



JUDICIAL COUNCIL OF CALIFORNIA

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MEMORANDUM

Date

June 28, 2019

Action Requested

For Your Information

To

Judicial Officers, Court Administrators, and
Employees of the California Judicial Branch

Deadline

N/A

From

Martin Hoshino, Administrative Director
Judicial Council

Contact

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Subject

Fiscal Year 2019–20 Judicial Branch Budget

The Budget Act of 2019, signed into law by Governor Newsom yesterday, provides a total budget of \$4.26 billion for the judicial branch, including \$4.22 billion in operational funds. New funding of \$430.1 million is provided for operational costs and \$38.3 million for existing capital construction projects. The judicial branch represents 1.5 percent of the state General Fund. This memo details fiscal year (FY) 2019–20 funding for the judicial branch. Additional new monies support trial and appellate courts, technology, facilities, and pretrial pilot projects. The budget also increases the amount of funds trial courts may hold in reserve from 1 percent to 3 percent.

Judicial Branch Funding for FY 2019–20

| Judicial Branch Entity | Total Funding (\$ in millions) |
|--|---|
| Supreme Court | 51.5 m |
| Courts of Appeal | 252.1 m |
| Trial Courts | 3,288.4 m |
| Judicial Council | 173.3 m |
| Judicial Branch Facility Program | 503.5 m |
| Habeas Corpus Resource Center | 16.8 m |
| Subtotal, Operational Budget | \$4,285.6 m |
| Offset from Local Property Tax Revenue | -\$62.7 m |
| Adjusted Operational Budget | \$4,222.9 m |
| | |
| Less Nonstate Funds ¹ | -\$129.1 m |
| Adjusted Operational Budget, State Funds | \$4,093.8 m |
| | |
| Court Construction Projects ² | \$38.3 m |
| Total Funding³ | \$4,261.2 m |

¹ Nonstate funds include federal funds and reimbursements.

² Includes additional funding for current projects.

³ Includes General Fund; special, bond, federal, and nongovernmental cost funds; and reimbursements.

Note: Some totals will not be exact due to rounding.

The table below provides a breakdown of the \$468.4 million in new funding for the branch, by program area:

| Judicial Branch Programs | Amount (\$ in millions) |
|---|------------------------------------|
| Supreme Court | \$0.8 m |
| Courts of Appeal | \$8.2 m |
| Trial Courts | \$355.3 m |
| Judicial Council | \$65.6 m |
| Habeas Corpus Resource Center | \$0.2 m |
| Subtotal, Judicial Branch Funding | \$430.1 m |
| Court Construction Projects | \$38.3 m |
| Total New Funding to Support Judicial Branch | \$468.4 m |

FY 2019–20 Budget Highlights

The FY 2019–20 Budget provides new operational funding of \$430.1 million from the General Fund and federal funds to support new judgeships, trial court programs, facilities, and operations.

Pretrial Pilot Projects: \$75 million General Fund to be allocated over a two-year period by the Judicial Council to fund the implementation, operation, or evaluation of programs or efforts in at least 10 courts related to pretrial decision-making. The Governor noted the importance of continuing and replicating the work of the courts related to the Recidivism Reduction Fund and local probation department efforts to conduct risk assessments.

Funding for Previously Approved but Unfunded Judgeships: \$30.4 million in 2019–20 (10 months of funding), and \$36.5 million ongoing, to fund 25 new trial court judgeships. There remains a critical judicial shortage in trial courts with the greatest need. Additional judgeships are required to address essential services in those counties.

Adjustment of Trial Court Reserves Cap: Trailer bill language to increase the cap on trial court reserves from the current 1 percent to 3 percent. Increasing the reserve cap enables courts to retain funding to cover immediate unanticipated costs and adjust to midyear cost increases. Raising the cap also enables courts to better maintain public service levels when economic downturns occur.

Revenue Backfill: \$41.8 million General Fund to address anticipated revenue shortfalls in the Trial Court Trust Fund due to lower filing fee and criminal assessment revenues.

Trial Court Case Management System Replacements: \$23.1 million General Fund in 2019–20 (a total of \$33.7 million over 5 years) to replace various outdated legacy case management systems used by 10 trial courts (Amador, Colusa, Contra Costa, Lassen, Marin, Mariposa, Mono, Nevada, Shasta, and Solano) with a new, commercial, off-the-shelf case management system.

Employee Costs: \$22.5 million General Fund to support the increase in trial court employee retirement and health benefit costs, and an additional \$25 million set aside to begin providing current-year adjustments in 2019–20 to address cost increases.

\$3.3 million General Fund to support retirement and health benefit cost adjustments for employees of the Supreme Court (\$0.26 million), Courts of Appeal (\$1.8 million), Judicial Council (\$1.2 million), and Habeas Corpus Resource Center (\$0.08 million).

In a separate budget item, a 3.5 percent general salary increase for state-level judiciary employees (Supreme Court, Courts of Appeal, Judicial Council, and Habeas Corpus Resource Center).

Judicial Compensation Adjustments: \$39.2 million General Fund for the *Mallano v. Chiang* judgment.

Separately, \$14 million General Fund for previously approved judicial officer salary and benefit cost increases. Judicial salaries are set by statute (Gov. Code, § 68200 et seq.) and are tied to state employee salaries. This amount reflects the average salary increase for the current fiscal year for state employees based on Government Code section 68203(a).

Trial Court Facility Operation and Maintenance: \$20.2 million General Fund for underfunded trial court facility operations and maintenance costs. This funding would extend the useful life of trial court facilities and avoid adverse impacts on court operations.

Trial Court Security Systems and Equipment: \$6 million General Fund to refresh, maintain, and replace security equipment and systems, including video surveillance, electronic access control, duress alarms, and specialized systems used to control access within court holding areas.

Data Analytics and Futures Commission Information Technology (IT) Directives: \$7.8 million General Fund with a two-year expenditure period to advance (1) three IT pilot projects recommended by the Futures Commission (video remote hearings, intelligent chat, and natural language voice-to-text translation); and (2) an IT project to establish and support the foundation of a business intelligence, data analytics, and identity and access management program.

Implementation of Phoenix Roadmap: \$7.7 million General Fund to maintain the Phoenix enterprise resource management system and deploy the requisite upgrade of the system's software and infrastructure. This addresses the most critical needs of the program to modernize and support the trial courts and provides some savings to the branch as the cost of equipment maintenance and refresh will be avoided. This appropriation provides \$3.2 million in relief for the State Trial Court Improvement and Modernization Fund to help keep the fund solvent.

Digitizing Court Records: \$5.6 million General Fund to conduct phase one of a multiphase program for digitizing mandatory court records for trial and appellate courts, and to develop best practices for future statewide implementation.

Dependency Counsel: \$33.9 million federal funds for court-appointed dependency counsel, passed through the California Department of Social Services; and a further \$1.5 million General Fund for 7.5 positions for the Judicial Council to help maintain trial court eligibility and collect the federal reimbursements for courts. The budget also includes \$20 million General Fund to decrease the average attorney caseload of clients.

Legal Aid: \$20 million in one-time funding for the Equal Access Fund to provide legal aid for renters in landlord-tenant disputes.

Shriver Act Civil Counsel: \$2.5 million one-time for the Equal Access Fund for expansion of existing programs that represent low-income families.

Language Access Funding: \$9.6 million General Fund to enable continuation of the expansion of interpreter services in civil matters, and to address increased costs in criminal cases; and \$4 million ongoing to make prior-year, one-time funding permanent.

Chapter 993, Statutes of 2018 (Assem. Bill 1793 [Bonta].)—Cannabis Convictions—Resentencing: \$13.9 million General Fund in 2019–20 and \$2.9 million in 2020–21 to support costs associated with increased workload for the trial courts as a result of the enactment of chapter 993, Statutes of 2018 (Assem. Bill 1793). This legislation requires sentence modification of past cannabis conviction cases pursuant to the Control, Regulate, and Tax Adult Use of Marijuana Act.

Courts of Appeal Workload: \$5.0 million to address general operation cost increases, workload growth due to more complex litigation, new case duties related to recent law changes seeking retroactive decisions, and voter-approved initiatives requiring appellate review.

Litigation Management Program: \$5.6 million General Fund to support the defense and indemnity (as permitted) of all judicial branch entities, including the Supreme Court, Courts of Appeal, the trial courts, and the Judicial Council. This appropriation provides the State Trial Court Improvement and Modernization Fund \$5.2 million in relief to keep the fund solvent.

Fi\$Cal Staffing: \$952,000 General Fund to provide support and administer the newly deployed Financial Information System for California (Fi\$Cal). This funding would be used to effectively manage use of the system and ensure the accuracy and integrity of financial information provided by the Judicial Council in support of judicial branch entities.

Rent Costs: \$1.5 million for rent increases in buildings occupied by the Supreme Court, Courts of Appeal, and Habeas Corpus Resource Center.

Judicial Branch Facilities

The Judicial Branch Capital Outlay budget appears as a separate line item in the Budget Act.

Court Construction: \$38.3 million in new funding for two existing courthouse projects (see below); and authorization for reappropriation and extension of the liquidation period for the San Diego Courthouse and the new Yuba City Courthouse.

| | Project | Amount | Phase(s) |
|---|--|---------------------|--------------------------------------|
| 1 | Imperial County: New El Centro Courthouse | \$17,152,000 | Construction |
| 2 | Riverside County: New Indio Juvenile and Family Courthouse | \$21,130,000 | Working Drawings, Construction |
| | Total | \$38,282,000 | |

Deferred Maintenance: \$15 million General Fund in one-time operational funds for deferred maintenance in the courts as prioritized by the Judicial Council.

The enacted budget for the new fiscal year beginning on July 1 will help advance key priorities for the state's court system. The Chief Justice and the Judicial Council appreciate the support of local court leadership and justice system partners and the collaboration with our sister branches of government to serve the needs of Californians.

For Reference

Below are links to budget and trailer bill language and to the Department of Finance's budget website:

- [Budget Act of 2019](#) (AB 74)
- [Courts Trailer Bill](#) (AB 95)
- www.ebudget.ca.gov (final budget post pending)

MH/sm