



JUDICIAL COUNCIL OF CALIFORNIA

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REPORT TO THE JUDICIAL COUNCIL

Item No.: 20-052

For business meeting on July 24, 2020

Title

Judicial Branch Budget: 2021–22 Budget Change Proposals for Supreme Court, Courts of Appeal, Superior Courts, Judicial Branch Facilities Program, Habeas Corpus Resource Center, and Judicial Council

Rules, Forms, Standards, or Statutes Affected

None

Recommended by

Judicial Branch Budget Committee
Hon. David M. Rubin, Chair

Agenda Item Type

Action Required

Effective Date

July 24, 2020

Date of Report

July 2, 2020

Contact

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Executive Summary

To continue responsible reinvestment in the judicial branch allowing for greater access to justice for California’s citizens, while acknowledging the impact on the state budget of the COVID-19 pandemic, the Judicial Branch Budget Committee unanimously recommends the approval of the 2021–22 budget change proposals for submission to the state Department of Finance.

Recommendation

The Judicial Branch Budget Committee recommends that the Judicial Council, effective July 24, 2020, approve the following 2021–22 budget change proposals (not in priority order) for submission to the state Department of Finance on September 4, 2020:

- Proposition 66 Costs in the Courts of Appeal, Trial Courts, and Habeas Corpus Resource Center: \$18.5 million
- Self-Help Centers in Trial Courts—Continuing Funding: \$19.1 million
- Insolvency Resolution for State Court Facilities Construction Fund: \$90 million

- Trial Court and Court of Appeal Facility Operations and Maintenance, Leased Space, and Deferred Maintenance: \$164.8 million
- Inflationary Adjustment for Trial Courts: \$50–\$70 million
- Various Capital Outlay Projects: \$TBD

Previously the Judicial Branch Budget Committee recommended submission to the Department of Finance of two budget change proposals for technology upgrades:

- Judicial Branch Office of Information Security: \$5.1 million
- Virtual Courthouse Critical Needs: \$12.3 million

As contemplated, since the 2020-21 enacted budget includes \$25 million for technology upgrades, the budget committee deleted the above proposals.

A complete description of these budget change proposals is provided in the Analysis/Rationale section.

Relevant Previous Council Action

Under California Rules of Court, rule 10.101(b)(3), the Judicial Council must “[d]evelop the budget of the judicial branch based on the priorities established and the needs of the courts.” The council submits to the Department of Finance 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. 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 budget change proposals for the judicial branch, coordinating these budget change proposals, 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. The review and recommendation of BCPs for the judicial branch is one of the primary responsibilities of the Budget Committee.

Following are descriptions of each request shown in the list above. The Budget Committee opted not to recommend a priority order within the list because it already contains only the highest-priority requests the committee received. This approach allows greater flexibility to the Chief Justice and the Administrative Director in their budget advocacy efforts

- ***Proposition 66 Costs in the Courts of Appeal, Trial Courts, and Habeas Corpus Resource Center.*** Proposes 14.5 positions and \$11.864 million General Fund in 2021–

22;¹ \$9.819 million General Fund in 2022–23; and \$9.848 million General Fund annually ongoing to support new workload and other costs (including appointed counsel, investigation, records storage, and technology upgrades) associated with the implementation of Proposition 66, the Death Penalty Reform and Savings Act of 2016 (Prop. 66).

In addition, the Habeas Corpus Resource Center (HCRC) proposes 30.0 positions and \$6.6 million General Fund (including \$900,000 in one-time funding and \$5.7 million in ongoing annual funding) beginning in 2021–22, 20.0 positions and \$2.9 million General Fund in ongoing annual funding beginning in 2022–23, and 20.0 positions and \$2.9 million General Fund in ongoing annual funding beginning in 2023–24 to establish a total of 70.0 positions over the course of three years to support the increased workload in the HCRC as a result of the enactment of Prop. 66. Included in the \$6.6 million requested for FY 2021–22 is \$1.8 million (30,000 square feet times \$60 per square foot) to cover lease costs to establish an HCRC office in Los Angeles County, and \$900,000 in one-time move-in, setup, and furnishing costs. This proposal would create up to 15 additional case teams to provide legal representation to inmates on California’s death row and requires an amendment to Government Code section 68661.

- ***Self-Help Centers in Trial Courts—Continuing Funding.*** In 2018–19, the Judicial Council received \$19.1 million per year for three years to provide expanded self-help services. All funds go to the trial courts and have been used to increase numbers of persons served, in more locations, with more case types and with more comprehensive services. This proposal requests \$19.1 million General Fund in 2021–22 and ongoing to maintain existing self-help funding. This will allow California’s trial courts to continue vital services in the courts addressing the needs of litigants who do not have an attorney to help them with critical housing, domestic violence, family law, child support, consumer debt, and similar issues—all of which will be exacerbated by the impact of the COVID-19 pandemic and economic hardship.
- ***Insolvency Resolution for State Court Facilities Construction Fund.*** Proposes \$90 million General Fund in 2021–22 and ongoing to resolve the forecasted insolvency of the State Court Facilities Construction Fund (SCFCF). Since 2014–15, the SCFCF has experienced a year-over-year decline in revenues supporting the fund. The SCFCF residual fund balance will be exhausted in 2021–22 leaving insufficient revenue to cover forecasted expenses that have historically included facility modifications, staff and operational budgets, and, more recently, debt service obligations. The SCFCF requires an ongoing transfer of funds from the General Fund to support the expenses of the program and to avoid fund insolvency.

¹ All further year ranges are to fiscal years.

- ***Trial Court and Court of Appeal Facility Operations and Maintenance, Leased Space, and Deferred Maintenance.*** Proposes 13.0 positions and \$164.79 million General Fund (including \$8.7 million in one-time funding in 2021–22 and \$156.09 million in ongoing annual funding) to support Courts of Appeal and trial court facilities services costs. Ongoing funding of \$156.09 million includes \$153.0 million for trial court facilities program costs that provide for operations and maintenance at an industry-standard level, unfunded leased trial court space, deferred maintenance projects, and additional staff to oversee the program. The ongoing funding request also includes \$2.13 million for Court of Appeal facilities program costs to fund operations and maintenance at an industry-standard level and provide a source of funding for small repair projects. One-time funding of \$8.7 million supports Court of Appeal facilities to address their most urgent deferred maintenance projects. The Judicial Council’s Facilities Services office systematically assessed the costs of an adequately funded facilities program using industry-standard cost benchmarking measures. This request reflects an appropriately funded facilities program that provides for the longevity of the state’s assets by extending the useful life of building systems and replacing aged systems in a timely manner in order to reduce system failure rates. The program also provides for staff oversight to ensure the fiscal accountability of the program.
- ***Inflationary Adjustment for Trial Courts.*** Proposes an estimated \$50–\$70 million General Fund (depending on the methodology and factors included) to provide an adjustment to trial court budgets to reflect general inflationary cost increases reflecting changes in the Consumer Price Index.
- ***Various Capital Outlay Projects—\$TBD.*** Proposes a placeholder is to fund the next group of capital outlay projects that are included in an updated Judicial Council Five-Year Capital Outlay Plan.

Policy implications

During the 2021–22 BCP review process, other needs within the judicial branch were identified but not recommended for submission. These proposals were worthy; however, due to the fiscal impact of the COVID-19 pandemic on California’s budget, the committee pared down the recommended submissions to only the proposals of highest criticality. The committee looks forward to reviewing the omitted BCPs for possible future submission.

Comments

These items were not circulated for public comment; however, meetings considering BCP concepts were open to the public and written public comments were accepted. No written public comments were received for either of two Budget Committee meetings held April 21 and May 28, 2020, where BCP concepts were considered.

Alternatives considered

The Budget Committee was presented with a list of 24 BCP concepts that represented funding needs requested by various judicial branch advisory committees and other requesting entities.

The Budget Committee had the option to choose to approve any number of these requests—in any priority order—to move forward to develop into BCPs for submission.

The recommended list represents the result of various rounds of deliberation by the Budget Committee and reflects decisions made based on information from Judicial Council staff, including updated 2020–21 budget information. This list provides for a budget package that recognizes the limited resources available to the state, while balancing advocacy for judicial branch needs that will increase access to justice in an efficient and forward-thinking manner.

Fiscal and Operational Impacts

The operational and fiscal impacts to implement the recommendation would be minimal.

Attachments and Links

None.