



JUDICIAL COUNCIL OF CALIFORNIA

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HON. TANI G. CANTIL-SAKAUYE
Chief Justice of California
Chair of the Judicial Council

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Chair, Judicial Branch Budget Committee
Chair, Litigation Management Committee

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Chair, Legislation Committee

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MR. MARTIN HOSHINO
Administrative Director
Judicial Council

January 1, 2021

Hon. Anthony J. Portantino Chair,
Senate Appropriations
Committee
State Capitol, Room 2206
Sacramento, California 95814

Chair, Senate Committee on
Budget and Fiscal Review
State Capitol, Room 5019
Sacramento, California 95814

Hon. Lorena Gonzalez
Chair, Assembly Appropriations
Committee
State Capitol, Room 2114
Sacramento, California 95814

Chair, Assembly Budget
Committee on Budget
State Capitol, Room 6026
Sacramento, California 95814

Re: Report on Receipts and Expenditures from Local Courthouse
Construction Funds, as required under Government Code section
70403(d)

Dear Senator Portantino, Assembly Member Gonzalez, and Committee
Chairs:

Pursuant to Government Code section 70403(d), the Judicial Council is
submitting the *Receipts and Expenditures from Local Courthouse
Construction Funds Report*.

Detailed information reported by each county is highlighted in the
Courthouse Construction Funds County Reporting for the Period July
1, 2019 through June 30, 2020. The report is included as Attachment A
or available on the California Courts "Legislative Reports" webpage at
www.courts.ca.gov/7466.htm.

January 1, 2021

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If you have questions about this report, please contact Zlatko Theodorovic, Budget Services Deputy Director at 916-263-1397 or Zlatko.Theodorovic@jud.ca.gov.

Sincerely,



Martin Hoshino
Administrative Director
Judicial Council

MH/dn

Enclosures

cc: Aaron D. Silva, Chief Deputy Legislative Counsel

Erika Contreras, Secretary of the Senate

Sue Parker, Chief Clerk of the Assembly

Eric Dang, Policy Consultant, Office of Senate President pro Tempore Toni G. Atkins

Amy Alley, Policy Advisor, Office of Senate President pro Tempore Toni G. Atkins

Alf Brandt, Senior Counsel, Office of Assembly Speaker Anthony Rendon

Gabrielle Zeps, Policy Consultant, Office of Assembly Speaker Anthony Rendon

Anita Lee, Principal Fiscal and Policy Analyst, Legislative Analyst's Office

Gabriel Petek, Legislative Analyst, Legislative Analyst's Office

Jessie Romine, Budget Analyst, Department of Finance

Margie Estrada, Chief Counsel, Senate Judiciary Committee

Mary Kennedy, Chief Counsel, Senate Public Safety Committee

Elisa Wynne, Deputy Staff Director, Senate Budget and Fiscal Review Committee

Christopher Francis, Consultant, Senate Budget and Fiscal Review Committee

Shaun Naidu, Consultant, Senate Appropriations Committee

Hans Hemann, Principal Consultant, Joint Legislative Budget Committee

Eric Csizmar, Consultant, Senate Republican Policy Office

Matt Osterli, Consultant, Senate Republican Fiscal Office

Morgan Branch, Consultant, Senate Republican Policy Office

Alison Merrilees, Chief Counsel, Assembly Judiciary Committee

Gregory Pagan, Chief Counsel, Assembly Public Safety Committee

Jennifer Kim, Consultant, Assembly Budget Committee

Jay Dickenson, Chief Consultant, Assembly Appropriations Committee

January 1, 2021

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Kimberly Horiuchi, Principal Consultant, Assembly Appropriations Committee
Lyndsay Mitchell, Consultant, Assembly Republican Office of Policy & Budget
Gary Olson, Consultant, Assembly Republican Office of Policy & Budget
Daryl Thomas, Consultant, Assembly Republican Office of Policy & Budget
Amy Leach, Minute Clerk, Office of Assembly Chief Clerk
Cory T. Jasperson, Director, Governmental Affairs, Judicial Council
Zlatko Theodorovic, Deputy Director, Budget Services, Judicial Council
Fran Mueller, Deputy Director, Budget Services, Judicial Council
Jenniffer Herman, Administrative Coordinator, Governmental Affairs, Judicial
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MR. MARTIN
HOSHINO *Administrative*
Director Judicial Council

Report title: *Receipts and Expenditures from Local Courthouse Construction Funds*

Statutory citation: Government Code section 70403

Date of report: January 1, 2021

The Judicial Council is submitting the annual report to the Legislature on the Receipts and Expenditures from Local Courthouse Construction Funds for fiscal year 2019-20. The following summary of the report is provided per the requirements of Government Code section 9795.

Government Code section 70402(a) requires that any amount in a county's local courthouse construction fund be transferred to the State Court Facilities Construction Fund at the later of the following dates: (1) the last transfer of responsibility for court facilities from that county to the Judicial Council, or December 31, 2009, if there is no outstanding bond indebtedness; (2) the date the final payment of the bond indebtedness for any court facility paid from that fund is retired.

The code section also requires a county that has retained these revenue sources under Government Code section 70325 to submit an annual report of revenues and expenditures, including any amounts to be repaid by counties, to the Judicial Council.

The attached annual report reflects 29 counties collecting courthouse construction funds with revenues totaling \$29.7 million and expenditures of \$31.3 million. During this reporting period, two counties, Sonoma and San Bernardino, transferred the balance of their courthouse construction funds totaling \$8.4 million to the State Court Facilities Construction Fund.

Below is a summary of the status of the 58 counties' courthouse construction funds as of June 30, 2020:

- Four counties have transferred their court facilities and have no outstanding bond indebtedness include Inyo, Modoc, Siskiyou, and Tehama. Transfer of their courthouse construction fund balances to the State Court Facilities Construction Fund are pending.

- Inyo and Siskiyou have outstanding project commitments. Upon completion of the projects, the counties will be required to remit any savings from the project budget.
- Modoc and Tehama are working with Judicial Council staff to determine their balance of outstanding funds to remit.
- Twenty-three counties had previously transferred the fund balances, or partial fund balances, in their local courthouse construction funds to the State Court Facilities Construction Fund.
- Two counties, San Bernardino and Sonoma, ceased collection of courthouse construction funds by amending their board of supervisors resolutions. The two counties had a total fund balance of \$8,364,839 to transfer to the State Court Facilities Construction Fund after their bond indebtedness concluded. This report is the final for these two counties.
- Four counties including Alpine, Mariposa, Trinity, and Tuolumne retained their courthouse construction funds consistent with responsibility for 100 percent of court square footage.
- Twenty-two counties continue to report their courthouse construction funds as statutorily permitted because they have bond indebtedness or approved outstanding projects for which the funds are used:
 - The 21 counties that retain their courthouse construction funds to pay off outstanding debt will continue to submit annual reports on revenues and expenditures until the debt obligation is retired.
 - El Dorado County does not have bond indebtedness but rather an outstanding project commitment and will continue to submit annual reports until the project is complete.
- Three counties including Humboldt, Lassen, and Ventura have concluded their bond indebtedness and are working with Judicial Council staff to remit their balances to the State Court Facilities Construction Fund. These counties will continue to submit annual reports until the remaining balance in their Courthouse Construction Fund has been remitted.

No repayments for inappropriate use of funds were identified during this reporting period.

The full report can be accessed at www.courts.ca.gov/7466.htm.

A printed copy of the report may be obtained by calling 415-865-8777.

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Hon. Tani G. Cantil-Sakauye
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Receipts and Expenditures from Local Courthouse Construction Funds

JANUARY 2021



JUDICIAL COUNCIL
OF CALIFORNIA

ADMINISTRATIVE DIVISION
BUDGET SERVICES

County Reporting on Local Courthouse Construction Funds

The Trial Court Facilities Act of 2002 (Sen. Bill 1732 (Escutia); Stats. 2002, Ch. 1082) requires 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 Judicial Council's Administrative Director of all local courthouse construction fund receipts and expenditures for the period January 1, 1998, to December 31, 2005.

Counties retaining funds to pay bond indebtedness must submit to the Judicial Council and the Director of Finance annual updates of all receipts and expenditures within 90 days after the end of each fiscal year. Section 70403 further requires the Judicial Council to submit a report to the Legislature on the information received from the counties regarding the status of local courthouse construction funds. This report covers the period from July 1, 2019, through June 30, 2020.

Government Code section 70402(a) requires that any amount in a county's local courthouse construction fund be transferred to the State Court Facilities Construction Fund at the later of the following dates: (1) the last transfer of responsibility for court facilities from that county to the Judicial Council, or December 31, 2009, if there is no outstanding bond indebtedness; or (2) the date the final payment of the bond indebtedness for any court facility paid from that fund is retired.

Below is a summary of the status of the 58 counties' courthouse construction funds as of June 30, 2020:

- Four counties have transferred their court facilities and have no outstanding bond indebtedness include Inyo, Modoc, Siskiyou, and Tehama. Transfer of their courthouse construction fund balances to the State Court Facilities Construction Fund are pending.
 - Inyo and Siskiyou have outstanding project commitments. Upon completion of the projects, the counties will be required to remit any savings from the project budget.
 - Modoc and Tehama are working with Judicial Council staff to determine their balance of outstanding funds to remit.
- Twenty-three counties had previously transferred the fund balances, or partial fund balances, in their local courthouse construction funds to the State Court Facilities Construction Fund.

- Two counties, San Bernardino and Sonoma, ceased collection of courthouse construction funds by amending their board of supervisors resolutions. The two counties had a total fund balance of \$8,364,839 to transfer to the State Court Facilities Construction Fund after their bond indebtedness concluded. This report is the final for these two counties.
- Four counties including Alpine, Mariposa, Trinity, and Tuolumne retained their courthouse construction funds consistent with responsibility for 100 percent of court square footage.
- Twenty-two counties continue to report their courthouse construction funds as statutorily permitted because they have bond indebtedness or approved outstanding projects for which the funds are used:
 - The 21 counties that retain their courthouse construction funds to pay off outstanding debt will continue to submit annual reports on revenues and expenditures until the debt obligation is retired.
 - El Dorado County does not have bond indebtedness but rather an outstanding project commitment and will continue to submit annual reports until the project is complete.
- Three counties including Humboldt, Lassen, and Ventura have concluded their bond indebtedness and are working with Judicial Council staff to remit their balances to the State Court Facilities Construction Fund. These counties will continue to submit annual reports until the remaining balance in their Courthouse Construction Fund has been remitted.

County Reporting Under Government Codes Section 70403(b) for July 1, 2019, through June 30, 2020

As required by statute the Judicial Council received reports on the condition of local courthouse construction funds from 29 counties that have outstanding bond indebtedness for the reporting period from July 1, 2019, through June 30, 2020. All reports have been received as of October 1, 2020 and were analyzed for compliance with code section 70403(b) (reference Attachment A).

As reported by the 29 counties, the local courthouse construction fund receipts totaled \$29.7 million and expenditures totaled \$31.3 million for fiscal year 2019-20. Additionally, both Sonoma and San Bernardino Counties closed out their courthouse construction funds; a total of \$8.4 million was remitted to the State Court Facilities Construction Fund from the two counties in compliance with Government Code section 70402(a).

Status of Reviews

When a county submits its annual report on the condition of their local courthouse construction fund, Judicial Council staff review the report to determine compliance, including the beginning and ending fund balances and an explanation of expenditures by project. Each review includes a determination of whether the receipts and expenditures were made in accordance with the provisions of Government Code section 76100, including verifying that outstanding debt service still exists. If the Judicial Council concludes, based on the information provided, that a county made an expenditure not permitted by statute, the Judicial Council will notify the county and the Department of Finance of the amount due for repayment to the state. Pursuant to Government Code section 70403(d), no repayments have been identified for 2019–20.

County Reporting for All Prior Reporting Periods

Based on the reports received from the counties for these reporting periods, there is no update to the previously reported receipts and expenditures. All reports follow the requirements of the statute for the reporting period. No further detailed reviews will be conducted on reports beyond fiscal year 2014–15 unless warranted. All prior year reports are available on the California Courts “Legislative Reports” webpage at:

www.courts.ca.gov/7466.htm.

Attachments

Attachment A: *County Reporting for the Period July 1, 2019 to June 30, 2020: Local Courthouse Construction Funds Under Government Code Section 70403*

County Reporting for the Period
July 1, 2019 through June 30, 2020
Local Courthouse Construction Funds Under Government Code Section 70403
ATTACHMENT A

County	Revenues for Period <i>(as reported by county)</i>	Expenditures for Period <i>(as reported by county)</i>	Balances Remitted to State Court Facilities Construction Fund (SCFCF)	Bonded Indebtedness <i>(indicated in report)</i>
Complete				
1 San Bernardino	1,327,119	0	7,064,229	Remitted April 2020
2 Sonoma	2,949	0	1,300,610	Remitted June 2020
In Progress				
3 Alameda ¹	1,708,170	951,324		x
4 Amador	26,491	24,967		x
5 Contra Costa	805,974	231,622		x
6 El Dorado ^{2,3}	5,495	0		x
7 Glenn	87,945	0		x
8 Los Angeles	9,348,000	14,974,000		x
9 Marin	323,629	352,599		x
10 Merced	381,393	406,594		x
11 Monterey	548,491	548,491		x
12 Napa	249,563	28,791		x
13 Placer	249,167	300,000		x
14 Riverside	4,786,696	4,852,236		x
15 Sacramento	954,225	955,000		x
16 San Diego	828,369	902,826		x
17 San Francisco	1,925,349	2,032,300		x
18 San Joaquin	657,705	429,848		x
19 San Luis Obispo	319,486	308,415		x
20 San Mateo	1,183,159	1,181,139		x
21 Santa Barbara	962,090	220,550		x
22 Santa Clara	938,015	998,384		x
23 Santa Cruz	105,329	105,329		x
24 Shasta	396,093	396,093		x
25 Solano	329,859	396,188		x
26 Stanislaus	313,414	742,692		x
Transferred				
27 Humboldt ⁴	128,865	0		Transferred 12/4/2017
28 Lassen ⁴	109,645	0		
29 Ventura ⁴	720,772	0		Transferred 11/1/2019
TOTALS	\$ 29,723,457	\$ 31,339,388	\$ 8,364,839	

Notes:

1. Pending debt for new approved capital project.
2. Bonded indebtedness: approved project underway.
3. Partial Courthouse Construction Fund balance transferred to State Court Facilities Construction Fund per Government Code section 70402(a).
4. Bond indebtedness is complete; JCC staff is working with counties to remit their CCF balances to the State Court Facilities Construction Fund.