



JUDICIAL COUNCIL OF CALIFORNIA

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MR. MARTIN HOSHINO
Administrative Director,
Judicial Council

June 12, 2015

Ms. Diane F. Boyer-Vine
Legislative Counsel
State Capitol, Room 3021
Sacramento, California 95814

Mr. Daniel Alvarez
Secretary of the Senate
State Capitol, Room 400
Sacramento, California 95814

Mr. E. Dotson Wilson
Chief Clerk of the Assembly
State Capitol, Room 3196
Sacramento, California 95814

*Re: Report on Judicial Council Pilot Program on Health Care
Expenditures for Construction Employees from October 2010 to
July 2013, as required under Government Code section 70371.9*

Dear Ms. Boyer-Vine, Mr. Alvarez, and Mr. Wilson:

The Judicial Council respectfully submits this report to the Legislature in accordance with Government Code section 70371.9.

Upon enactment of Senate Bill 857 (Stats. 2010, ch. 720), Judicial Council staff selected three capital-outlay projects of the Judicial Branch Courthouse Construction Program meeting the estimated construction cost criteria to implement the pilot program during the time frame specified by the statute (October 19, 2010, to July 1, 2013) as follows: Santa Clara–New Santa Clara Family Justice Center, with estimated construction costs in excess of \$200 million; Sonoma–New Santa Rosa Criminal Courthouse, with estimated construction costs between \$100–\$200 million; and Los Angeles–New Southeast Los Angeles Courthouse, with estimated construction costs between \$75–\$100 million.

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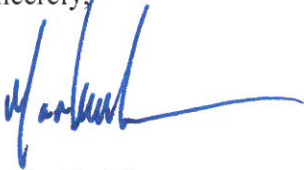
With regard to the Santa Clara–New Santa Clara Family Justice Center, Judicial Council staff has required the project’s Construction Manager at Risk, as well as subcontractors with bids in excess of \$500,000, to pay the employee health care expenditures for their construction field employees. Such subcontractors were verified for a period of six months preceding contract award showing that their aggregate California employee health care expenditures were equal to at least 6.5 percent of their aggregate California social security wages. Also, the project’s Construction Manager at Risk, which had been advertised and shortlisted prior to the enactment of the statute, has continued to pay prevailing wages, which results in employee health care expenditures equal to at least 6.5 percent of their aggregate California social security wages. This project is currently under construction and expected to complete in the first quarter of 2016.

Because of the redirection of funds from the construction program’s Immediate and Critical Needs Account from fiscal years 2009–2010 through 2013–2014, the Sonoma–New Santa Rosa Criminal Courthouse and the Los Angeles–New Southeast Los Angeles Courthouse projects were delayed in starting in design phases, with the latter of these projects placed on indefinite-delay status since January 2013. The courthouse project for the Superior Court of Sonoma County has just started its Preliminary Plans phase.

In summary, Judicial Council staff proceeded with the pilot program but has not concluded construction on any of the selected projects due to the reasons outlined above.

If you have questions related to this report, please contact Mr. William J. Guerin, Director of the Judicial Council’s Capital Program, at 415-865-7510 or william.guerin@jud.ca.gov.

Sincerely,



Martin Hoshino
Administrative Director
Judicial Council of California

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MH/CM

cc: Ms. Margie Estrada, Policy Consultant, Office of Senate President pro Tempore Kevin de León

Ms. Fredericka McGee, Special Assistant to Assembly Speaker Toni G. Atkins
Ms. Anita Lee, Senior Fiscal and Policy Analyst, Legislative Analyst's Office
Ms. Tina McGee, Executive Secretary, Legislative Analyst's Office
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Ms. Tiffany Garcia, Program Budget Analyst, Department of Finance
Mr. Jason Haas, Program Budget Analyst, Department of Finance
Ms. Peggy Collins, Principal Consultant, Joint Legislative Budget Committee
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Mr. Benjamin Palmer, Chief Counsel, Senate Judiciary Committee
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