices to work cooperatively with lead executive branch agencies (for example, California Department of General Services for appellate courts and host counties' administrative office for trial courts) to establish and implement a plan to reduce energy consumption. The plan shall include, but not be limited to, the actions below:

- Reducing lighting levels throughout the facility. This may be accomplished by removing some of the bulbs or tubes from general work-area lighting and reducing lighting in hallways, lobbies, and other public areas. Encourage the use of task lighting in lieu of overhead lighting wherever possible. Eliminate decorative lighting.
- Increasing the setting of cooling system thermostats. Thermostats are often set in the range of 68 to 72 degrees and should be increased generally to 74 to 78 degrees. The implementation of increased thermostat settings should take temperature zoning into consideration wherever possible. Courtrooms may be set at 70 to 74 degrees because the occupants are normally in formal business attire or robes.
- Establishing reasonable hours of operation for lights and HVAC (e.g., in warmer regions turn HVAC on at 6:00 a.m. rather than earlier and turn it off at 6:00 or 7:00 p.m. rather than later; on weekends turn on HVAC only when actual use of the facility is scheduled and for the limited time of building occupancy.)
- Encouraging informal dress, as appropriate, to help compensate for higher temperatures.
- Encouraging employees to shut off lights and computers when not in use. Install motion detectors that turn off lights in unoccupied rooms. Turn off copiers and printers at night if not used.
- Evaluating and incorporating, where possible, detailed recommendations on energy conservation measures available from *www.energy.dgs.ca.gov* (refer to Memorandum 01-05 and Message from the DGS Director) and from local utility Web sites and information offices.