



Judicial Council of California · Administrative Office of the Courts

455 Golden Gate Avenue · San Francisco, California 94102-3688

www.courts.ca.gov

REPORT TO THE JUDICIAL COUNCIL

For business meeting on: August 31, 2012

Title	Agenda Item Type
Judicial Council Report to the Legislature: Actions taken to achieve an ongoing \$4.0 million reduction in expenditures to state judiciary programs scheduled in the Budget Act of 2012, Item 0250-001-0001.	Action Required
Rules, Forms, Standards, or Statutes Affected	Effective Date
None	N/A
Recommended by	Date of Report
Administrative Office of the Courts	August 23, 2012
Jody Patel, Interim Administrative Director of the Courts	Contact
	Zlatko Theodorovic, 916-263-1397 zlatko.theodorovic@jud.ca.gov

Executive Summary

The Administrative Office of the Courts (AOC) recommends approval of the report to the Legislature on actions taken by the Judicial Council to achieve an ongoing \$4.0 million reduction in expenditures to state judiciary programs scheduled in the Budget Act of 2012, Item 0250-001-0001.

The Budget Act of 2012 specifically schedules \$49.043 million in reductions to the state judiciary. The enacted budget continues \$30.043 million in cuts approved by the Legislature in 2011–2012, and includes \$19 million in new reductions (\$8 million General Fund and \$11 million other funds), of which \$15 million was redirected to offset reductions to trial court operations.

The General Fund reduction of \$8.0 million is scheduled as ongoing in the Budget Act of 2012, Item 0250-001-0001 and is comprised of a \$4 million reduction to the AOC (redirected to offset Trial Court reductions); and \$4.0 million distributed to state judiciary programs (including the AOC) within this item. Provision 5 of Item 0250-001-0001 requires the Judicial Council to report to the Legislature no later than September 30, 2012 on the actions taken to achieve the ongoing \$4.0 million reduction in expenditures from the programs within this item.

Judicial Branch Entity	2011-2012	2012-2013	Total 2011-12/2012-13 Reductions
Supreme Court	\$ (2,820,000)	\$ (514,000)	\$ (3,334,000)
Courts of Appeal	(12,512,000)	(2,163,000)	(14,675,000)
Judicial Council/AOC	(13,463,000)	(7,063,000)	(20,526,000)
Judicial Branch Facility Program	(181,000)	(9,040,000)	(9,221,000)
Habeas Corpus Resource Center	(1,067,000)	(220,000)	(1,287,000)
Total State Judiciary Reductions	\$ (30,043,000)	\$ (19,000,000)	\$ (49,043,000)

The following information provides information regarding each state judiciary entity’s scheduled share of the \$4.0 million ongoing reduction and actions planned and/or already taken to address the reductions:

Supreme Court: -\$514,000

Actions to achieve the ongoing reduction include:

- Utilize new and increased appellate court filing fees authorized pursuant to Assembly Bill 110 (Stats. Of 2012, ch. 193) and Senate Bill 1021 (Stats. 2012, ch.41) to offset reductions to the Supreme Court.
- Reduce personal services expenditures by holding positions vacant and filling only those positions deemed critical by the Chief Justice.
- Reduce operating expenses.

Courts of Appeal: -\$2,163,000

Actions to achieve the ongoing reduction include:

- Utilize new and increased appellate court filing fees authorized pursuant to Assembly Bill 110 (Stats. Of 2012, ch. 193) and Senate Bill 1021 (Stats. 2012, ch.41) to offset reductions to the Courts of Appeal.

- Reduce personal services expenditures by holding positions vacant and filling only those positions deemed critical by a court’s Administrative Presiding Justice.

Administrative Office of the Courts and Judicial Branch Facility Program:

The Judicial Branch Facility Program is identified as Program 35 in the Judicial Branch budget; the Office of Court Construction Management which administers Program 35, functions under the authority of the AOC Administrative Director of the Courts. Therefore, reduction measures identified for the Judicial Council/AOC are also applicable to the Judicial Branch Facility Program.

- ❖ AOC scheduled share of the \$4.0 million reduction: -\$1,063,000
- ❖ Judicial Branch Facility Program share of \$4.0 million reduction: -\$40,000

Actions to achieve the ongoing reduction include:

- Reduce workforce through layoffs.
- Reduce operating expenses.

Habeas Corpus Resource Center: -\$220,000

Actions to achieve the ongoing reduction include:

- The Habeas Corpus Resource Center aggressively targeted its operating expenses, including its off-site storage, scanning, library, temporary and contract employee, telephone, and information technology expenditures. Additionally, positions have been held vacant and the budget for case expenditures reduced, thereby reducing or eliminating key portions of the program, including the ability to take new capital habeas corpus appointments and provide training to private counsel.

Recommendation

The AOC recommends that the Judicial Council:

1. Adopt actions planned and/or taken by the state judiciary entities to achieve an ongoing \$4.0 million reduction in expenditures;
2. Approve the report to the Legislature; and
3. Direct the AOC to submit the report to the Legislature.

Previous Council Action

While no previous action has been taken by the council an update (information item) regarding actions taken to address the total state judiciary program budget reductions was presented at the

July 27, 2012 council meeting by Zlatko Theodorovic, Finance Division Director and Curt Soderlund, Interim Chief Deputy Director.

Rationale for Recommendation

Submission of the report is required pursuant to the Budget Act of 2012, Item 0250-001-0001, Provision 5.

Comments, Alternatives Considered, and Policy Implications

The information detailed in the report is based on actions planned and/or taken by the state judiciary entities to achieve the ongoing reduction of \$4.0 million in General Fund expenditures.

Attachments

1. Attachment A: Report to the Legislature: Actions taken by the Judicial Council to achieve an ongoing reduction of \$4.0 million in expenditures from the programs within the Budget Act of 2012, Item 0250-001-0001.
2. Attachment B: Legislative Report Summary



Judicial Council of California
ADMINISTRATIVE OFFICE OF THE COURTS

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

JODY PATEL
Interim Administrative Director of the Courts

CURT SODERLUND
Interim Chief Deputy Director

Report title: Actions taken by the Judicial Council to achieve a \$4.0 million ongoing reduction in expenditures

Statutory citation: Budget Act of 2012, Provision 5 of Item 0250-001-0001

Date of report: August 22, 2012

The Judicial Council has submitted a report to the Legislature in accordance with the Budget Act of 2012, Item 0250-001-0001, Provision 5.

The following summary of the report is provided under the requirements of Government Code section 9795

The ongoing \$4.0 million reduction contained in the Budget Act of 2012 to state judiciary programs, including the Supreme Court, Courts of Appeal, Administrative Office of the Courts, Judicial Branch Facility Program, and Habeas Corpus Resource Center, will be achieved as follows:

- Reductions allocated to the Supreme Court and Courts of Appeal will be offset by new and increased appellate court filing fees and reductions to personal services;
- Reductions allocated to the Administrative Office of the Courts were achieved by layoffs reducing the workforce;
- Reductions allocated to the Judicial Branch Facility Program will be achieved through reductions in operating expenses;
- Reductions allocated to the Habeas Corpus Resource Center will be achieved through reductions in operating expenses and equipment and personal services.

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

A printed copy of the report may be obtained by calling 415-865-7584.



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

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*Chair, Policy Coordination and
Liaison Committee*

HON. JAMES E. HERMAN
*Chair, Technology Committee
Internal Committee*

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Chair, Rules and Projects Committee

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Chair, Executive and Planning Committee

HON. IRA R. KAUFMAN
Chair, Litigation Management Committee

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MS. JODY PATEL
Interim Administrative Director of the Courts

MR. CURT SODERLUND
Interim Chief Deputy Director

August 22, 2012

Hon. Mark Leno, Chair
Senate Committee on Budget and Fiscal Review
State Capitol, Room 5100
Sacramento, California 95814

Hon. Bob Blumenfield, Chair
Assembly Committee on Budget
State Capitol, Room 6026
Sacramento, California 95814

Hon. Loni Hancock, Chair
Senate Budget Subcommittee No. 5 State Capitol, Room 2082
Sacramento, California 95814

Hon. Gil Cedillo, Chair
Assembly Budget Subcommittee No. 5
State Capitol, Room 5119
Sacramento, California 95814

Ms. Ana Matosantos, Director
State Department of Finance
915 L Street
Sacramento, California 95814

Re: Report to the Legislature on actions taken by the Judicial Council to achieve an ongoing \$4.0 million reduction in expenditures, as required by Provision 5 of Item 0250-001-0001

Dear Senators Leno and Hancock, Assembly Members Blumenfield and Cedillo, and Ms. Matosantos:

As required by the Budget Act of 2012 (ch. 21, Statutes of 2012, as amended by ch. 29, Statutes of 2012), Item 0250-001-0001, Provision 5, the Judicial Council respectfully submits the following report of actions taken by the Judicial Council to achieve an ongoing \$4.0 reduction in expenditures from the programs within this item.

Hon. Mark Leno
Hon. Bob Blumenfield
Hon. Loni Hancock
Hon. Gil Cedillo
Ms. Ana Matosantos
August 22, 2012
Page 2

The Budget Act of 2012, Item 0250-001-0001 includes an ongoing General Fund reduction of \$4.0 million to state judiciary programs which includes the Supreme Court, Courts of Appeal, AOC, Judicial Branch Facility Program and Habeas Corpus Resource Center. Attachment 1 displays the actions adopted by the Judicial Council to achieve the ongoing \$4.0 million reduction in expenditures to programs within item 0250-001-0001.

If you have any questions related to this report, please contact Zlatko Theodorovic, Director, AOC Finance Division at 916-263-1397 or at zlatko.theodorovic@jud.ca.gov.

Sincerely,

Jody Patel
Interim Administrative Director of the Courts

JP/GA

cc: Diane Boyer-Vine, Legislative Counsel
Gregory P. Schmidt, Secretary of the Senate
E. Dotson Wilson, Chief Clerk of the Assembly (by e-copy)
Margie Estrada, Consultant, Office of Senate President pro Tempore Darrell Steinberg
Fredericka McGee, General Counsel, Office of Assembly Speaker John A. Pérez
Joe Stephenshaw, Consultant, Senate Committee on Budget and Fiscal Review
Matt Osterli, Consultant, Senate Republican Fiscal Office
Matt Deon II, Consultant, Assembly Committee on Budget
Allan Cooper, Consultant, Assembly Republican Fiscal Office
Amy Jarvis, Assistant Program Budget Manager, Department of Finance
Curt Soderlund, AOC Interim Chief Deputy Director
Zlatko Theodorovic, Director, AOC Finance Division
Donna S. Hershkowitz, Assistant Director, AOC Office of Governmental Affairs
Office of Communications, AOC Executive Office
Gwen Arafiles, Manager, Office of Budget Management, AOC Finance Division

Judicial Branch Entity	Distributed Share of \$4.0 million reduction	Actions taken to achieve ongoing reduction
Supreme Court	\$ (514,000)	<ul style="list-style-type: none"> • Utilizing new and increased appellate filing fee revenues authorized pursuant to Senate Bill 1021 (Stats. 2012, ch.41) and Assembly Bill 110 (stats. 2011, ch. 193) to offset reductions to the Supreme Court. • Reduced personal services expenditures by holding positions vacant and filling only those positions deemed critical by the Chief Justice. • Reduced operating expenses.
Courts of Appeal	\$ (2,163,000)	<ul style="list-style-type: none"> • Utilizing new and increased appellate filing fee revenues authorized pursuant to Senate Bill 1021 (Stats. 2012, ch.41) and Assembly Bill 110 (stats. 2011, ch. 193) to offset reductions to the Courts of Appeal. • Reduced personal services expenditures by holding positions vacant and filling only those positions deemed critical by a court's Administrative Presiding Justice.
Administrative Office of the Courts	\$ (1,063,000)	<ul style="list-style-type: none"> • Reduced workforce through layoffs.
Judicial Branch Facility Program	\$ (40,000)	<ul style="list-style-type: none"> • Reduced operating expenses and equipment.
Habeas Corpus Resource Center	\$ (220,000)	<ul style="list-style-type: none"> • Aggressively targeted operating expenses, including off-site storage, scanning, library, temporary and contract employee, telephone, and information technology expenditures. • Reduced personal services expenditures by holding positions vacant. • Reduced case expenditures, thereby reducing or eliminating key portions of the program, including the ability to take new capital habeas corpus appointments and provide training to private counsel.

