

Current Status of Trial Court Construction Program



Continued Decline in Fine and Fee Revenue for Court Construction

- The major sources of revenue that support the state's trial court construction is civil and criminal fines and fees.
- The amount of such revenue has declined over the past ten years and is expected to decline in the future.



Insufficient Revenue to Pay Existing Debt Service for Completed Projects

- Absent any changes in revenues or existing ongoing expenditures from the state's construction accounts, there is likely to be insufficient revenue to pay existing debt service for the 26 court projects that have been completed to date.
- Accordingly, additional General Fund resources—potentially ranging from \$90 million to \$140 million annually for about 15 years—will likely be needed to pay this debt service.



No Long-Term Plan for Funding 139 Remaining Planned Projects

- The judicial branch originally planned on completing 27 additional projects. Due to a lack of revenue, 11 of these projects were never initiated and 16 projects have been put on hold. In addition, there are 112 other projects that were identified by the Judicial Council as of 2008 but were never initiated.
- Currently, it is unclear how future projects will be funded.



Remaining 139 Trial Court Projects by Priority Need

County	Immediate	Critical	High	Medium	Low	Total
Alameda			1		1	2
Colusa					1	1
Contra Costa	1					1
Del Norte			1			1
El Dorado		1				1
Fresno	3			2		5
Glenn		1				1
Humboldt			1	3		4
Imperial	1	1				2
Inyo		2				2
Kern	2	2	2			6
Lake	1	1				2
Los Angeles	3	2	7	12	4	28
Marin				1		1
Mariposa			1			1
Mendocino		1				1
Merced				1		1
Modoc			1			1
Mono			1			1
Monterey	1		1		1	3
Napa				1		1
Nevada		1	1			2
Orange				1	1	2
Placer	1			1	1	3
Plumas		1				1
Riverside	3	3	2	2	2	12
Sacramento	1	1			2	4
San Bernardino	1	1	2	1		5
San Diego		2	2	1	1	6
San Francisco			1		2	3
San Joaquin	1					1
San Luis Obispo		1	1			2
San Mateo				2	1	3



Remaining 139 Trial Court Projects by Priority Need

(Continued)

County	Immediate	Critical	High	Medium	Low	Total
Santa Barbara	1	2	1	1		5
Santa Clara		1	1	1		3
Santa Cruz			1			1
Shasta	1					1
Sierra		1				1
Siskiyou				1		1
Solano		2	1			3
Sonoma	2	1				3
Stanislaus	1	1	2			4
Trinity				1		1
Tulare	1				1	2
Tuolumne		1				1
Ventura	1			1		2
Yuba			1			1
Totals	26	30	32	33	18	139

(In Millions)

Courthouse Project	Amount Spent to Date on Pre-Construction Activities	Construction Cost
Glenn—Renovation and Addition to Willows Courthouse	\$6.0	\$38.3
Imperial—New El Centro Courthouse	6.0	41.9
Riverside—New Indio Juvenile and Family Courthouse	7.2	45.3
Riverside—New Mid-County Civil Courthouse	4.1	75.8
Sacramento—New Sacramento County Courthouse	23.3	459.8
Shasta—New Redding Courthouse	15.4	138.8
Siskiyou—New Yreka Courthouse	8.3	59.2
Sonoma—New Santa Rosa Criminal Courthouse	10.8	160.7
Stanislaus—New Modesto Courthouse	16.2	237.2
Tuolumne—New Sonora Courthouse	5.6	57.7
Totals	\$103.0	\$1,314.8

- \$1.3 Billion in Lease Revenue Bonds Backed by General Fund.** The administration proposes selling \$1.3 billion in lease revenue bonds backed by the General Fund instead of the trial court construction funds to finance the construction of ten specific projects. The annual debt service on these bonds is estimated to total about \$102 million annually for nearly 25 years for a cumulative total of \$2.4 billion.
- \$32.2 Million From Construction Accounts.** The administration proposes \$32.2 million from the trial court construction accounts for three projects to complete pre-construction design activities so that they can move into construction in 2019-20.

Senate and Assembly Plans

- Both Houses Approved Governor's Funding Level.*** Both houses approved \$1.3 billion in lease revenue bonds backed by the General Fund and \$32.2 million from the trial court construction account for pre-construction design activities, as proposed by the Governor.

- Senate Funds Specific Projects, Assembly Requires Reassessment Prior to Funding Specific Projects.*** The Senate approved the ten projects identified by the administration. However, the Assembly provides funding for unspecified projects which the Legislature would select after a reassessment of immediate, critical, and high-need projects, based on more evaluation criteria than previously used by the Judicial Council.

- Senate Plan Requires Broader Assessment and Fund Condition Statements.*** The Senate also adopted trailer bill language that requires Judicial Council to submit a reassessment of *all* trial court facility needs (immediate, critical, high, medium, and low need) in the future. The Senate Plan also requires the submission of a long-term fund condition statement every time a capital outlay proposal is submitted to the Legislature.

- Approve the overall funding level of \$1.3 billion in lease revenue bonds that both houses adopted.
- Approve Assembly's approach to require a reassessment of the immediate, critical, and high-need projects before the Legislature allocates funds to specific projects, in order to ensure that high priority projects are funded.
- Approve Senate's trailer bill language related to requiring long-term fund condition statements, as this would help ensure sufficient funds are available before new projects are approved.
- Modify Senate's trailer bill language to require a reassessment of only the medium and low need projects in the future, given our above recommendation to adopt the Assembly's reassessment of the immediate, critical, and high-need projects.