

**JUDICIAL COUNCIL OF CALIFORNIA
ADMINISTRATIVE OFFICE OF THE COURTS**

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Report

TO: Members of the Judicial Council

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SUBJECT: Fiscal Year 2009–2010 Budget Requests for the Supreme Court, Courts of Appeal, Judicial Council/Administrative Office of the Courts, and the Trial Courts (Action Required)

Issue Statement

Approval by the Judicial Council is required prior to submission of budget requests for the Supreme Court, the Courts of Appeal, the Judicial Council/Administrative Office of the Courts (AOC), and the trial courts. Budget Change Proposals (BCPs) for Fiscal Year (FY) 2009–2010 are due to be submitted to the California Department of Finance by September 12 of this year. Action by the council at its August business meeting is needed to enable staff to timely transmit proposals that would address various service and programmatic needs in the next fiscal year to the Department of Finance.

Fiscal Year 2009–2010 Budget Requests for the Supreme Court, Courts of Appeal, Judicial Council/Administrative Office of the Courts, and the Trial Courts

Background

The process for developing budget change requests for the successive fiscal year begins with a review of financial, workload, and technical needs within the branch that could be addressed in the state budget. For the appellate court system and the Judicial Council/AOC, this effort involves solicitation of individual budget concepts which are compiled and analyzed by staff. These proposals are prioritized based upon needs within each court and AOC division, and potential fund sources are identified. Given the urgency and/or criticality of the identified need, and judgment regarding the realistic viability of individual funding requests being ultimately approved in the current state financial climate, a more focused list of funding needs is identified and presented to the council for approval.

The list of financial, workload, and technical needs identified in this report, with some exceptions, is largely consistent with individual requests approved by the council to be developed into BCPs last fiscal year. Workload requests for the AOC were not approved by the Legislature in FY 2007–2008, and almost all workload proposals submitted on behalf of the Judicial Council/AOC and the Supreme Court and Courts of Appeal for FY 2008–2009 were withdrawn during the spring based upon an assessment of the viability of new funding requests given the state’s fiscal climate. Instead, the proposed funding reductions for the appellate courts and AOC were offset by the Legislature by the amount of funding that had been requested. While the lower cut was critically important for the judiciary, the need for workload and other adjustments did not go away.

After approval by the council, the areas proposed as funding needs in this report will form the parameters within which staff will 1) finalize development of BCPs to be submitted to the Department of Finance, and 2) begin discussion of the FY 2009–2010 budget with the Department of Finance and the Governor.

For the trial courts, Government Code section 77202 specifies the annual budget process for trial court funding, including the computation of the annual State Appropriations Limit (SAL) adjustment, based upon the annual change in California Per Capita Personal Income, State Civilian Population, and Kindergarten through Grade 14 Enrollment. This mechanism is intended to provide a funding base from which most of the funding adjustments for trial courts are made. With the Legislature’s establishment of this process, the statutory authority to request additional funding through BCPs for trial courts was restricted largely to issues that fall outside of SAL funding, such as judicial compensation, or addressing costs resulting from the implementation of new legislative mandates upon the courts. The list of financial, workload and technical needs identified in this report includes proposals that would address trial court funding issues outside of the SAL funding process. These requests are for funding for security (which has been an ongoing council priority), court appointed dependency counsel program costs, and increased costs related to the Assigned Judges program.

Subsequent to council approval to submit BCPs to address the areas of need identified in this report, staff will finalize development of the individual funding requests. During the fall, the requests will form the basis of budget negotiations with the Governor and the Department of Finance, as the Governor proceeds with the development of the 2009–2010 proposed budget, which will be released in early January.

Staff will continue to review the funding needs and adjustments identified in this report. The review process includes determining whether the costs associated with

workload growth and cost increases are justifiable, whether or not the judiciary has sufficient resources to address these workload growth and cost increases, and finally, developing budget change proposals which specify resource requirements.

Based upon the information under review, staff has identified the following workload and funding issues which would result in a need for additional resources which would be included in the fall budget request for the branch to support the provision of services to the courts and the public, as well as for internal infrastructure needed to support judicial branch operations.

Supreme Court and Courts of Appeal

- Costs are projected to increase for the court appointed counsel programs for the Supreme Court and Courts of Appeal.
- Additional costs are being experienced for law library subscriptions and books for the Supreme Court and the Courts of Appeal.
- Capital Central and Criminal Central workload has been growing substantially, requiring additional staff.
- Additional staffing resources are needed to address increased workload in the Fourth Appellate District (Division Two–Riverside).

Judicial Council/AOC

- Emergency Response Services (ERS) Unit: Additional staffing resources are required to provide support needed for ERS's growing workload.
- Appellate and Trial Court Judicial Services: Additional staffing is needed to address substantial workload and to provide increased support for appellate court-appointed counsel, Assigned Judges, and civil case coordination programs.
- Office of General Counsel: Additional staffing is needed to address expanding workload related to probate and mental health programs and issues.
- Office of Governmental Affairs: Staffing is needed to support increasingly complex judicial branch legislative activities.
- Center for Families, Children and the Courts (CFCC): Additional staff is needed to provide support for courts regarding the administration of self-help programs; to address workload needs in the Juvenile Delinquency Unit, including increased support for courts relating to delinquency case management.

- Education Division: Staffing is needed to develop and administer education courses, and to develop content for on-line courses for judges and court staff. There is also a growing need for increased administrative services support within the AOC.
- Executive Office Programs: Additional resources are needed to support the Integrated Strategic Communications Infrastructure, to continue development of a statewide communication strategy, including communication needs related to statewide administrative infrastructure needs. In addition, resources are needed to provide auditing and quality control of trial court operational data and to develop necessary auditing controls which can be integrated into the California Court Case Management System.
- Southern Regional Office: Workload needs in the office continue to grow as the level of services provided to courts increases; additional staff is needed to provide assistance to the trial courts in the regional office.
- Northern/Central Regional Office: Increased administrative support is needed to provide assistance to the trial courts in the regional office.
- Finance Division: Significant workload growth requires additional staffing in accounting to address increased facilities-related technical accounting workload; and in contracts for statewide procurement.
- Human Resources Division: Resources are needed to conduct a compensation and classification study to support the development of effective job descriptions for AOC divisions.
- Information Services Division: The division requires additional staffing to support various statewide trial court, AOC, and appellate court technology services and initiatives.
- Funding is needed to establish the Hiram Johnson State Building Justice Center facility, and to accommodate a need for increased space in the Southern Regional and Northern Central regional facilities related to planned staffing increases.
- Staffing and resources are needed to establish a centralized unit that will provide enhanced project management and data quality and management analysis services for the judiciary.
- Resources are required to provide security auditing and for biannual audits of sheriffs records.
- Staffing and resources are needed to develop and implement data center disaster recovery options for the appellate and AOC data centers.

- Resources are needed to address risk management insurance programs for new facilities and facility rent increases.
- There is a need for resources for additional consultant services related to the new Long Beach Courthouse Capital Outlay Project. This project will be employing the new Performance Based Infrastructure approach to build this facility. Owing to the complexities of the project and the process, there is a need for additional legal, financial, and other technical expertise.

In addition, AOC staff are preparing proposals related to the following special fund and technical adjustments to address facility, technology, and other program needs:

- Increased appropriation authority for the State Court Facilities Construction Fund is needed to support inflationary cost increases related to county facility payments; debt service payments for the new Fresno Area Juvenile Delinquency Court; lease payment redirection for Pleasanton court; and to address trial court facility modifications needs.
- Increased appropriation authority for the State Court Facilities Construction Fund for staffing and resources to support workload related to existing programs as well as new workload that would occur if pending legislation related to a bond for court facilities (SB 1407) is enacted.
- Increased appropriation authority for the Court Facilities Trust Fund for county facility payment, utilities, and inflationary cost adjustments.
- Increased Budget Act Provisional Authority is needed for the Trial Court Trust Fund and Trial Court Improvement Fund to accommodate projected expenditures related to the statewide technology infrastructure initiatives; and workload associated with the enhanced collections program.
- Increased Federal Trust Fund and Reimbursement expenditure authority is needed to accommodate new and extended grants to the judiciary.

Trial Court Cost and Funding Issues Outside of the SAL Funding Process

- Increased General Fund is proposed to support increased costs for the Assigned Judges Program and the trial court appointed dependency counsel program. Court-appointed dependency counsel and assigned judges programs have been experiencing cost growth in the last two years that is projected to exceed available resources.
- Trial court security has remained an ongoing cost concern for the courts and the council for several fiscal years. We are proposing to present a placeholder BCP which will allow staff the time to determine any cost or policy needs in this area.

Recommendation

1. Staff recommends that the Judicial Council approve the development of budget change proposals (BCPs) for fiscal year 2009–2010 to address issues identified in this report, to be submitted to the Department of Finance, to communicate requests for additional expenditure authority for the Supreme Court, Courts of Appeal, Judicial Council/AOC, and the trial courts. These proposals will identify baseline resource needs associated with increased costs and workload related to the provision of services to the courts and the public, as well as for internal infrastructure needs to support judicial branch operations.

Rationale for Recommendation

Staff has identified critical operational and programmatic needs that have developed and which result in a need for additional resources.

Alternative Actions Considered

In developing the recommendations, the following alternative was considered:

Do not proceed with additional requests in light of the current fiscal climate of the state. However, given the demonstrated need for workload and technical funding, this alternative is not recommended at this time.

Comments from Interested Parties

Not applicable.

Implementation Requirements and Costs

Not applicable.

Delegation of authority to the Administrative Director of the Courts to make technical changes to this budget request as necessary to address updated information and to reflect the results of budget negotiations as they develop.

Recommendations

2. Staff recommends that the Judicial Council delegate authority to the Administrative Director of the Courts to make technical changes to these budget proposals as necessary, including the ability to develop additional proposals to meet any critical needs which are identified during the development of the fiscal year 2009–2010 state budget.
3. Staff recommends that the Judicial Council direct staff to report on the status of these requests and any additional requests or adjustments that may

arise as the result of council or legislative action. The report to the council will include any issues that develop as the result of negotiations with the Governor and the California Department of Finance in the preparation of the fiscal year 2009–2010 budget.

Rationale for Recommendations

To the extent that additional information is received which requires technical changes to the funding requests identified in this report, there may be a need to modify the budget change proposals being submitted to the state Department of Finance.

Alternative Actions Considered

Not applicable.

Comments from Interested Parties

Not applicable.

Implementation Requirements and Costs

Not applicable.