

JUDICIAL BRANCH

The Judicial Branch consists of the Supreme Court, courts of appeal, trial courts, and the Judicial Council. The trial courts are funded with a combination of funding from the General Fund, county maintenance-of-effort requirements, fines, fees, and other charges. All other portions of the Judicial Branch receive most of its funding from the General Fund. The Budget includes total funding of \$3.3 billion (\$1.3 billion General Fund and \$2 billion other funds) in 2014-15 for the Judicial Branch, of which \$2.5 billion is provided to support trial court operations.

In 1998, California voters passed a constitutional amendment that provided for voluntary unification of the superior and municipal courts in each county into a single, countywide trial court system. By 2001, all 58 counties had voted to unify their municipal and superior court operations. This was the culmination of over a decade of preparation and work to improve court coordination and the uniformity of access to justice. The Trial Court Funding Act of 1997 (Act) consolidated the costs of operating California's trial courts at the state level. The Act was based on the premise that state funding of court operations was necessary to provide uniform standards and procedures, economies of scale, and structural efficiency to the court system and an improved, uniform, and more equitable court system would follow. The Act created a state-funded trial court system and capped county contributions, providing that the state assume responsibility for growth in the costs of court operations. Prior to state funding, many small courts were in financial crisis and needed emergency state funding to keep their doors open. Since then, the state has increased funding considerably to support trial court operations and the Judicial Branch as a whole.

During the recession, like every area of state government, General Fund support for the Judicial Branch was reduced; however, for the Judicial Branch, the state mitigated the impact of the reductions through increased user fees, the redirection of various special funds, and through the expenditure of trial court reserves. See Figure JUD-01. During the fiscal crisis, some trial courts were forced to reduce service hours, furlough and lay off employees, and close courtrooms, while other courts were able to provide salary increases and did not have to close courtrooms. The disparity in how trial courts handled the reductions highlighted the need for a comprehensive evaluation of the state’s progress in achieving the goals outlined in the Act.

Figure JUD-01
Judicial Branch Expenditures
(Dollars in Thousands)

Judicial Branch Expenditures by Program	2007-08 Actual	2012-13 Actual	2013-14 Estimated	2014-15 Governor's Budget
Supreme Court	\$44,397	\$42,678	44,262	44,927
Courts of Appeal	200,706	202,020	207,824	211,211
Judicial Council	130,396	134,775	141,528	140,943
Habeas Corpus Resource Center	12,553	12,617	13,775	13,964
Facility Program	(49,965)	(195,105)	(266,771)	(331,637)
<i>Staff and OE&E</i>	22,634	25,951	31,202	30,791
<i>Trial Court Facility Expenses</i>	27,331	169,154	235,569	300,846
Trial Courts	3,288,873	2,237,495	2,442,708	2,531,164
Total	\$3,726,890	\$2,824,690	\$3,116,868	\$3,273,846
Adjustments to Trial Courts	\$3,288,873	\$2,237,495	\$2,442,708	\$2,531,164
<i>Trial Court Facility Expenses</i>	\$27,331	\$169,154	\$235,569	\$300,846
<i>Use of Local Reserves</i>		402,000	264,000	
Sub-total, Trial Courts	\$3,316,204	\$2,808,649	\$2,942,277	\$2,832,010
<i>Trial Court Security Costs</i> ¹	-444,901			
Adjusted Total, Trial Courts	\$2,871,303	\$2,808,649	\$2,942,277	\$2,832,010

¹ For comparison purposes, court security costs for 2007-08 are removed from trial court expenditure totals due to the realignment of court security costs beginning in 2011-12.

TRIAL COURT FUNDING WORKGROUP

In 2012, the Governor and the Chief Justice announced the Trial Court Funding Workgroup to evaluate the Judicial Branch’s progress in meeting the goal of equal access to justice. Recently, the Judicial Council adopted an updated resource assessment model to help determine the relative funding needs of the trial courts and implemented the workload-based allocation and funding methodology, which allocates funds to trial courts

on a workload basis and provides flexibility in allocating funds to courts with specific workload needs. In addition to the workload-based allocation and funding methodology, the Workgroup found that the Judicial Council should identify and implement efficiencies and best practices more uniformly and adopt appropriate measures to assess improvements.

TRIAL COURT RESERVE POLICY

In a time of declining resources, the accumulation of large individual local reserves is inconsistent with the Act's goal of a state-funded system where the Judicial Council provides statewide oversight. The 2012 Budget Act revised the trial court reserve policy and limited trial courts to a 1-percent reserve by June 30, 2014. Prior to the change in the reserve policy, some trial courts were maintaining and even increasing their reserves. The 2013 Budget Act included further refinements of the 1-percent reserve policy that provided tools for the Judicial Council to manage the operations of the trial courts. Going forward, reserve funds for the trial courts will be held at the state level. This allows the Judicial Council to set statewide priorities and allocate reserve funds for the benefit of the trial court system as a whole. The state reserve is available to address cash flow issues and provide a contingency fund for unforeseen emergencies.

2014-15 BUDGET

Over the last two years, the state has relied heavily on the use of one-time reserves to mitigate reductions that would have impaired the courts. The state expected that the trial courts would use the extra time the reserves afforded to take actions to operationalize ongoing reductions. The Administration recognizes that 2014-15 will be a challenging year for the trial courts as the one-time mitigation measures will have been exhausted. The Administration is committed to ongoing solvency of the state budget, which requires changing business as usual and implementing ongoing efficiencies within the Judicial Branch.

The Administration recognizes that, like the rest of state government, the Judicial Branch has growing costs related to employee retirement, health care, and other areas. The Budget recognizes these costs and provides an augmentation of \$100 million General Fund to support trial court operations and \$5 million General Fund to support the state judiciary, but like the rest of state government these costs must be managed. The Administration has worked with state employee groups to require current employees to contribute approximately half of the normal retirement costs, pursuant to the Public Employees' Pension Reform Act of 2013. In contrast, the Judicial Branch still has many court employees who do not contribute towards their retirement costs.

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One of the key issues for the Judicial Branch will be how it uses technology to increase efficiency. The State Trial Court Improvement and Modernization Fund was established to fund statewide improvement and efficiency projects. As the Judicial Branch begins to develop and identify a long-term statewide technology plan, the Administration will work collaboratively with the Judicial Council to develop a sustainable and comprehensive funding plan that furthers the goals of the Act and benefits trial courts and the users of the courts.

The Judicial Branch must continue to implement uniform standards, employee compensation changes, and operational efficiencies with the goal of increasing access to justice.