

Bench-Bar Coalition

Quarterly Membership Meeting

Monday, January 29, 2024

4:00 p.m. – 5:00 p.m.

Zoom Virtual Meeting Room

Agenda

MONDAY, JANUARY 29

4:00 – 4:05 p.m.

Welcome

Jennifer Kim, cochair

Hon. Audra Ibarra, cochair

4:05 – 4:25 p.m.

Presentation: Planning a Legislative Day

Assembly Member Ash Kalra, 27th District

Mike Belote & Cliff Costa, California Judges Association

25 Minutes

Legal Community Updates

Judicial Council of California Update

Shelley Curran, Administrative Director

Cory Jaspersen, Director, Governmental Affairs

State Bar of California

Leah Wilson, Executive Director

California Lawyers Association

Betty Williams, President

Chris Nguyen, Executive Director

Saul Bercovitch, Director, Governmental Affairs

California Commission on Access to Justice

Catherine Blakemore, Chair

Jack Londen, Executive Director

California Judges Association

Hon. Erica Yew, President

Nicole Virga Bautista, Executive Director

Mike Belote, Legislative Advocate

Cliff Costa, Legislative Advocate

American Bar Association

Ruthe Ashley, California Bench-Bar Coalition Liaison to the ABA

Conference of California Bar Associations

Michele Anderson, Chair

Calendar Review

- Tuesday, March 19, 2024: Legislative Day & State of Judiciary Address
- Monday, April 29, 2024: Quarterly Membership Meeting
- Monday, July 29, 2024: Quarterly Membership Meeting
- Monday, October 28, 2024: Quarterly Membership Meeting



Judicial Council of California

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M E M O R A N D U M

Date

January 10, 2024

Action Requested

For Your Information

To

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

Deadline

N/A

From

Shelley Curran
Administrative Director
Judicial Council

Contact

Zlatko Theodorovic
Director, Budget Services
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zlatko.theodorovic@jud.ca.gov

Subject

2024–25 Judicial Branch Budget

The Governor released his 2024–25 State Budget proposal today. This memo provides a high-level summary of the proposed budget for the judicial branch of government.

As widely anticipated, the Governor’s proposed budget for the next fiscal year beginning July 1, 2024, projects significant declines in General Fund revenues and a statewide budget shortfall of \$37.9 billion across the 2023–24 and 2024–25 fiscal years. To address the forecasted shortfall, funding reductions are proposed throughout state government through a combination of solutions including (1) state reserves drawdowns, (2) spending reductions, and (3) revenues and internal borrowing.

For the judicial branch, there is a one-time transfer of \$80 million from the Trial Court Trust Fund, the return of \$20 million in unspent General Fund monies for the firearms relinquishment program, and a deferral of funding decisions to future budgets for several capital outlay projects. Importantly, there are no proposed reductions to baseline court budgets in the 2024–25 fiscal year or in the current 2023–24 fiscal year.

The Governor’s budget provides \$5.2 billion in total operating and facility funds for the judicial branch for fiscal year 2024–25. Despite the challenging fiscal environment, the budget includes a net total of \$311.4 million in funding and reflects the priorities of Chief Justice Guerrero and the Judicial Council to maintain critical programs and services provided by the branch to advance access to justice for court users and the public.

The proposed budget continues to protect core operations of the judicial branch by:

- (1) Increasing the trial court fund balance cap to ensure trial courts have adequate reserve funding to support operational needs;
- (2) Maintaining backfill funding for declining fines, fees, and penalty revenues that support trial court operations;
- (3) Providing resources for self-represented litigants; and
- (4) Supporting courthouse construction and facility operations and maintenance, including backfill for the State Court Facilities Construction Fund to support essential trial court facilities projects and ensure solvency of the fund.

The breakdown of the proposed 2024–25 Governor’s Budget for all judicial branch entities is detailed in the following chart.

Judicial Branch Funding for Fiscal Year 2024–25

Judicial Branch Entity	Total Funding (\$ in millions)
Supreme Court	\$56.1 m
Courts of Appeal	\$290.0 m
Trial Courts	\$4,032.7 m
Judicial Council	\$310.6 m
Judicial Branch Facility Program	\$636.9 m
Habeas Corpus Resource Center	\$20.1 m
Subtotal, Operational Budget	\$5,346.4 m
Offset from Local Property Tax Revenue	-\$247.6 m
Adjusted Operational Budget	\$5,098.8 m
Less Nonstate Funds ¹	-\$189.4 m
Adjusted Operational Budget, State Funds	\$4,909.4 m
Court Construction Projects²	<u>\$89.5 m</u>
Total Funding (Sum of Adjusted Operational Budget and Court Construction Projects) ³	\$5,188.3 m

Some totals will not be exact due to rounding.

¹ Includes federal funds and reimbursements.

² Includes additional funding for current projects.

³ Includes General Fund; special, bond, federal, and non-governmental cost funds; and reimbursements.

New Operational Changes

Increase Trial Court Fund Balance Cap: The proposed budget includes trailer bill language to increase the trial court fund balance cap from 3 percent to 5 percent or \$100,000, whichever is greater, to ensure that trial courts have adequate reserve funding to support operational needs and address emergency expenditures.

Ongoing Funding for Self-Help Centers: \$19.1 million ongoing General Fund for the trial courts to provide self-help services to unrepresented litigants and to achieve court efficiencies. This funding was previously approved on a limited-term basis and set to expire in June 2024.

Statutory Statewide External Audit Program–Trial Courts: \$1.3 million Trial Court Trust Fund in fiscal year 2024–25, increasing to \$1.5 million in fiscal year 2028–29 and ongoing for the State Controller’s Office to complete required audits of trial court revenues, expenditures, and fund balances on a four-year cycle.

Facilities Changes

State Court Facilities Construction Fund Backfill: \$80 million General Fund backfill to address the structural deficit in the State Court Facilities Construction Fund, maintain existing service levels for trial court facilities projects, and ensure an adequate fund balance.

Court Construction: \$89.5 million Public Buildings Construction Fund for the Design-build phase of a new courthouse for the Court of Appeal, Sixth Appellate District in Santa Clara County, which is a previously-approved project.

Facility Operations and Maintenance: \$3.6 million General Fund for the operation and maintenance of the new Modesto Courthouse for the Superior Court of Stanislaus County, projected to open in 2025.

Other Funding Modifications

Trial Court Trust Fund Revenue Backfill: \$83.1 million General Fund backfill for the Trial Court Trust Fund to address the continued decline in civil fee and criminal fine and penalty revenues expected in 2024–25.

Community Assistance, Recovery, and Empowerment (CARE) Act Support: \$106.9 million General Fund in fiscal year 2024–25 and \$133 million ongoing for CARE Act implementation and program support, including legal representation.

Trial Court Employee Costs: \$15.8 million ongoing General Fund for increased trial court employee health benefits and retirement costs.

State-Level Judiciary Employee and Judicial Officers Costs: \$19.0 million to adjust retirement, salary, and benefit costs for employees of the Supreme Court (\$1.5 million), Courts of Appeal (\$7.2 million), Judicial Council (\$8.4 million), and Habeas Corpus Resource Center (\$632,000), and for compensation of superior court judges (\$1.3 million).

Rent Costs: \$31,000 General Fund reduction/adjustment to account for lowered rent costs in buildings occupied by the Supreme Court, Courts of Appeal, Judicial Council, and Habeas Corpus Resource Center.

Budget Solutions

Trial Court Trust Fund: \$75 million of Trial Court Trust Fund reserves will be transferred to the General Fund. These one-time reserves have accumulated over multiple years primarily due to high judicial officer vacancies.

Trial Court State-Level Emergency Reserve: Reduction of the trial court state-level emergency reserve in the Trial Court Trust Fund from \$10 million to \$5 million.

Firearm Relinquishment Program: The Budget Act of 2022 provided \$40 million one-time General Fund to support court-ordered firearm relinquishment pilot programs. The \$40 million, which is available for expenditure for three fiscal years, will be reduced by \$20 million.

Deferral of Capital Outlay Projects: Given the state's fiscal challenges, the budget does not include any new or additional funding for the following projects:

- Fresno–New Fresno Courthouse;
- San Luis Obispo–New San Luis Obispo Courthouse;
- San Joaquin–New Tracy Courthouse;
- Kern–New East County Courthouse; and
- Placer–Tahoe Courthouse Renovation.

Funding for these projects and others included in the judicial branch's Five-Year Capital Outlay Plan will be considered in future budget cycles.

Next Steps on Judicial Branch Budget

The proposed budget sets the stage for the next phase of the state's budget development cycle for fiscal year 2024–25, which begins on July 1, 2024. This will include further discussions with the Administration, legislative hearings, a May Revision to the Governor's Budget, and an intensive period of legislative activity to pass a balanced budget by the June 15 constitutional deadline.

The proposed 2024–25 Governor's Budget may be reviewed in its entirety at: <https://ebudget.ca.gov/>.

Bench-Bar Coalition

Legal Community Partners Questionnaire

January 29, 2024, Quarterly Meeting

1. Organization Name

State Bar of California

2. Is there something new you are working on that would be of interest to the BBC membership?

Rule 8.3 (reporting of attorney misconduct by attorneys to State Bar OR tribunal)

CARE Court legal services funding

DEI Leadership Seal

AI Guidance – Attorney Use

2024 California Justice Gap Study

3. Can the BBC or it's members assist you?

Yes, primarily by supporting the State Bar in its request for a licensing fee increase, and sharing what is and is not working from member perspectives.

4. Any other news you would like to share?

Mentioned above, we will be seeking a licensing fee increase in 2025 which may be accompanied by a proposal for a progressive fee structure – for example income-based.

Bench-Bar Coalition

Legal Community Partners Questionnaire

January 29, 2024 Quarterly Meeting

1. Organization Name

California Lawyers Association & California Lawyers Foundation

2. What has your organization accomplished since the last BBC meeting?

- The New Year has brought new changes to the California Lawyers Association and California Lawyers Foundation.
- In early January, Chris Nguyen started working as CEO for both the California Lawyers Association and Foundation.
- Bringing decades of experience in finance, operations and administration, Chris is well equipped to position the organization for success for decades to come.
- The 18 sections that comprise the California Lawyers Association have a full range of programming for the year. Highlights to come include the Privacy Law Summit, the Golden State Institute, hosted by the Antitrust and Unfair Competition Law Institute, and of course, the ever so popular and sell-out event, the Environmental Law Conference at Yosemite. Our sections continue to capture trendsetting issues and topics, leveraging the short and long term impact in the law, through planning educational events centered around conversation and learning.
- Our foundation is preparing to launch a new series of animated educational videos focused on training youth to have safe interactions with law enforcement. These videos will serve as the focus of the 1st Annual California Lawyers Foundation's Golf Tournament, coming to a course near you later this year.
- We remain committed to diversity and access to justice. In fact, California Legal Pathways Collaborative, a program of our California Lawyers Foundation is hosting a Legislative Day for high school students on February 16. This is part of an ongoing effort to introduce the next generation of lawyers to the law as early and often as possible.
- In short, the year is full of initiatives that deliver new value to our members, partners, and colleagues.
- Together, we look forward to positively impacting the future of law alongside our partners here today.

3. Is there something new you are working on that would be of interest to the BBC membership?

- Engage in our activities as time allows.

4. Can the BBC or it's members assist you?

- Not at this time.

5. Any other news you would like to share?

- No additional news to share.

Bench-Bar Coalition

Legal Community Partners Questionnaire

January 29, 2024 Quarterly Meeting

1. Organization Name

AMERICAN BAR ASSOCIATION

2. What has your organization accomplished since the last BBC meeting?

MIDYEAR MEETING – Louisville, Kentucky, February 1-5

HOUSE OF DELEGATES NOMINATING COMMITTEE selects

the next chair of the HOUSE on Sunday February 4. It is a contested.

Election. Also, the next President-elect and treasurer will be nominated.

3. Is there something new you are working on that would be of interest to the BBC membership?

Presidential APPOINTMENTS process is now open. Approximately 700 appointments will be made. www.americanbar.org/appointments

New opportunity this year is Young Lawyers Fellows. Establishes appointment for up to 10 young lawyer positions to participating Special/Standing Committee/Commission and Centers

4. Can the BBC or it's members assist you?

Encourage BBC Members to get involved with the ABA.

5. Any other news you would like to share?

Annual Meeting – July 31-Aug 5 Chicago, IL