



Judicial Council of California
ADMINISTRATIVE OFFICE OF THE COURTS

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RONALD M. GEORGE
Chief Justice of California
Chair of the Judicial Council

WILLIAM C. VICKREY
Administrative Director of the Courts

RONALD G. OVERHOLT
Chief Deputy Director

January 8, 2010

Hon. Denise Moreno Ducheny
Member of the Senate
Chair, Senate Budget and Fiscal Review
Committee and Joint Legislative Budget
Committee
State Capitol, Room 5035
Sacramento, California 95814

Hon. Kevin de León
Member of the Assembly
Chair, Assembly Appropriations Committee
State Capitol, Room 2114
Sacramento, California 95814

Hon. Christine Kehoe
Member of the Senate
Chair, Senate Appropriations Committee
State Capitol, Room 5050
Sacramento, California 95814

Hon. Noreen Evans
Member of the Assembly
Chair, Assembly Budget Committee
State Capitol, Room 6026
Sacramento, California 95814

Re: *County Reporting on Local Courthouse Construction Funds: July 1, 2007, to June 30, 2008; January 1, 1998, to December 31, 2005 (Update); and January 1, 2006, to June 30, 2007 (Update)*, as required under Government Code Section 70403(d)

Dear Senator Ducheny, Senator Kehoe, Assembly Member de León, and Assembly Member Evans:

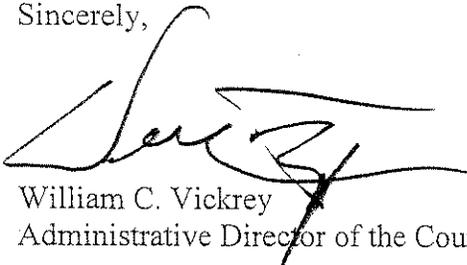
Attached is the Judicial Council report required under Government Code section 70403(d) regarding county reporting on local courthouse construction funds.

January 8, 2010

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If you have any questions related to this report, please contact Gisele Corrie, Financial Manager, AOC Office of Court Construction and Management, at 916-263-1687 or gisele.corrie@jud.ca.gov.

Sincerely,



William C. Vickrey
Administrative Director of the Courts

WCV/GC/cj

Attachments

cc: Members of the Judicial Council
Diane F. Boyer-Vine, Legislative Counsel
Joe Stephenshaw, Consultant, Assembly Budget Committee
Chuck Nicol, Principal Consultant, Assembly Appropriations Committee
Brian Brown, Consultant, Senate Budget and Fiscal Review Committee
Jacqueline Wong-Hernandez, Consultant, Senate Appropriations Committee
Jody Martin, Principal Consultant, Joint Legislative Budget Committee
Allan Cooper, Senior Consultant, Assembly Republican Fiscal Office
Matt Osterli, Consultant, Senate Republican Fiscal Office
Zlatko Theodorovic, Assistant Program Budget Manager, Department of Finance
Drew Soderborg, Fiscal and Policy Analyst, Legislative Analyst's Office
Ronald G. Overholt, AOC Chief Deputy Director
AOC Regional Administrative Directors
Curtis L. Child, Director, AOC Office of Governmental Affairs
Stephen Nash, Director, AOC Finance Division
Lee Willoughby, Director, AOC Office of Court Construction and Management
Mary M. Roberts, General Counsel, AOC Office of the General Counsel
Gisele Corrie, Manager, AOC Office of Court Construction and Management
Henry Sepulveda, AOC Office of Governmental Affairs
Office of Communications
Judicial Council Library (two copies)

Attached is the Judicial Council report required under Government Code section 70403(d). This is the third report from the Judicial Council to the Legislature in satisfaction of the requirements of section 70403(d) regarding county reporting on local courthouse construction funds.

Summary of the report:

For the period of July 1, 2007 to June 30, 2008, the Administrative Office of the Courts has received reports from 22 of the 36 counties that have outstanding bonded indebtedness. The total amount of revenues reported for this period is \$47,736,536 and the total amount of expenditures reported is \$57,974,512. A review of the reports has not been completed and no repayments are reported to be due at this time.

For the period of January 1, 1998 to December 31, 2005 the Administrative Office of the Courts received reports on the revenues and expenditures from the local courthouse construction funds established pursuant to Government Code section 76100 from all 58 counties. The counties reported revenues totaling \$520,576,885 and expenditures totaling \$488,966,606. The Administrative Office of the Courts has completed reviews of 16 county reports. No repayments were found to be due as of this report. Out of the 58 counties, 37 counties reported outstanding bonded indebtedness.

For the period of January 1, 2006 to June 30, 2007, the Administrative Office of the Courts received reports from 32 of the 37 counties that have outstanding bonded indebtedness. The total amount of revenues reported for this period is \$101,969,031 and the total amount of expenditures reported is \$106,080,557. A review of the reports has not been completed and no repayments are reported to be due at this time.

County Reporting on Local Courthouse
Construction Funds:
July 1, 2007, to June 30, 2008
January 1, 1998, to December 31, 2005 (Update)
January 1, 2006, to June 30, 2007 (Update)

Report to the Budget and
Fiscal Committees of the Legislature

Under reporting requirements of
Government Code section 70403(d)

December 31, 2009



JUDICIAL COUNCIL
OF CALIFORNIA

Judicial Council of California
Administrative Office of the Courts
455 Golden Gate Avenue
San Francisco, CA 94102-3688

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County Reporting on Local Courthouse Construction Funds

The Trial Court Facilities Act of 2002 (Sen. Bill 1732 [Escutia]; Stats. 2002, ch. 1082) required counties to report receipts to and expenditures from local courthouse construction funds. Government Code section 70403 mandates that each county submit a report to the Administrative Director of the Courts of all local courthouse construction fund receipts and expenditures for the period January 1, 1998, to December 31, 2005. Counties retaining the fund for the purpose of paying bonded indebtedness must submit to the Administrative Office of the Courts (AOC) and the Department of Finance annual updates of all receipts and expenditures within 90 days after the end of each fiscal year. The section further requires the Judicial Council to submit a report to the Legislature on the information received from the counties on local courthouse construction funds. This report covers the period from July 1, 2007, to June 30, 2008, and includes updates for the periods of January 1, 1998, to December 31, 2005, and January 1, 2006, to June 30, 2007. A report covering the period of July 1, 2008, to June 30, 2009, will be issued shortly.

Government Code section 70402(a) requires that any amount in a county's courthouse construction fund established under Government Code section 76100 be transferred to the State Court Facilities Construction Fund following the date of the last transfer of court facilities from the county to the Judicial Council, if there is no outstanding bonded indebtedness. As of December 31, 2008, three counties (Calaveras, Plumas, and Yolo) have been notified to remit payment to the State of California to transfer the balance of the local courthouse construction fund to the State Court Facilities Construction Fund.

County Reporting Under Section 70403(a) for July 1, 2007, to June 30, 2008

As of December 31, 2008, the AOC had received reports on local courthouse construction funds from 22 of 36 counties that have outstanding bonded indebtedness (see Attachment 1). Of the reports received, all are in compliance with section 70403(b), which requires an annual update of all local courthouse construction fund receipts and expenditures, in this case, for the period from July 1, 2007, to June 30, 2008.

As reported by the 22 counties that submitted reports, the local courthouse construction fund receipts totaled \$47,736,536 during the statutory reporting period (see Attachment 1).

The 22 counties reported a total of \$57,974,512 in local courthouse construction fund expenditures. Two counties (Colusa and Tulare) reported no expenditures during this period. One county (Sacramento) did not report on expenditures.

Status of Reviews

In early October 2008, AOC staff sent a reminder of the reporting requirement to the counties. Upon receipt, the AOC will review the reports, requesting counties to provide beginning and ending fund balances and an explanation of expenditures by project if their reports do not include that information. The review will include a determination of whether the receipts and expenditures were made in accordance with the provisions of Government Code section 76100, including a verification of outstanding debt service. If it is found that a county made an expenditure not allowed by statute, the AOC will notify the county and the state Department of Finance of the amount due for repayment to the state.

Status of Determination of Repayment Amounts Required Under Section 70403(d)

The status of any potential repayments for the 36 counties is to be determined. As reviews of the reports are completed for these counties, the repayment amounts, if any, to the State Court Facilities Construction Fund will be finalized and reported in subsequent annual reports from the Judicial Council to the budget and fiscal committees of the Legislature.

County Reporting Under Section 70403(a) for January 1, 1998, to December 31, 2005 (Update)

In the December 2007 report issued under Government Code section 70403, it was reported that 56 of the 58 counties that had submitted reports on their local courthouse construction fund receipts and expenditures were in compliance with the requirements of the statute for the reporting period. As of December 31, 2008, all 58 counties were in compliance.

The local courthouse construction fund receipts reported by the counties for the January 1998 to December 2005 period total \$520,576,885 (see Attachment 2), and the expenditures total \$488,966,606. This compares to \$518,088,611 in receipts and \$491,100,170 in expenditures reported in December 2007.

Status of Reviews and Determination of Repayment Amounts

The AOC is continuing to review the reports submitted by the 58 counties. Additional reports from 13 counties have been closed out since the date of the last report. The progress of the reviews of the remaining 42 counties is presented in Attachment 2.

County Reporting Under Section 70403(a) for January 1, 2006, to June 30, 2007 (Update)

The December 2007 report issued under Government Code section 70403 reported that 23 of the 33 counties that have bonded indebtedness had submitted reports on their local courthouse construction fund receipts and expenditures and all were in literal compliance with the requirements of the statute for the reporting period. As of December 31, 2008, 9 additional reports had been submitted by the counties, for a total of 32 of the now-37 counties that have reported outstanding bonded indebtedness (see Attachment 3). Of the reports received, all are in compliance with the requirements of section 70403.

With the additional reports received since December 2007, the local courthouse construction fund receipts reported total \$101,969,031 during the statutory reporting period and expenditures total \$106,080,557. This compares to \$99,348,156 in receipts and \$93,472,011 in expenditures reported in December 2007.

Status of Reviews and Determination of Repayment Amounts

Reviews of these reports have not yet begun. It is anticipated that reviews will commence in January 2010. As a result, the status of any potential repayments for the 37 counties is to be determined. As reviews of the reports are completed for these counties, the repayment amounts, if any, to the State Court Facilities Construction Fund will be finalized and reported in subsequent annual reports from the Judicial Council to the budget and fiscal committees of the Legislature.

July 1, 2007, to June 30, 2008

Overview of County Reporting on Local Courthouse Construction Funds Under Government Code Section 70403(d) ATTACHMENT 1

| County | Review/Status (complete/in progress) | Revenues for Period (as reported by county) | Expenditures for Period (as reported by county) | Repayments Due | Bonded Indebtedness (indicated in report) |
|--------------------------------|---|--|--|----------------|--|
| Alameda | In Progress | 2,584,839 | 669,332 | | X |
| Amador ² | | | | | X |
| Butte | In Progress | 112,501 | 120,520 | | X |
| Contra Costa ² | | | | | X |
| El Dorado | In Progress | 295,078 | 33,130 | | X |
| Glenn ^{1,2} | | | | | X |
| Humboldt | In Progress | 294,809 | 309,720 | | X |
| Imperial ² | | | | | X |
| Inyo ² | | | | | X |
| Los Angeles | In Progress | 24,558,000 | 27,050,000 | | X |
| Marin ² | | | | | X |
| Merced | In Progress | 609,809 | 805,559 | | X |
| Modoc ² | | | | | X |
| Monterey ² | | | | | X |
| Napa | In Progress | 479,985 | 226,835 | | X |
| Nevada ² | | | | | X |
| Orange | In Progress | 4,748,186 | 4,518,072 | | X |
| Placer | In Progress | 542,358 | 500,000 | | X |
| Riverside ² | | | | | X |
| Sacramento | In Progress | 2,004,667 | Not Reported | | X |
| San Benito | In Progress | 142,778 | 30,156 | | X |
| San Bernardino | In Progress | 2,795,963 | 15,488,724 | | X |
| San Francisco ² | | | | | X |
| San Joaquin | In Progress | 1,635,756 | 2,891,002 | | X |
| San Luis Obispo ^{1,2} | | | | | X |
| San Mateo | In Progress | 1,349,001 | 1,028,248 | | X |
| Santa Barbara | In Progress | 1,154,245 | 1,168,383 | | X |
| Santa Clara ² | | | | | X |
| Santa Cruz | In Progress | 209,166 | 320,445 | | X |
| Shasta ² | | | | | X |
| Solano | In Progress | 592,026 | 408,999 | | X |
| Sonoma | In Progress | 578,945 | 550,096 | | X |
| Stanislaus | In Progress | 598,497 | 181,158 | | X |
| Tulare | In Progress | 569,301 | 0 | | X |
| Ventura | In Progress | 1,464,010 | 1,563,349 | | X |
| Yuba | In Progress | 416,616 | 110,784 | | X |
| TOTALS | | \$ 47,736,536 | \$ 57,974,512 | \$0 | 36 |

Notes:

1. Pending debt for new, approved capital project.
2. Pending receipt of county report.

January 1, 2006, to June 30, 2007
Overview of County Reporting on
Local Courthouse Construction Funds Under Government Code Section 70403(d)
ATTACHMENT 3

| County | Review Status (complete/in progress) | Revenues for Period (as reported by county) | Expenditures for Period (as reported by county) | Repayments Due | Bonded Indebtedness (indicated in report) |
|------------------------------|---|--|--|-----------------------|--|
| Alameda | In Progress | 4,402,815 | 4,683,200 | | X |
| Amador ² | | | | | X |
| Butte | In Progress | 185,715 | 152,869 | | X |
| Colusa ³ | In Progress | 122,472 | (492,877) | | X |
| Contra Costa | In Progress | 2,200,102 | 2,065,795 | | X |
| El Dorado | In Progress | 509,264 | 5,596 | | X |
| Glenn ¹ | In Progress | 287,153 | 0 | | X |
| Humboldt | In Progress | 382,005 | 621,665 | | X |
| Imperial | In Progress | 376,310 | 542,730 | | X |
| Inyo ² | | | | | X |
| Los Angeles | In Progress | 41,048,000 | 47,803,000 | | X |
| Marin | In Progress | 874,449 | 874,449 | | X |
| Merced | In Progress | 1,016,562 | 2,153,587 | | X |
| Modoc ² | | | | | X |
| Monterey ² | | | | | X |
| Napa | In Progress | 748,698 | 338,550 | | X |
| Nevada ² | | | | | X |
| Orange | In Progress | 7,392,298 | 8,585,286 | | X |
| Placer | In Progress | 839,793 | 1,020,599 | | X |
| Riverside | In Progress | 7,910,417 | 6,484,190 | | X |
| Sacramento | In Progress | 3,317,350 | 4,510,721 | | X |
| San Benito | In Progress | 241,653 | (97,327) | | X |
| San Bernardino | In Progress | 4,130,205 | 2,340,381 | | X |
| San Francisco | In Progress | 6,278,455 | 6,526,815 | | X |
| San Joaquin | In Progress | 1,756,484 | 1,417,928 | | X |
| San Luis Obispo ¹ | In Progress | 1,121,122 | 1,145,925 | | X |
| San Mateo | In Progress | 2,203,231 | 1,013,932 | | X |
| Santa Barbara | In Progress | 1,806,072 | 2,009,297 | | X |
| Santa Clara | In Progress | 3,538,275 | 4,316,755 | | X |
| Santa Cruz | In Progress | 333,146 | 199,842 | | X |
| Shasta | In Progress | 983,873 | 1,660,572 | | X |
| Solano | In Progress | 960,428 | 962,708 | | X |
| Sonoma | In Progress | 1,677,328 | 847,569 | | X |
| Stanislaus | In Progress | 1,438,936 | 574,934 | | X |
| Tulare | In Progress | 862,887 | 501,417 | | X |
| Ventura | In Progress | 2,389,106 | 3,120,449 | | X |
| Yuba | In Progress | 634,427 | 190,000 | | X |
| TOTALS | | \$ 101,969,031 | \$ 106,080,557 | \$0 | 37 |

Notes:

1. Pending debt for new, approved capital project.
2. Pending receipt of county report.
3. Pending review of request for use of CCFs.

January 1, 1998, to December 31, 2005
Overview of County Reporting on
Local Courthouse Construction Funds Under Government Code Section 70403(d)

ATTACHMENT 2

| County | Review Status (complete/in progress) | Revenues for Period (as reported by county) | Expenditures for Period (as reported by county) | Repayments Due | Bonded Indebtedness (indicated in report) |
|----------------------------|---|--|--|----------------|--|
| Alameda | In Progress | \$ 19,867,137 | \$ 18,942,669 | | X |
| Alpine | In Progress | 137,794 | 57,955 | | |
| Amador | In Progress | 552,494 | 260,044 | | X |
| Butte | In Progress | 3,694,518 | 3,934,294 | | X |
| Calaveras | In Progress | 1,406,258 | 915,924 | | X |
| Colusa | Complete | 463,599 | 479,021 | 0 | X |
| Contra Costa | In Progress | 10,204,719 | 10,568,957 | | X |
| Del Norte | Complete | 685 | 0 | 0 | |
| El Dorado | In Progress | 1,856,437 | 536,996 | | X |
| Fresno | In Progress | 1,682,944 | 1,215,322 | | X |
| Glenn | In Progress | 1,082,644 | 932,282 | | X |
| Humboldt | Complete | 16,620,537 | 17,066,091 | 0 | X |
| Imperial | In Progress | 1,628,153 | 2,136,263 | | X |
| Inyo | In Progress | 1,105,309 | 436,132 | | |
| Kern | In Progress | 517,693 | 527,525 | | |
| Kings | In Progress | 457,396 | 430,658 | | |
| Lake | Complete | 22,536 | 25,077 | 0 | |
| Lassen | In Progress | 1,906,284 | 2,771,540 | | |
| Los Angeles | In Progress | 196,130,000 | 170,210,000 | | X |
| Madera | Complete | 0 | 0 | 0 | |
| Marin | In Progress | 281,926 | 203,456 | | X |
| Mariposa | In Progress | 319,581 | 77,956 | | |
| Mendocino | In Progress | 115,867 | 351,454 | | |
| Merced | Complete | 8,822,580 | 5,695,062 | 0 | X |
| Modoc | In Progress | 229,582 | 229,377 | | X |
| Mono | Complete | 507,544 | 507,543 | 0 | |
| Monterey | In Progress | 5,398,670 | 8,743,508 | | X |
| Napa | In Progress | 3,578,837 | 4,371,585 | | X |
| Nevada | Complete | 1,899,407 | 2,061,522 | 0 | X |
| Orange | In Progress | 39,002,259 | 37,253,412 | | X |
| Placer | In Progress | 3,075,472 | 3,082,339 | | X |
| Plumas | Complete | 9,564 | 55,516 | 0 | |
| Riverside | In Progress | 26,049,765 | 24,854,033 | | X |
| Sacramento | In Progress | 15,744,490 | 14,433,367 | | X |
| San Benito | Complete | 684,673 | 309,182 | 0 | X |
| San Bernardino | In Progress | 16,114,558 | 16,298,505 | | X |
| San Diego | Complete | 0 | 0 | 0 | |
| San Francisco ¹ | In Progress | 41,787,702 | 55,296,023 | | X |
| San Joaquin | In Progress | 11,766,826 | 7,836,561 | | X |
| San Luis Obispo | In Progress | 4,873,888 | 2,175,271 | | X |
| San Mateo | In Progress | 11,678,138 | 10,801,760 | | X |
| Santa Barbara | In Progress | 9,701,438 | 9,988,837 | | X |
| Santa Clara | Complete | 16,761,142 | 16,831,245 | 0 | X |
| Santa Cruz | In Progress | 1,559,915 | 1,444,729 | | X |
| Shasta | In Progress | 4,551,181 | 3,758,240 | | X |
| Sierra | Complete | 0 | 0 | 0 | |
| Siskiyou | In Progress | 3,706,842 | 113,234 | | |
| Solano | In Progress | 4,625,213 | 4,806,996 | | X |
| Sonoma | In Progress | 6,168,695 | 9,587,957 | | X |
| Stanislaus | Complete | 4,224,471 | 3,411,085 | 0 | X |
| Sutter | Complete | 592,087 | 288,836 | 0 | |
| Tehama | In Progress | 1,396 | 5,379 | | |
| Trinity | Complete | 319,189 | 259,736 | 0 | |
| Tulare ² | In Progress | 3,556,947 | 3,364,496 | | X |
| Tuolumne | In Progress | 1,020,500 | 1,784,183 | | |
| Ventura | In Progress | 9,488,022 | 4,699,661 | | X |
| Yolo | In Progress | 1,993,191 | 1,756,977 | | |
| Yuba ¹ | In Progress | 1,028,190 | 780,733 | | X |
| TOTALS | | \$ 520,576,885 | \$ 488,966,606 | \$0 | 38 |

Notes:

1. Report prepared on a fiscal year basis; includes July to December 1997.
2. Revenues and expenditures amended per FY 2007-2008 report.

