

# 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 General Fund, county maintenance-of-effort requirements, fines, fees, and other charges. Other levels of the Judicial Branch receive most of their funding from the General Fund. The Budget includes total funding of \$4.1 billion (\$2.1 billion General Fund and \$2 billion other funds) in 2021-22 for the Judicial Branch, of which \$2.2 billion is provided to support trial court operations. The Judicial Council is responsible for managing the resources of the Judicial Branch.

Three important historical events led to the current trial court system. First, the Trial Court Funding Act of 1997 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 more uniform standards and procedures, economies of scale, structural efficiency, and access for the public. Second, California voters passed a constitutional amendment in 1998 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. Third, the Trial Court Facilities Act of 2002 transferred responsibility and ownership of court facilities from counties to the state.

The 2020 Budget Act included a \$200 million ongoing General Fund reduction for the Judicial Branch (\$176.9 million for the trial courts and \$23.1 million for the State Level Judiciary). The Judicial Branch has implemented various cost saving measures to achieve these reductions, including furloughs and employee compensation reductions,

limited court closures, operating cost reductions, and reengineering court processes to create efficiencies. Even with these reductions, the Judicial Branch has continued to adjust operations to provide Californians with access to justice.

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### **MAINTAINING ACCESS TO JUSTICE DURING COVID-19**

The Judicial Branch has had to radically change its operations to protect the public from the spread of COVID-19 while also maintaining access to justice. Actions taken by the Judicial Council and all levels of court administration include extending court deadlines, suspending jury trials, using technology to conduct proceedings remotely, and suspending evictions and foreclosures. These actions have resulted in more limited operations while the courts modified processes and procedures to adapt to the pandemic, and in some instances, resulted in periods of courtroom or courthouse closures.

These changes have delayed normal court operations. To maintain timely access to justice in the trial courts and to help courts address impacts of the disruptions caused by the pandemic, the Budget includes \$72.2 million ongoing General Fund, which represents an overall increase of 3.7 percent compared to the 2020 Budget Act. This funding will assist courts in continuing to provide fair and timely access to justice, including taking actions to continue making modifications to improve court processes. This funding will also support the courts' efforts to implement recently enacted legislation.

Self-help centers are especially critical since the pandemic has exacerbated issues accessing justice for low-income Californians. The Budget includes \$19.1 million ongoing General Fund for the trial courts to continue providing self-help services for unrepresented litigants.

The Budget also includes \$11.7 million one-time General Fund in 2020-21 for the trial courts to process the anticipated increase in unlawful detainer and small claims filings resulting from Chapter 37, Statutes of 2020 (AB 3088). AB 3088 provided relief to tenants and landlords by, among other things, delaying the date trial courts could process unlawful detainers to February 1, 2021, and allowing landlords to recover unpaid rental debt through small claims court until February 1, 2025. This will result in a significant increase in workload for the trial courts beginning in 2020-21 and additional resources are necessary to address this workload. The Administration proposes that the Legislature take action on this funding early in 2021.

## **PANDEMIC EARLY DISPOSITION CALENDAR PROGRAM**

Due to the COVID-19 Pandemic, many courts are significantly delayed in processing criminal cases in which the defendant has been arraigned but there has been minimal progress toward case resolution through plea or trial. The Chief Justice initiated a program to provide more timely adjudication of criminal cases during the COVID-19 Pandemic, making temporary assigned judges available to conduct readiness conferences or cover matters for local trial court judges assigned to these conferences. Readiness conferences provide an opportunity to discuss potential resolutions, such as a plea bargain, before going to trial. While the program is not mandated, for courts that implement a readiness conference program, defendants would be required to appear, either through counsel or by the defendant if self-represented. Conferences could take place in person or through remote appearance by leveraging the technologies and processes implemented during the pandemic.

To build on the Chief Justice's efforts, the Administration plans to work with the Legislature and the Judicial Council to establish a Pandemic Early Disposition Calendar Program, creating an opportunity for certain defendants to be eligible for diversion. Consideration could be given to dismiss charges for defendants who have no violations or new charges while participating in a diversion program. This program is intended to maintain public safety, reduce the number of pending criminal cases within the trial courts, and provide victims and offenders more timely resolution.

## **REDUCING CRIMINAL FINES AND FEES FOR LOW INCOME CALIFORNIANS**

Chapter 92, Statutes of 2020 (AB 1869) eliminated the ability of state and local agencies to impose certain administrative fees for criminal offenses, such as fees imposed to recover costs related to providing public defense and probation supervision, commencing July 1, 2021.

Over the past two decades, the state has substantially increased fines, fees, assessments, and surcharges levied on individuals convicted of criminal offenses to generate funding for specific state and local programs and services. The Judicial Council estimates these fines and fees generated approximately \$1.2 billion in revenue in 2019-20.

Recognizing the financial hardship these increased fines and fees have created for low-income individuals, the 2018 Budget Act included \$3.4 million General Fund for the Judicial Council to implement an eight-court pilot program to allow indigent and low-income individuals to apply online to have their fines and fees from traffic

infractions reduced in accordance with their ability to pay. Currently, six courts have implemented the pilot program, which reduces fines and fees for eligible participants by at least 50 percent and allows them to make payments over a period of time.

The Budget includes \$12.3 million General Fund in 2021-22, increasing to \$58.4 million ongoing General Fund by 2024-25, to expand this program statewide and incorporate both traffic and non-traffic infractions. The ongoing costs include \$2.7 million to implement an online application system and \$55.7 million to backfill the estimated loss in revenue to support trial court operations as a result of the penalty reductions. The Judicial Council will implement this program on a phased schedule, with several courts joining each year.

Expanding the online ability to pay program statewide provides targeted relief for low-income individuals while maintaining accountability. Furthermore, it maintains judicial discretion and uses technology to allow for the online adjudication of infractions which makes trial courts more efficient and equitable.

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### **OTHER SIGNIFICANT ADJUSTMENTS**

The Budget also includes the following for the Judicial Branch:

- Trial Court Trust Fund Revenue Backfill—\$118.3 million total General Fund to continue backfilling the Trial Court Trust Fund for a decline in revenues expected in 2021-22.
- Facility Operations and Maintenance—\$53.5 million ongoing General Fund to support maintenance, utility, and lease costs for trial court and the Courts of Appeal facilities.
- Trial Court Employee Benefit Adjustment—\$39.1 million ongoing General Fund for trial court employee health benefit and retirement costs.
- Deferred Maintenance—\$30 million one-time General Fund in 2021-22 to support deferred maintenance projects for trial courts and the Courts of Appeal.
- Trial Court Facility Modifications—\$18.9 million General Fund in 2021-22 and \$48.8 million in 2022-23 to make facility modifications in two trial courts in Orange and San Diego Counties to correct deficiencies identified by the State Fire Marshal and mitigate public safety risks for court users.
- Construction Fund Consolidation—The Budget combines the Immediate and Critical Needs Account (ICNA) and the State Court Facilities Construction Fund (SCFCF), which are the primary fund sources for the Judicial Branch facilities program. Due to

the steady decline in fine and fee revenue, both funds are currently projected to become insolvent in the next few years. Therefore, the Budget consolidates the ICNA and SCFCF to allow for the resulting fund to remain solvent in 2021-22, and for the Judicial Council to maintain existing service levels for its facilities program.

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