

# Overview of the Judicial Branch Budget

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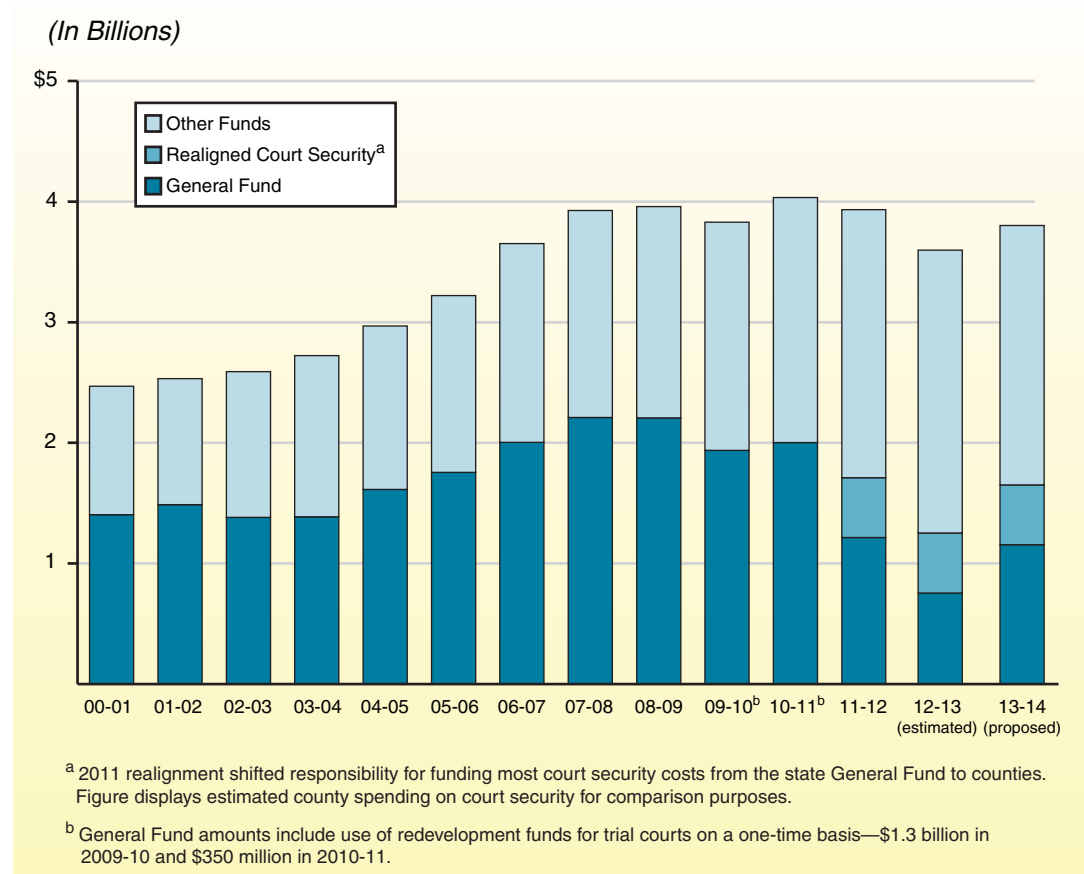
LEGISLATIVE ANALYST'S OFFICE

Presented to:  
Senate Budget Subcommittee No. 5  
On Corrections, Public Safety and the Judiciary  
Hon. Loni Hancock, Chair





## Total Judicial Branch Funding Since 2000-01



- Total funding for the judicial branch peaked in 2010-11 at roughly \$4 billion but has declined somewhat in more recent years.
  
- Due to the state’s fiscal situation, the judicial branch received a series of General Fund reductions from 2008-09 through 2012-13. Much of these General Fund reductions have been offset by increased funding from alternative sources, such as special fund transfers and fee increases.



## Total Judicial Branch Funding Since 2000-01 (Continued)

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- The Governor's proposed budget does not include any new General Fund reductions for the branch in 2013-14. Under the Governor's budget, General Fund support of the judicial branch will be about 30 percent in 2013-14.
  
- The Governor's budget also reflects the continued implementation of a new reserves policy enacted in 2012-13, which limits the ability of trial courts to carry over unspent funds from prior years.



## Courts Must Absorb Additional \$243 Million In Ongoing Reductions by 2014-15

Trial Courts Budget Through 2014-15							
<i>(In Millions)</i>							
	2008-09	2009-10	2010-11	2011-12	2012-13 (Estimated)	2013-14 (Budgeted)	2014-15 (Estimated)
<b>General Fund Reductions</b>							
One-time reduction	-\$92	-\$100	-\$30	—	-\$418	—	—
Ongoing reductions (cumulative)	—	-261	-286	-606	-724	-\$724	-\$724
<b>Total Reductions</b>	<b>-\$92</b>	<b>-\$361</b>	<b>-\$316</b>	<b>-606</b>	<b>-1,142</b>	<b>-724</b>	<b>-724</b>
<b>Solutions to Address Reduction</b>							
Construction fund transfers	—	\$25	\$98	\$213	\$299	\$55	\$55
Other special fund transfers	—	110	62	89	102	52	52
Trial court reserves	—	—	—	—	385	200	—
Increased fines and fees	—	18	66	71	121	121	121
Statewide programmatic changes	—	18	14	19	21	48	48
<b>Total Solutions</b>	<b>—</b>	<b>\$171</b>	<b>\$240</b>	<b>\$392</b>	<b>\$928</b>	<b>\$476</b>	<b>\$276</b>
<b>Reductions Allocated to the Trial Courts<sup>a</sup></b>	<b>\$92</b>	<b>\$190</b>	<b>\$76</b>	<b>\$214</b>	<b>\$214</b>	<b>\$248</b>	<b>\$448</b>

<sup>a</sup> Addressed using various actions taken by individual trial courts, such as the implementation of furlough days and reduced clerk hours, as well as use of reserves (separate from those required by budget language or Judicial Council).

- The Governor's proposed 2013-14 budget maintains ongoing General Fund reductions to the trial courts from prior years totaling \$724 million.
- The Governor's proposed budget identifies \$476 million in solutions to offset the ongoing reductions. This leaves \$248 million in reductions that trial courts will have to absorb, an increase of \$34 million compared to 2012-13.
- By 2014-15, the total ongoing reductions allocated to the trial courts increases to an estimated \$448 million—an increase of an additional \$200 million compared to the amount for the budget year. This growth reflects reduced availability of trial court reserves to offset ongoing reductions.



## Issues for Legislative Consideration

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### **Implementation of Prior-Year Budget Reductions to Trial Courts**

- Absent legislative action, trial courts will likely expand upon operational actions taken in the past to meet past budget reductions. Some of these actions have resulted in reduced public access to court services.
- Given the magnitude of additional reductions which must be addressed by 2014-15, the Legislature will want to (1) establish its own priorities for how the budget reductions will be implemented by the judicial branch and (2) determine whether to minimize further impacts to court users by providing additional offsetting resources on a one-time or ongoing basis (such as by enacting statutory changes to reduce court operating costs).



### **Trial Court Reserves Policy**

- As part of the 2012-13 budget package, the Legislature approved legislation to (1) create a statewide reserve consisting of 2 percent of funds appropriated for trial court operations beginning in 2012-13 and (2) limit individual trial court reserves to 1 percent of their prior-year operating budgets beginning in 2014-15.
- This new reserves policy presents unintended financial and operational challenges which require new judicial branch policies and procedures. These include how to address cash shortfalls and fund projects traditionally supported using reserves. The administration plans to propose trailer bill language which is intended to address some of these challenges.